

# Resolution Capital Core Plus Property Securities Fund - Series II

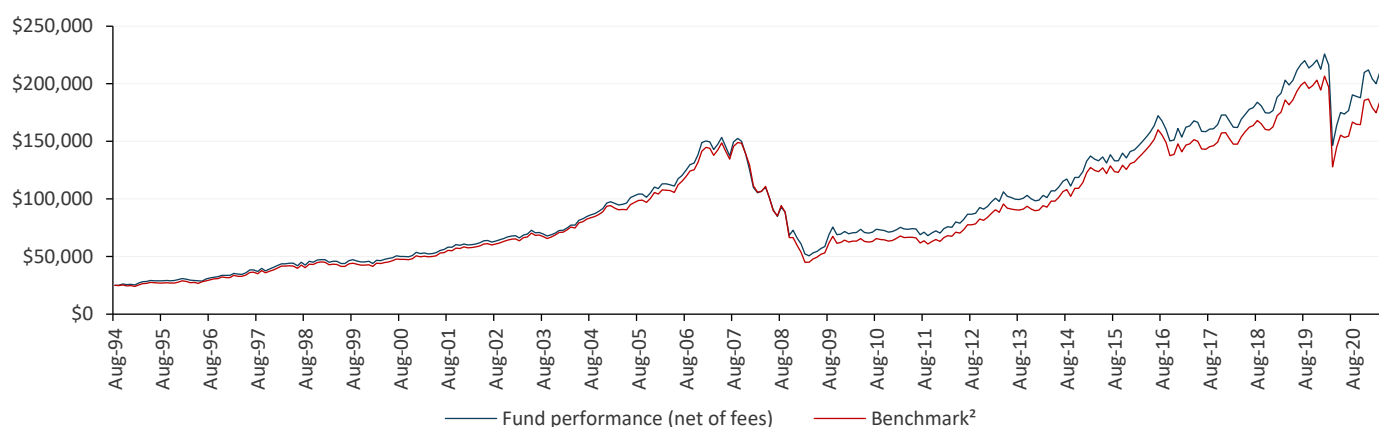


31 May 2021

## 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) <sup>1</sup>	1.95	11.02	26.72	8.53	7.07	11.57	8.50
Benchmark <sup>2</sup> return	1.78	11.52	25.32	7.08	5.83	11.32	7.97
Value Added (After Fees)	0.17	-0.50	1.40	1.45	1.24	0.25	0.53

## Growth of \$25,000 invested Since Inception\*



<sup>1</sup>Please note this Fund was previously known as the Perennial Australian Property Wholesale Trust. Resolution Capital was appointed the investment manager of the Fund, effective 1 November 2014.

<sup>2</sup>Benchmark is S&P/ASX 300 AREIT Accumulation Index.

## Top 5 Weights

Security Name	%
Goodman Group	23.34
Scentre Group	11.65
Mirvac Group	9.74
Stockland	6.76
Charter Hall Group	5.48

## Top 5 Contributors

Security Name	%
Goodman Group	0.63
Mirvac Group	0.35
Arena REIT	0.25
Ingenia Communities Group	0.17
Charter Hall Group	0.12

## Bottom 5 Contributors

Security Name	%
Vicinity Centres	-0.07
Cedar Woods Properties	-0.05
Charter Hall Long WALE REIT	-0.02
Abacus Property Group	-0.02
GPT Group	-0.02

## Fund Details

APIR code	IOF0044AU	Management Fee	0.80% p.a.
ARSN Code	087 719 917	Buy/Sell Spread	+0.20%/-0.20%
*Inception Date	31 August 1994	Distribution Frequency	Quarterly
Fund Size	\$27.7 Million	No. of Stocks	Generally 20 to 30
NAV per Unit	\$1.52	Investment Manager	Resolution Capital
Minimum Investment	\$25,000	Platform Availability	<a href="https://rescap.com/coreplusfund/seriesii">https://rescap.com/coreplusfund/seriesii</a>
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%.

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%.

## Contact Us

### Investor Contact Details

Pinnacle Investment Management

Email: [service@pinnacleinvestment.com](mailto:service@pinnacleinvestment.com)

Phone: 1300 010 311

### Adviser Contact Details

Pinnacle Investment Management

Email: [distribution@pinnacleinvestment.com](mailto:distribution@pinnacleinvestment.com)

Phone: 1300 010 311

[www.rescap.com](http://www.rescap.com)

Disclaimer: Interests in the Resolution Capital Core Plus Property Securities Fund – Series II ('Fund') (ARSN 087 719 917) are issued by Pinnacle Fund Services Limited, ABN 29 082 494 362, AFSL 238371, as responsible entity of the Fund. Pinnacle Fund Services Limited is not licensed to provide financial product advice. You should consider the Product Disclosure Statement of the Fund available at [www.rescap.com/funds](http://www.rescap.com/funds) in its entirety before making an investment decision. Resolution Capital Limited ('Resolution Capital') (ABN 50 108 584 167 AFSL 274491) is the investment manager of the Fund. Pinnacle Fund Services Limited and Resolution Capital believe the information contained in this communication is reliable, however its accuracy, reliability or completeness is not guaranteed. Any opinions or forecasts reflect the judgment and assumptions of Resolution Capital and its representatives on the basis of information at the date of publication and may later change without notice. The information in this communication is not intended as a securities recommendation or statement of opinion intended to influence a person or persons in making a decision in relation to investment. This communication is for general information only. It has been prepared without taking account of any person's objectives, financial situation or needs. Any persons relying on this information should obtain professional advice before doing so. Past performance is not a reliable indicator of future performance.