

QUARTERLY INVESTMENT REPORT

31 March 2023

Reitway BCI Global Property Feeder Fund

Contents

Market Overview

Portfolio Performance

Portfolio Positioning

Outlook



Market Overview

An early-year stock rally, fuelled by hopes of a soft landing and a Fed pause proved short-lived. Investors started off the year believing that inflation pressures were coming under control, however, by early February, a much stronger-than-expected jobs report, coupled with data showing inflation remained stubbornly high, had investors rethinking the notion of a friendlier Fed. This was followed by signs that monetary tightening was starting to have an economic impact as cracks emerged in the banking system.

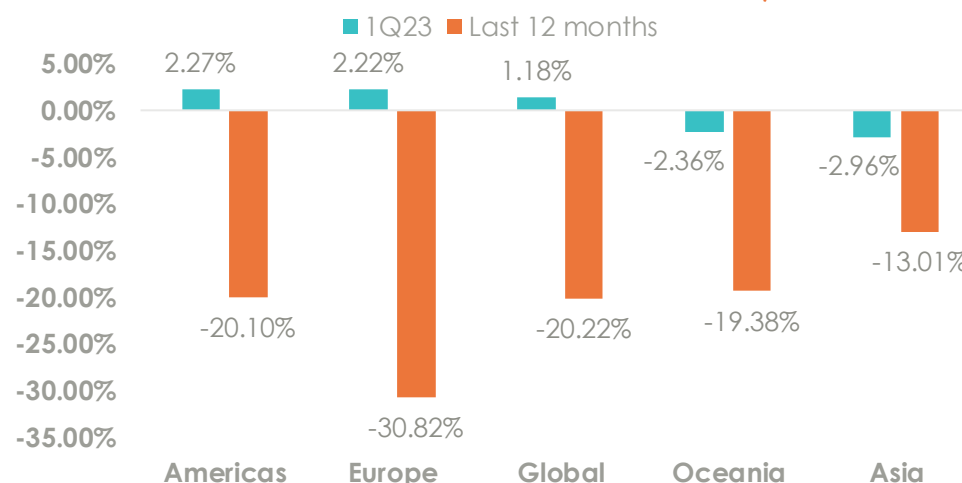
The crisis among regional banks sparked worries of a credit crunch that would slow economic growth, which in turn could take the pressure off the Fed to stop raising rates. The Fed validated this view at its March meeting, where it signalled that perhaps only one more rate hike was on its way in the wake of the banking crisis. These forces make the Fed's job more complicated as it becomes clear that taming inflation might not only incite a recession but could also lead to financial stability risks.

Despite the turbulent swings in inflation and interest rate hike expectations, the GPR 250 REIT World Index gained 1.18% in US dollar terms during the quarter.

Americas (+2.27%) and **Europe (+2.22%)** delivered positive returns, while **Australia (-2.36%)** and **Asia (-2.96%)** gave back some of last year's relative outperformance.

Return differences within sectors and countries were large, specifically during March. For example, within Europe, the **student housing sector (-2.3%)** was the best performer while the **residential sector (-23.5%)** performed poorly. **Switzerland (-0.4%)** was the best performing country and **Germany (-24.0%)** the worst.

Total return of GPR 250 REIT World Index, USD



Source: Reitway Global & Refinitiv. As of 31/03/2023

Macro-economic factors continue to drive sentiment and daily market moves, but we expect company fundamentals will eventually dictate returns once greater clarity appears around inflation and the economy.

Portfolio Performance

The Reitway Global Property Portfolio gained 1.77% in US dollar terms during the first quarter, outperforming the GPR 250 REIT World Index by +59bps. Sector allocation and stock selection contributed equally.

REITWAY BCI GLOBAL PROPERTY FEEDER FUND - (ZAR) ANNUALISED						
	1 YEAR	3 YEARS	5 YEARS	7 YEARS	10 YEARS	ANNUALISED VOLATILITY
Reitway Global	-12.12%	3.31%	11.62%	5.54%	9.81%	16.99%
GPR 250 REIT World Index - Net TR	-3.79%	9.41%	11.75%	4.76%	10.72%	17.09%
Relative to ASISA Peer Group Avg.	-4.21%	-1.09%	3.14%	2.82%	1.65%	

Volatility: Volatility is the standard deviation of monthly returns since inception.

