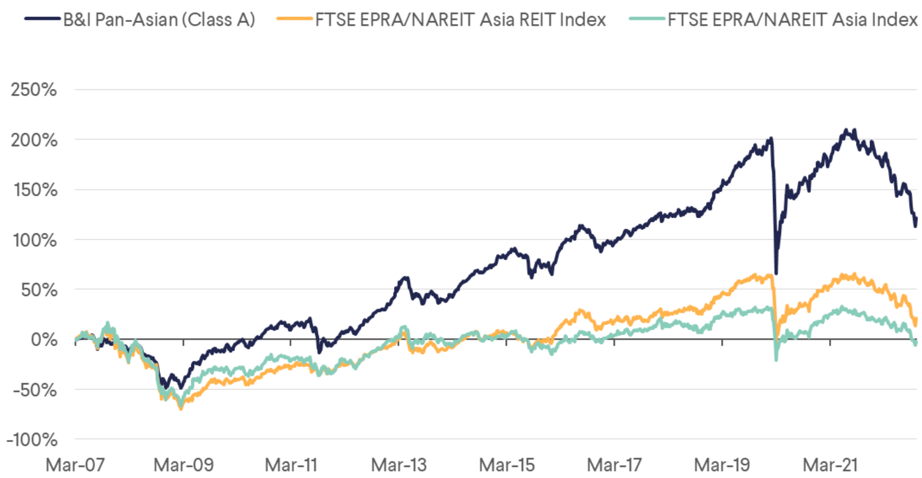
B&I Pan-Asian Total Return Real Estate Securities Fund

October 2022



Source: LLB Fund Services, FTSE

The Fund is designed to give Qualified Investors a means to replicate the risk-adjusted returns of multi-class Real Estate ownership in Asia, predominantly via the REIT market. 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.

Portfolio update: Net exposure increased from 90.4% to 91.1% , while gross exposure fell from 151.3% to 149.9%. The long book decreased from 120.9% to 120.5%, while the short book decreased from -30.5% to -29.4%. Exposure to JPY, AUD and SGD increased, while exposure to CHF, HKD, IDR, KRW and USD decreased. Exposure to Japan and Australia increased, while exposure to South Korea, Indonesia and Pan-Asian decreased. Exposure to Office and Lodging & Resorts increased, while exposure to Industrial and Infrastructure decreased. For the portfolio, one year forward gross yield rose from 5.7% to 6.0%. The average yield of the fund's REIT holdings rose from 6.0% to 6.3%. The average P/NAV (REITs) fell from 0.96 to 0.92.

Share Classes 31/10/2022	A Reinvesting	C CHF-hedged	Fund Data	
Net NAV	USD 221.17	CHF 113.15	Fund Size	USD 122m
Inception Date	26/03/2007	19/12/2016	Firm AUM	USD 1'182m
NAV at Inception	USD 100	CHF 100	Dealing / NAV	Weekly and monthly
Since Inception	121.17%	13.15%	Legal Fund Type	AIF
Management Fee	1.5% pa	1.5% pa	Fund Manager	B&I Capital AG
ISIN	LI0029404063	LI0344681320	Permitted Investors	Non-US qualified investors
Valor	2940406	34468132	Performance Fee	20% over 8% pa, HWM
Bloomberg	BIPARES LE	BIPARCH LE	Redemption Fee	2% 1st 6 months, 0% thereafter
Minimum Investment	USD 100'000	CHF 100'000		

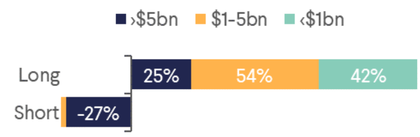
Performance	A	C	FTSE Asia REIT	FTSE Asia
October	-2.17%	-1.39%	-0.36%	-2.10%
YTD	-25.86%	-17.89%	-23.62%	-20.43%
1 Year	-25.49%	-16.77%	-24.27%	-22.97%
3 Years	-24.75%	-19.35%	-26.23%	-25.90%
5 Years	2.86%	3.90%	2.24%	-10.81%
10 Years	72.02%	-	33.85%	7.96%
Inception *	121.17%	13.15%	21.27%	-2.74%
CAGR *	5.22%	2.13%	1.24%	-0.18%
Volatility **	11.66%	10.32%	14.74%	13.51%
Sharpe **	-2.02	-1.39	-1.79	-1.83

