CBRE Global Property Securities Fund

CBRE Investment Management

June 2025

Fund Description

The Fund is an actively managed fund investing in a portfolio of 60-90 global real estate equity securities across a range of geographic and economic sectors.

Investment strategy

The Fund uses a multi-step investment process that combines top-down region and sector allocation (determined through a systematic evaluation of listed and direct property market trends and conditions) with bottom-up stock selection (driven by proprietary analytical techniques to conduct fundamental company analysis).

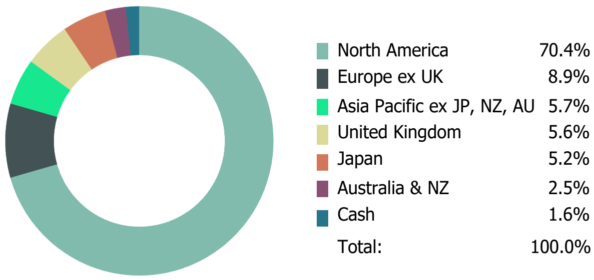
Investment objective

The Fund aims to outperform the FTSE EPRA/NAREIT Developed Rental Net Return Index (AUD Hedged) (after management fees and costs) over rolling three-year periods.

Fund Information

Inception date	31/07/2006
Fund size	A$286m
Management Fee	0.90% pa
Minimum initial investment	$50,000
Distributions	Semi-annually
Typical number of holdings	60 to 90
Buy/sell spread	+/- 0.25%
Currency management	Hedged
APIR code	HML0016AU

Investment portfolio (%)



Top 10 positions by stock

Name	Country	Portfolio Weight (%)
Welltower Inc	United States	8.27
Equinix Inc.	United States	6.53
Realty Income	United States	4.84
Simon Property Group Inc	United States	3.66
VICI Properties Inc	United States	3.66
Digital Realty Trust	United States	3.64
Regency Centers	United States	2.64
Prologis	United States	2.52
EastGroup Properties	United States	2.48
Invitation Homes Inc.	United States	2.20

Top 5 overweight by stocks

Name	Country	Active Weight (%)
Welltower Inc	United States	2.13
EastGroup Properties	United States	1.96
Regency Centers	United States	1.86
Equinix Inc.	United States	1.80
Realty Income	United States	1.70

Top 5 underweight by stocks

Name	Country	Active Weight (%)
Prologis	United States	(3.43)
Public Storage	United States	(2.83)
Avalonbay Communities	United States	(1.77)
Ventas Inc	United States	(1.68)
Equity Residential	United States	(1.56)

Fund net performance

Class A

	1 Month	3 Months	1 Year	3 Years p.a.	5 Years p.a.	7 Years p.a.	10 Years p.a.	Since Inception p.a. 31/07/2006
Fund Net Return	-0.04%	1.19%	7.03%	1.94%	5.40%	3.47%	4.09%	4.76%
Benchmark Return*	0.14%	1.69%	7.94%	1.52%	4.02%	1.21%	3.08%	3.99%
Active Return (After fees)	-0.18%	-0.50%	-0.91%	0.42%	1.38%	2.26%	1.01%	0.77%

*Due to benchmark changes across the period, the benchmark returns are blended for the since inception. With effect from 1 April 2012, the benchmark for the Fund changed from the UBS Global Real Estate Investors ex Australia Net Total Return Index (AUD Hedged) to UBS Global Real Estate Investors Net Return Index (AUD Hedged). With effect from 2 March 2015, the benchmark for the Fund changed to FTSE EPRA/NAREIT Developed Rental Net Return Index (AUD Hedged).

#The performance data presented herein pertains specifically to the Class A Fund month-end unit prices expressed in Australian Dollars. Net return of the Fund has been calculated after the deduction of management fees and operating costs. Please note that these figures do not factor in the potential tax obligations at an individual investor level. This is historical performance data. The value of an investment can rise and fall and past performance is not indicative of future performance. All figures disclosed within this report are net of GST and RITC. Investors are reminded to seek independent financial advice before making investment decisions based on this performance data.

