Listed Property
TAMIM Property Fund

At 31 March 2023

The Tamim Listed Property unit class delivered a -4.19% return for the month of March 2023. For comparison the A-REIT sector was down -6.93% while the G-REIT sector fared better and was down -2.54%.

Australian Listed REIT Portfolio (AUD)

The A-REIT market moved in line with the global REIT market for most of the month. G-REITs were in the red by ~6.5% up to 28 March 2023 after which it recovered by ~4% to be down only 2.44%. The A-REIT market however did not bounce back.

Stockland (SGP – Diversified) was the only stock in the Portfolio that produced a positive return of 3.65% for the month. Our top three holdings (VCX, GMG & NSR) which accumulates to almost a quarter of the portfolio all performed better than the A-REIT market during March.

The second-best performing stock (which was our best performer last month) and our third biggest holding at 7.51% was National Storage REIT (NSR) which delivered -0.34% for the month. NSR is in the storage sector which is generally a defensive sector during turbulent market conditions. The stock has delivered a total return of 104% over the last 5 years, compared to the 26% return of the A-REIT market. NSR announced a trading halt on 22 March to conduct a capital raise program consisting of a $300m share placement and a $25m share purchase plan for retail investors. The stock dropped more than 5% on re-opening but has since recovered to above the pre-market halt price.

Various stocks from different sectors of the A-REIT market were down over 10% for the month. Our worst performing stock was Charter Hall Group (CHC - Diversified) which delivered a negative 17.36%. This specific name was however up 25.7% YTD to the middle of February 2023. Most of the stock is held by institutional investors which has driven stock prices down from the company's latest results released in the middle February. From the results for 1H23, revenue is down 40% from 1H22. This impacted the EPS of AU$0.48 compared to AU$1.14 1H22. The revenue outlook is not promising with a decline of 8.1% per annum expected on average for the next 3 years.

The RBA raised the cash rate in March by 25bps as expected, taking the rate up to 3.60%. There is some talk of the rate being kept at this level in the next meeting in April. After 10 straight hikes in a row, this would be the first pause since the tightening cycle started in May 2022. The monthly CPI data is pointing to a peak being reached after a total of 3.50% rise in rates, the sharpest annual tightening since 1989. There is a fair way to go to bring inflation back to the 2-3% target range with the current data for February showing it is sitting at 6.8% after peaking at 8.4% in December 2022.

Key Facts

Investment Structure:	Unlisted unit trust
Minimum investment:	A$100,000
Applications:	Monthly
Redemptions:	Monthly, with 30 days notice
Unit pricing frequency:	Monthly
Distribution frequency:	Quarterly
Management fee:	0.98% p.a.
Lock up period:	Nil
Buy/Sell Spread:	+0.25%/-0.25%
Exit fee:	Nil
Administration & expense recovery fee:	Up to 0.25%

NAV (cum distribution)

	Buy Price	Mid Price	Redemption Price
AU$	$0.8583	$0.8561	$0.8540

December Quarter 2022 Distribution: 0.61 cents

Portfolio Performance

Inception: 12/7/2021	1 m	6 m	12 m	Since inception (p.a.)
Listed Property	-4.19%	3.69%	-11.55%	-5.65%
A-REIT	-6.93%	8.04%	-19.02%	-9.42%
G-REIT	-2.54%	3.19%	-11.16%	-1.54%
Cash	0.30%	1.54%	2.11%	1.29%

The current Australian portfolio component consists of 22 stocks. Below are the top 5 holdings:

Symbol	Company	Sector	Current Weight
VCX	Vicinity Centres	Retail	8.39%
GMG	Goodman Group	Industrial	8.28%
NSR	National Storage REIT	Storage	7.51%
SCG	Scentre Group	Retail	6.97%
GPT	GPT Group	Diversified	6.86%

Note: Portfolio returns are quoted net of fees. Returns shown for longer than 1 year (other than "Since inception (total)") are annualised. The information provided in this factsheet is intended for general use only. The information presented does not take into account the investment objectives, financial situation and advisory needs of any particular person nor does the information provided constitute investment advice. Under no circumstances should investments be based solely on the information herein. Please consider our Information Memorandum and Services Guide before investing in any of our products. Past performance is no guarantee of future returns. Returns displayed in this document are unaudited. For wholesale and sophisticated investors only. Cash refers to the return on the RBA cash rate. A-REIT refers to S&P/ASX200 REIT index. G-REIT refers to GPR 250 REIT World Index.