* Share class inception, A class inception for index
** 1 year swing-adjusted

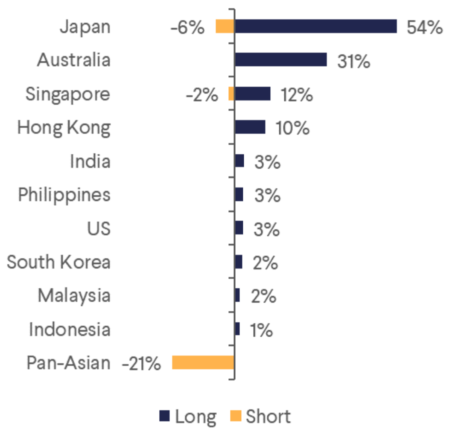
Performance is calculated net of all fees
YTD and monthly performance are unaudited

Portfolio Characteristics	
Open Stock Longs	42
Open Stock Shorts	1
Gross Yield (REITs)	6.3%
Gross Yield (portfolio)	6.0%
P/NAV (REITs)	0.92
Liquidity Days	2.63
Top 5 as % NAV	21.3%
Total Net Exposure	91.1%

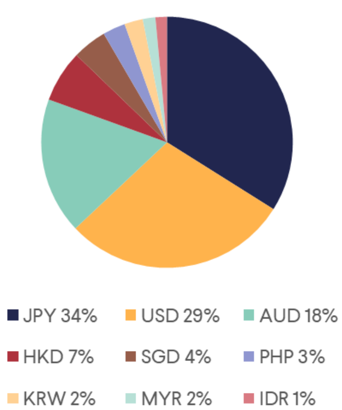
Market Capitalization



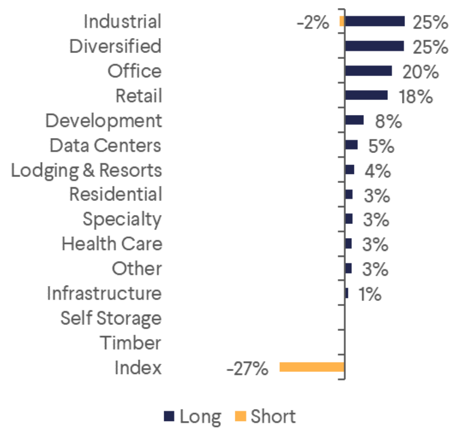
Market Exposure



Net FX Exposure



Sector Exposure



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Market Commentary

Regional: Thanks to a end of month rally and weakness in the USD, the FTSE EPRA NAREIT DEV ASIA USD TR Index recovered, but still ended down 2.1% while the REIT only version of the index series dropped by just 36bps in USD. The recovery simply tracked the recovery seen in the US as the SPX and US REIT indices significantly outperformed. Generally, company results have shown strong fundamentals in Japan, Singapore, and Australia however the headwind of higher rates and utility costs continues to impact DPU growth in the near term. Global macro data will most likely drive unit prices with bad economic news being good news for the sector. Valuations in several markets are at discounts to NAV and we believe once rates stabilise and transactions pick up (e.g. in Australia) we will see NAV discounts narrow as we do not expect distressed transactions given reasonable top line fundamentals in most markets. We believe Asian REITs will outperform in a period of falling USD and peaking US rates as overall REIT rent collection and growth in many markets has improved over 2020-2021 levels and has exceeded pre-Covid levels in some sectors and valuations are at almost Covid lows in some cases.

