

Fund Commentary

31 March 2024

The Fund invests in developed markets listed real estate companies with structural tailwinds and that embed the Strategy's sustainable investment criteria. The Manager takes an active approach to investing in real estate companies which benefit from secular trends across environmental, demographic, social and economic factors. The Fund seeks to achieve a positive total return underpinned by a 4.00% dividend yield over a rolling 5 year period.

4.16%	(5.13%)	£69.57m	3.10%
Monthly Performance	Total Return Since Inception ¹	Fund Size at 31 March 2024	12-Month Trailing Dividend

Past performance is not a reliable indicator of future results. Target yield is not guaranteed.¹The Fund's inception date is 15 June 2020.

Market Update

- Major central banks continue to navigate 'soft landings' narratives, as optimistic market expectations regarding policy rate cuts have been tempered since the start of the year. Fed members polled an average expectation of 75bps of cuts in 2024, as GDP data revisions and manufacturing PMIs demonstrate robustness. Despite signs of stagnating growth and falling inflation in the UK and Europe, the respective central banks remain cautious of domestic wage growth and services inflation.
- The Fund remains positioned in companies that continue to benefit from structural growth drivers, solid sustainability credentials and strong cashflow visibility. As markets continue to firmly price in the end of the hiking cycle, the forward-looking return potential from the asset class remains attractive.

Portfolio News

- The Managers continue to favour companies with strong balance sheets and those benefitting from favourable demand and supply dynamics to support pricing power and earnings visibility. To support growth in a high cost of capital environment, companies are looking to financing strategies such as joint ventures as well as M&A to reallocate capital to growth opportunities.
- Digital Realty ("DLR") announced the formation of a new joint venture to support the development of two data centres in Dallas, which are 100% pre-leased to an S&P 100 investment grade customer on a long-term basis. Mitsubishi has acquired a 65% equity interest in the venture for \$200m, while DLR maintains a 35% interest and will manage the development and operations of the assets.
- REIT merger activity has been elevated into 2024 and continued throughout March with Tritax Big Box REIT and UK Commercial Property REIT reaching an agreement on a share-for-share merger by scheme of arrangement which will be put to shareholder vote in 2Q24. Moreover, both LondonMetric and LXI REIT in the UK as well as Healthpeak Properties and Physicians Realty Trust in the US completed in mergers in March.
- The Manager is actively exploring valuation opportunities presented by the decoupling of price and value in structurally growing sectors such as specialised storage and senior living sectors. The preference remains for high quality owners and operators with solid sustainability credentials, strong tenants, and defensive balance sheets.

Portfolio Changes

- The Manager increased the Fund's position in Primary Health Properties (+1.06% to 4.67%).
- The Manager decreased the Fund's positions in Tritax Eurobox (-1.05% to 2.89%) and Supermarket Income REIT (-1.05% to 2.27%).

Source: Foresight Group, Company Reports, April 2024.



Important Notice

The value of an investment in the Fund, and any income from it, can fall as well as rise. Investors may not get back the full amount they invest. Past performance is not a reliable indicator of future results. We recommend investors seek professional advice before deciding to invest. Investors must read the Fund Prospectus ("Prospectus"), dated July 2023 and Key Investor Information Document ("KIID"), dated February 2024, before making an investment decision. The opportunity described in this document may not be suitable for all investors. Attention should be paid to the risk factors set out in the Prospectus. Words and expressions defined in the Prospectus shall have the same meaning in this Investor Factsheet. Foresight Group does not offer investment or tax advice. There are a number of other risks connected to an investment in the Fund, including (but not limited to) counterparty risk, liquidity risk and volatility. These risks are explained in the Fund Prospectus. This has been approved as a financial promotion for the purposes of Section 21 of the Financial Services and Markets Act 2000 by Foresight Group LLP ("Foresight Group"). Foresight Group is authorised and regulated by the Financial Conduct Authority (FRN 198020). Its registered office is The Shard, London SE1 9SG. FundRock Partners Limited is the authorised corporate director of the Fund and Foresight Group is the investment manager. Unless stated otherwise any opinions expressed are those of Foresight Group and may change. They should not be viewed as indicating any guarantee of return from an investment managed by Foresight Group nor as personalised advice or recommendation of any nature. This document should not be taken as a recommendation or offer by anyone in any jurisdiction in which such an offer is not authorised or to any person to whom it is unlawful to make such an offer or solicitation. Portfolio holdings are subject to change at any time without notice and information about specific securities should not be construed as a recommendation to buy or sell any securities. We respect your privacy and are committed to protecting your personal data. If you would like to find out more about the measures we take in processing your personal information, please refer to our privacy policy, which can be found at <http://www.foresightgroup.eu/privacy-cookies>. March 2024

