

Macquarie Concentrated Australian Real Estate Strategy

Monthly report – 30 June 2025

Model portfolio details

Investment objective

Aims to deliver a total return (income and capital growth) after costs but before tax, above the S&P/ASX 200 AREIT Accumulation Index on a rolling five-year basis

Inception date

25 October 2022

The performance information and commentary is based on a model portfolio. The information does not take into account differences between the model portfolio and the actual portfolio implemented by the operator of your managed account or any fees, expenses or other costs charged by the operator of your managed account.

The performance of your managed account will differ to that of the model portfolio (and may differ significantly) due to factors including an incomplete implementation of all trades, the timing of trades, the individual circumstances of an investor as well as the fees, expenses and other costs charged by the operator of your managed account.

All references to selling, investing, participating, positioning or similar are references to the model portfolio only and may not reflect the holdings in your actual portfolio.

Please contact the operator of your managed account for further information.

Model Portfolio performance to 30 June 2025

	Total model portfolio return (net)	Benchmark return	Total excess return (net)
1 month (%)	1.89	1.82	0.07
3 months (%)	10.91	13.72	-2.81
1 year (%)	9.13	13.97	-4.84
Since inception (% pa)	10.72	18.53	-7.81

Past performance is not a reliable indicator of future performance.

Net returns are quoted after the deduction of the management fee of 0.769% (inclusive of GST), the highest management fee applicable for an SMA managed in accordance with the Macquarie Concentrated Australian Real Estate Strategy. Total returns are calculated based on changes in net asset values and assumes the reinvestment of distributions. Due to individual investor circumstances (including different management fees), individual investor returns may differ from the net returns quoted above.

Top 5 positions

- GOODMAN GROUP UNITS
- CHARTER HALL GROUP STAPLED UNITS
- ARENA REIT STAPLED UNITS
- NATIONAL STORAGE REIT STAPLED UNIT
- STOCKLAND STAPLED UNITS LTD

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Model Portfolio highlights

June was a volatile month for global real estate markets as global geopolitical tensions flared once again in response to the escalating situation in the Middle East. Global and Australian listed real estate rallied to begin the month before giving some back as the market began to price risk into broader equities in response to Donald Trump's tweets on the US response to Iran. Despite this, the FTSE EPRA Developed Benchmark in USD finished up for the month, as did the AREIT Index, returning 1% and 1.8% respectively.

The strong market tone experienced at the end of May continued into June as global bond yields continued to head lower whilst global central banks reiterated a dovish stance that was well-received by the market. Key employment and inflation data in Australia continued the trend of a slowing but stable labour market and an inflation trend that is sitting within the RBA's target band. This combined with the RBA's Statement of Monetary Policy has given the bond market the confidence to price in almost a full rate cut in July, with 3 cuts expected by the end of the year. The geopolitical tensions did cause some concern around the inflation implications of Iran blocking the Strait of Hormuz but this has remained largely contained.

Continuing the tone from May, businesses with active earnings such as the Fund Managers and Data Centres were the best performers. Meanwhile, asset heavy and defensive business models underperformed, with Retail and Office returns flat to negative.

In the Fund Manager space, Charter Hall benefitted from the continued fall in global bond yields and the expected recovery in transaction markets and asset values that this is expected to bring.

Elsewhere, Aspen Group had a very strong month in June, appreciating over 20% with strong volumes evident in the stock after the equity raising they conducted earlier in the year. This stock is one of the most direct exposures to the housing affordability issue across the nation and is a significant exposure in the portfolio. With the commencement of a rate cutting cycle, we believe residential exposed names will benefit from demand for affordable new development.

Looking ahead, we continue to see value in high quality characteristics including strong management and well managed balance sheets, and where earnings growth is most visible.

Outlook

The Australian listed real estate market is poised for cautious optimism over the next month, supported by stabilising interest rates and improving investor sentiment toward income-generating assets. Amidst lingering economic uncertainties, the strategy maintains a preference for high-calibre real estate companies supported by enduring structural trends, ensuring resilient positioning.

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For queries regarding your managed account, please contact your adviser or the managed account provider.

For any investment related queries, call us on 1800 814 523 or email mam.clientservice@macquarie.com

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