Japan: The TSEREIT Index ended October up 1.5% (1.7% TR), underperforming the TSERL Index (Developers) which was up 2.9% (3.0% TR). Hotel, Office and Diversified outperformed while Logistics, Residential and Retail underperformed. REITs have fallen sharply since end September on interest rate concerns and secondary offerings by several logistics REITs (Advance Logistics (3493), GLP JREIT (3281), Mitsubishi Logistics (3481)), before rebounding strongly toward the end of October as interest rate concerns abated. The BoJ maintained the status quo in their October monetary policy meeting, also keeping the inflation outlook BoJ Governor Kuroda reiterated the importance of having wage growth together with inflation, and that while they are getting closer to the 2% price stability target, it will not be achieved in the forecast horizon. Japan's core CPI in October was +3.0% YoY, up from +2.8% YoY in August. The driver for inflation has shifted gradually from rising international product prices to yen depreciation. The Ministry of Finance had confirmed that they conducted JPY 6.35tn in FX intervention as the yen temporarily pushed past the 150 level against the dollar. Miki Shoji reported Tokyo office vacancy was flat at 6.49% and average rent was -0.46% MoM or -3.37% YoY. While there were some cancellations due to contractions, vacancy rate remained flat due to the signing of some mid-sized contracts. Visa free travel to Japan restarted in October and we expect continued recovery in Japanese Hospitality REITs and Diversified REITs like Orix JREIT that reported strong numbers thanks to its hotel operations which helped lead to earnings overshoots.

Singapore: SREITs were -4.1% (USD TR) for October. Most SREITs were down for the month except for Keppel DC REIT and CapitaLand India Trust (formerly AIT), both of which had been underperformers coming into October. Suntec REIT (-15% MoM) was the laggard Singapore REIT, as concerns remain over its high gearing (44% LTV) and an ICR that is pushing now into the low 2s. 3Q22 Singaporean retail rents showed continued improvement led by prime Orchard Road (+0.9% QoQ, +1.9% YoY) though suburban rents were also strong (+0.8% QoQ, +1.4% YoY). Suburban occupancies continued to improve by 28bps to 97.8%. Multiple media reports stated that the SGD 3bn suburban retail portfolio Mercatus was down to Link REIT and Frasers Property (including their retail REIT FCT as a potential capital partner) after CapitaLand bowed out. Hopefully, we will get clarity on the preferred bidder by the end of November. FCT reported solid FY9/22 results with their underlying tenants' occupancy costs at 16.2% down to historically low levels while tenant sales are trending 10-15% above pre-Covid levels on a monthly basis. It will be interesting to see how much management pushes rent increases in 1H23 as the City's economy remains very strong (overall unemployment fell to 2% in 3Q). We believe rents over the NTM will rise at a higher rate than FY22 (+1.5%). September's industrial production rose 0.9% YoY but flat MoM; manufacturing output for Singapore grew 3.9% for the year through September, though is likely to cool in the 4Q. Mapletree Industrial Trust (MINT) reported record high occupancies of 97-98% for their Singapore industrial assets; though DPU fell 3% YoY on higher utility (Singapore) and debt expenses (U.S.). Cushman and Wakefield expect Grade A office rents to increase 5.5-6.5% in 2022 and +2 to 4% in 2023. The theme of fund managers expanding in Singapore continues with the announcements that Ontario Teachers' Pension will double its staff and move to larger offices in Frasers Towers and Bridgewater Associates opening its first Singapore office this year; though this demand will not fully replace the lack of new tech expansion.

