
Invesco Global Real Estate

Strategy Profile

as at 31 December 2023

Invesco Global Real Estate

Strategy Profile

A gateway to global direct property investment

The Invesco Global Real Estate Strategy provides investors access to direct investment in 248 institutional-quality properties in major cities all around the world.

By investing in Invesco's flagship direct core real estate funds in North America, Europe and Asia, the Invesco Global Real Estate Strategy seeks to provide capital appreciation and stable income from quality tenants.

The case for Global Real Estate

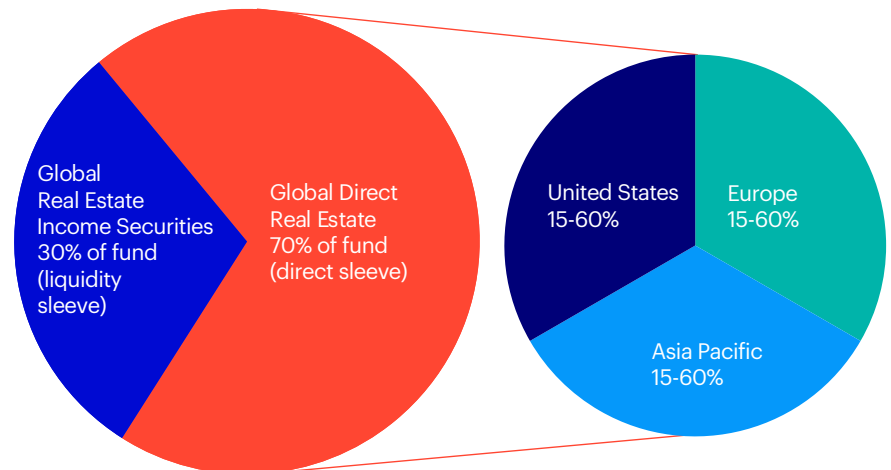
Diversification	Global direct core real estate is an asset class with defensive characteristics that has historically delivered portfolio diversification from equities and bonds, and also from listed real estate and Australia-only direct real estate.
Inflation protection	A proven inflation hedge with the ability to adjust income through regular lease renewals, demonstrated by historical performance in inflationary periods.
Stable returns	Global direct core real estate has demonstrated a reliable low-volatility return profile across multiple cycles, and demonstrates the draw down protection inherent in high-quality private assets.

Invesco Real Estate (IRE) is uniquely positioned as the only manager in the world with well-established direct core real estate sibling funds in the US, Europe and Asia.

The Invesco Global Real Estate Strategy brings these funds together with an allocation to listed real estate securities to enhance liquidity and investor appeal.

Invesco Global Real Estate Strategy Target Asset Allocation

(Please note at any point in time subscriptions, redemptions and/or valuation changes will mean the actual allocations may vary significantly)



IRE has longstanding relationships with some of the world's largest institutional investors and a broad range of client types globally including:

- Retail
- Public and Corporate Super
- Insurance companies
- Foundations/Endowments
- Sovereign Wealth
- High Net Worth
- Fund of Funds

Invesco Real Estate

IRE is an established global real estate investment manager with over 40 years' experience, and is also one of the largest real estate managers with over US\$87 billion¹ under management worldwide. IRE provides a wide range of investment strategies and vehicles to clients, with over 600 real estate professionals operating out of 15 countries.

- IRE benefits from Invesco's exclusive focus on investment management and performance driven culture
- IRE offers clients access to a range of global investment strategies spanning from core to opportunistic in the private and public space

IRE's cross-border teams consist of specialists with deep local market expertise. They are located in all the key real estate markets globally, and have a track record of strategic and tactical implementation across a number of real estate cycles.

1. As at 30 September 2023.

Global Real Estate Strategy team

Tracey Luke manages the Invesco Global Real Estate strategy which invests in the underlying strategies. Along with Tracey, the managers of the underlying strategies are seasoned real estate investors who have worked together under the "House View" framework for many years, and are members of the GREF steering committee.