Annualised return: The weighted average compound growth rate over the period measured.

All periods greater than 1 year has been annualised.

Inception date: 31 January 2012

Highest / Lowest Calendar Year Performance (Since Inception)

	Year	Return
High	2021	41.01%
Low	2022	-27.20%

Source: Reitway Global & Refinitiv. As of 31/03/2023

Top 3 Performers

	Security name	Return
1.	Life Storage	34.63%
2.	Infrastructure Wireless Italiane	31.06%
3.	LEG Immobilien	20.36%

Source: Reitway Global & Refinitiv. As of 31/03/2023

Key contributors:

Allocation to Office sector

Our underweight allocation paid off as Office REITs were the worst performing sector during the first quarter. The impact on traditional office landlords is coming from concerns regarding the financing markets as well as any potential fallout for office landlords that have select regional banks as tenants at the corporate level.

We remain cautious on the sector given the continued impact that work-from-home and remote work has had on operating fundamentals. Additionally, refinancing and transaction execution risks remain a focus, particularly for those with near-term upcoming maturities.

Stock selection in Residential sector

After weak total returns in 2022, our positions in Single Family Rental REITs as well as select Coastal Apartment names recovered some lost ground during 1Q23. Our Canadian focussed REIT also delivered very solid relative returns during the quarter.

We continue to believe that rental levels and lower turnover will be supported by higher cost of homeownership and that operating results for this need-based sector will remain robust over the coming months.

Allocation and Stock selection in Specialized sector

During March, Reuters reported that Ardian, a French investment firm and one of Infrastructure Wireless Italiane (INW) largest shareholders, is exploring to take the tower company private. Shares of INW rose more than 5% on the day after an already impressive return of ~25% given solid operating results and guidance increases.

Bottom 3 Performers

	Security name	Return
1.	Boston Properties	-29.91%
2.	Alexandria Real Estate	-12.94%
3.	Healthpeak Properties	-11.38%

Source: Reitway Global & Refinitiv. As of 31/03/2023

Key detractors:

Stock selection in Self Storage sector

The storage sector benefitted from resilient fundamentals as well as an M&A spark after Public Storage (PSA) came public (no pun intended) with an offer to buy Life Storage (LSI) in an all-stock deal at a 17% premium to LSI's unaffected price.

While the fund's relative performance was boosted by the deal, given our overweight position in LSI, our Canadian and UK storage stocks delivered sub-par returns which led to the negative selection effects for 1Q23.

