

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



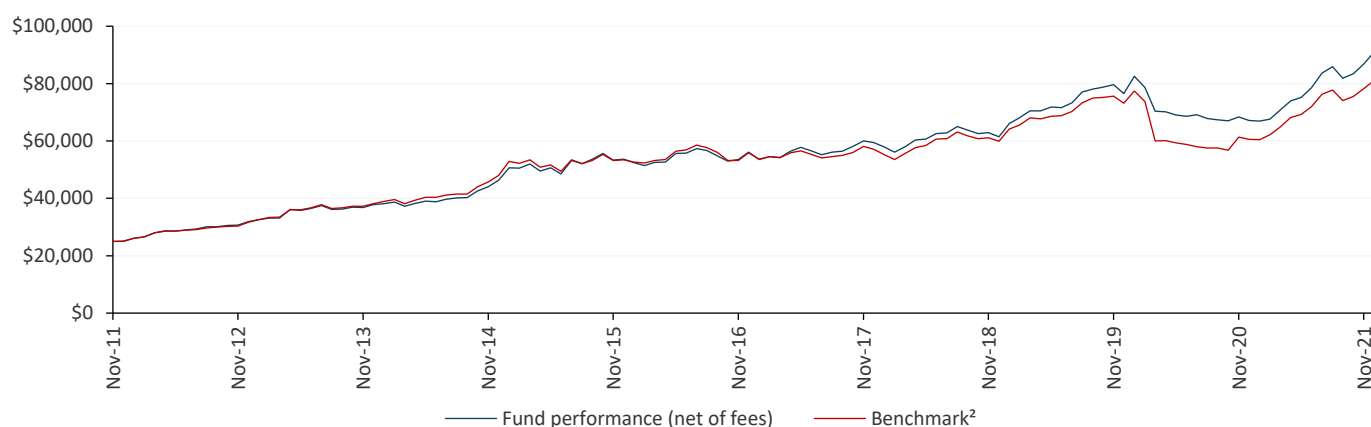
31 December 2021

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 | 4.83 | 11.19 | 35.51 | 13.97 | 10.13 | 13.78 | 13.66 |
| Benchmark ² return | 3.70 | 9.45 | 33.83 | 10.62 | 7.71 | 12.42 | 12.36 |
| Value Added (After Fees) | 1.13 | 1.74 | 1.68 | 3.35 | 2.42 | 1.36 | 1.30 |

Performance numbers less than one year are cumulative while numbers greater than one year are annualised.
Past performance is no guarantee of future results.

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.

Source: Resolution Capital

Top 5 Weights

| Security Name | % |
|--------------------------|------|
| Prologis | 9.01 |
| Invitation Homes | 5.76 |
| Kimco Realty Corporation | 4.68 |
| Welltower | 4.66 |
| Essex Property Trust | 4.41 |

Top 5 Contributors

| Security Name | % |
|---------------------------------|------|
| Prologis | 0.83 |
| Invitation Homes | 0.53 |
| Rexford Industrial Realty | 0.41 |
| Kimco Realty Corporation | 0.36 |
| Alexandria Real Estate Equities | 0.24 |

Bottom 5 Contributors

| Security Name | % |
|---------------------------|-------|
| Vonovia | -0.07 |
| Mitsubishi Estate Company | -0.06 |
| Sun Hung Kai Properties | -0.04 |
| Link REIT | -0.01 |
| Hufvudstaden | -0.01 |

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 | \$998.1 Million | No. of Stocks | Generally 30 to 60 |
| NAV per Unit | \$1.67 | 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 3.7% for the month ended 31 December 2021. North America produced the best total returns, the U.S. producing 8.6% and Canada 7.3% in local currency terms. The worst performing region was Europe with a 0.6% total return in local currency terms.

The market digested news emerging toward the tail end of November about the Covid-19 Omicron variant, which, whilst more contagious, appears to be less severe in terms of health impacts.

There were several notable real estate transactions during the month, including several relating directly to REITs.

In the U.S., Bluerock Residential Growth REIT (BRG) announced that it has entered into an agreement with Blackstone to sell its multifamily property assets in a US\$3.6bn all-cash transaction. The portfolio is concentrated in major Southeast and Southwest markets in the U.S. and encompasses approximately 11,000 apartments as well as a loan book secured by 24 multifamily assets. The transaction price values the assets at a 4% cap rate or approximately US\$260k per apartment. Cousins (CUZ), a U.S. sunbelt-oriented office REIT, announced several transactions over the month, selling an older vintage Austin CBD office asset for US\$175m, and acquiring the remaining 50% interest in a recently completed Austin CBD office development for US\$145m, equating to approximately US\$795 per sq ft. Similarly, Host Hotels (HST) announced the sale of the underperforming W Hollywood hotel for US\$197m (US\$645k per key), simultaneously announcing the acquisition of an almost new hotel in Savannah for US\$103m (US\$595k per key). HST had originally acquired the W Hollywood in 2017 for US\$220m.

Klepierre (LI), a French-listed European shopping centre owner, announced the disposal of two assets for €345m, for a combined yield of 5.1% and 3% above June 2021 appraisal values. The assets include a mall in Berlin Germany, and a retail park in Bordeaux, France. In Germany, listed residential owner LEG Immobilien (LEG) announced the acquisition of approximately 15,400 apartments from Adler Group (ADJ) for €1.3bn. The deal will be funded by debt, hence is accretive to FFO (Funds From Operations) and NAV per share. LEG also acquired 31% and the option for another 63% of Brack Capital Properties (BCP), which could add an additional 12,100 units next year.

A JV between Hammerson (HMSO) and CPPIB sold the Silverburn Shopping Centre in suburban Glasgow to Henderson Park and Eurofund for €140m, or €130 per sq ft. The sale represents a 9.3% yield and a 4% discount to June 2021 book values. It is also 53% below what was paid for the asset when it last traded in 2009. Landsec (LAND) announced it had completed the acquisition of Lendlease's 25% share in Bluewater, one of the UK's largest out of town shopping centres, for £172m, generating a reported income yield of 8.1%. In a separate transaction, LAND will sell 25% of this stake to its co-owner M&G. Once the transactions are settled, LAND's ownership of Bluewater will equate to 48.75%. The transaction price represents a 70% discount to LAND's initial investment in the property in 2014. SEGRO (SEGRO), a pan-European industrial REIT, acquired a portfolio of offices in Slough, UK for £425m, equating to a 4.6% cap rate. Adjacent to its Slough Estate, SEGRO is buying back properties which it previously sold 6 years ago at a price 30% higher than the price they sold them for.

In Australia, Charter Hall Group (CHC) announced it had made a 50% investment in Paradise Investment Management (PIM) for A\$207m. PIM is a fund manager invested in Australian and global equities, therefore the investment represents a significant strategic shift for the company. Dexus (DXS) announced that it has exchanged contracts to sell its 50% interest in two A-grade Sydney office assets for A\$478m. The assets were sold at a slight (1.5%) discount to June 2021 valuations. In addition, there were several Australian mall transactions over the month. AMP Shopping Centre fund (ASCF) acquired a 25% stake in Macquarie Centre for A\$423m. AMP Capital Retail Trust (ACRT) acquired the remaining 20% of Pacific Fair that it didn't previously own for A\$336m. Both stakes were acquired from Dexus's Wholesale Property Fund (DWPF) at book value.

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