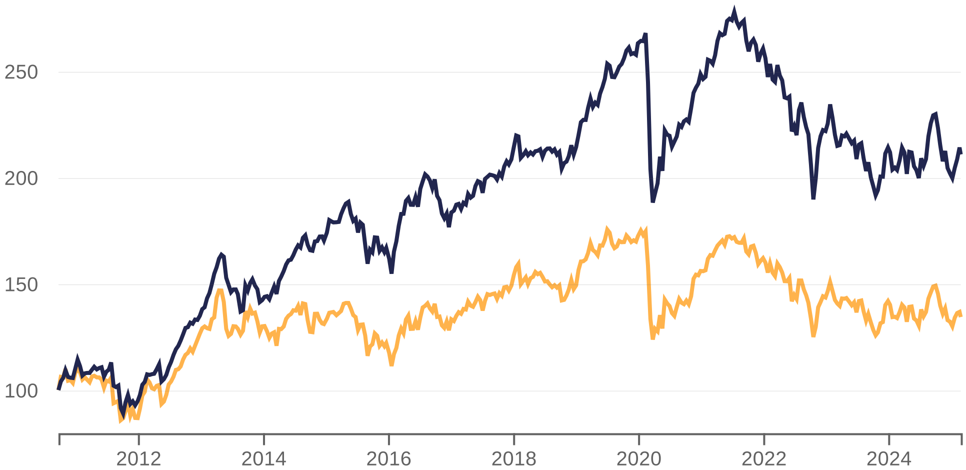
B&I Asian Real Estate Securities Fund (UCITS)

USD Accumulating Share Class

B&I Capital

February 28, 2025

Indexed Performance



B&I Asian A (USD Accumulating)

FTSE EPRA/NAREIT Developed Asia NTR Index (USD)

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)**	1.51%	5.06%	3.96%	-14.78%	-13.85%	110.86%
	FTSE EPRA/NAREIT Developed Asia NTR Index (USD)	-0.84%	2.89%	0.67%	-13.94%	-15.20%	34.35%
Annualized return	**B&I Asian A (USD Accumulating)**	-	-	3.96%	-5.19%	-2.94%	5.30%
	FTSE EPRA/NAREIT Developed Asia NTR Index (USD)	-	-	0.67%	-4.88%	-3.24%	2.07%
Annualized volatility	**B&I Asian A (USD Accumulating)**	-	4.89%	16.82%	16.20%	17.25%	14.78%
	FTSE EPRA/NAREIT Developed Asia NTR Index (USD)	-	11.27%	16.30%	16.26%	17.86%	16.23%

Fund Data

Fund Size	USD 153m
Firm AUM	USD 1'075m
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

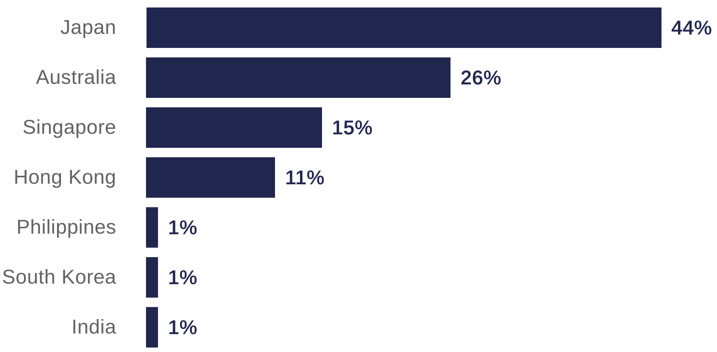
Denomination	USD
Dividend	Accumulating
Inception Date	24/09/2010
TER* (fixed)	1.3% pa
Performance Fee	20% over BM pa, HWM, capped at 1.5% AUM
Benchmark	FTSE EPRA/NAREIT Developed Asia NTR (USD)
ISIN	LI0115321320
Valor	11532132
Bloomberg	BIARESA LE

