Invesco Global Real Estate Fund - Class A
Monthly Report

31 January 2021

Performance analysis (periods to 31 January 2021)

Net performance

Periods	Fund %
1 month	1.91
3 months	-3.71
6 months	-1.13
1 year	-11.71
Financial year to date	-5.40
Calendar year to date	1.91
Since inception p.a.	-6.26

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:	13.93
Underlying funds and strategy AUM*:	24,226.40

*AUM is of the underlying funds which are all as of 31st December 2020 with the USD/AUD exchange rate as at 29th January 2021. The exception is that of the Invesco Global Income Real Estate Securities fund which is the AUM as of 31st January 2021.

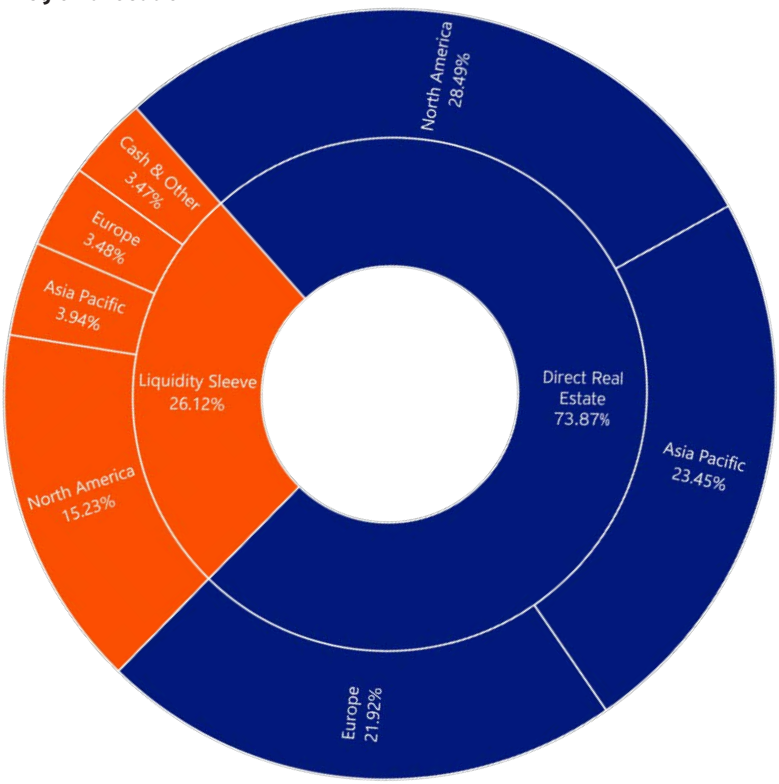
Fund Managers

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 analysis (as at 31 January 2021)

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



Invesco

Fund facts at a glance

Asset class
Global property

Management style
Core, global property

Objective[1]
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
1.45%

Buy/Sell Spread
0.15%/0.15%

APIR code
GTU5547AU

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

Monthly commentary

Performance review
The fund (AUD unhedged) produced a net total AUD return of 1.91% in December and -6.26% since inception.

Returns for the month were driven by favourable direct real estate returns reported for Q4 2020 and recognised within the Fund in January. Gross total quarterly returns for direct real estate were 4.74%, which comprised of an income return of 1.03% and an appreciation return of 3.71%. Total returns were positive across all regions, and currency tailwinds significantly lifted USD returns for holdings in Europe and Asia Pacific. Listed real estate investments traded down slightly for the month (-0.67%). Listed real estate equities were the largest detractors from performance and the US was the largest detractor by region. The USD was down just a touch vs. the AUD in January (-0.2%), and is down -12.9% over the past year. Currency impacts continue to be by far the largest negative detractor from AUD returns.

Asset allocation review
The Fund began the month with an allocation of 62% to direct real estate and rose to 74% by month end due to an additional investment made into direct real estate mid-month, and offset by modest inflows into the Fund for the month. At month end, the liquidity sleeve allocation of 26% was split; 23% to listed real estate and 3% to cash-like investments.

Outlook – Listed real estate
The Global REIT market delivered negative returns during January with the FTSE EPRA Nareit Developed Index reporting returns of -0.78% on a USD basis. The US REIT preferred and US CMBS markets also reported modestly negative returns of -0.23% and -0.03% as reported by the Wells Fargo Hybrid & Preferred Securities REIT Index and Barclays US Aggregate CMBS Total Return Index, respectively, on a USD basis.

For most of the world, economic progress remains stunted by COVID-19 lockdown measures, with diminished consumption and confidence metrics reflected in recent data. However, progress in vaccine distribution has been promising in several key economies. This is offering more confidence that a burst of re-opening activity followed by a growth acceleration is likely. In the meantime, prospects for stimulus remain positive, with large US stimulus measures expected this spring. Capital market conditions are healthy. Equity capital issuance is available for companies with growth opportunities. Debt markets have been attractively priced and widely available, even for REITs experiencing challenging fundamental conditions. February will offer significant insight into REITs year-end earnings, asset values and management views on market prospects.

Contact

Email: **AU.enquiries@invesco.com**
Website: **www.invesco.com.au**
Tel: **1800 917 495**

Important Information

This document has been prepared by Invesco Australia Ltd (Invesco) ABN 48 001 693 232, Australian Financial Services Licence number 239916, who can be contacted on freecall 1800 813 500, by email to info@au.invesco.com, or by writing to GPO Box 231, Melbourne, Victoria, 3001. You can also visit our website at www.invesco.com.au

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