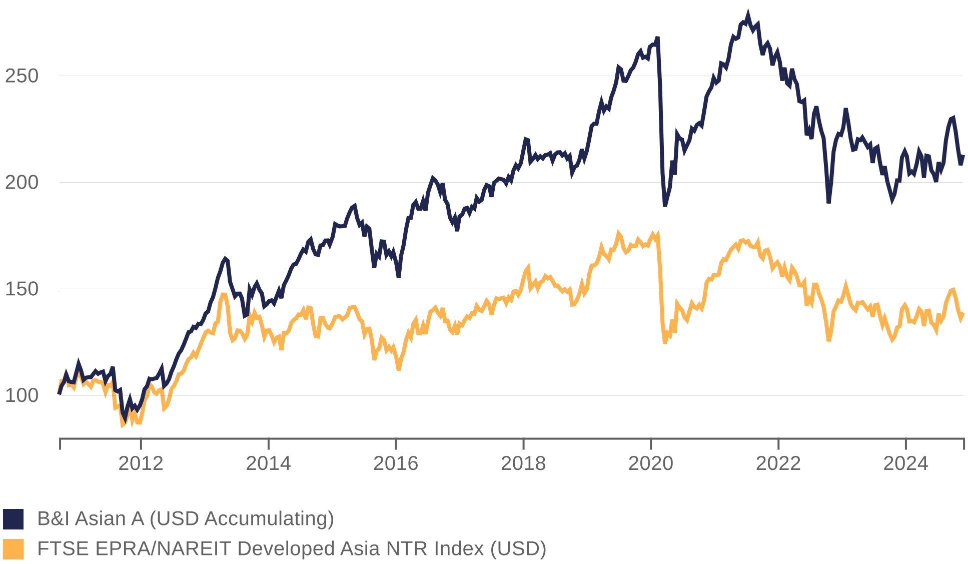
B&I Asian Real Estate Securities Fund (UCITS)

USD Accumulating Share Class

B&I Capital

November 29, 2024

Indexed Performance



Source: LLB Fund Services, FTSE

Description

The Fund is designed as a UCITS compliant fund giving investors a means to replicate the risk-adjusted returns of multi-class Real Estate ownership in Asia via the REIT and Developer markets. It offers daily liquidity and a distributing share class. Our goal is to provide a long term, superior risk-adjusted total return strategy through a combination of high, stable, and growing dividends as well as significant opportunity for capital appreciation. The fund is classified as Article 8 ("light green") under the EU Sustainable Finance Disclosure Regulation.

Performance

		1M	YTD	1Y	3Y	5Y	MAX
Total Return	**B&I Asian A (USD Accumulating)**	-1.30%	-0.78%	5.34%	-16.71%	-18.14%	112.48%
	FTSE EPRA/NAREIT Developed Asia NTR Index (USD)	-0.94%	-2.44%	4.45%	-12.52%	-18.71%	38.44%
Annualized return	**B&I Asian A (USD Accumulating)**	-	-0.85%	5.34%	-5.91%	-3.92%	5.45%
	FTSE EPRA/NAREIT Developed Asia NTR Index (USD)	-	-2.69%	4.45%	-4.36%	-4.06%	2.32%
Annualized volatility	**B&I Asian A (USD Accumulating)**	-	16.77%	17.12%	16.00%	17.30%	14.80%
	FTSE EPRA/NAREIT Developed Asia NTR Index (USD)	-	16.09%	16.94%	15.98%	17.99%	16.27%

Fund Data

Fund Size	USD 155m
Firm AUM	USD 1'121m
Dealing / NAV	Daily, cut-off 15:00 CET, T+3
Legal Fund Type	UCITS V
Fund Manager	B&I Capital AG
Investment Style	Total return, growth
Strategy	Long only, target 100% invested