* Excluding any performance fee if applicable as defined in prospectus

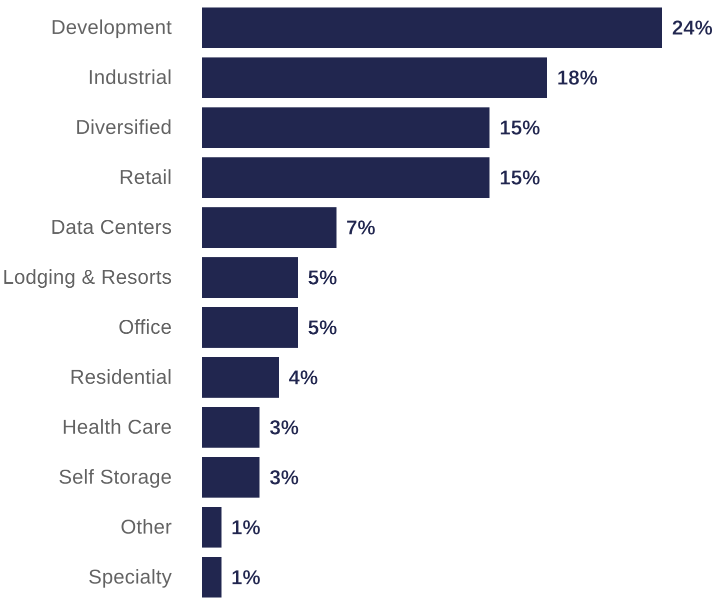
Portfolio Characteristics

Open Longs	42
Gross Yield (REITs)	5.1%
Gross Yield (portfolio)	4.6%
P/NAV (REITs)	0.96
Liquidity Days	0.61
Top 5 as % NAV	30%
Active Share	53.3%
Total Net Exposure	99.6%

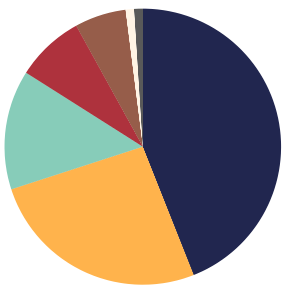
Market Exposure



Sector Exposure



FX Exposure



JPY	44%
AUD	26%
SGD	14%
HKD	8%
USD	6%
PHP	1%
KRW	1%

Market Capitalization

USD >5bn	48%
USD 1-5bn	38%
USD <1bn	14%

Market Commentary

Regional: Asian Real Estate stocks softened at month-end after being up nearly 2.5% in mid-February as global tensions and trade policy concerns impacted equity markets globally. The FSTE EPRA Nareit Asia Developer Net TR lost 84bps and the REIT-only series lost 1.15%. Results for large cap Developers in Japan and Australian & Singapore REITs were generally positive. We are slightly surprised by the flat performance of Asian REITs in February given the sharp decline in US rates. Interest costs have risen 80% for Asian REITs since 2022 due to shorter debt duration and we see the current environment where today's rates are lower as a tailwind more than for other regions like the US and Europe which have benefitted from lower debt cost increases due to longer debt duration and more fixed debt.

Japan: The FTSE EPRA Nareit Japan index was +1.4% (USD) in February. The JREITs outperformed the TOPIX and Developers in February even though they fell under the pressure of rising 10-yr JGB yields in the first half of the month, before rebounding toward the end of the month as yields peaked. Office and Diversified outperformed, while Hotel underperformed even as inbound visitors hit record levels. The major developers were also weak despite reporting relatively strong Q3 results and upgrading full-year guidance in some cases. Tokyo office vacancies continued to slide, falling 0.17ppt MoM to 3.83% in January. Average asking rent rose 0.35% MoM or 3.23% YoY, up for 12 and 9 straight months, respectively. Inbound visitors to Japan hit a new high for a single month with 3.8mn visiting in January (+40.6% YoY), driven largely by a recovery in Chinese inbound which finally exceeded pre-covid levels (+30% vs January 2019). According to the Nikkei Real Estate Market Report, the number of real estate transactions in 2024 increased by 7% YoY to 1,671, while the total amount of sales transactions increased by 36% year-on-year to JPY 4.8tn (USD 31 bn). This is the second-highest level after the JPY 5.8tn recorded in 2007, and the largest figure since the global financial crisis. Activist fund 3D Investment Partners (3D) launched a tender offer for Hankyu Hanshin REIT at 6.26% premium (c.0.8x P/NAV) to the closing price at the announcement and aims to purchase 8.7%-13.7% of units outstanding and add to its current position (1.3%) to reach a stake of 10%–15%. The tender offer is the second in the JREIT sector for 3D, with the first being the ongoing offer for NTT UD REIT (8956) announced in January. Similar to the NTT UD REIT offer, 3D claims it will be purely for investment and will not be making proposals to management. While 3D's offers could have resulted in the outperformance of some mid-cap diversified REITs on speculation they could be the next target, this could very quickly become an overhang for them should the market eventually find the activists' moves underwhelming. JREITs continue to buy back shares with five REITs announcing buybacks in February, namely CRE Logistics (3487), Japan Prime (8955), Japan Excellent (8987), Nippon Prologis (3283) and Global One (8985).