GREF Steering Committee

Senior Management	Bert Crouch, MD, North America Darin Turner, Head of Global RE Securities	Simon Redman, MD, Client Portfolio Management Andy Rofe, MD, EMEA Calvin Chou, MD, APAC
Dedicated Portfolio Management	GREF Tracey Luke, Christopher Belosic, Yuwen Cao, Matthew Kampf	

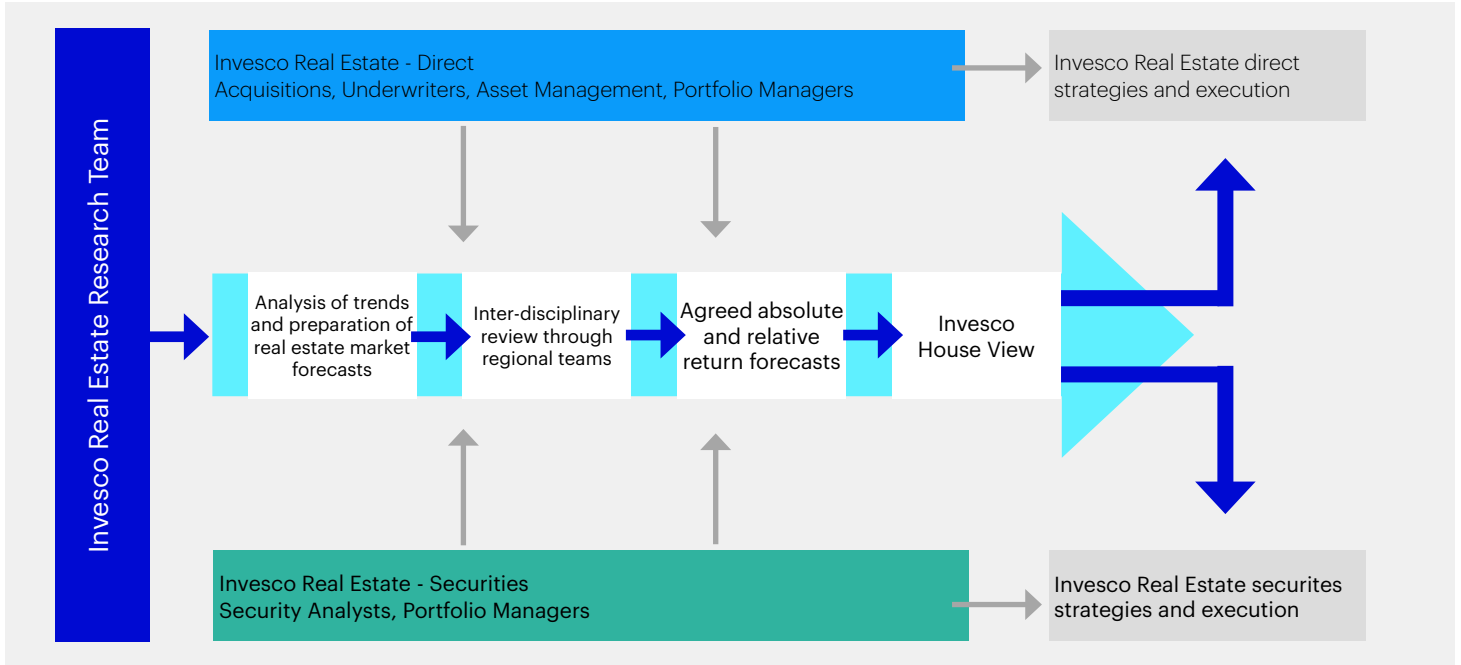
Underlying strategies	US Core	US Income	Europe Core	Asia Core	Global Income
	Michelle Foss (Lead PM) Chad Provost (PM)	Dan Kubiak	Rory Morrison	Ian Schilling	Darin Turner

Local execution expertise	Investment strategy / Strategic analytics	Transactions	Investment Management	Closing/Structuring	Fund Accounting/ Ops
	14 Professionals	98 Professionals	86 Professionals	20 Professionals	165 Professionals

As at 30 September 2023.

Research capabilities

Research is core to our investment process and a key input at the top down macro level, influencing decisions on country, market and sector positioning, but also informing our bottom up analysis on specific assets. IRE's research covers the major real estate investment markets in Europe, the US and Asia Pacific. Globally, IRE employs a team of dedicated research professionals located in key markets around the world who perform macroeconomic, demographic analysis and city/sector level real estate market research. The Research team develops and maintains the quantitative models.