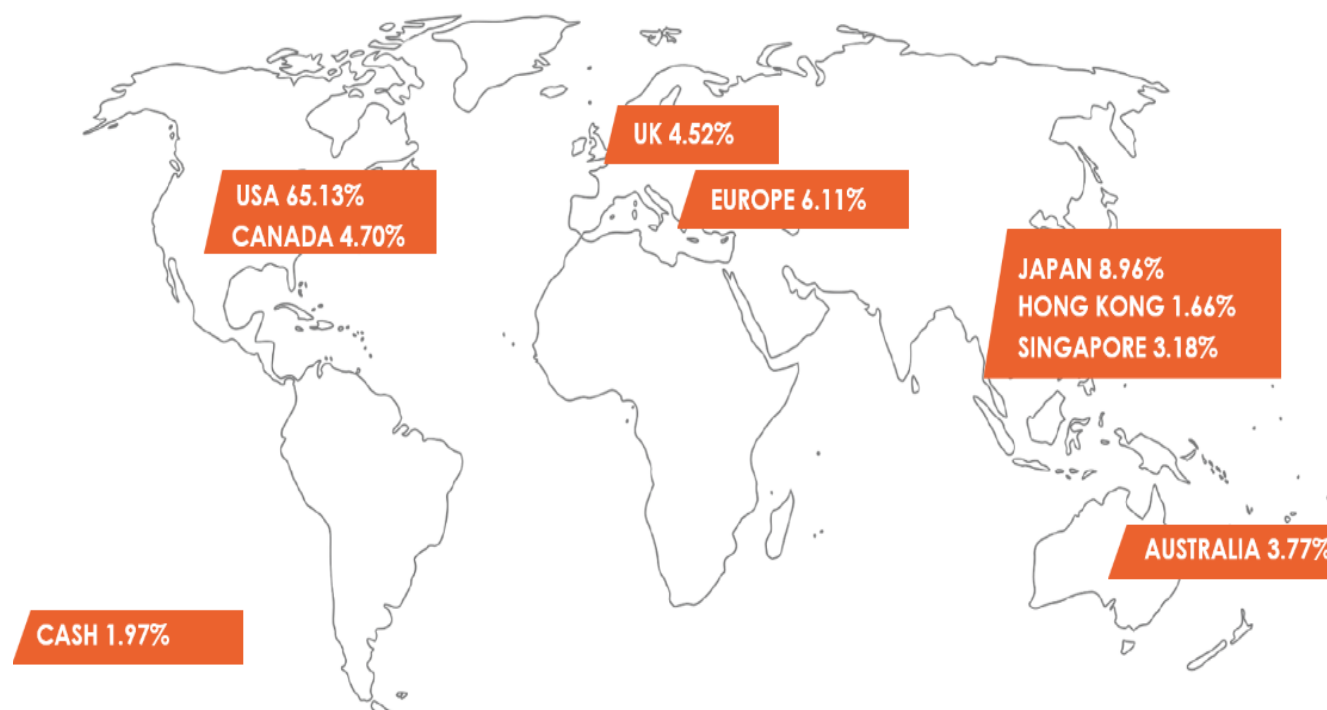
Allocation and Stock selection in Shopping Centre sector

A handful of retailers continue to cause headaches and require careful monitoring.

Bed, Bath and Beyond released a long list of expected store closures and Party City has also engaged a restructuring advisor with the likely outcome being a bankruptcy filing. Most of these tenants occupy strip centres so our overweight allocation to this subsector, as well as exposure to select non-US names, detracted from our relative returns during the quarter.

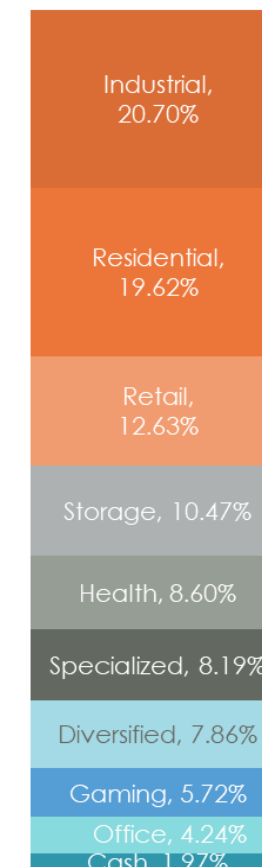
Portfolio Positioning

Geographic Allocation



Source: Reitway Global. As of 31/03/2023

Sector Allocation



Outlook

In the face of an uncertain economy and rising rates, we believe REITs are well prepared. They have built balance sheets that can weather higher rates. The profile includes low leverage ratios, well-structured debt with more than 80 percent in fixed rate and an average term to maturity of over six years. As we're looking ahead, this is not an economy or interest rate environment that is necessarily good for any sector, let alone real estate, but we think REITs are poised to successfully navigate through higher rates and slower growth.

Despite global central banks' hawkish pivot and quick, sharp upward move in global interest rates, REIT earnings continue to remain intact.

Looking at 2023 estimates, REIT FFO was revised downward by 2.7% vs a decline of 13.1% for S&P 500.

We maintain a positive view on U.S. REITs, with a **preference for shorter-lease-duration assets**, which should benefit from an environment of rising prices. We also **like health care**, where we have a positive outlook on **life science properties** and we see value in **senior housing**, where occupancies are improving, following early pandemic declines. We think companies that provide data and logistics infrastructure, including **data centres, cell towers and industrial warehouses**, will continue to **benefit from strong secular demand** in the shift toward a digital economy. We remain **overweight the residential sector** and have recently added to certain positions based on our positive view on valuations.

We believe UK and European real estate securities will remain under pressure and we have limited and carefully selected exposure to a handful of property companies where we see a favourable risk/reward.