Singapore: The FTSE EPRA Nareit Singapore index was (USD) -0.1% in February underperforming the overall market. Paragon REIT (Singapore prime retail REIT) was the main outperformer after it received a privatization offer from its sponsor (a consortium led by Capitaland and Mapletree Investments) at 7% premium to book value and 11% above its previous undisturbed trading price. The bid values the REIT's Orchard Road shopping mall Paragon at SGD 4,500psft vs. SGD 4,900psft what CICT paid for Ion Orchard last year. Showing that cost of debt continues to fall, FCT issued an SGD 80m, 7Y fixed rate green note at 3.30% substantially below its current WACD of 4.0%. The lower rates represents both a fall in the benchmark rate and margin compression as competition among banks increases. The Budget 2025 released during the month was a disappointment overall for property stocks while forecasting a larger yearly surplus (0.9% of GDP) vs. 2024 (0.1% GDP). There is a slight positive for staple retail REITs (FCT, CICT) with household transfers being the main form of stimulus. The tax rebates for fund managers investing >30% of AuM in SG listed stocks and fund managers listing on the SGX over the next two years will unlikely have a major impact on SGX listings or REITs. The large cap SREITs have been noticeable laggards YTD and now screen reasonably priced at 10% discount to BV (CICT, MLT) with high 5% (retail) to 7% (industrial) forward DPU yields.

Australia: The FTSE EPRA Nareit Australia index was -7.2% (USD) in February with the top two stocks GMG (-14.8% MoM) and Scentre (-7.2% MoM) both down significantly, with GMG a huge portion of the country index falling after an AUD 4bn capital raise during the month (see below). Charter Hall Group (Fund Manager) and Mirvac (diversified with Office & Residential development representing a substantial part of earnings) were the main outperformers on lower rate expectations as the 10Y fell 20bps from its highs of 4.52% in the last week of February. Headline inflation for January came in slightly lower than consensus at 2.5% YoY (-0.2% QoQ), though as the January data misses a number of service components the RBA will put more weight on the February update (due March 26). AREITs' earnings results were in line with consensus but the clear indication that property valuations (even office which still had low single digit half yearly declines in December) have reached an inflection point was a positive surprise. GMG surprised the market with an AUD 4bn equity raising at their results on February 19th; the money will be used to help fund its AUD 10bn, 500MW Data Center development pipeline starting over the next 18 months. GMG also didn't raise their initial earnings guidance from 9% to low teens as the market expected; showing that investors will need patience on an acceleration of earnings as they shift into a turnkey DC developer. Mirvac went out of the MSCI Standard DM Asia index on February 28th (announced February 12th) and are now relegated to MSCI Small Cap Property while GMG's float increased with their largest shareholder CIC going below 5% and thus no longer considered an insider. Melbourne's residential prices snapped a 10-month downturn in January with prices +0.3% MoM in the month. Sydney home prices rose 0.3% in January, after falling -2.1% in the four previous months. The uplift in Sydney prices came from the higher end of the market with "mid-tier" housing still in decline.

Hong Kong: The FTSE EPRA Nareit HK index was +6.2% (USD) in February with most real estate names positive MoM and the data center developer SUNeVision (1686-HK) more than doubling with Mainland southbound money coming into the name on the AI thematic. Alibaba said it will invest at least CNY 380bn (USD 53bn) in cloud computing and AI infrastructure over next three years as it makes AI its main objective. SUNeVision's 1H25 earnings were excellent at +17% YoY EBITDA growth deriving from rate growth at stabilised assets, 178% increase in net additions of cross connects and the 30% cash rent booking at its new 50MW Mega IDC Phase 1 Data Center. High teens earnings growth will continue as cash collection increases at Mega IDC with a further 30% utilization coming online this year and strong interest for the remaining 40% that management has decided to start the construction of for Phase 2 (potentially additional 130MW) with an early 2027 completion date. The HK Budget released during the month was on balance positive for the property market with the suspension of government commercial land sales for the year (too much current supply and record high vacancies). The Budget also lowered the stamp duty meaningfully for the low-price end of the market (HKD3-4m units), though the management of SHKP (which has more saleable lower asking price product amongst the listed developers) did not think it would have a material benefit for their sales this year.