Multi-faceted ESG integration

IRE has a robust process for the assessment of environmental and sustainability issues beginning at the asset selection stage of 'strategies and execution' as shown above, for both direct properties and securities.

The following ESG considerations are taken into account when identifying and managing sustainable properties:

Environmental

Measuring and regularly reporting buildings' energy, emissions, water and waste levels

Evaluating and implementing low-cost measures, capital improvements and new technologies to improve asset performance and advance the built environment

Using rating schemes to evaluate buildings' energy efficiency

Evaluating the feasibility of pursuing third-party certification through schemes such as BREEAM, LEED and Energy Star

Taking a managed approach to the procurement of energy in deregulated energy markets

Social

Providing tools and resources to engage property managers on sustainability issues

Encouraging sustainable practices by tenants through engagement tools relevant to each property type

Providing services and amenities (e.g. gyms, bicycle storage areas and green spaces) at properties to encourage tenants and occupants to lead healthier lifestyles

Providing employee training on ESG issues

Engaging with communities on sustainability-related issues

Supporting diversity and inclusion

Governance

Leading the real estate industry in the implementation of ESG practices and sustainability considerations into investment decisions

Transparently disclosing ESG strategy and performance to investors through reporting frameworks such as GRESB (Global Real Estate Sustainability Benchmark), GRI (Global Reporting Initiative), INREV (European Association for Investors in Non-Listed Real Estate Vehicles), CDP (Carbon Disclosure Project) and UN PRI (United Nations Principles for Responsible Investment)

Ensuring that our employees adhere to the highest standards of honest and ethical conduct

Global Real Estate Strategy Investment Philosophy

IRE's philosophy for the fund is to provide a total return from global direct real estate through investment in core open-ended funds across the three principle regions, with an enhanced level of liquidity through an investment in real estate securities.

The fund maintains the following fundamental philosophies;

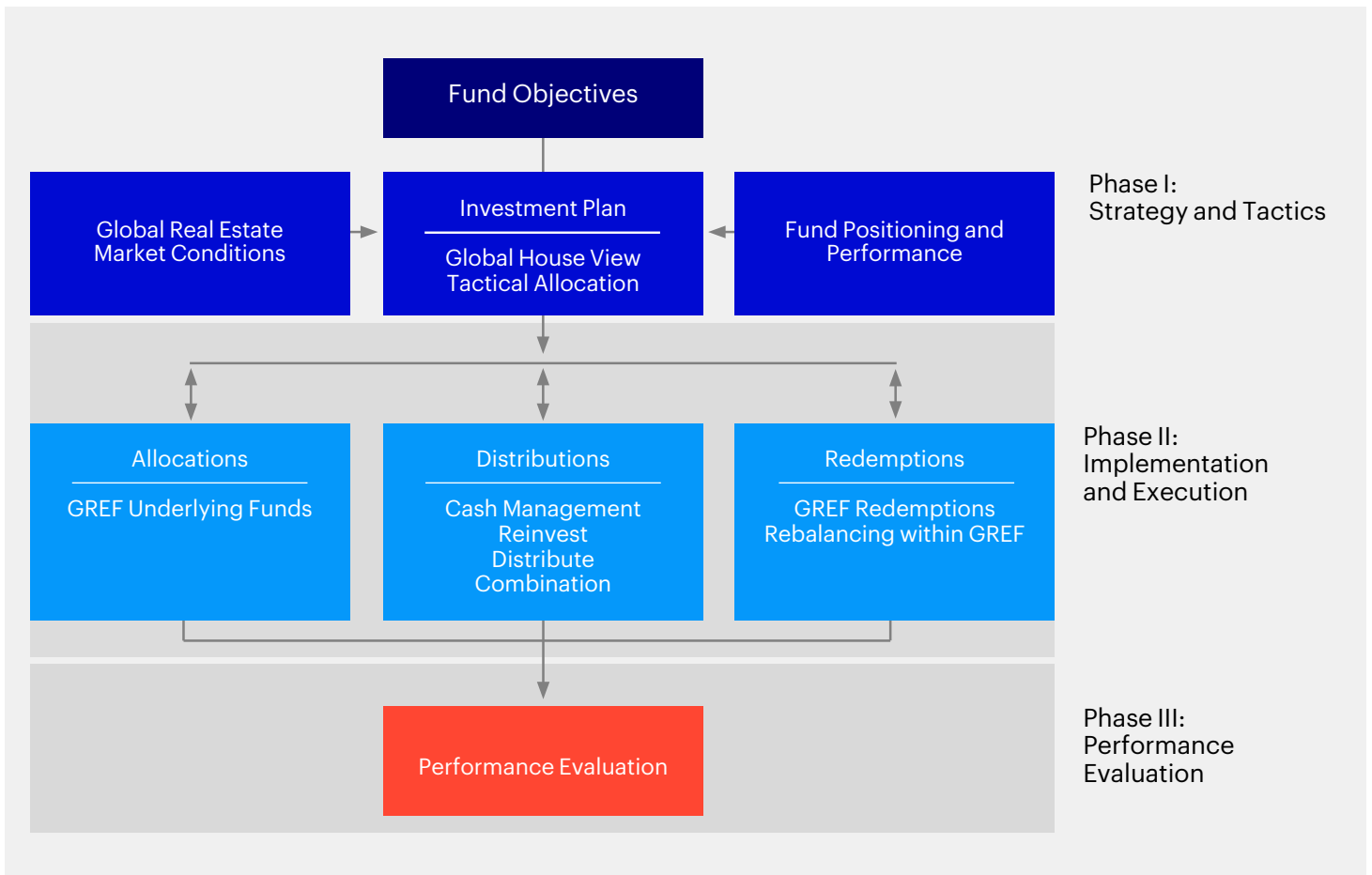
- Maximise the predictability and consistency of investment returns; and
- Minimise the risk of capital loss