Despite the impact of slower growth and higher inflation on listed real estate securities, we believe real estate fundamentals remain sound. REITs have the potential to show cash flow growth and solid income. We remain steadfast in our belief that the asset class can post meaningful returns relative to stocks and bonds over the next 12 to 24 months.



REITWAY NEWS

Reitway Global wins the Raging Bull for the 5th time in February 2023

Reitway was awarded their 4th Raging Bull Award for Best (SA Domiciled) Global Real Estate Fund on a Risk-Adjusted Basis over 5 years for the **Reitway BCI Global Property Feeder Fund**. It was our 5th Raging Bull as a whole.

This award is an acknowledgement of Martin Botha and the Investment team's dedication, hard work and shared vision of achieving consistently compelling risk-adjusted returns for our clients.



Lauren Davids joins the Business Development Team on 1 March 2023

Lauren Davids joined the Reitway team at the beginning of March. She joined us from 10X, where she worked between November 2019 until November 2022.

Her career started at Old Mutual in October 2010 as a financial adviser, before she joined Liberty Life in April 2013, where she worked until October 2019.

Lauren holds a CFP, has a postgraduate diploma in financial planning from Stellenbosch Business School, an advanced certificate in financial planning and a higher certificate in wealth management.

Welcome Lauren! You have made such a positive impact already; we are thrilled to have you in our team.



Disclaimers

COPYRIGHT

All information used in this presentation and any material referred to herein are subject to copyright and may not be reproduced or used (other than for information purposes) in any way, unless prior written permission has been granted by Reitway Global (Pty) Ltd ("Reitway") or the appropriate copyright owner.

INFORMATION AND CONTENT



This presentation is intended for information purposes only and none of the information contained in this presentation constitutes investment advice or a recommendation, solicitation or offer by Reitway to buy or sell any financial product. The information contained in this presentation has been prepared without consideration of the investment objectives, financial situation or particular needs of any particular recipient. Any transactions described in this presentation may give rise to substantial risk, including the possible loss of principal value, and are not necessarily suitable for all investors. This presentation should accordingly not be considered as a substitute for the exercise of your own judgement or for obtaining independent advice based on your personal preferences and circumstances.

DISCLAIMER

Although all precautions have been made to ensure the reliability of data and information contained in this presentation, Reitway cannot guarantee the reliability thereof. Past performance referred to in this presentation is not necessarily indicative of future performance. Similarly, forecasts contained in this presentation involve risks and uncertainties which may result in future performance, outcomes and results which differ materially from such forecasts. You are accordingly cautioned not to place undue reliance on any historical data, general information or forecasts used in this presentation.

Reitway accepts no liability whatsoever for any loss, damage (direct or consequential) or expense suffered by a recipient because of any reliance placed on any information contained in this presentation or any opinions expressed during this presentation. The views, opinions and comments reflected in the presentation represent those of Reitway, associated companies and employees.

Raging Bull Certificate Awards were awarded on 2018-02, 2021-02, 2022-02 and 2023-02, full details and the basis of the awards are available from Reitway Global.

REITWAY GLOBAL (Pty) Ltd

Registration No: 2011/125542/07. A Financial Services Provider licensed under the Financial Advisory and Intermediary Services Act, 37 of 2002. FSP license No: 43747

Boutique Collective Investments (RF) (Pty) Ltd ("BCI") is a registered Manager of the Boutique Collective Investments Scheme, approved in terms of the Collective Investments Schemes Control Act, No 45 of 2002 and is a full member of the Association for Savings and Investment SA.

Collective Investment Schemes in securities are generally medium to long term investments. The value of participatory interests may go up or down and past performance is not necessarily an indication of future performance. The Manager does not guarantee the capital or the return of a portfolio. Collective Investments are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees, charges and maximum commissions is available on request. BCI reserves the right to close the portfolio to new investors and reopen certain portfolios from time to time to manage them more efficiently. Additional information, including application forms, annual or quarterly reports can be obtained from BCI, free of charge.