ESG Controversy Exposure

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

Portfolio exposure to significant controversies. Source: MSCI.

ESG Carbon Emissions

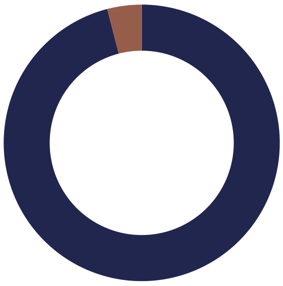
Scope 1	117	tCO2e
Scope 2	1'071	tCO2e
Scope 3	4'770	tCO2e (est)
Carbon Footprint	41	tCO2e /$m invested

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	96%
Yellow	0%
Orange	0%
Red	0%
Uncovered	4%

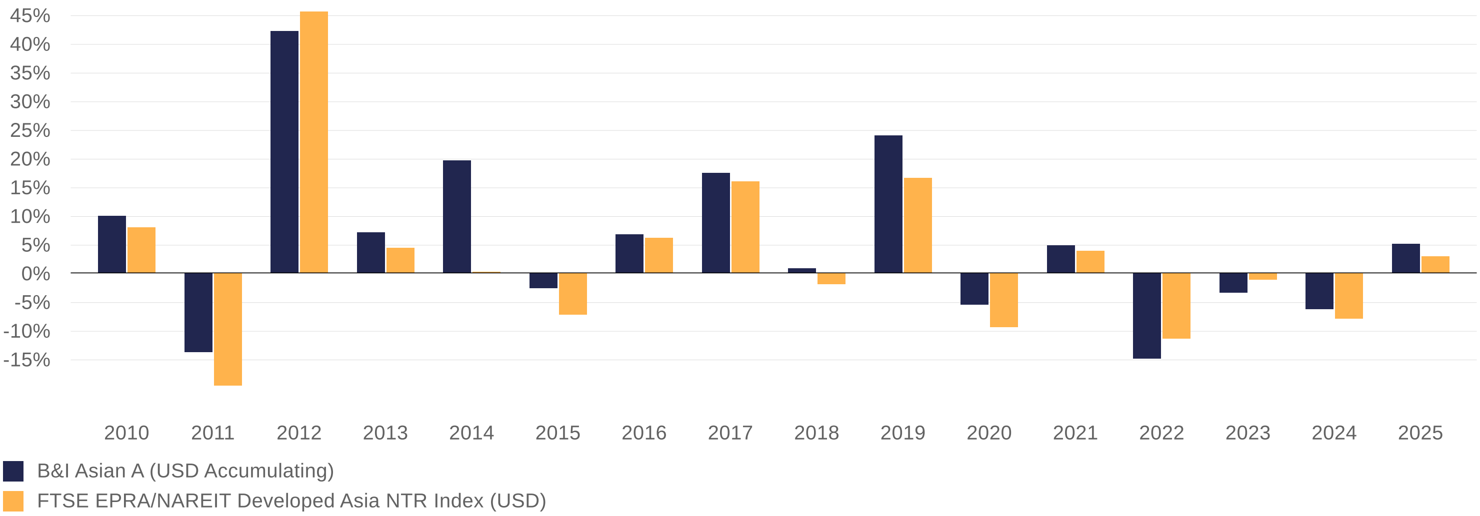
Assessment of notable controversies related to operations, and the severity of the social or environmental impact of the controversies. Source: MSCI.

Monthly Returns - Last 5 Years

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2025	3.50%	1.51%	-	-	-	-	-	-	-	-	-	-	**5.06%**
2024	-4.02%	-1.32%	6.50%	-3.87%	-1.15%	-2.69%	5.99%	6.76%	3.09%	-7.61%	-1.30%	-5.54%	**-6.28%**
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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