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PERFORMANCE REVIEW

The CBRE Global Property Securities Fund (the Fund) declined 0.04% in June (AUD, hedged).

Global real estate stocks delivered positive performance for the month and the quarter. Markets navigated 'Liberation Day' and the associated concern of the impact of U.S. trade policy on global economic growth, a downgrade of U.S. debt by Moody's, and an escalation in military conflicts in the Middle East. Globally, central bank policy remains accommodative, especially in Europe and Asia ex-Japan, and investors have reacted favourably to recent rate cuts. Economic data have been mixed as, on average, inflation continues to moderate and GDP growth in most markets remains positive. Capital market conditions remain quite favourable for the listed companies, allowing companies to finance acquisitions at attractive rates and has also led to increased M&A activity, primarily in Europe.

North America

The Americas posted the poorest regional performance for the quarter, with the U.S. market delivering negative performance. The U.S. dollar weakened against most currencies during the quarter. The appeal of U.S. investments has diminished as the result of trade policies and the Moody's downgrade. The U.S. Fed continues its 'wait and see' approach, leaving rates unchanged as it continues to monitor conditions on the inflation and labour fronts.

Asia-Pacific

A reduction in trade tensions between the U.S. and China catalysed a rally in the region as all markets advanced during the quarter. Hong Kong was the best-performing market, benefiting from the improving trade landscape as well as a positive 1Q25 GDP release that came in ahead of market expectations.

Europe

Europe delivered the strongest regional performance for the quarter, benefiting from a broad-based rally as lower interest rates are acting as a tailwind to the sector. The European Central Bank and the Bank of England both eased during the quarter. M&A activity picked up on the Continent and the U.K. Notable activity included the merger of healthcare landlords Aedifica and Cofinimmo, creating the largest healthcare REIT in Europe. In the U.K., industrial REIT LondonMetric agreed to acquire U.K. competitor Urban Logistics in a stock and cash offer.

PORTFOLIO POSITIONING

The portfolio narrowly outperformed the benchmark for the quarter as stock selection and sector allocation were slightly positive. From a regional standpoint, positioning in the Americas and Asia-Pacific added value but was overshadowed by relative underperformance in the Europe region.

Americas

Positioning in the region contributed to relative performance for the quarter as stock selection and sector allocation were positive. Stock selection in the U.S. healthcare and U.S. self storage sectors were the top contributors to relative performance as not holding a position in underperforming life-sciences play Alexandria Real Estate was the top contributor. Sector allocation benefited from underweights to the underperforming residential sector.

Asia-Pacific

Absolute performance was positive across all markets in the region. Relative performance in the region was additive for the quarter with overall contribution from an overweight to the outperforming Singapore and Hong Kong market were a notable contributors for the quarter. Australia stock selection was positive for the quarter, driven by positioning in Goodman Group and Charter Hall Group.

Europe

The region delivered the strongest absolute performance although relative performance lagged as we did not own enough of the best-performing names, primarily on the Continent where companies that finance operations via floating rate debt were the strongest performers. In the U.K., stock selection and sector allocation benefited performance, led by overweights to outperformers LondonMetric (industrial) and Land Securities (diversified).

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MARKET OUTLOOK

CBRE IM believes we are at the beginning of a new cycle for listed real estate, which remains discounted and capital advantaged.

CBRE IM estimates that REITs are trading at a discount to its assessment of private market values and to broad equities while earnings are accelerating, and believes the listed markets can perform in a range-bound yield environment and benefit further if central banks gradually moderate target rates. CBRE IM believes a combination of strong dividend yields, discounted valuations, and accelerating earnings set REITs up for a period of accelerated returns.

In addition, high occupancies, long-duration leases and staggered lease terms support earnings stability, a differentiating factor to broad equities. Balance sheets and leverage levels for the public companies are in a position of strength relative to history, and projected earnings growth is set to accelerate to 4% in 2025.

Further Information

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