

# Ironbark DWS Global Property Securities Fund

**BENCHMARK**

FTSE EPRA NAREIT Developed Rental Index (hedged to \$A, total return, net of withholding tax)

**OBJECTIVE**

Seeks to outperform its benchmark, after fees, over rolling three-year periods.

**APIR**

MGL0011AU

**ARSN**

110 908 506

**INCEPTION DATE**

20 October 2004

**FUND SIZE**

\$87.1m

**MANAGEMENT FEE**

1.1000% p.a.

**EXIT PRICE**

\$0.8984

**BUY / SELL SPREAD**

+0.30% / -0.30%

**Net performance (%)**

	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.
<b>Fund</b>	<b>1.30</b>	<b>-1.84</b>	<b>3.87</b>	<b>-4.70</b>	<b>-0.27</b>	<b>2.07</b>	<b>3.93</b>	<b>5.34</b>
Benchmark <sup>1</sup>	0.83	-1.56	3.59	-5.14	-1.75	0.69	3.00	5.21
Active	0.47	-0.28	0.28	0.44	1.48	1.38	0.93	0.13

**Top overweight stocks<sup>2</sup>**

Stock	Country
AvalonBay Communities	United States
CubeSmart	United States
Essex Property Trust	United States
Essential Properties Realty Trust	United States
Digital Realty Trust	United States

**Top underweight stocks<sup>2</sup>**

Stock	Country
Realty Income	United States
Extra Space Storage	United States
Equinix	United States
VICI Properties	United States
Equity Residential	United States

**Top 5 monthly contributors and detractors<sup>2</sup>**

Contributing stock	Country
Iron Mountain	United States
SL Green Realty	United States
Essential Properties Realty Trust	United States
AvalonBay Communities	United States
Digital Realty Trust	United States

Detracting stock	Country
NETSTREIT	United States
Ryman Hospitality Properties	United States
American Homes 4 Rent - Class A	United States
Omega Healthcare Investors	United States
Vonovia SE	Germany

**Top 5 quarterly contributors and detractors<sup>2</sup>**

Contributing stock	Country
Iron Mountain	United States
AvalonBay Communities	United States
SL Green Realty	United States
Digital Realty Trust	United States
Agree Realty	United States

Detracting stock	Country
Alexandria Real Estate Equities.	United States
NETSTREIT	United States
American Homes 4 Rent - Class A	United States
Vornado Realty Trust	United States
Weyerhaeuser Company	United States

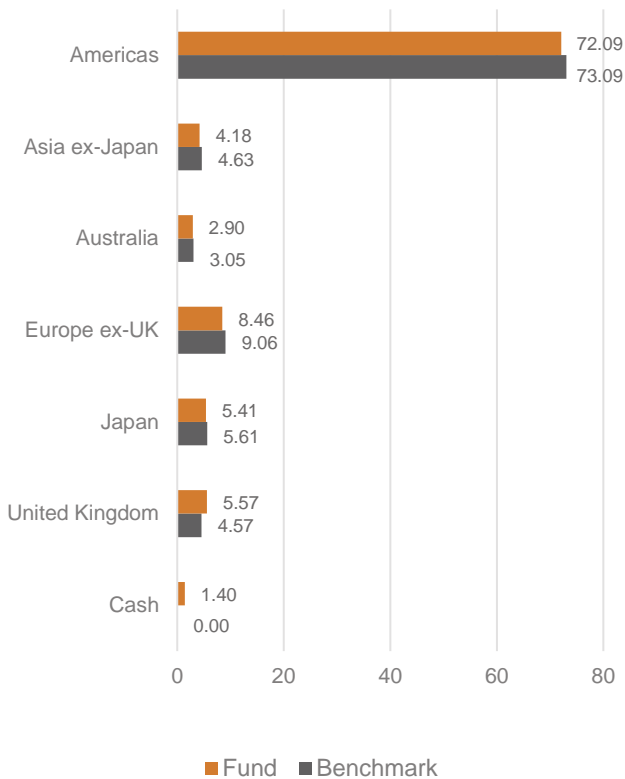
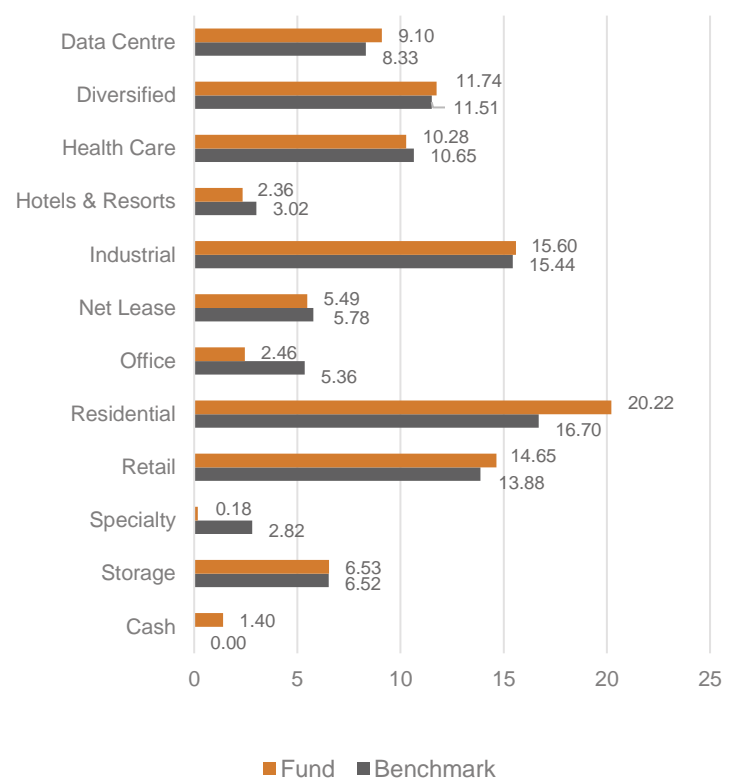
Past performance is not indicative of future performance. Net performance figures are calculated using exit prices, net of fees and reflect the annual reinvestment of distribution. Returns are rounded to two decimal places. Slight variations to actual calculations may occur.

