

## Portfolio Performance

Our benchmark, the GPR 250 REIT World Index produced a total return of -29.58% in US dollar terms during the first quarter of 2020.

The best performing markets for the reporting period was Hong Kong (-19.94%) and Singapore (-21.07%). Australia and South Africa recorded the lowest total USD returns of -41.87% and -63.23% respectively.

The first quarter of 2020 has certainly been a tumultuous one for the globe and Reitway Global was no exception. During the quarter we not only saw some of the highest values being achieved for certain investments in the sector, but also the fastest broad market declines that any of us have witnessed due to the global impact of COVID-19.

Our portfolio outperformed the benchmark substantially (+18.89%) due to superior sector and stock selection. Our cash raising efforts at the end of February also protected our portfolio performance during March.

Reitway BCI Global Property Feeder Fund (USD)						
	1Q20	1yr	3yrs	5yrs	7yrs	Since inception
Reitway Global	-10.70%	-3.25%	2.38%	1.45%	2.49%	5.25%
Benchmark	-29.58%	-24.03%	-4.50%	-1.89%	1.19%	3.69%
<b>Relative</b>	<b>18.89%</b>	<b>20.78%</b>	<b>6.88%</b>	<b>3.34%</b>	<b>1.30%</b>	<b>1.56%</b>

Net of fee total returns as at 2020-03-31.

All periods greater than one year are annualised.

Source: MoneyMate

On a rolling 12-month basis the fund delivered a total return of 19.85% in ZAR versus the Index loss of -6.94%.

Reitway BCI Global Property Feeder Fund vs Peer Group (ZAR)				
	1 Year	3 Years	5 Years	8 Years
Reitway Global	19.85%	12.66%	9.65%	16.63%
Peer Group Average	-0.78%	6.91%	4.57%	12.90%
<b>Excess return</b>	<b>20.63%</b>	<b>5.75%</b>	<b>5.08%</b>	<b>3.73%</b>
<b>Ranking</b>	<b>1/16</b>	<b>1/14</b>	<b>1/7</b>	<b>1/6</b>
<b>Quartile Rank</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

Net of fee total returns as at 2020-03-31.

All periods greater than one year are annualised.

Source: MoneyMate

### Key contributors:

Top 5 Performance Contributors		
	Security name	%
1.	Warehouses de Pauw	0.77
2.	GDS Holdings	0.44
3.	Wihlborgs Fastigheter	0.35
4.	Kojamo Oyj	0.20
5.	Innovative Industrial	0.14

Source: Reitway Global, StatPro, Mar 20

### Allocation & stock selection in Data Centres

We have always viewed the data centre sector as a recession-resilient asset class. This is because companies' data storage needs remain just as prevalent during expansions as they do during contractions. The DC sector return, relative to other REIT sub-sectors, has been remarkable since the broad-based market sell-off which started on February 24th. Our two top picks within the sector (GDS Holdings and Equinix) also outperformed their peers over the reporting period.

### Allocation & stock selection in Industrial

Our European industrial REITs (Warehouses de Pauw and VGP NV) delivered excellent relative returns during the quarter. While we recognize the challenges that an economic recession could have on the traditional industrial real estate sector, we believe our portfolio holdings are

better positioned for this downturn than they were during the GFC due to large mark-to-markets, e-Commerce trends and a more balanced demand/supply picture.

### Stock selection in Europe

Our Swedish office and Finnish residential exposure worked well during Q1. Kojamo is Finland's largest residential real estate investment company and it's one of a handful of REITs that had a positive return during the quarter.

### Low Retail & no Lodging exposure

We had minimal exposure to the two hardest hit sectors. Conditions for lodging REITs were already challenging even before factoring in Coronavirus related disruption.

We also remain extremely cautious on retail real estate due to poor balance sheets and weak tenant credit.

*Key detractors:*

#### Bottom 5 Performance Contributors

	Security name	%
1.	Camden Property Trust	-0.83
2.	Equity Lifestyle Prop	-0.85
3.	Equity Residential	-1.04
4.	Realty Income	-1.11
5.	Avalonbay Communities	-1.29

Source: Reitway Global, StatPro, Mar 20

### Allocation & stock selection in Storage

The US storage sector has outperformed the overall REIT market by more than 16% since the start of the COVID-19 pandemic. We believe this has to do with the rising demand

resulting from the sudden country-wide college closures.

We had minimal exposure to the US listed names while our holding in StorageVault, Canada, underperformed its US and UK peers. We believe the cash flow resiliency and safety provided by US companies is reflected in the current valuations and the outlook for supply, occupancy and rent growth is less attractive from this point forward.

### Investment Outlook

In our opinion the rest of 2020 will continue to exhibit considerable market volatility, a vaccine for COVID-19 will remove a significant amount of uncertainty globally (but could still be off by several months to over a year).

Post a vaccine and global medical recovery the global challenge will remain to address the sharp decrease in growth and the massive levels of increased government debt as a result of March's (and likely additional) stimulus programmes.

The Reitway team remains committed to actively managing our investor's funds to continue to deliver superior investment outcomes and the team is working tirelessly during this stressful time.

## Reitway News

### Launch | Reitway Active Global Property Note

Reitway Global, together with underwriters Absa Bank Limited and UBS AG, launched their first Actively Managed Note (AMN) on the Johannesburg Stock Exchange (JSE).

The [Reitway Active Global Property Note](#)'s portfolio replicates that of the other active, long-only funds managed by Reitway Global.

The objective of this Note is to provide investors with efficient access to an actively managed global property portfolio through an instrument listed on the JSE.

A link to the Press Release [here](#).

### Zoom Launch | Reitway Active Global Property Note | 15 April at 10h00

For a link to a recording of the Zoom launch, contact Olivia at [oliviati@reitwayglobal.com](mailto:oliviati@reitwayglobal.com)

*Regards,*

*The REITWAY team*

For more information about the performance of our funds and our investment methodology, please visit our website at [www.reitwayglobal.com](http://www.reitwayglobal.com)

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