The addition of the liquidity component allows investors to take advantage of the benefits of direct real estate with the added benefit of a liquidity mechanism to provide daily subscriptions and redemptions in a normal market environment.

Global Real Estate Strategy Investment Process

Invesco Global Real Estate Strategy's investment process focuses on portfolio construction and consists of three interactive phases:

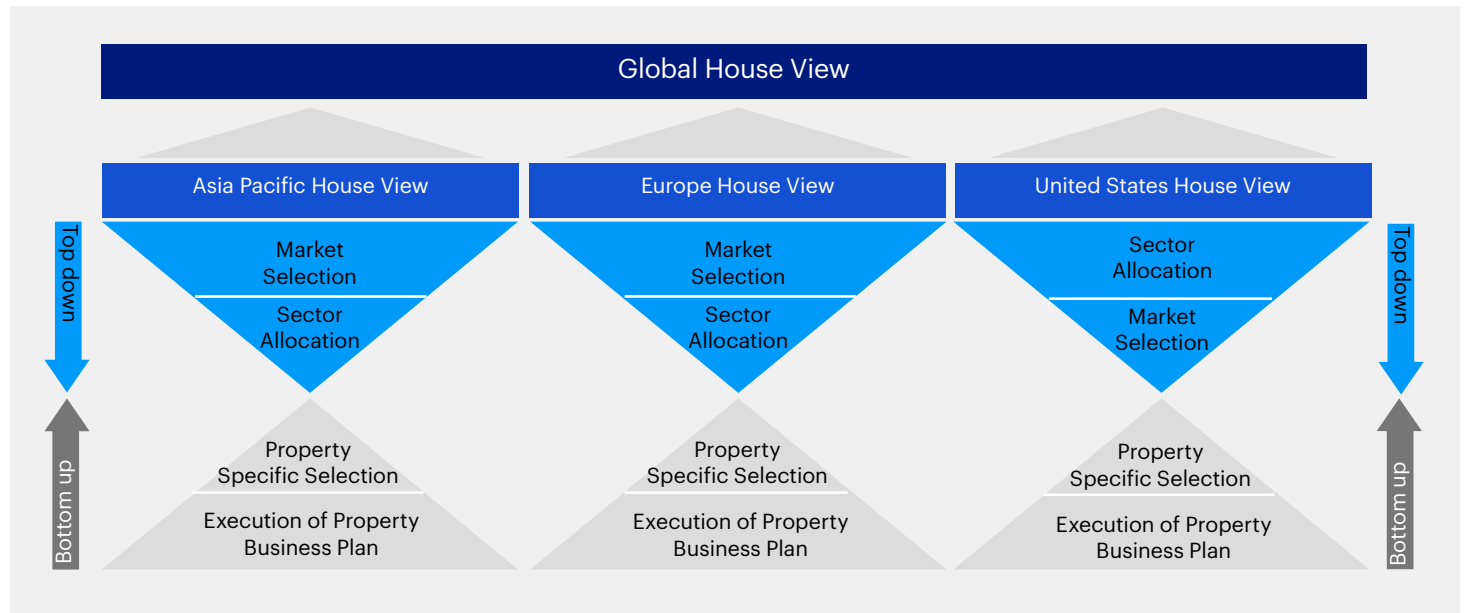
1. Strategy and Tactics
2. Implementation and Execution
3. Performance Evaluation