Share Class Data

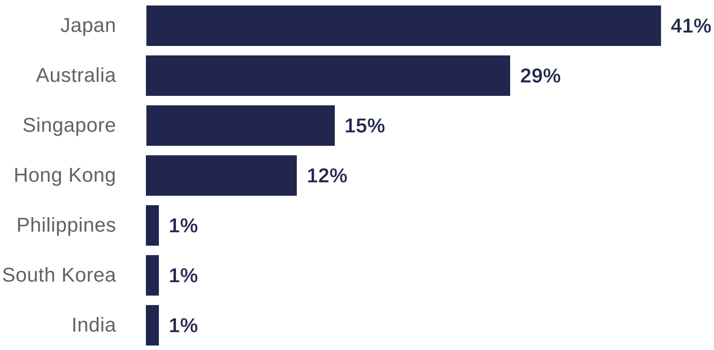
Denomination	USD
Dividend	Accumulating
Inception Date	24/09/2010
TER* (fixed)	1.3% pa
Performance Fee	20% over BM pa, HWM, capped at 1.5% AUM
Benchmark	FTSE EPRA/NAREIT Developed Asia NTR (USD)
ISIN	LI0115321320
Valor	11532132
Bloomberg	BIARESA LE

* Excluding any performance fee if applicable as defined in prospectus

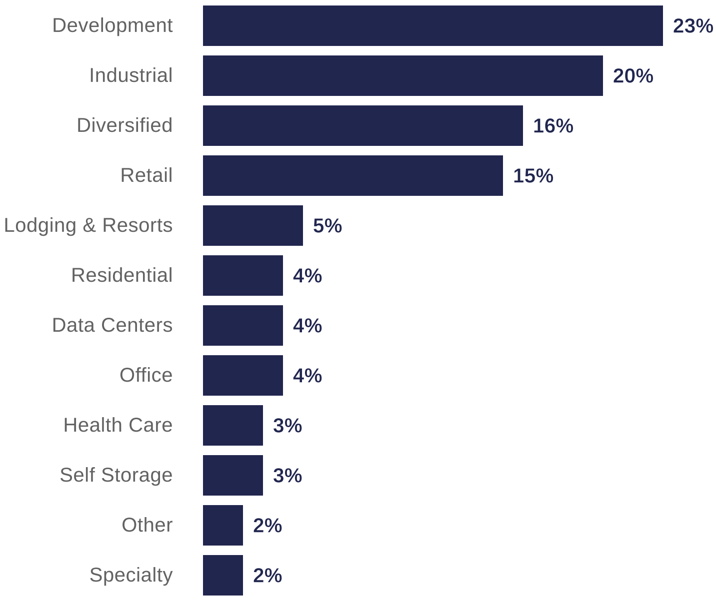
Portfolio Characteristics

Open Longs	42
Gross Yield (REITs)	5.1%
Gross Yield (portfolio)	4.7%
P/NAV (REITs)	1.00
Liquidity Days	0.74
Top 5 as % NAV	29.7%
Active Share	52.9%
Total Net Exposure	100.6%

