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Property funds took one of the biggest hits following the shock brexit result in two thousand sixteen, which resulted in significant outflows from funds and seventy even suspend trading over twelve months on and are open ended property funds Still a Shaky investment? Well, I'm joined by Jake Mall ahead of Thomas, Reuters, Lippy UK and Island Research to discuss. Well, Jake, it's good to have you with us today, and I want to start with a question. I think a lot of people have been asking, What is that that should truly a liquid assets actually being open ended funds? I think they can be a properties of very interesting asset class. From that perspective, it's highly liquid assets, most of the property funds or mark to market daily or price daily market monthly. A lot of debate about that. I think it's more about investor understanding rather than the mechanism of pricing itself. That genuinely at times is a mismatch with the way investors understand how commercial property works. Many investors mistakenly see it is Akash proxy. Will investment Okay, less than a year? I think from that perspective, it's really about investor investor education rather than the pricing mechanisms of property itself. Okay, so let's turn to our data then. And what's the net inflows into commercial property? Friends from two thousand seven to sixteen and then July two thousand sixteen today actually tell us they put a little perspective on what was going on in two thousand seven, two thousand eight and then last year. Last year was a very different issue. Last year was a a run on funds based on the Brexit outcome. It was a local run, if you like. The relationship between Europe and the relationship between Britain was driving those outflows. In two thousand seven two thousand eight, property was caught up in a late cycle bull run combined with shock off the liquidity crisis that generated so it was a perfect storm in two thousand seven. If you look at the pair, the two sets of flows on the screen, you can see that the most significant outflows in the two thousand seven two thousand eight period were highly sustained. So whereas you saw a kneejerk reaction post brexit for commercial property that rectified itself pretty quickly, there were a handful of funds that didn't close into last year. Those that did closed, reopened very quickly and start taking some influence. However, that did not happen in two thousand seven two thousand eight, and you saw a contagion from small property funds. I think you star was one of the first ones to shut. And then that went all the way up to those large funds like Aviva and MNJ. So that really was a very different scenario on what sort of percentage of commercial property friends of return since last year. I mean, what's the data telling us? Their commercial property funds have done very, very well. And if you again compared that returns one year and three year over the ten year periods, you can see two thousand seven two thousand eight was horrific. Capital losses going going to over thirty percent for three years, we haven't seen that at all. Hasn't been reflected a tall in the most recent liquidity crisis. And I don't even like to call it a liquidity crisis because there is a generally approving awareness of the lack of liquidity or potential lack of liquidity. Okay, so let's look at cash holdings then. Andi, what do you think when it comes to cash drive well, cash holdings have definitely increased. If you look at the figures, they're from two thousand seven two thousand eight to last year, there's an average of the UK property sector of an increase of about eight percent. So property funds, on average today are holding more cash, but they can't hold too much cash, So I mean, they need to really should be remaining fully invested. But there is a general increase in there has been a general increase in cash That's reflected, I guess, the popularity of property funds. Even after two thousand seven two thousand, NATO didn't take long for property funds to become popular again once they were on frozen cash. Management is generally better, probably funds. We'll hold cash for a little bit more, and they will hold some tension wholesome property securities. But that has increases you can see in the comparative data on the screen. It does require you to a lot of risk come profile. But I think you really got to not make the mistake off assuming. But because there was a yield that property is in some way, Akash proxy go back to the crisis of two thousand seventy thousand people were often thinking that short term money market instruments it proved to be with them. I wasn't. That's the big mistake Investors may time Horizon should be, from my perspective at least three to five to seven years. Plus, it's a long term holding. That's how it's designed. It's designed to produce income over a long period. Biggest mistake. Investors makers to think popped in for a year because I'll be taking it out on that years. Time to fund my mortgage. That's not the way you should look a commercial property just because the headline yield is quite a long time. Jake. Thank you. Awful news analysis. You convinced our website asset dot TV or followers on Twitter at a set TV. Thanks for watching and see you next time.