Stage 1: Strategy and Tactics

The Invesco Global Real Estate Strategy investment plan is based on regional assessments of real estate markets and their sector conditions, i.e. 'Top down' analysis, and on property specific assessments, i.e. 'Bottom up' analysis.

This regional analysis informs the "Regional House Views" which in turn informs the "Global House View" and covers both direct and listed real estate. The Global House View is therefore IRE's collective belief of the way the firm should invest in institutional real estate markets. This approach ensures clarity in understanding the current opportunities and risks in the market, along with providing the teams with a specific plan to execute and achieve the objectives.



The major components of the Global House View include:

- Economic and financial outlook;
- Real estate market outlook;
- Outlook for each region; and
- Global investment strategy considerations.

Tactical Allocation

The development of tactical allocation is introduced to take advantage of market outlook and also to facilitate capital management. Tactical allocation decisions for the Invesco Global Real Estate Strategy can take three forms:

1. Allocation between the Direct versus Listed real estate
2. Allocation between the regional direct underlying strategies
3. Allocation between Equity and Debt within the Global Income Listed Fund.

Stage 2: Implementation and Execution

The Manager implements the recommendations and objectives according to the Investment Plan.

The Portfolio Management team determines the allocation and rebalances the portfolio with incoming and outgoing flows on each trade day, and instructs the relevant teams within Invesco to execute the subscriptions and trades accordingly.

Stage 3: Performance evaluation

The Manager regularly assesses the success of the strategy and its implementation.

Once an investment is made in the Underlying strategies, the responsibility for executing the tactical strategies that create value are administered by IRE's Portfolio Management Teams and its Asset Management teams in the case of the Direct Real Estate investments.

Direct Real Estate seeks to provide:

- An institutional quality real estate portfolio
- Durable and growing income over time
- A conservative risk profile
- Diversification via a low correlation to stocks and bonds
- Lower volatility than public market asset classes
- Higher correlation with inflation than stocks and bonds
- An allocation to Core Plus via 'Invesco US Income Fund' seeks to boost income and increase diversification

Invesco Core Real Estate - U.S.A

Investment strategy	Core Real Estate
Target sectors	Apartment, Retail, Industrial, Office, Specialty Sectors
Geographic focus	United States major metropolitan areas
Inception date	30 September 2004
Net Asset Value	US\$10.9 billion
Number of assets	131
Loan value	Maximum loan to value (LTV) ratio of 35%

Invesco Real Estate European Fund

Investment strategy	Core Real estate
Target sectors	Apartment, Retail, Industrial, Office, Specialty Sectors
Geographic focus	UK, France, Germany, Netherlands, Poland, Spain, Sweden and Italy
Inception date	1 August 2008
Net Asset Value	EUR \$2.8 billion
Number of assets	37
Loan value	Maximum LTV ratio of 50%

Invesco Real Estate Asia Fund

Investment strategy	Core Real Estate
Target sectors	Apartment, Retail, Industrial, Office
Geographic focus	Japan, Australia, China, Hong Kong, Singapore, South Korea and New Zealand
Inception date	18 February 2014
Net Asset Value	US\$2.3 billion
Number of assets	30
Loan value	Maximum LTV of 40%

Invesco US Income Fund L.P.