Australia: AREITs were +9.3% (USD TR) for the month outperforming the wider Australian equity market by 4%. Smaller cap names like Arena REIT (+18% MoM), Centuria Industrial (+17% MoM) and Shopping Centres (+16%) outperformed. Dexus was the weakest of the large caps, down marginally for the month on a growing market consensus that workers are not returning to the office as quickly as originally hoped. Though both Dexus and Mirvac reported 1Q23 operating metrics that showed office occupancies at 95-96%, net effective rents stabilising and office asset sales close to book value. Across the board AREIT management 3Q updates reaffirmed FY23 FFO and DPU guidance. Showing the strength of the industrial market, Centuria Industrial REIT reported average releasing spreads of +18% across 10 deals (50,000sm) for the October quarter. RBA went more dovish than expected with a 25bps rate decision at their meeting on October 5th (they subsequently went another 25bps on November 1st). The last week of the month saw a big rally in the Australian 10Y with yields falling nearly 50bps, the largest such drop since 1995. The new Labour government's first budget was released on October 25th with some positives for REITs: there will be a committee review of barriers for institutional investment into Build to Rent apartment LPs, with hopefully a focus on the currently prohibitive land and withholding tax in NSW (positive for MGR); increase in Childcare subsidies (positive for Arena). The government also announced a first home buyer "shared equity" program where the government will guarantee 15% of the equity value for homes bought in regional locations plus government announced plans to target 1m new houses over 5 years from 2024 through accelerated rezoning and releasing council owned land. CoreLogic reported that Sydney home values are now down 10.1% on average since peaking in February 2022. The gap between Sydney landed home and apartment prices has reduced by 7.3ppt since May but still stands at a 62% premium for homes over apartments. A "large format" retail asset sold in Sydney's southwest for AUD 282m, reflecting a 4.6% yield. Dexus is reported to be selling an office asset in Melbourne at book value of AUD 244m and 4.75% cap rate. There is no evidence of significantly discounted sale in Australia across any asset class (ex residential) since valuation peaks in March. Several the large cap REITs announced CEO changes with Susan Lloyd-Hurwitz at Mirvac and Grant Kelley at Vicinity announcing departures by June 2023 and media reports that GPT Group is undergoing a CEO search to replace Bob Johnston and that its board wants to bring in someone to do a full strategic review. Mirvac's Board decided for continuity with the promotion of their head of the Investment Portfolio Campbell Hanan as next CEO.

Hong Kong: HK CPI came in at 4.4% in September, up from 1.9% in August but still mild compared to other Asian countries. 3Q GDP fell 4.5%, the worst since early 2020. The Centaline City residential property price index started to stabilise at the end of September with weekly prices turning positive after 11 consecutive weeks of decline. Overall home prices are down 7.5% YTD. The new chief executive John Lee's first and much anticipated Policy Address on the 19th lacked the policy relaxation for the private housing market that analysts were hoping for. Lee did announce the refund of the 30% stamp duty on first home purchases by expats that become permanent HK residents (takes 7 years) but this is marginal and long dated. Lee also announced a new immigration policy to make it easier for foreign talent to immigrate, and the establishment of a HK Investment Corporation to support strategic enterprises. The Chinese Communist Party concluded its 20th National Congress on October 23rd and unsurprisingly Xi Jinping received a third term as General Secretary while the announced members list of the new Central Committee and Politburo Standing Committee did concern the market as they comprised entirely of Xi supporters, giving him full control of the economy, foreign affairs, and internal policy. The removal of members of the Communist Youth League (and the physical removal of its former leader Hu Jintao at the closing session) signalled Xi's focus on party control and anti-corruption over just economic market reform and growth. Disappointingly but in-line with expectations there was no new policy on the property market. The release of Chinese economic data was delayed for a week during the Congress and was broadly mixed: 3Q real GDP increased to +3.9% YoY from +0.4% in 2Q (cons +3.3%); though 9M GDP growth of 3.0% is well below the official full year target of 5.5% set in March. The Chinese consumer is still hampered by Covid-19 policies with September retail sales +2.5% YoY (cons +3.0%), a decline from 5.4% in August. Home prices fell for the 13th straight month and are now -15% YoY.