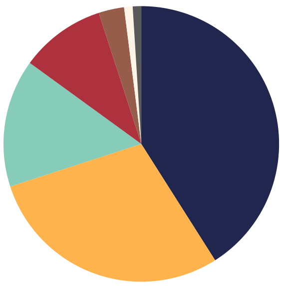
Market Exposure



Sector Exposure

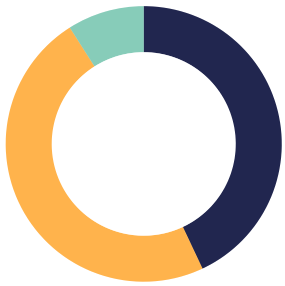


FX Exposure



JPY	41%
AUD	29%
SGD	15%
HKD	10%
USD	3%
PHP	1%
KRW	1%

Market Capitalization



USD >5bn	43%
USD 1-5bn	48%
USD <1bn	9%

Market Commentary

Regional: Asian REITs and RE Securities started the month off positively but gave up their gains as stocks and currencies struggled for most of the month dropping approximately 2.7%. There was a month end rally and the FTSE EPRA NAREIT Asia Index Net TRI reduced its loss to 0.73% and the REIT only version actually closed up 19bps helped by Australia and large cap Goodman Group. In USD terms, Singapore and Hong Kong were the biggest underperformers falling both more than 4% in USD. The biggest event besides US jobs and the Fed policy decision will be from the Bank of Japan. Their decision will come on the heels of the Fed and is slated for 19th December. General expectations are that they will again raise rates especially if there are no negative macro surprises globally (e.g. US jobs numbers). The JPY has started to recover as rate hike expectations are starting to get baked in. We see good value emerging again in the REIT space in Asia which has significantly lagged US REITs and should benefit from eventual falling rates. Over the last 12 months, US REITs are up 21% vs. a mere 6% increase for Asian REITs and over the last two years US REITs have delivered 21% Total Return vs. -2.43% for Asian REITs. This is the largest decoupling in performance that we can recall.

Japan: The FTSE EPRA Nareit Japan index was +0.2% (USD) in November. Following the US elections and in anticipation of the inflationary policies of the Trump administration, the JPY fell to 156 to the USD, and 10 yr JGB yields rose to 109bps on expectations that the BOJ will be forced to hike rates to counter the inflationary pressure from the weakening JPY. J-REITs continued to be weak in JPY terms, weighed down by concerns of a rate hike, despite a broad-based recovery in leasing fundamentals across the various segments. Developers were also weak in November underperforming the REITs despite strong results for the 1H of their fiscal year. They mostly reported domestic performance above expectations which is more than sufficient to offset some weakness in their overseas projects. Leasing income widely came in above expectations with the recovery of office demand and the tapering supply. Miki Shoji reported that the office vacancy rate in Tokyo's five central wards fell 0.13ppt MoM to 4.48% in October. According to CBRE, provisional agreements had, as of end-June 2024, been reached for leasing around 60% of space in grade A buildings scheduled to hit the market in 2025. The average asking rent per tsubo (1 tsubo = 3.3sqm) rose 2.21% YoY to JPY 20,178, up YoY for a sixth straight month, or +0.26% MoM, up MoM for a ninth straight month. Mitsui Fudosan (8801) said that there were multiple instances where they were able to increase rents >15% on leases that are typically 5-year long. Hotel and urban retail segments are also doing well on the back of record inbound figures. The number of foreign visitors to Japan in October was 3.31mn (+32% vs October 2019), a record high for a single month. That said, Chinese visitors are still only at 80% of October 2019, even as ADRs are already at record levels. We expect inbound visitor numbers to continue to grow and combined with limited new supply due to high construction costs, to enable operators to increase ADRs further.

Singapore: The FTSE EPRA Nareit Singapore index was -4.0% (USD) in November. SREITs underperformed the rest of the market, with DCREIT and Parkway Life REIT the outperformers (both owned). DCREIT announced that they have achieved 100% occupancy (one lease to AI developer) from 66% at their Toronto DC asset. This was their only asset with leasing issues, with the rest of the portfolio being near full utilisation. Keppel DC successfully raised SGD 1bn to purchase two recently developed Singapore data centres held by a Fund managed by its sponsor Keppel Ltd. The acquisition will be c.8% earnings accretive once it receives REIT tax transparency, while increase its Singapore exposure to 66%. CICT sold its CBD office asset 21 Collyer Quay (WeWorks' masterlease) for SGD 688m (6% higher than Dec 2023 valuation) and 3.25% exit cap rate; showing how unlike other major cities, Singapore office assets have held value over the past 2Ys. Full debt repayment would reduce CICT's gearing by 1.3ppt to 38.3%. CBRE reported that Grade A office rents in 3Q24 remained flat for the second consecutive quarter at SGD 11.95psfpm; marking a six-month pause after 12 quarters of continuous growth where rents grew by 14.9%.

