CBRE Global Property Securities Fund

July 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).

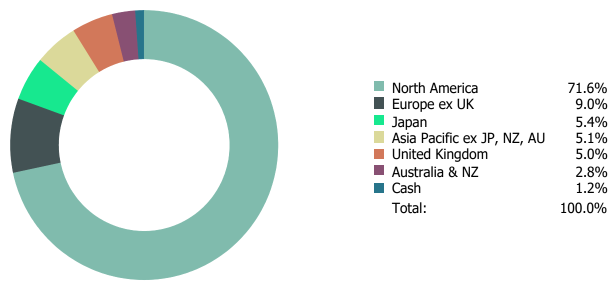
Investment objective

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$283m
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	9.78
Equinix Inc.	United States	6.65
Realty Income	United States	4.81
VICI Properties Inc	United States	4.10
Simon Property Group Inc	United States	3.73
Digital Realty Trust	United States	3.54
Prologis	United States	3.12
Regency Centers	United States	2.57
EastGroup Properties	United States	2.51
Stag Industrial Inc	United States	2.36

Top 5 overweight by stocks

Name	Country	Active Weight (%)
Welltower Inc	United States	3.15
VICI Properties Inc	United States	2.00
EastGroup Properties	United States	2.00
Stag Industrial Inc	United States	1.98
Equinix Inc.	United States	1.94

Top 5 underweight by stocks

Name	Country	Active Weight (%)
Prologis	United States	(2.99)
Public Storage	United States	(2.66)
Ventas Inc	United States	(1.82)
Avalonbay Communities	United States	(1.64)
Equity Residential	United States	(1.48)

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	-0.24%	2.25%	1.29%	-0.85%	4.81%	3.35%	3.53%	4.72%
Benchmark Return*	-0.49%	1.94%	1.63%	-1.27%	3.52%	1.00%	2.49%	3.94%
Active Return (After fees)	0.25%	0.31%	-0.34%	0.42%	1.29%	2.35%	1.04%	0.78%

*Due to benchmark changes across the period, the benchmark returns are blended for the Fund 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.

CBRE Global Property Securities Fund

CBRE Investment Management

July 2025

PERFORMANCE REVIEW*

The CBRE Global Property Securities Fund (the Fund) declined 0.24% (net) in July (AUD, hedged).

Global real estate stocks were down slightly in July but returns remain positive year-to-date. Economic releases continue to provide evidence that global economic growth remains positive and has not been materially impacted by trade negotiations with the U.S. Meanwhile, central banks are shifting to a 'wait and see' approach, working to balance inflationary pressures against a less-certain economic landscape. Listed real estate continues to trade at attractive discounts to underlying property values and at significantly lower earnings multiples as compared to broad market equities. From a fundamental standpoint, second quarter earnings season is mostly complete and REIT earnings so far have seen approximately 65% of reporters beat Q2 2025 consensus expectations.

North America

- The Americas posted modestly negative returns. Q2 2025 earnings season has mostly exceeded analyst estimates. The U.S. healthcare, shopping centres, and net lease sectors delivered some of the best earnings results, while the storage and residential sectors lagged.
- The U.S. economy grew an annualised 3% in Q2 2025, rebounding from a 0.5% contraction in Q1, and beating expectations of a 2.4%rise, according to the advance estimate.
- The U.S. Federal Reserve continued its 'wait and see' approach, leaving rates unchanged for a fifth-straight meeting.

Asia-Pacific

- The Asia-Pacific region delivered the highest return in July as performance was positive across all markets in the region.
- Hong Kong was the best-performing market, benefiting from the initial Q2 2025 GDP report which came in at 3.1% year-on-year (YoY), compared to Q1 2025 growth of 3% YoY. The Q2 2025 growth was supported by strong exports and improved domestic demand.
- In Japan, the Bank of Japan (BOJ) decided to maintain its short-term interest rate at 0.5% in July despite upward revisions to

Europe

- Europe REITs posted the poorest regional return in July, following strong recent performance. U.K. returns lagged the Continent during the month.
- GDP in the Euro Area expanded 1.4% in Q2 2025, slightly lower than 1.5% in Q1 but beating market expectations of 1.2%, according to the preliminary estimate. The European Central Bank (ECB) forecasts the Eurozone economy to grow by 0.9% this year, though US tariffs could have a greater-than-expected impact.

PORTFOLIO POSITIONING

The Fund outperformed the benchmark for the month as positive stock selection was marginally offset by sub-par sector allocation. From a regional standpoint, relative performance in Americas, Continental Europe and the Asia-Pacific region was positive, while relative performance in the U.K. was a detractor from relative performance.

Americas

Positioning in the region was additive to relative performance driven by stock selection, only modestly offset by negative sector allocation. Stock selection in the U.S. healthcare, net lease and residential sectors were the top contributors for the month. Sector allocation benefited from an underweight to the underperforming residential sector but was offset by the drag from an underweight to the outperforming healthcare sector.

Asia-Pacific

Relative performance in the region was positive, led by positioning in Japan where stock selection added value during the month driven by an overweight to a Japan Hotel REIT (Hotels) and a Japan Metropolitan Fund (diversified). Positioning in Hong Kong was also a modest contributor. From an absolute perspective, Hong Kong was the strongest performing market for the month.

Europe

Positioning on the Continent was the bright spot for the month as stock selection and sector allocation benefited relative performance. This was due to the outperformance of retail names (Unibail, Klepierre, Carmila and Mercialys). In the U.K., stock selection and sector allocation were each negative in July.

^The commentary overview is reflective of the FTSE EPRA Nareit Developed Net (Local) Index as of 31/07/2025. Market review is intended to be broad which could lead to deviations from the actual index. Index performance reflects the reinvestment of earnings and gains but does not reflect the deduction of any fees or expenses, which would reduce returns. An index is unmanaged and not available for direct investment. Past performance is no guarantee of future results.

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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.

Compelling valuations

- CBRE IM estimates that REITs are trading at a discount to our assessment of private market values and to broad equities while earnings are accelerating.
- CBRE IM 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; CBRE IM believes a new cycle for listed real estate returns remains ahead.

Fundamentals remain solid

- High occupancies, long-duration leases and staggered lease terms support earnings stability, a differentiating factor to broad equities.
- Higher construction costs support a healthy supply vs. demand dynamic.
- Balance sheets and leverage levels for the public companies are in a position of strength relative to history. CBRE IM projects earnings growth to accelerate to over 4% in 2025.

Poised for growth

- As private market asset owners manage the upcoming wall of debt maturities, CBRE IM expects more sellers of assets coming to market.
- Despite tighter lending standards overall, REITs have demonstrated access to capital not available to private real estate investors.
- Accretive acquisitions have increased as REITs have access to capital as well as a cost of capital advantage compared with private market investors

Further Information

Phone 1800 940 599

Email clientservices@channelcapital.com.au

Web channelcapital.com.au