Global Property Fund

► Focused. Transparent. Quality.

March 2025 update | ISIN for Class C USD: IE00BD9Y5201

MARKETING COMMUNICATION

MONTHLY PORTFOLIO UPDATE

Our investment approach

- We allocate capital actively across countries, sectors and companies.
- We conduct intense scrutiny of the underlying real estate held by each company.
- We recognise that real estate is cyclical and capital intensive and believe that management skill is critical.
- The portfolio is constructed in an approach that is high conviction and agnostic.

Portfolio management team

Andrew Parsons

30+ years experience

Marco Colantonio

30+ years experience

Robert Promisel

30+ years experience

Julian Campbell-Wood

21 years experience

In this monthly note, we share the Fund's return drivers over recent periods, current portfolio positioning and put the spotlight on a stock in the portfolio.

Performance and markets

The FTSE EPRA/NAREIT Developed Index (USD) produced a total return of -2.3% for the month ended 31 March 2025. Performance was mixed across regions, with investors rotating out of the U.S. amid heightened economic uncertainty, driven by a wave of tariff announcements and softer-than-expected consumer data.

Singapore was the best performing REIT market, delivering a 5.2% return in local currency terms aided by its stable property outlook and declining rate expectations. On the other end of the spectrum, Continental Europe underperformed the global benchmark posting -5.6% returns with weakness driven predominantly by an upward shift in the yield curve. U.S. REITs returned -3.8% mirroring the broader weakness in U.S equities.

Most sectors posted negative returns during the month.

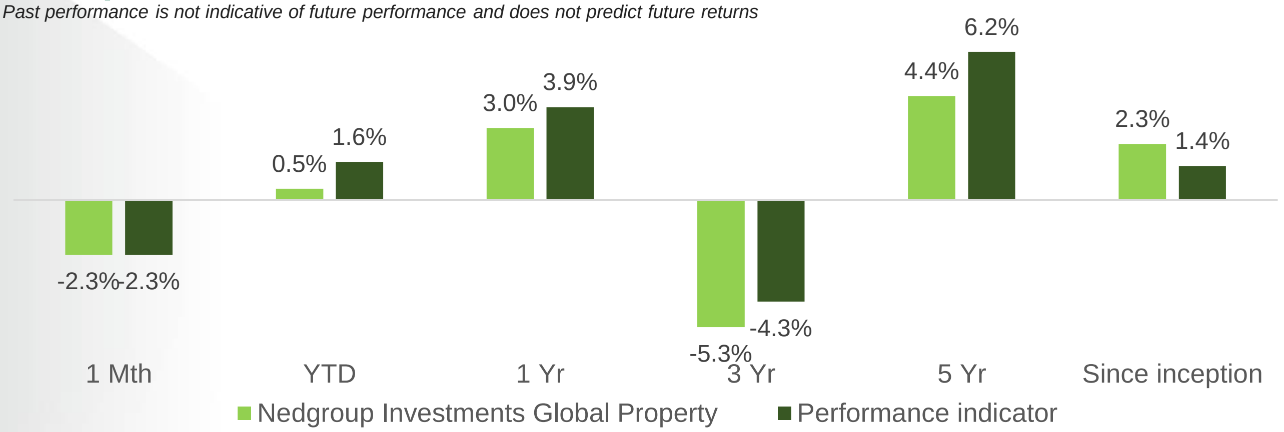
Data centres was the worst-performing, returning -9% in local currency terms, as investors grew concerned that aggressive development pipelines may outpace future AI-fuelled demand given developments in improving efficiency for AI workloads.

Industrial and logistics REITs also underperformed as volatile U.S. trade policy increases the risk that demand remains subdued as tenants pause to reassess operating requirements in the new regulatory environment.

The healthcare sector was a rare bright spot as senior housing fundamentals continue to be supported by the tight supply of senior housing options and strong demand from an aging population with projected double-digit compound annual net income (NOI) growth over the next 5 years.

Fund performance

Past performance is not indicative of future performance and does not predict future returns



Fund returns are US$ based on Class C (accumulation) since August 2016.
Performance indicator: FTSE EPRA Nareit Developed NR USD.
Source: Morningstar, Nedgroup Investments.

