

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

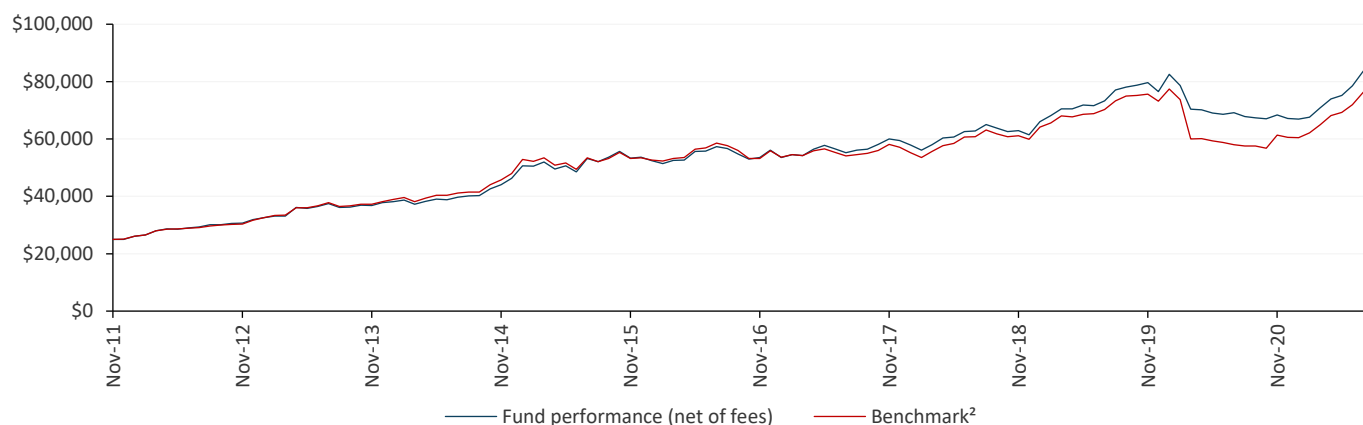
RESOLUTION CAPITAL

31 August 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	2.64	14.10	26.67	9.68	8.65	13.48
Benchmark ² return	1.90	12.29	34.93	7.18	6.16	12.33
Value Added (After Fees)	0.74	1.81	-8.26	2.50	2.49	1.15

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	8.11
Invitation Homes	6.49
Welltower	4.67
Kimco Realty Corporation	4.16
Equinix	4.12

Top 5 Contributors

Security Name	%
Prologis	0.47
CubeSmart	0.24
Shurgard Self Storage	0.24
Scentre Group	0.18
Equinix	0.15

Bottom 5 Contributors

Security Name	%
Kilroy Realty Corporation	-0.16
Canadian Apartment Prop.	-0.10
Link REIT	-0.05
Healthpeak Properties	-0.05
Sun Hung Kai Properties	-0.03

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	\$914.8 Million	No. of Stocks	Generally 30 to 60
NAV per Unit	\$1.59	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 1.9% for the month ended 31 August 2021. Australia was the best performing region with a total return of 7.2% in local currency terms. The worst performing region was Hong Kong, with a -3.8% total return in local currency terms.

Data centres and towers was the best performing sector driven by strengthening operating fundamentals. On the other hand, healthcare was the weakest performing sector due to renewed fears regarding the spread of the Covid-19 delta variant.

August marked the conclusion of earnings season for U.S. REITs. Operating fundamentals continue to improve for sectors hard hit by the pandemic, including retail, hotels, urban apartments and senior housing. In addition, pandemic winners such as logistics, self-storage, single-family homes and life science continued to report strong pricing power due to demand tailwinds from e-commerce, demographic shifts and R&D.

In M&A news, Hong Kong-listed industrial property fund manager ESR Cayman (1821) acquired private Singapore-based diversified property fund manager ARA Asset Management for US\$5.2bn through a mixture of stock and cash. The purchase price implies an EV/EBITDA of 19.5x.

U.S. gaming and hospitality REIT Vici Properties (VICI) announced that it is acquiring U.S. gaming and hospitality REIT MGM Growth Properties (MGP) in an all-stock transaction worth US\$17.2bn. MGP shareholders will receive 1.366 VICI shares implying US\$43 per MGP share, a 15.9% premium to the last close. The transaction will be immediately accretive to VICI's earnings.

Canadian industrial REIT WPT Industrial REIT (WIR) announced that it would be acquired by Blackstone Real Estate Income Trust (BREIT) in an all-cash transaction worth C\$3.1bn. The transaction values WIR shares at C\$22, a 17.1% premium to the last close.

Swedish diversified company Castellum (CAST) announced its plans to acquire Swedish diversified company Kungsliden (KLED) for SEK26,860m. The acquisition will be funded with a mixture of stock and cash and values each KLED share at SEK124.90, a 7.5% premium to the last close.

The bidding war between U.S.-listed REIT Equity Commonwealth (EQC) and private equity fund Starwood Capital, for U.S. industrial REIT, Monmouth Real Estate Investment Corp (MNR) appears to have ended as MNR shareholders voted against EQC's offer. Starwood Capital's cash offer of US\$19.20ps remains on the table, while EQC remains as a listed entity with significant cash looking to be deployed or returned to shareholders.

Heavily indebted (non-index) Chinese property developer China Evergrande (3333 HK) continues to sell assets in an attempt to de-lever and solve liquidity constraints.

Elsewhere, several REITs raised equity to strengthen their balance sheets and help fund acquisition pipelines, including:

- Canadian healthcare owner and operator Chartwell (CSH) raised C\$201m.
- Singapore data centre REIT Keppel DC (AJBU) completed a private placement for S\$204m to help fund the acquisition of its first data centre in China.
- U.S. diversified net-lease REIT WP Carey (WPC) raised US\$404m.

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