

Monthly Factsheet

28 February 2023

Fund Managers - Invesco Real Estate Team

Invesco Real Estate (IRE), a global real estate investment manager, invests in direct property and publicly-traded real estate securities, and has an investment track record of over 35 years.

Fund facts at a glance

Asset class

Global property

Objective¹

The Fund aims to provide an average annual gross total return in line with that of a dedicated global core real estate portfolio, while maintaining a significant allocation to liquid assets to ensure the overall fund is more liquid than a dedicated core real estate portfolio

Management style

Core/global property

Benchmark

The fund is not managed against a benchmark

Time horizon

5-7 years

Distribution frequency

Quarterly

Inception date

11/9/2019

Minimum investment

\$20,000

MER/ICR

1.30%

Buy/Sell Spread

0.15%/0.15%

APIR Code

GTU5547AU

Fund performance analysis (periods to 28 February 2023)

Net performance

Periods	Fund %
1 month	1.61
3 months	0.80
6 months	-2.17
1 year	1.35
2 years p.a.	6.91
3 years p.a.	-0.28
Calendar year to date	1.31
Financial year to date	-1.70
Since inception p.a.	1.26

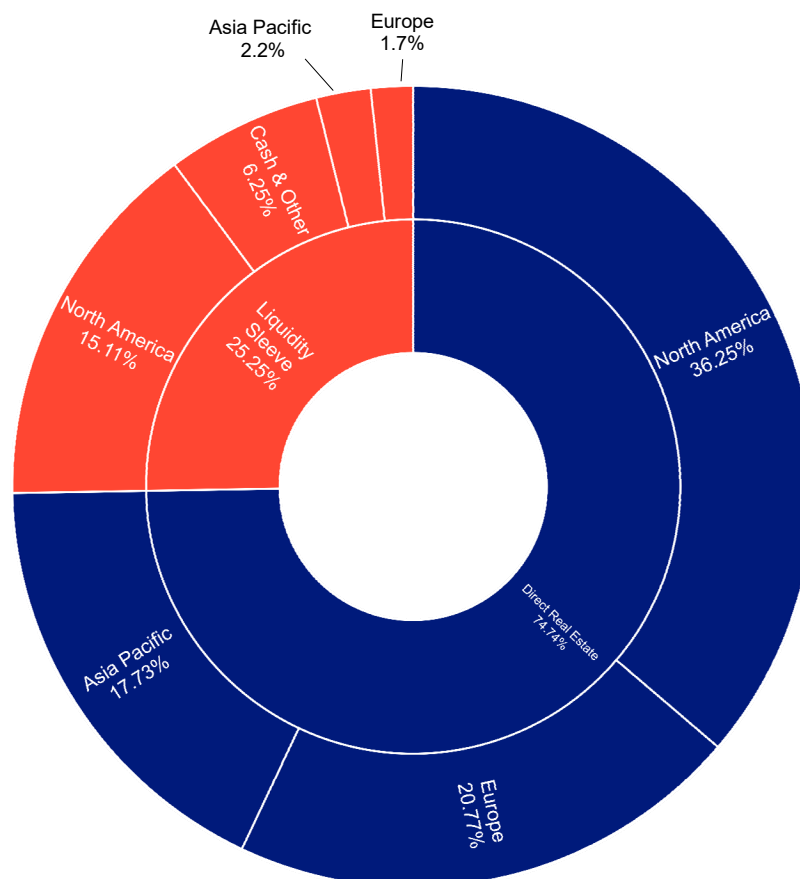
The Fund returns are shown after ongoing fees and assumes reinvestment of income. Past returns are not a reliable indicator of future returns. Future returns may be affected by a range of factors including economic and market influences.

Assets under management

	A\$m
Fund AUM:	45.84
Strategy AUM:	32,600.78

Fund analysis (as at 28 February 2023)

The data below is based on the underlying portfolio, i.e. the underlying Funds, into which the Invesco Global Real Estate Fund directly invests.



Monthly commentary

Performance commentary

Gross total returns for the month of February were positive in AUD. Listed real estate produced a negative gross total return in February. Equity positioning was the main negative contributor to listed real estate performance, and the overall fixed income performance was also negative during the month of February.

Asset allocation review

The Fund's allocation to direct real estate was approximately 75% as at 28 February. The 25% liquidity sleeve allocation at month end was split as approximately 9% to listed real estate and approximately 6% to cash-like investments.

Outlook - Listed Real Estate

The Global REIT market delivered negative returns during February (measured from February 1, 2023 - February 28, 2023) with performance, as reported by the FTSE EPRA Nareit Developed Index of -4.37%. The US REIT Preferred market had negative performance as reported by the FTSE Nareit Preferred Stock Index at -5.21%. For the month of February, the US CMBS market outperformed US REIT Preferred as reported by the Barclays US Aggregate CMBS Total Return Index at -1.87%. High inflation numbers continue to frustrate key central bank policy makers and as such, may drive more interest rate rises than capital markets have hereto anticipated. Underlying economic releases across key economies have been mixed in quality, but measures of labor market strength and core inflation have not convincingly weakened. This has driven fixed income yields higher and reversed the risk appetite seen in capital markets in prior months.

Listed real estate offered negative performance and tended to underperform general equity indices. Weakest performance was notable from Hong Kong and higher leveraged European real estate. Among US REITs, manufactured housing, office, and healthcare offered weakest performance. February saw significant year-end earnings reporting. REITs have generally shown resilient occupancy and top line revenue growth. However, REITs with refinancing needs or unhedged cost of debt have begun to show the negative impact of interest rate increases in their earnings.

Global real estate capital value (IFRS: net asset value) declines have been reported, but for the most part do not yet reflect realistic valuations as private real estate investment transactions remain scant amid rapid interest rate rises. Listed real estate ends the period trading on average at a discount to net asset value, this reflects anticipated further net asset value declines during 2023.

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Notes

¹Invesco does not guarantee that the Fund will achieve its objective.

Important information

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