Australia: The FTSE EPRA Nareit Australia index was +2.3% (USD) in November. Scentre Group outperformed as retail sales continued to hold up well and they announced at the end of the month the possibility that 2,000 apartments (c.AUD 1.5bn end value) could be developed on six hectares of land the REIT owns at Westfield Hornsby on Sydney's upper north shore. This likely means further of their assets also have residential optionality. HMC Capital, though not an index name, was +22% for the month after announcing the launch of a data centre REIT DigiCo that HMC will manage. The new REIT (one of only two pure DC plays listed in Australia) will have AUD 4bn in DC assets with 76MW power capacity (plus further 161MW future expansion) across Australia and the United States; this will increase HMC's AUM to AUD 15bn (+36%). DigiCo will have a 26x EV/EBITDA valuations versus its nearest peer NextDC on c.50x. The RBA held its cash rate at 4.35%, a 13-year high, while retaining fairly hawkish forward guidance. Positive news on incoming inflation was the 3Q24 Australian wage price index coming in below market expectations at 0.8% QoQ and 3.5% YoY (RBA estimate 3.6% YoY). The market is now pricing in the first RBA rate cut not until August 2025. Good news for the office market with national CBD sublease volumes decreasing to c.200,000sm in September, the lowest level since early 2021 and nearing pre-pandemic levels. CBRE reported that the Sydney CBD office attendance recorded its highest level of attendance since 2019 in September, averaging 78.6% with 89.3% attendance on peak days. The largest listed office REIT Dexus announced that it had sold two office assets at a weighted average discount to BV of just 0.8%; making the listed REIT look attractive at a 19% discount to its NTA.

Hong Kong: The FTSE EPRA Nareit HK index was -4.8% (USD) in November. New World Development (NWD) was the main underperformer falling 18% with its new CEO of two months Erica Ma stepping down after replacing Adrian Cheng. NWD also faces selling pressure as it will be removed from the Hang Seng Index from December 9th. The DC owner/operator SUNeVision was the main outperformer as it continues to lease up its new Mega IDC DC development with a pick-up in demand from both hyperscalers and enterprise tenants leading to higher utilisation and pricing. Positive for HK retail was the announcement at the end of the month that the 18m Shenzhen residents can obtain multi-entry visas to HK which were halted in 2015. HK residential sales news continues to be positive with mortgage rates now c 3.6% (50bps lower than six months ago) and HK gross rental yields equal or exceeding mortgage rates. Despite no big bazooka coming from the Chinese government's much awaited stimulus package, China's retail sales in October beat estimates with a +4.8% YoY gain (+3.8% consensus) and the best showing since February.

ESG Controversy Exposure

Fossil Fuels	0%
Human Rights	0%
Controversial Weapons	0%
Activities in Biodiversity Sensitive Areas	0%

Portfolio exposure to significant controversies. Source: MSCI.

ESG Carbon Emissions

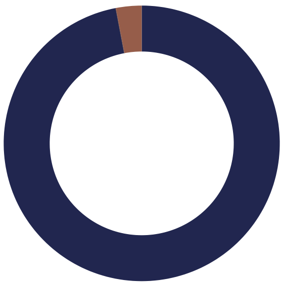
Scope 1	118	tCO2e
Scope 2	1'072	tCO2e
Scope 3	4'795	tCO2e (est)
Carbon Footprint	41	tCO2e /$m invested

Scope 1: emissions caused by direct fuel combustion.
Scope 2: emissions caused by electricity use.
Scope 3: indirect emissions in the value chain (estimation).
Source: MSCI

ESG Controversy Score

Portfolio's score on the environment, governance and social pillar (0 = severe controversy, 100% = no controversy). Source: MSCI.

