

# Resolution Capital Core Plus Property Securities Fund - Series II



APIR Code	IOF0044AU
ARSN Code	087 719 917

## Month Ending January 2021

	1 Month %	3 Months %	1 Year %	3 Years p.a. %	5 Years p.a. %	10 Years p.a. %	Since Inception* p.a. %
Fund <sup>^</sup> Return (After Fees)	-3.66	8.70	-9.56	6.83	7.44	10.79	8.27
Benchmark <sup>#</sup> Return	-4.07	8.93	-13.33	5.54	6.30	10.56	7.73
Value Added (After Fees)	0.41	-0.23	3.77	1.29	1.14	0.23	0.54

<sup>\*</sup>31 August 1994.

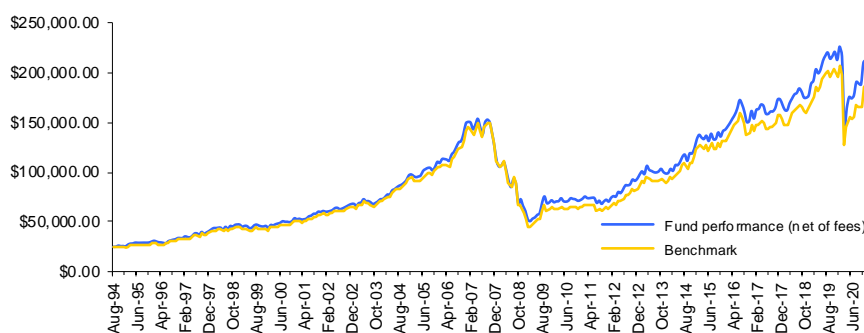
<sup>#</sup>Benchmark is S&P/ASX 300 AREIT Accumulation Index.

<sup>^</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.

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

## Fund Facts

*Inception Date	31 August 1994
Fund Size	\$26.3 Million
Management Costs	0.80% p.a.
Buy/Sell Spread	+0.20%/-0.20%
Minimum Investment	\$25,000
Distribution Frequency	Half Yearly



Source: Resolution Capital, as at 31 January 2021

### Top 5 Weights

Security Name	%
1. Goodman Group	22.22
2. Scentre Group	11.84
3. Mirvac Group	8.45
4. Stockland	6.34
5. Charter Hall Group	5.39

### Top 5 Contributors

Security Name	%
1. Stockland	0.38
2. Cedar Woods Properties	0.10
3. Ingenia Communities Group	0.06
4. Prologis	0.05
5. Klepierre	0.03

### Bottom 5 Contributors

Security Name	%
1. Goodman Group	-1.50
2. Mirvac Group	-0.90
3. Charter Hall Group	-0.41
4. Scentre Group	-0.22
5. Vicinity Centres	-0.21

## Market Commentary

The S&P/ASX 300 A-REIT Accumulation Index produced a total return of -4.1% for the month ended 31 January 2021, underperforming the Australian equities market (S&P/ASX 300 Accumulation Index) by 4.4%.

Within the A-REIT sector this month industrial landlords underperformed, followed by office, while retail was more resilient.

During the month diversified REIT Stockland (SGP) performed strongly, reversing the underperformance of the previous month. The Housing Industry Association (HIA) reported that December was the second strongest month of new home sales in the 20 years of their survey, only exceeded by March 2001.

In December new home sales nearly doubled compared to the number of sales recorded in November. Sales during the December 2020 quarter were 48.7% higher than the September 2020 quarter.

In addition to strong residential sales volumes, house price appreciation forecasts by commentators continue to increase. Both factors are positive for Stockland's residential development segment.

For the remainder of the A-REITs, there was relatively little company specific news in January, ahead of results in February.

Shopping centre REIT Vicinity Centres (VCX) announced a net valuation decline of 4% or AU\$570m for the six-month period ending 31 December 2020 for its 60 directly owned retail properties. This follows an 11% devaluation in the

previous six-month period. Income degradation and assumptions including probable higher incentives drove the bulk of the devaluation, along with minimal tourism and low office occupancy.

Centuria Office REIT (COF) completed external valuations on half its investment portfolio, reporting a slight 0.8% reduction in valuations over the six months to 31 December.

During the month DexuS (DXS) continued its on market share buyback. The company is currently the only A-REIT actively buying back shares.

European listed retail REIT Unibail-Rodamco-Westfield (URW) completed the disposal of the SHiFT office building in Paris for €620m. The proceeds will be used to reduce leverage. The stock performed relatively strongly during the month, largely driven by short covering at the end of the month, following news of retail investors targeting heavily shorted stocks.

## Fund Details

Investment Manager	Resolution Capital
Objective	<ul style="list-style-type: none"><li>The Fund aims to achieve an annual total return that exceeds the total return of the Benchmark after fees on a rolling 3 year basis.</li></ul>
Benchmark	<ul style="list-style-type: none"><li>S&amp;P/ASX 300 AREIT Accumulation Index.</li></ul>
Portfolio Allocation	<ul style="list-style-type: none"><li>65-100% invested in ASX listed REITs.</li><li>0-20% invested in global listed REITs and real estate securities.</li><li>0-15% invested in cash and short dated money market securities.</li><li>For reasons of investment efficiency, the Fund may gain its exposure by holding units in other Resolution Capital Funds.</li></ul>
Investment Timeframe	<ul style="list-style-type: none"><li>Medium to long term, being 5 or more years.</li></ul>
Number of Stocks	<ul style="list-style-type: none"><li>Generally 20 to 30.</li></ul>
Minimum Investment	<ul style="list-style-type: none"><li>Indirect investors: refer to the operator of your service.</li><li>Direct investors: minimum initial investment \$25,000.</li></ul>
Platform Availability	<ul style="list-style-type: none"><li>BT Wrap</li><li>HUB24</li><li>IOOF Portfolio Service</li><li>IOOF Pursuit</li><li>Macquarie Wrap</li></ul>

## Contact Us

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