Key return drivers

Month to date

Contributors	Detractors
• UW Prologis – US industrial • Exposure to cash and equivalents • OW Mitsui Fudosan – Japan diversified • Nil Goodman Group – Australian industrial • Nil Vonovia – European residential	• OW Federal Realty – US retail • OW Equinix – US data centre • Nil Mitsubishi Estate – Japan office • Nil Realty Income – US retail • OW TAG Immobilien – European residential

OW – Overweight; UW – Underweight; Nil – zero exposure

Portfolio comments

Several notable transactions occurred this month. Welltower (WELL) acquired 38 luxury senior communities and 9 development parcels from Ontario Teachers' Pension Plan for C$4.6bn (US$3.2bn), representing 4% of its Gross Asset Value. The transaction priced below replacement cost, offers growth potential with seven properties in lease-up stage and seven under construction.

CareTrust (CTRE) acquired UK-listed Care REIT (CRT) for US$817m, comprising 138 care homes with a 7% yield. Shaftesbury Capital (SHC) sold a 25% stake in its Covent Garden portfolio to Norges for £660m, improving its balance sheet and is earnings accretive. These deals highlight the attractiveness of listed UK REITs trading at significant discounts to underlying asset values.

Segro (SGRO) and Pure Data Centres announced a £1bn data centre development in West London, with SGRO contributing £150m and expecting a 10% yield on cost. The fully fitted facility is expected to be pre-let to a hyperscale tenant. Landsec (LAND) sold Lakeside Retail Park for £114m, aligning with its strategy to recycle £800m of non-core assets over the next three years.

Frasers Centrepoint Trust (J69U) acquired the South Wing of Northpoint City mall for S$1.2bn, funded by a S$420m equity raise and debt. Enhancing operational efficiencies the transaction consolidates FCT's position as the largest owner and operator of shopping centres in Singapore.

Activist investor, Elliott Management built a stake in Sumitomo Realty (8830) engaging company management to improve shareholder value. This was followed by Sumitomo's press release announcing its 10-year plan to surpass ¥400bn in profit and invest extra ¥2.5tn (US$17bn) in Tokyo and Mumbai.

Portfolio positioning

Sector breakdown	Weight
Retail	20.6%
Healthcare	17.0%
Residential	16.1%
Diversified	14.0%
Data Centres	10.2%
Self Storage	7.1%
Industrial	5.2%
Cash	4.8%
Office	4.6%
Hotel	0.4%
Other	0.0%

Regional breakdown	Weight
US	59.8%
UK	11.4%
Europe	8.5%
Australia & NZ	6.3%
Japan	5.5%
Cash	4.8%
Hong Kong	2.4%
Singapore	1.4%
Other	0.0%
Canada	0.0%

Top Holdings	Sector	Weight
Welltower Inc	Healthcare	8.8%
Ventas Inc	Healthcare	6.4%
Equinix Inc	Data Centres	5.3%
Mitsui Fudosan	Diversified	4.5%
Equity Residential	Residential	4.3%
Kimco Realty Corp	Retail	4.0%
Digital Realty Trust Inc	Data Centres	4.0%
Scentre Group SCG	Retail	4.0%
Simon Property Group Inc	Retail	3.5%
Federal Realty Inv Trust	Retail	3.4%
Total		**48.2%**

Portfolio attributes	
Number of Securities	46
Implied Cap Rate	6.0%
Portfolio Occupancy	92.6%
Dividend Yield	3.9%
Forward FFO Multiple	18.3x
Net Debt/EBITDA Multiple	5.9x
Rental Income % of EBITDA	93.4%

As at 31st March 2025. Source: Resolution Capital, Nedgroup Investments.

Stock spotlight: Simon Property Group (SPG)

- SPG is a US domiciled retail property business that owns, develops, and manages premium shopping destinations globally. It is the largest owner of shopping malls in the US and is listed on the S&P 100.
- Founded in 1960 by brothers Melvin and Herbert Simon, the company has grown significantly, now owning an interest in over 230 properties worldwide. SPG also owns well-known brands, like Forever 21 and JCPenney, that align with their business and add value, generating billions in annual digital sales.
- In March, SPG announced the opening of its first Premium Outlets centre in Jakarta, Indonesia, which becomes the eighth country to feature the Premium Outlet brand. The international portfolio has demonstrated impressive growth, particularly in Japan and emerging Asia including Malaysia, Thailand, Korea, China and now Indonesia.
- Occupancy is 96%, sales are growing and rent growth is expected to be nearly 5%. The company possesses a strong and flexible balance sheet with low leverage and well-priced access to capital markets. SPG's financial position is further supported by a conservative dividend payout policy (~70% of AFFO), which enables the REIT to self-fund >US$1B of expenditure per annum.

Performance, contribution data and positioning information as of 31 March 2025. Some differences may exist due to rounding. Source: Resolution Capital, Nedgroup Investments.

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