SARASIN IE SUSTAINABLE
GLOBAL REAL ESTATE EQUITY

SARASIN & PARTNERS

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ECONOMIC REVIEW

The listed real estate sector had a strong start to the year. While US President Donald Trump's new administration introduced some market volatility, the sector ultimately performed well in January.

As is customary, Prologis, the world's largest real estate investment trust (REIT), kicked off the corporate earnings reporting season. Although the results were largely in line with expectations, they were well received by the market. Recently, investors had expressed concerns about the medium-term growth prospects of the industrial real estate subsector. However, Prologis' results provided reassurance.

As more companies release their earnings in the coming weeks, we will gain further insight into the overall state of the sector.

FUND REVIEW

Prologis remains the portfolio's largest holding and a significant overweight relative to the fund's benchmark. The strong share price performance of Prologis contributed positively to relative returns. The portfolio's other industrial REITs also benefited from the positive momentum generated by Prologis' earnings.

On the downside, performance detractors were varied, with no single holding significantly impacting overall returns. The portfolio's diversified nature helped mitigate any outsized negative impact from individual holdings.

OUTLOOK

Entering 2025, the portfolio remains cautiously positioned to navigate ongoing macroeconomic uncertainty. While the anticipated lower interest rate environment has yet to materialise, we believe the combination of robust real estate fundamentals and eventual monetary easing will create a supportive backdrop for stronger performance.

Looking ahead, while economic fundamentals remain supportive of the real estate sector, sustained high interest rates could challenge near-term performance. Nonetheless, long-term prospects remain favorable, especially if inflation moderates and central banks pivot towards easing monetary policies in 2025.

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The value of investments and any income derived from them can fall as well as rise and investors may not get back the amount originally invested. If investing in foreign currencies, the return in the investor's reference currency may increase or decrease as a result of currency fluctuations. Past performance is not a reliable indicator of future results and may not be repeated. Forecasts are not a reliable indicator of future performance.

There is no minimum investment period, though we would recommend that you view your investment as a medium to long term one (i.e. 5 to 10 years).

Risks associated with investing in Real Estate Investment Trusts (REITs) include, but are not limited to, the following: declines in the value of real estate, risks related to general and local economic conditions, overbidding and increased competition, increases in property taxes and operating expenses, changes in zoning laws, casualty or condemnation losses, variations in rental income, changes in neighbourhood values, the appeal of properties to tenants, and increases in interest rates. In addition, REITs may be affected by changes in the value of the underlying property owned by the trusts or may be affected by the quality of credit extended. REITs are dependent upon management skills, may not be diversified and are subject to the risks of financing projects. The ability to trade REITs in the secondary market can be more limited than other stocks.

The Fund may invest in derivatives for efficient portfolio management purposes. This means Derivatives can only be used to manage the Fund more efficiently in an attempt to reduce the overall risk of its investments, reduce the costs of investing or generate additional capital or income, although this may not be achieved and may create losses greater than the cost of the derivative.

The Sarasin IE Sustainable Global Real Estate Equity Fund is registered and approved under Section 65 of the Collective investment Schemes Control Act 45 of 2002.

Collective Investment Schemes (CIS) should be considered as medium to long-term investments. The value may go up as well as down and past performance is not a reliable indicator of future results. CIS are traded at the ruling price and may engage in scrip lending and borrowing. A schedule of fees, charges and

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maximum commissions is available on request from the Manager. A CIS may be closed to new investors in order for it to be managed more efficiently in accordance with its mandate. There is no guarantee in respect of capital or returns in a portfolio. Performance has been calculated using net NAV to NAV numbers with income reinvested.

The Prospectus is available from Prescient Management Company (RF) (PTY) LTD, Tel: +27 21 700 3600. Prescient Management Company (RF) (PTY) LTD is registered and approved under the Collective Investment Schemes Control Act (No. 45 of 2022). Registration Number 2002/022560/07. Physical address: Prescient House, Westlake Business Park, Otto Close, Westlake, 7945, South Africa. Persons domiciled in the US and/or are US nationals are not permitted to hold shares in the Fund and shares may not be publicly sold, offered or issued to anyone residing in the US or to US nationals. This publication is intended for investors in South Africa only.

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