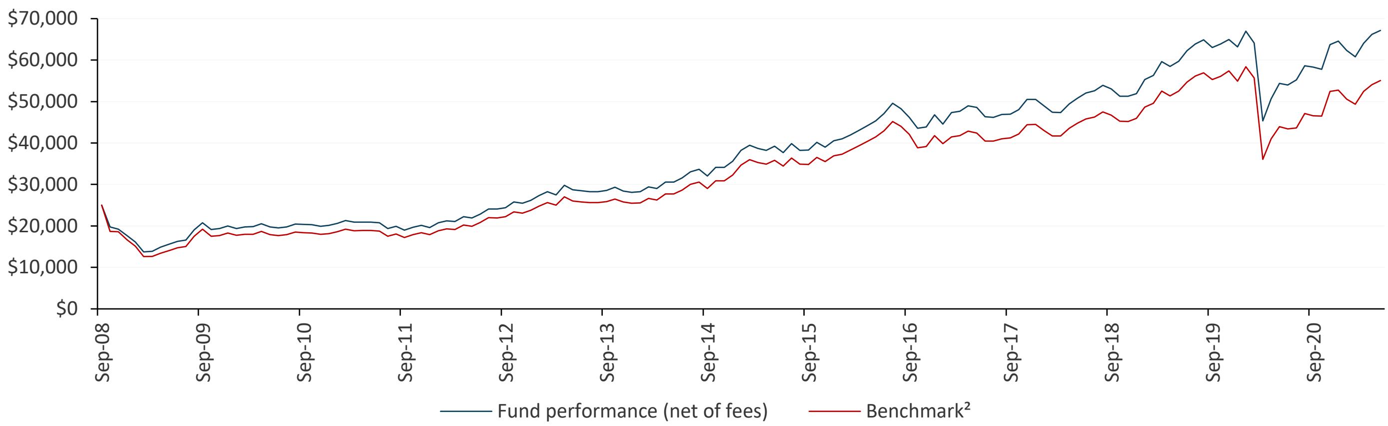
Resolution Capital Real Assets Fund - Class A

31 May 2021

Performance Summary

	1 Month %	3 Months %	1 Year %	3 Years p.a. %	5 Years p.a. %	10 Years p.a. %	Since Inception* p.a. %
Fund Return (After Fees)[1]	1.42	10.41	23.55	9.72	8.16	12.37	8.11
Benchmark[2] return	1.78	11.52	25.32	7.08	5.83	11.28	6.43
Value Added (After Fees)	-0.36	-1.11	-1.77	2.64	2.33	1.09	1.68

Growth of $25,000 invested Since Inception*



[1]Please note the strategy of the Fund changed effective 1 October 2019. The Resolution Capital Real Assets Fund was previously known as the Resolution Capital Core Plus Property Securities Fund.
[2]Benchmark is S&P/ASX 300 AREIT Accumulation Index.

Top 5 Weights

Security Name	%
Goodman Group	17.15
Scentre Group	11.35
Mirvac Group	8.94
Transurban Group	6.89
Stockland	5.92

Top 5 Contributors

Security Name	%
Goodman Group	0.48
Mirvac Group	0.35
Arena REIT	0.23
Ingenia Communities Group	0.15
Charter Hall Group	0.11

Bottom 5 Contributors

Security Name	%
Sydney Airport	-0.15
Transurban Group	-0.14
Auckland Intl. Airport	-0.06
AusNet Services	-0.04
Cedar Woods Properties	-0.03

Fund Details

APIR code	WHT0014AU	**Management Fee**	0.65% p.a. plus 20% of outperformance above the benchmark
ARSN Code	131 850 363	**Buy/Sell Spread**	+0.20%/-0.20%
***Inception Date**	30 September 2008	**Distribution Frequency**	Quarterly
Fund Size	$23.3 Million	**No. of Stocks**	Generally 20 to 35
NAV per Unit	$0.53	**Investment Manager**	Resolution Capital
Minimum Investment	$25,000	**Platform Availability**	https://rescap.com/realassetsfund
Benchmark	S&P/ASX 300 AREIT Accumulation Index	**Investment Timeframe**	Medium to long term, being 5 or more years

Market Commentary

The S&P/ASX 300 A-REIT Accumulation Index produced a total return of 1.8% for the month ended 31 May 2021, underperforming the Australian equities market (S&P/ASX 300 Accumulation Index) by 0.5%.

All infrastructure sub-sectors underperformed the A-REIT index.

A-REIT sub-sector performance saw industrial and office names outperform, whilst retail landlords, such as Vicinity Centres (VCX), underperformed.

Monthly news spanned quarterly updates, earnings upgrades, equity issuance and transactional activity.

Starting with quarterly updates, industrial landlord Goodman Group (GMG) reaffirmed FY21 earnings growth guidance of 12% and continues to point to solid operating conditions, strong investor demand and land intensification opportunities in its urban infill markets. Consequently, the development pipeline has expanded to $9.6bn and will likely exceed $10bn by mid-2021.

Retail landlord Scentre Group (SCG) released an update reaffirming CY21 distribution guidance. Operationally, footfall was 93% of 2019 levels, occupancy remained at 98.5% and total quarterly sales were broadly in line with 2019 levels whilst specialty sales were 0.6% below.

SCG's peer VCX released a less positive update in which it highlighted that occupancy remained at 98% but leasing spreads deteriorated to -13.5% and total quarterly sales were 7% below 2019. Footfall was 77% of 2019 levels, impacted by CBD assets.

Turning to earnings upgrades, office landlord Dexus (DXS) upgraded FY21 distribution guidance by 3% as a result of several drivers including: 1) better than expected outcomes across the underlying portfolio 2) its share buy-back 3) earnings accretion from the merger of its wholesale fund with AMP's diversified property fund and 4) the delayed settlement of the divestment of its Grosvenor Place stake.

During the month DXS made a bid to acquire listed fund manager APN Group (APD) for $320m, which was a 50% premium to the prior closing stock price. DXS argued that the transaction offers new growth opportunities and adds $2.9bn of funds under management for the group. The deal is expected to be earnings accretive upon completion in FY22.

With respect to equity issuance, Charter Hall Long WALE REIT (CLW) issued $250m to partially fund the $415m acquisition of stakes in 4 office buildings and a service station. Consequently, FY21 earnings growth was upgraded 0.3% to 3.2%.

Moving to infrastructure, news largely related to investor days and earnings results.

Gas pipeline group APA held its investor day in which it reiterated FY21 earnings guidance and signalled an expectation of a slow transition away from gas. APA highlighted its strategic intention to diversify into electricity and renewables. Geographically, it reiterated its desire to acquire in North America due to cheaper gas, a colder climate, a larger gas-reliant industrial sector and more favourable regulatory constructs.

Of relevance to Sydney Airport (SYD), Qantas airlines highlighted that domestic air travel demand was proving resilient, with corporate travel also recovering. Domestic capacity was expected to be above pre-COVID levels in FY22 whilst international travel beyond the Trans-Tasman was expected to start from late December 2021.

Lastly, electricity and gas utility AusNet (AST) reported its FY21 results which slightly missed expectations due to one-offs and weakness in electricity distribution. AST upgraded its unregulated contracted asset base target to $2.5bn by FY26 from $1.5bn by FY24. More capital expenditure to facilitate renewables development requires more retained capital to fund and therefore AST guided to flat distribution growth in FY22.

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