

Performance analysis (periods to 31 July 2022)

Net performance

Periods	Fund %
1 month	0.23
3 months	0.14
6 months	1.85
1 year	6.14
2 years p.a.	7.31
Financial year to date	0.23
Calendar year to date	3.33
Since inception p.a.	2.20

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. From 1 September 2021 the fund implemented a partial hedging against the USD, moving to a target hedging ratio of approximately 50%.

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.

Assets under management

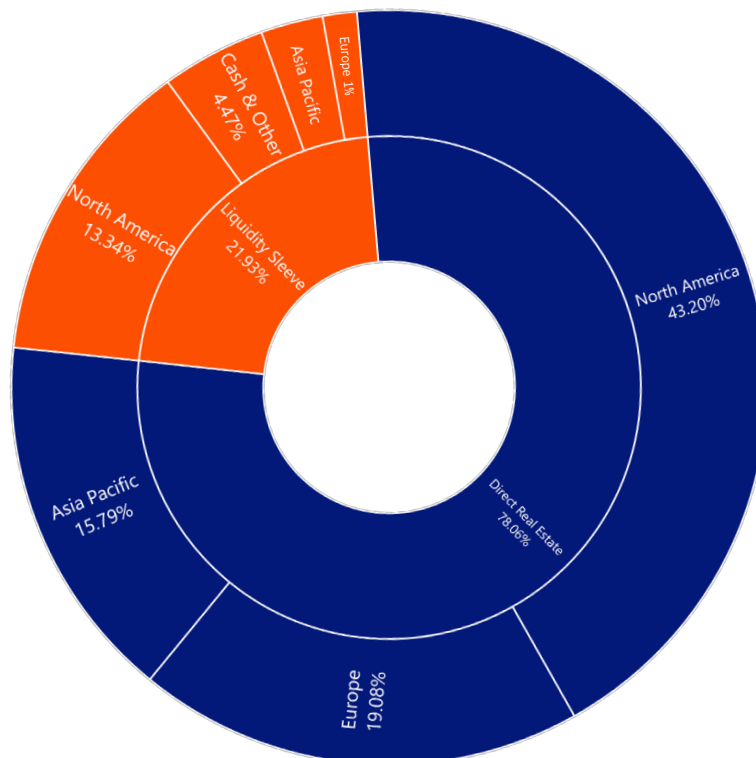
	A\$m
Fund AUM:	45.39
Underlying funds and strategy AUM*:	31,787.88

*AUM is of the underlying funds which are all as of 31 March 2022 with the USD/AUD exchange rate as at 30 June 2022. The exception is that of the Invesco Global Income Real Estate Securities fund which is the AUM as of 30 June 2022.

Fund analysis (as at 31 July 2022)

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

Region allocation



Fund facts at a glance

Asset class

Global property

Management style

Core, 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.

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

Monthly commentary

Performance review

Gross total returns for the month of July were 0.34% in AUD, and approximately 1.2% in USD, mainly driven by the positive performance from listed real estate holdings. While direct real estate holdings produced strong local currency returns for the quarter, currency headwinds offset much of the real estate appreciation, resulting in more muted return contribution in USD. Listed real estate produced a gross total return of 5.7% in July as the market rallied during the month, capping off the best month of the year so far. Common equity positioning was the main positive contributor to listed real estate performance, and the overall fixed income performance was also positive during the month of July.

The USD depreciated approximately 1.7% versus the AUD in July. On the YTD and trailing 12 months basis, the USD appreciated by around 4.0% and 5.4%, respectively. As of July 31st, the Fund's ownership split between the unhedged and hedged share classes remained at roughly 50/50.

Asset allocation review

During the month of July, total inflows were AUD \$1.4m (USD \$0.9m) and there were no outflows. The Fund's allocation to direct real estate was around 78% as at 31st July. The 22% liquidity sleeve allocation at month end was split around 17% to listed real estate and 5% to cash-like investments. Including the uncalled commitment from last quarter (USD \$1.5m), the Fund's pro forma allocation to the direct real estate holdings was around 83% at month end.

Outlook - Listed real estate

The Global REIT market delivered positive returns during July (measured from July 1, 2022 - July 31, 2022) with performance, as reported by the FTSE EPRA Nareit Developed Index of 7.99% on a USD basis. The US REIT Preferred market had positive performance as reported by the FTSE Nareit Preferred Stock Index at 6.69% on a USD basis. For the month of July, the US CMBS market underperformed US REIT Preferreds as reported by the Barclays US Aggregate CMBS Total Return Index at 1.82% on a USD basis.

Inflation levels remain elevated and central banks continue to raise interest rates to moderate demand. The impact of rate rises is being seen mostly clearly in the US, which has now seen two consecutive quarters of negative economic growth. In the capital markets, poor economic data has been greeted with enthusiasm in July as markets speculate that the magnitude of required interest rate rises may undershoot implied market expectations. Listed real estate has performed well in July, reflecting the sharp fall in global risk-free rates. Performance has been led by real estate in Sweden, France and Australia. Mid-year financial reporting for REITs has reflected a positive period for earnings, but real estate valuers have yet to reflect any material devaluation of assets because of materially changed risk free rates. Global listed real estate ends the period trading at a discount to underlying average net asset values.

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



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Important Information

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