

Resolution Capital Global Property Securities Fund (Unhedged) Series II - Class A

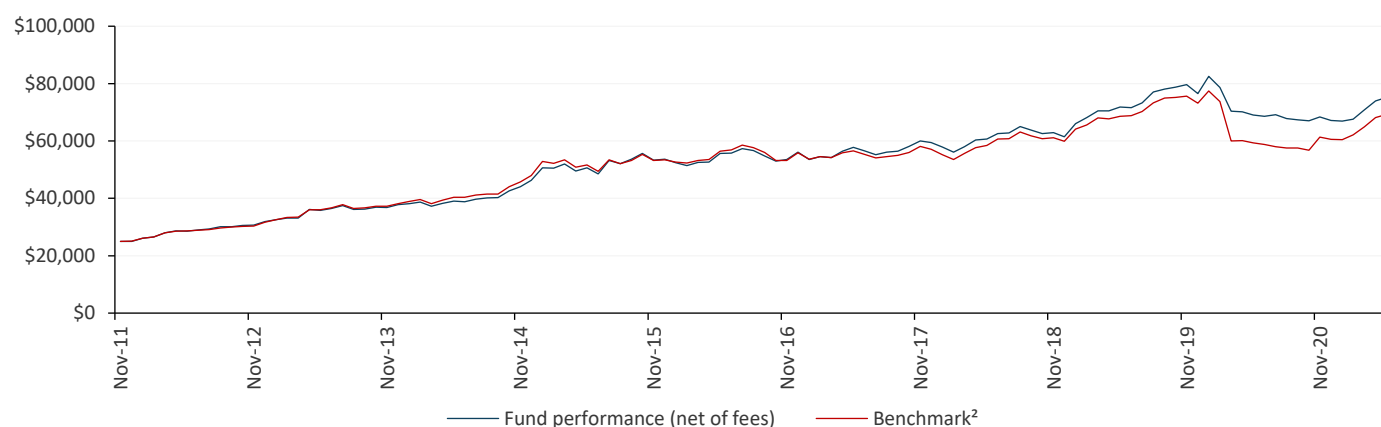
RESOLUTION CAPITAL

31 May 2021

Performance Summary

	1 Month %	3 Months %	1 Year %	3 Years p.a. %	5 Years p.a. %	Since Inception* p.a. %
Fund Return (After Fees) ¹	1.69	11.38	8.89	7.45	6.19	12.29
Benchmark ² return	1.58	11.43	16.56	5.81	4.17	11.31
Value Added (After Fees)	0.11	-0.05	-7.67	1.64	2.02	0.98

Growth of \$25,000 invested Since Inception*



¹Please note this Fund was previously known as the Perennial Unhedged Global Property Trust. Resolution Capital was appointed the investment manager of the Fund, effective 1 November 2014.

²Benchmark is FTSE EPRA/NAREIT Developed Index (AUD) Net TRI.

Top 5 Weights

Security Name	%
Prologis	8.04
Invitation Homes	5.21
Welltower	4.76
Sun Hung Kai Properties	3.97
Kilroy Realty Corporation	3.94

Top 5 Contributors

Security Name	%
Klepierre	0.25
Big Yellow Group	0.19
Invitation Homes	0.19
Shurgard Self Storage	0.17
Equity Residential	0.13

Bottom 5 Contributors

Security Name	%
Vonovia	-0.17
Americold Realty Trust	-0.07
Healthpeak Properties	-0.06
Mitsubishi Estate Company	-0.05
Nippon Prologis REIT	-0.04

Fund Details

APIR code	IOF0184AU	Management Fee	1.05% p.a.
ARSN Code	118 076 529	Buy/Sell Spread	+0.20%/-0.20%
*Inception Date	30 November 2011	Distribution Frequency	Quarterly
Fund Size	\$781.6 Million	No. of Stocks	Generally 30 to 60
NAV per Unit	\$1.40	Investment Manager	Resolution Capital
Minimum Investment	\$25,000	Platform Availability	https://rescap.com/globalfundunhedged/seriesii
Benchmark	FTSE EPRA/NAREIT Developed Index (AUD) Net TRI	Investment Timeframe	Medium to long term, being 5 or more years

Market Commentary

The FTSE EPRA/NAREIT Developed Index (AUD) produced a total return of 1.6% for the month ended 31 May 2021. Continental Europe was the best performing region, with a total return of 4.4% in local currency terms. The worst performing region was Singapore with a -1.9% total return in local currency terms.

M&A activity dominated news flow over the month.

Vonovia (VNA), a €59bn German residential behemoth, announced that its long-held ambition to takeover Berlin focused peer, Deutsche Wohnen (DWNI), was finally coming to fruition. The €18bn all-cash friendly takeover represents a 25% premium to DWNI's 3-month average share price or roughly equivalent to the company's net asset value. To finance the transaction, VNA plan to initiate an €8bn rights issue in the second half of the year with the remaining capital to be met with asset sales.

In the U.S., Equity Commonwealth (EQC) announced that it will acquire Monmouth Real Estate (MNR) in an all-stock transaction that values the company at circa US\$3.4bn. MNR's portfolio consists of single-tenant, net-leased industrial assets dispersed across the U.S. The deal will see EQC deploy its US\$3bn cash pile into the industrial sector and complete its transition out of the office sector.

In other M&A news, Australian office landlord, Dexus (DXS), announced its takeover of APN Property Group (APD) for A\$308m in cash. APN is a property fund manager with A\$2.9bn of AUM across listed and unlisted funds, invested in warehouses, petrol stations, suburban office, as well as investment management of listed REITs.

Equity offerings over the month were concentrated among the "Covid winners" and were mainly opportunistic in nature. Rexford Industrial Realty (REXR), owner of infill industrial properties in Southern California, raised approximately US\$500m. Likewise, American Homes 4 Rent (AMH), owner of a portfolio of sunbelt orientated single-family homes, raised US\$689m.

Notable transactions announced over the month included:

- SL Green (SLG), Manhattan's largest office landlord, announced the sale of an office building located on Sixth Avenue for US\$325m, or US\$1,200 per sq. ft.
- Host Hotels (HST) acquired Four Seasons Resort Orlando at Walt Disney World for US\$610m, or US\$1.4m per key. The sale price implies a 4.7% cap rate and a 16.8x EBITDA multiple based on 2019 results.
- Switch (SWCH) acquired a portfolio of data centres in Texas for US\$420m, representing a 19x EBITDA multiple.
- Singapore's Mapletree Industrial Trust (MIT) announced the acquisition of 29 data centres across 18 states in the U.S. for US\$1.3bn.
- Ascendas REIT (AREIT) announced it was acquiring the remaining 75% stake in Galaxis, a business park in Singapore for US\$404m.

Both Singaporean acquisitions were partially funded by concurrent equity raises, collectively amounting to S\$1.2bn (US\$922m).

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