Listed Property
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At 31 March 2023

Reitway Global Property Portfolio (USD)

TMarch brought about eerie echoes from the subprime mortgage crisis. Despite what turmoil could have ensued, the market reaction was relatively well contained with the Fed erecting a backstop for depositors' monies and pushing rhetoric of banking sector soundness and resilience. Paired with a new prospect of rate cuts coming as soon as July 2023, the market sketched perfect Vs on most major indices' price charts.

The GPR 250 REIT World Index was unfortunately one of those left behind, clawing back only 5.8% of the 9% lost and thereby ending the month down 3.2% (2.54% in AUD terms). The index is back to trading in the 1240 - 1300 band it had momentarily escaped earlier in the year. The concern over tenants unable to meet their fixed obligations once banks start to tighten their credit belts and REITs ability to rollover maturing debt is likely the main drivers of this sluggish performance. This is more a risk to the wider sector than to our potfolio as we have always favoured REITs with robust balance sheets and quality tenant bases.

Data centers performed the best among REIT peers—producing a return of 2.1%, while office was the worst performing sector, delivering -10.5%. Office coming in at the bottom was due to a large portion of banks making up their tenant bases and the sector's above average leverage. Of the continents in the GPR 250 World Index, Asia was the best performing region, producing -1.7%, and Europe the worst performing, producing -12%. The European number was driven by the abysmal performance of German residential that has been ailing from dividend cuts, high leverage, and asset dispositions in a challenging transaction market.

On March 10, Silicon Valley Bank (SVB) became the second largest bank in US history to fail when a bank run, driven by the announcement of financial stress and warnings by prominent Silicon Valley investors, caused its collapse and swift seizure by the Federal Deposit Insurance Corporation. Panic quickly spread to Signature Bank, causing its failure and closure by regulators to contain the panic. Within two days after the SVB debacle, Signature Bank had become the third largest bank in US history to have failed.

Credit Suisse's chronicle of deterioration finally came to an end when the chairman of its biggest investor, Saudi National Bank, answered the question of whether the bank would provide any further liquidity to Credit Suisse if the situation warranted it with a market jerking "ABSOLUTELY NOT." The share price went into freefall after that, prompting a $54 billion bailout by the Swiss National Bank that never quite cut the mustard for investors. Three days later it was announced that UBS would acquire Credit Suisse for $3.25 billion. It was reported that once the takeover is complete, 20-30% of workforce layoffs will ensue, equating to up to 36,000 jobs.

The Fed's response to SVB and Signature's collapse, and potential repercussions thereof, was to keep the dot plot from December basically unchanged. The terminal rate in market pricing dropped 50 bps from 5.6% to 5.1% when the Fed said they would step back from hiking rates to first assess the banking sector's response to the crisis in terms of a potential change in lending standards. Financial market participants put the equivalence of such tightening at anything between 25-125 bps in rate hikes.

There were some interesting economic developments. US GDP data went down a path of negative revisions, shaving 30 bps from its preliminary figure to end on 2.6% for Q4 2022. Jobless claims remained sub 200k, pointing to continued labour market tightness. Services PMI remained in expansionary territory at 55.1 while the goods sector continued to trail at 47.7. US job openings remained north of 10m and 311k jobs were added. Core CPI m/m came in at 0.5% and core PCE m/m at 0.3%.

Core Japan CPI made a big U-turn from 3.1% the month before to 2.7%—the first time the print came in lower than its predecessor reading since February 2022.

Australia CPI continued its steep downward movement to 6.8% from 7.4%.

China put in two beats on its services PMI, flying high at 58.2 while manufacturing PMI at 51.9 has been a laggard owing to a slowing global economy.

In these highly uncertain times with a recession still looming, we reiterate our preference for hybrid companies that possess both offensive and defensive characteristics, as well as our positioning in companies with quality tenant bases and robust balance sheets.

The Tamim global property portion invested in the Reitway Global Property Portfolio currently consists of 47 stocks. Below are the top 5 holdings:

Symbol	Company	Sector	Current Weight
PLD	Prologis	Industrial	9.34%
WELL	Welltower Inc.	Healthcare	3.87%
PSA	Public Storage	Storage	3.74%
VICI	Vici Properties	Gaming	3.45%
REXR	Rexford Industrial Realty	Industrial	3.04%

We believe real estate fundamentals remain sound and remain steadfast in our belief that the asset class can post meaningful returns relative to stocks and bonds, even against a slower-growth, higherinflation backdrop, particularly as valuations remain attractive.