Investment strategy	Income-focused institutional real estate
Target sectors	Apartment, Retail, Industrial, Office, Specialty Sectors
Geographic focus	US primary and secondary markets
Inception date	1 January 2014
Net Asset Value	US\$2.8 billion
No. of investments	50
Loan value	Maximum LTV of 50%

Global Real Estate Income Securities seeks to provide:

- A high degree of liquidity compared to direct real estate funds
- Competitive total return and income with 30% - 40% less volatility than an all equity portfolio
- An actively managed portfolio with bottom-up stock selection, which over/underweights particular sectors and/or geographic regions.
- Exposure across the listed real estate capital structure (i.e. equity and debt securities)

**Invesco Global Real Estate
Income Securities Fund**

Investment objective	Current income with capital appreciation as a secondary objective
Holdings	Public equity and debt
Geographic focus	Global
Inception date	31 May 2002
Number of holdings	88
Liquidity	Daily



**1800 Larimer
Office | Denver, Colorado USA**

Direct Real Estate Funds

Just as the Global Real Estate Strategy follows a three phase investment process - so too do the four underlying direct real estate funds.

From a top-down standpoint, the decisions related to market selection and property sector allocation are critical, and may account for a significant amount of the excess return generated from a portfolio. Getting these two factors right is paramount. The focus then shifts to the key bottom-up factors; property specific selection and execution of the business plan by expert specialists.

Phase I
Strategy and Tactics

The "Regional House View" is the collective expertise and insights of IRE's regional real estate investment professionals - the product of the local Investment Committee Strategy Group, and of cross-sectional teams from local Research, Acquisitions, Underwriting, Asset Management and Portfolio Management.

Top down
Market Selection

Phase I produces an Investment Plan for acquiring new assets to complement an existing portfolio; the "Regional House View" is applied to a portfolio model with the Qualified and Target Market constraints.

Phase II
Implementation and Execution

With the Target Market and Investment Plan established, the team draws on relationships to source investment opportunities

Bottom up
Property Specific Selection,
Execution of Property Business Plan

Asset Management

- Acquisition /asset transfer due diligence
- Management company selection process
- Annual business plans
- Active asset management
- Disposition analysis

Hold Sell

Market and Sell

IRE is distinguished in its bottom-up property selection and disposition process;

- **Dedicated Acquisition Team**
Professionals focused solely on sourcing quality investments.
- **Credibility and reputation supports deal flow**
- **Region-wide Presence**
Experts on the ground in the major countries for a given region.
- **Underwriting / Contract Negotiation / Due Diligence**
A Transaction Team prepares a detailed investment proposal that defines any substantial investment issue.
- **Dedicated Disposition Team**
Determine timing of disposition, and execute hold and sell analysis. Third-parties are employed to market the investment for sale, which IRE believe is the most effective method for achieving best execution and pricing.

Phase III
Performance Evaluation

Just as IRE expects investors to grade IRE's performance, IRE internally grades the success of the investment strategy, its implementation and results. While enhancements have been made as transparency in the industry has improved, IRE's basic philosophy of core real estate investment - implemented through the process highlighted above - has not materially changed since the firm's inception.



Key People

Client Portfolio Management



Max Swango
Managing Director, Global Head
of Client Portfolio Management

40 years experience
35 years tenure



Simon Redman
Managing Director,
Client Portfolio Management

32 years experience
16 years tenure

GRES Portfolio Management



Tracey Luke
Managing Director, Portfolio Manager

33 years experience
11 years tenure



Holland Park
Residential • Amsterdam, Netherlands

GRES Underlying Fund Portfolio Management

US Direct

US Core

Michelle Foss
Managing Director,
Portfolio Management

26 years experience
9 years tenure

US Income

Daniel Kubiak
Senior Director,
Portfolio Management

26 years experience
19 years tenure

Europe Direct

Rory Morrison
Managing Director, Fund Management

31 years experience
22 years tenure

Asia Direct

Ian Schilling
Managing Director, Head of Core Funds – Asia Pacific

31 years experience
11 years tenure

Global Real Estate Income Securities

Darin Turner
Managing Director, Portfolio Manager – Global Securities team

20 years experience
18 years tenure

Contact

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Important Information

All data as at 31 December 2023 unless otherwise stated.

This document has been prepared by Invesco Australia Ltd (Invesco) ABN 48 001 693 232, Australian Financial Services Licence number 239916, who can be contacted on freecall 1800 813 500, by email to clientservices.au@invesco.com, or by writing to GPO Box 231, Melbourne, Victoria, 3001. You can also visit our website at www.invesco.com/au

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