<sup>1</sup>The FTSE EPRA NAREIT Developed Rental Index (TR, Net of WHT Hedged to AUD) was adopted as the Fund's benchmark on 1 February 2022. Benchmark calculations from 20 October 2004 to 31 January 2015 are based on the UBS Global Real Estate Investors Index (TR, Net of WHT Hedged to AUD) and benchmark calculations from 1 February 2015 to 31 January 2022 are based on the FTSE EPRA/NAREIT Developed Index (TR, Net of WHT Hedged to AUD).

<sup>2</sup>Regional and country allocation is based on country of listing.

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**Regional asset allocation (%)<sup>1</sup>**

**Sector asset allocation (%)<sup>1</sup>**


<sup>1</sup>Regional and country allocation is based on country of listing. Totals may not equal due to rounding.

**Market review**

Broadly speaking, the upward trajectory continued with the MSCI World Index hitting an all-time high in the process. In the US, a resilient economy, robust corporate earnings, AI fervor, and the potential start of rate cuts later in the year have helped propel equities higher. In the second quarter, the S&P 500 and Nasdaq both hit multiple record highs, while the disinflation trend appears to be picking up, after a slowdown earlier in the year. Outside the US, returns in Europe were dampened by added political risk, while strength in some Asian markets helped emerging market equities outpace developed markets in the second quarter.

Property stocks fell with weakness broad based. The UK held steady, followed by the Americas and Continental Europe which posted minor declines for the quarter. Losses were more pronounced in Asia Pacific with property stocks in Asia ex-Japan, and Japan closing well in negative territory.

**Performance review**

The Ironbark DWS Global Property Securities Fund (the 'Fund') returned -1.84% (net) for the quarter, underperforming the FTSE EPRA/NAREIT Developed Rental Index (hedged to \$A, net) return of -1.56% by -0.28%.

Overall, positive stock selection was balanced by negative allocation. Bucket allocation was positive in Continental Europe; however, this was more than offset by negative bucket allocation in the Americas. At the stock level, selection was positive in Continental Europe, and Asia ex-Japan, mixed in the Americas, and negative in Australia, Japan, and the United Kingdom.

**Americas performance review**

The Americas portion of the portfolio returned -1.1%, underperforming the local benchmark return of -0.7% (in local currency terms). Allocation wise, the leading negative contributors were the overweight to underperforming industrial and underweight to outperforming healthcare. Industrial leasing volume disappointed in the first quarter and occupancy recovery was pushed out to the fourth quarter, while Healthcare was boosted by strength in senior housing. Selection within data centers was particularly strong, namely, the bias toward Digital Realty which is benefitting from its position as the global data center leader to hyperscale and enterprise customers.

## Europe performance review

The Continental Europe portion of the portfolio returned -0.4%, outperforming the local benchmark return of -1.6% (in local currency terms), whilst the United Kingdom portion of the portfolio returned -0.3%, underperforming the local benchmark return of -0.0% (in local currency terms).

On the Continent, selection was positive within retail, office and residential. This was partially offset by the Nordics, namely the overweight to underperforming Swedish property stock Castellum AB. Despite the Swedish rate cut, office headwinds weighed. Meanwhile, in the UK positive selection within UK Large Caps was balanced by negative selection amongst UK Other.

## Asia performance review

The Asia ex-Japan portion of the portfolio returned -4.1%, outperforming the local benchmark return of -4.7% (in local currency terms), whilst the Japan portion of the portfolio returned -3.5%, underperforming the local benchmark return of -3.1% (in local currency terms).

In Asia ex-Japan, outperformance was driven by positive selection within Singapore REITs, namely the overweight to outperforming Data Center REIT, Keppel DC REIT. After a poor quarter one, Keppel found support due to structural drivers (AI, growth in digitalization) and signs of recovery at China data centers. Meanwhile, in Japan selection amongst the REITs had a minor negative impact.

## Australia performance review

The Australia portion of the portfolio returned -11.1%, underperforming the local benchmark return of -10.2% (in local currency terms). In Australia, selection amongst the Growth stocks was negative with the overweight to underperforming Mirvac Group the leading detractor. Mirvac provided a quarterly update which highlighted progress against full year objectives but showed risks remain to meet Financial Year 2024 guidance and de-risk future earnings.

## Market outlook

Heading into the second half of 2024, the investment manager still believes the US could avoid a recession but expect economic growth to slow. The timing of Federal cuts remains uncertain but will be at the forefront of investors' minds as they also shift more attention to the upcoming US presidential election and digest recent election results in Europe. Europe and other regions could continue cutting rates, leading to further divergence in currency, asset class, and regional equity market returns.

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