

# Global Property Securities Strategy Quarterly update

Our overarching objective is to deliver real estate-based returns through the cycle while preserving client capital. We invest into high quality urban infill assets in high barrier to entry markets in the world's most bustling cities through a highly diversified portfolio of listed REITs and property focused companies.

## First Sentier Investors

### Global Property Securities

- Global asset manager with \$157b\* of AUM, including \$1.4b invested into property securities strategies.
- Investment team includes 7 portfolio managers and 3 analysts, located in New York, London and Sydney.
- Average industry experience of 20 years across the team.

\*Assets under management is in USD terms as at 30 September 2020.

## Foundational strengths

- Strong performance track record.
- Geographically diverse team of experienced industry experts.
- Rigorous investment process underpinned by bottom-up research and stock selection.
- Active consideration of ESG risks.
- Extensive 'on the ground' research.

## Senior portfolio managers

### Continuity of 7+ years

Name	Managing Strategy Since	Industry Experience
Stephen Hayes	Sep 2012	25
Stuart Axelrod	Aug 2009	26
Tuan Pham	Nov 2012	25
Daniela Lungu	Oct 2012	24

### RISK FACTORS

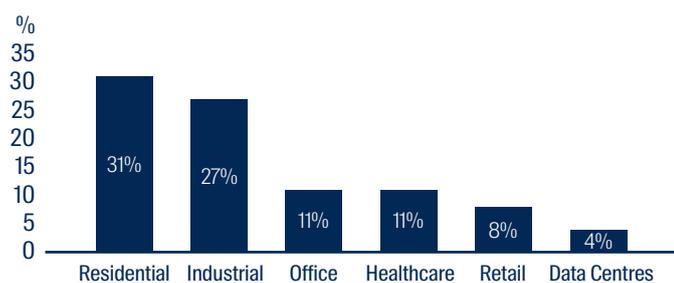
This is a financial promotion for The First Sentier Global Property Securities Strategy. This information is for professional clients only in the UK and EEA and elsewhere where lawful. Investing involves certain risks including:

- **The value of investments and any income from them may go down as well as up and are not guaranteed. Investors may get back significantly less than the original amount invested.**
- **Currency risk:** the Fund invests in assets which are denominated in other currencies; changes in exchange rates will affect the value of the Fund and could create losses. Currency control decisions made by governments could affect the value of the Fund's investments and could cause the Fund to defer or suspend redemptions of its shares.
- **Single sector risk:** investing in a single economic sector may be riskier than investing in a number of different sectors. Investing in a larger number of sectors helps to spread risk.
- **Single country / specific region risk:** investing in a single country or specific region may be riskier than investing in a number of different countries or regions. Investing in a larger number of countries or regions helps spread risk.
- **Charges to capital risk:** The fees and expenses may be charged against the capital property. Deducting expenses from capital reduces the potential for capital growth.
- **Property securities risk:** the Fund invests in the shares of companies that are involved in property (such as real estate investment trusts) rather than in property itself. The value of these investments may fluctuate more than the underlying property assets.
- **Emerging market risk:** Emerging markets tend to be more sensitive to economic and political conditions than developed markets. Other factors include greater liquidity risk, restrictions on investment or transfer of assets, failed/delayed settlement and difficulties valuing securities.

For a full description of the terms of investment and the risks please see the Prospectus and Key Investor Information Document for each Fund.

**If you are in any doubt as to the suitability of our funds for your investment needs, please seek investment advice.**

## Major Strategy\* Exposures



Source: First Sentier Investors as at 30 September 2020. \*Refers to the First Sentier Global Property Securities Fund (OEIC).

## Insight of the quarter

The threat that the ‘work from home’ (WFH) thematic poses for future office fundamentals has permeated markets since the onset of COVID-19, which may beg the question ... why does our strategy still have an 11% exposure to office buildings?

The sector is highly diverse and it’s important not to generalise.

Our largest exposure is to “A” grade suburban offices (6%), which are a likely beneficiary of decentralisation. We believe this trend could see tenants increasingly adopting ‘hub and spoke’ models by leasing high quality office buildings at lower occupancy costs closer to where workers live, in the suburbs and city fringes.

We also have exposure to medical offices and life science laboratories (2%). We believe these assets are very well placed given their essential nature, particularly amid heightened investment into healthcare systems.

The remainder is a small exposure to “A” grade Central Business District (CBD) high rise (2%) and low rise (1%) buildings, which will be affected to some degree by WFH headwinds.

However, current “A” grade suburban office valuations are compelling particularly as the polarisation between suburban and CBD based markets as decentralisation takes hold.

## First Sentier Global Real Estate Strategy Performance (% in GBP, net of fees and expenses\*)

Performance (%)	12 months to 30/09/2020	12 months to 30/09/2019	12 months to 30/09/2018	12 months to 30/09/2017	12 months to 30/09/2016
Global Real Estate Strategy**	-11.6	18.3	8.9	-2.9	25.0
FTSE EPRA/NAREIT Global Developed Net Index	-22.1	19.6	6.6	-2.6	33.9
<b>Active Performance</b>	<b>10.5</b>	<b>-1.3</b>	<b>2.2</b>	<b>-0.3</b>	<b>-8.9</b>

Performance (%) to 30 September 2020	3 mths	6 mths	CYTD	1 yr p.a.	3 yrs p.a.	5 yrs p.a.	10 yrs p.a.	Since Inception p.a.
Global Real Estate Strategy**	-2.6	7.7	-9.3	-11.6	4.4	6.7	8.2	6.4
FTSE EPRA/NAREIT Global Developed Net Index	-2.4	7.8	-17.7	-22.1	-0.2	5.3	7.5	5.2
<b>Active Performance</b>	<b>-0.2</b>	<b>0.0</b>	<b>8.4</b>	<b>10.5</b>	<b>4.6</b>	<b>1.4</b>	<b>0.7</b>	<b>1.2</b>

These figures refer to the past. Past performance is not a reliable indicator of future results. For investors based in countries with currencies other than the share class currency, the return may increase or decrease as a result of currency fluctuations.

\*to approximate a ‘net of fee’ return for the composite, we have applied an notional annual fee of 75 basis points, which is typically the highest fee we charge to institutional clients.. \*\*All data is for the First Sentier Investors Global Listed Property (UCITS) Unhedged GBP composite. The composite’s benchmark is from inception the UBS Global Investors Index (TR), from 1/6/2013 the FTSE EPRA/NAREIT Global Developed Net Index. Source: First Sentier Investors as at 30 September 2020.

For further institutional enquiries contact [institutionalenquiries@firstsentier.com](mailto:institutionalenquiries@firstsentier.com)

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