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Monthly Performance

	Class	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	A USD	-5.38%	-1.87%	2.40%	-4.26%	-2.69%	-6.88%	2.75%	-1.82%	-8.92%	-2.17%			-25.86% *
	C CHF	-4.83%	-2.29%	3.36%	-1.25%	-3.44%	-4.08%	2.02%	-0.53%	-6.67%	-1.39%			-17.89% *
2021	A USD	-0.45%	1.86%	0.58%	3.90%	1.28%	2.30%	0.43%	0.54%	-4.19%	0.80%	-3.27%	3.90%	7.59%
	C CHF	0.12%	2.19%	2.26%	2.49%	1.55%	3.88%	0.61%	0.50%	-3.62%	0.22%	-2.68%	4.16%	11.99%
2020	A USD	1.71%	-8.03%	-24.11%	8.27%	9.20%	-1.39%	1.17%	4.80%	1.03%	-4.26%	6.55%	4.94%	-5.10%
	C CHF	2.50%	-7.00%	-23.70%	5.93%	8.99%	-2.16%	-0.93%	4.23%	1.58%	-4.88%	5.09%	3.58%	-10.77%
2019	A USD	5.67%	0.77%	3.78%	-0.72%	2.54%	3.06%	0.82%	2.55%	1.15%	3.34%	-1.40%	0.81%	24.55%
	C CHF	4.81%	1.21%	3.75%	-0.75%	2.32%	1.92%	1.23%	2.50%	1.15%	2.63%	-1.14%	-0.58%	20.59%
2018	A USD	1.12%	-0.24%	-0.37%	0.36%	2.31%	-1.12%	1.66%	0.15%	-1.26%	-1.53%	2.69%	1.50%	5.28%
	C CHF	0.72%	-1.16%	-1.04%	1.28%	2.31%	-0.31%	1.60%	-0.04%	-1.09%	-1.50%	2.20%	0.31%	3.20%
2017	A USD	2.60%	0.20%	-0.51%	1.91%	3.39%	0.23%	1.35%	0.72%	-0.07%	1.44%	2.59%	1.01%	15.82%
	C CHF	0.83%	-0.73%	-0.93%	2.08%	2.76%	0.09%	0.71%	0.00%	0.05%	1.87%	1.33%	0.41%	8.73%
2016	A USD	-2.60%	7.04%	6.01%	2.85%	-0.61%	3.34%	3.39%	-1.26%	-0.16%	-3.58%	-3.80%	-1.18%	9.07%
2015	A USD	4.60%	0.97%	0.32%	2.48%	-1.54%	-0.82%	-0.85%	-7.47%	-1.44%	7.19%	-2.49%	0.73%	0.94%
2014	A USD	-1.34%	4.04%	0.74%	3.96%	4.33%	1.60%	2.91%	1.97%	-0.61%	1.97%	1.57%	0.93%	24.24%
2013	A USD	5.67%	4.55%	7.64%	2.57%	-5.91%	-4.63%	-1.40%	-5.10%	6.87%	2.28%	-2.88%	-2.26%	6.26%
2012	A USD	5.95%	6.15%	0.16%	3.76%	-3.46%	3.94%	5.32%	2.03%	3.83%	2.96%	1.17%	1.76%	38.71%
2011	A USD	0.42%	-2.41%	-0.35%	3.39%	0.21%	-0.72%	3.87%	-6.91%	-18.88%	11.05%	-6.62%	1.28%	-17.25%
2010	A USD	-1.23%	2.36%	4.92%	3.53%	-7.39%	2.12%	6.48%	0.85%	6.52%	2.53%	-0.92%	4.87%	26.57%
2009	A USD	-1.11%	-11.21%	7.17%	10.50%	16.65%	1.76%	8.56%	1.82%	4.19%	0.60%	-1.25%	4.14%	47.04%
2008	A USD	-6.48%	5.23%	-2.09%	1.06%	1.36%	-8.99%	-1.63%	-2.91%	-10.39%	-18.99%	-6.04%	11.88%	-34.53%
2007	A USD				1.03%	1.54%	0.41%	-1.91%	-6.69%	2.01%	4.55%	-5.28%	-0.48%	-5.34%

Performance is calculated net of all fees, * Unaudited

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