ESG Controversy Flag Distribution



Green	97%
Yellow	0%
Orange	0%
Red	0%
Uncovered	3%

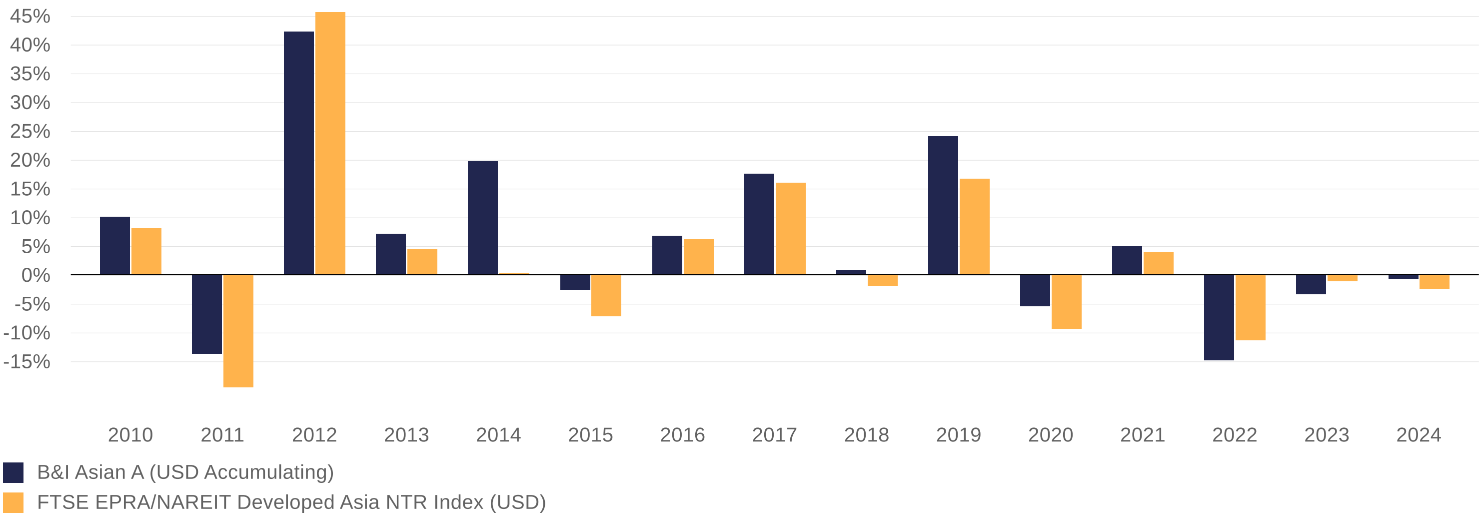
Assessment of notable controversies related to operations, and the severity of the social or environmental impact of the controversies. Source: MSCI.

Monthly Returns - Last 5 Years

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2024	-4.02%	-1.32%	6.50%	-3.87%	-1.15%	-2.69%	5.99%	6.76%	3.09%	-7.61%	-1.30%	-	**-0.78%**
2023	3.84%	-4.75%	-1.21%	2.33%	-4.31%	-1.67%	2.92%	-3.43%	-3.73%	-5.58%	7.00%	6.16%	**-3.47%**
2022	-4.80%	-0.30%	1.82%	-4.50%	-0.27%	-6.01%	2.77%	-2.75%	-9.74%	-2.51%	9.59%	2.07%	**-14.90%**
2021	-0.52%	3.06%	1.49%	3.05%	1.41%	1.58%	-0.48%	0.36%	-4.18%	1.02%	-3.93%	2.19%	**4.84%**
2020	0.38%	-7.34%	-20.49%	6.81%	1.86%	1.19%	1.26%	4.28%	-0.08%	-3.23%	9.44%	3.88%	**-5.51%**
2019	7.56%	-0.09%	4.00%	-0.88%	0.40%	4.47%	-0.19%	1.35%	2.11%	3.47%	-1.52%	1.38%	**23.99%**

Performance is calculated net of all fees

Yearly Returns



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