Performance figures quoted for the portfolio are from Morningstar, as at the date of this document for a lump sum investment, using NAV-NAV with income reinvested and do not take any upfront manager's charge into account. Income distributions are declared on the ex-dividend date. Actual investment performance will differ based on the initial fees charge applicable, the actual investment date, the date of reinvestment and dividend withholding tax. Past performance referred to in this presentation is not necessarily indicative of future performance.

Investments in foreign securities may include additional risks such as potential constraints on liquidity and repatriation of funds, macroeconomic risk, political risk, foreign exchange risk, tax risk, settlement risk as well as potential limitations on the availability of market information.

Boutique Collective Investments (RF) Pty Ltd retains full legal responsibility for the third party named portfolio.

Although reasonable steps have been taken to ensure the validity and accuracy of the information in this document, BCI does not accept any responsibility for any claim, damages, loss or expense, however it arises, out of or in connection with the information in this document, whether by a client, investor or intermediary. This document should not be seen as an offer to purchase any specific product and is not to be construed as advice or guidance in any form whatsoever. Investors are encouraged to obtain independent professional investment and taxation advice before investing with or in any of BCI/the Manager's products.

Collective Investment Schemes are generally medium to long term investments. The value of the participatory interests may go down as well as up. The manager does not provide any guarantee either with respect to the capital or the return of a portfolio. Past performance is not necessarily an indication of future performance. CIS's are traded at ruling prices and can engage in borrowing and scrip lending. Different classes of units apply to these portfolios and are subject to different fees and charges. A schedule of fees and charges and maximum commissions is available on request from the manager. The manager has a right to close portfolios to new investors in order to manage them more efficiently in accordance with their mandates. Commission and incentives may be paid and if so, will be included in the overall costs. Forward pricing is used. The manager may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. Income is reinvested on the re-investment date. The Actual investment performance will differ based on the initial fees applicable, the actual investment date and the date of reinvestment of income. Dealing prices are calculated on a net asset value and auditor's fees, bank charges and trustee fees are levied against the portfolios. Performance is calculated for the portfolio, as well as that the individual investor performance may differ because of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. Income distributions are included in performance calculations prior to deduction of applicable taxes.

Performance numbers and graphs are sourced from Collective Endeavours Consulting (Pty) Ltd. NAV to NAV figures have been used. Investment performance is for illustrative purposes only. Investment performance is calculated after taking the actual initial fees and all ongoing fees into



account. The reinvestment of income is calculated on the actual amount distributed per participatory interest by using the ex-dividend date NAV price of the applicable class of the portfolio, irrespective of the actual date of reinvestment. Risk profile of the fund ranges from low risk to high risk with a low risk potentially associated with lower rewards and a high risk with potentially higher rewards. A feeder fund is a portfolio that invests in a single portfolio of a collective investment scheme, which levies its own charges, and which could result in a higher fee structure for the feeder fund. Foreign securities may be included in the portfolio from time to time and as such may result in the following: potential constraints on liquidity and the repatriation of funds; macroeconomic risks; political risks; foreign exchange risks; tax risks; settlement risks and potential limitations on the availability of market information. Certain investments, including futures, options, equity swaps, and other derivatives may give rise to substantial risk and might not be suitable for all investors. The daily cut off time is 14:00 for trades and the valuation point is 22:00 daily. Prices are published on Finswitch by 10:00 daily. One can also obtain additional information on Prime Investments products on the Prime Investments website and all price related queries or information is readily available on request. Prime Collective Investment Schemes Management (RF) (Pty) Ltd is a registered Collective Investment Scheme Manager in terms of Section 5 of the Collective Investment Schemes Control Act and is a wholly owned subsidiary of Prime Financial Services (Pty) Ltd, a member of ASISA. This document is for information purposes only and does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe for or purchase any particular investment. This document should not be construed as advice or guidance in any form whatsoever. Investors should take cognisance of the fact that there are risks involved in buying or selling any financial product and are encouraged to obtain independent professional investment and taxation advice. Opinions expressed in this document may be changed without notice at any time after publication. We therefore disclaim any liability for any loss, liability, damage (whether direct or consequential) or expense of any nature whatsoever which may be suffered as a result of or which may be attributable, directly or indirectly, to the use of or reliance upon the information.

