

Resolution Capital Real Assets Fund - Class A

30 April 2023

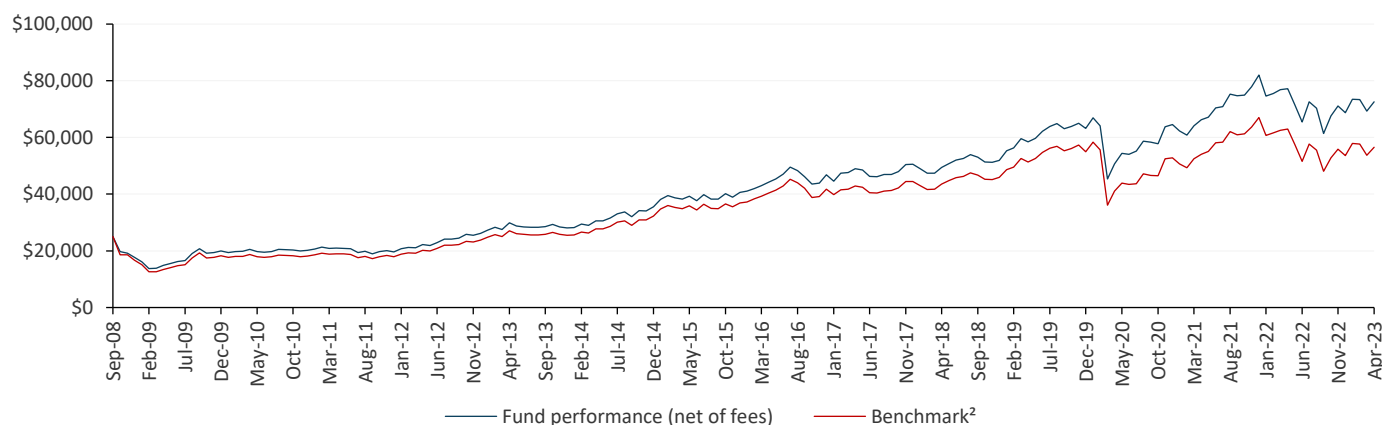
RESOLUTION CAPITAL

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 (Net Performance) ¹	4.68	-1.26	-5.96	12.75	7.97	9.29	7.58
Benchmark ² return	5.16	-2.39	-10.20	11.27	5.36	7.65	5.75
Value Added (Net Performance)	-0.48	1.13	4.24	1.48	2.61	1.64	1.83

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 the strategy of the Fund changed effective 1 October 2019. The Resolution Capital Real Assets Fund was previously known as the Resolution Capital Core Plus Property Securities Fund. Past performance is no guarantee of future results.

²Benchmark is S&P/ASX 300 AREIT Total Return Index.

Source: Resolution Capital

Top 5 Weights

Security Name	%
Goodman Group	18.78
Scentre Group	13.22
Vicinity Centres	7.15
Mirvac Group	4.91
Region Group	4.10

Top 5 Contributors

Security Name	%
Mirvac Group	0.69
Scentre Group	0.61
Vicinity Centres	0.54
Goodman Group	0.53
Stockland	0.40

Bottom 5 Contributors

Security Name	%
RAM Essential Services	-0.02
National Storage REIT	-0.01
Carindale Property	0.00
Aspen Group	0.00
Dexus Convenience	0.00

These are illustrative only and not a recommendation to buy, sell or hold any security.

Fund Details

APIR code	WHT0014AU	Management Fee	0.65% p.a. plus 20% of outperformance above the benchmark net of the management fee and expenses
ARSN Code	131 850 363	Buy/Sell Spread	+0.20%/-0.20%
*Inception Date	30 September 2008	Distribution Frequency	Quarterly
Fund Size	\$63.1 Million	No. of Stocks	Generally 20 to 40
NAV per Unit	\$0.52	Risk/Return Profile	The Fund's risk band is 5 (medium to high)
Minimum Investment	\$25,000	Platform Availability	https://rescap.com/realassetsfund
Benchmark	S&P/ASX 300 AREIT Total Return Index	Investment Timeframe	Medium to long term, being 5 or more years

Market Commentary

The S&P/ASX 300 A-REIT Total Return Index produced a total return of 5.2% for the month ended 30 April 2023, reversing last month's losses, and outperformed the Australian equities market by 3.4% (S&P/ASX 300 Total Return Index). The Portfolio underperformed the index.

During the month the Reserve Bank of Australia (RBA) kept interest rates on hold. This was the first pause after nine consecutive increases.

Australian housing values appear to have bottomed out. After falling 9.1% between May 2022 and February 2023 CoreLogic's national Home Value Index increased by half a percent in April, following a 0.6% lift in March.

The RBA interest rate pause, combined with recovering housing prices, made residential exposed A-REITs the top performers within the index, with Mirvac Group (MGR), Stockland (SGP) and Ingenia Communities all producing double digit total returns during the month.

The second-best performing sector was retail, whilst industrial lagged this month. Broadly, infrastructure underperformed real estate.

Two residential exposed A-REITs provided quarterly updates. First, MGR reduced its FY23 EPS guidance by 5% due to delays in residential settlements and development profits being pushed into the next year. It also announced progress in capital initiatives by finding two new investors for its Build to Rent segment and partners for new office and industrial development.

Second, SGP's reiterated its FY23 profit guidance pre-tax, with tax payable expected to be at the lower end of 5-10% guidance range. Management highlighted improving residential sales rates, albeit they remain ~30% below its 13-year quarterly average. Within the company's expanding land lease platform it has 21 projects in the pipeline and will look to deliver over 1,000 lots per year over the "medium term" up from 350 lots in FY23.

Continuing the residential thematic, INA announced the appointment of Justin Mitchell as the Group's new CFO. He has previously held CFO roles at MGR, 151 Property and several CBA divisions.

Shopping centre owner Scentre Group (SCG) announced at its Annual General Meeting (AGM) that its Chair, Brian Schwartz, intends to retire in September. The Board has endorsed Ilana Atlas as the Chair-Elect.

The company also reported that in the first 13 weeks to 2 April 2023 customer visitation increased by 16% compared to the same period last year. Tenant sales in January and February were 17% higher compared to the same period in 2022 and 10% higher than 2019.

SCG re-confirmed earnings growth forecast for the year of 3.4% to 5.9%. Furthermore, it was reported in the press that SCG issued at least 8 formal lease breach notices to David Jones due to changes in ownership to a new private equity owner.

In other news, Abacus Property Group (ABP) sold 30 million of its securities held in National Storage REIT (NSR), reducing its overall stake from 9.9% to 7.2%.

Toll road operator Transurban (TCL) March quarter traffic update showed that average daily traffic increased by 12.9% compared to the previous year. In Australia, Sydney road traffic is up slightly versus pre-Covid, Brisbane is up strongly, whilst overall traffic in Melbourne is still 6% below.

Auckland International Airport (AIA) reported that in March international passenger numbers recovered to 75% of pre-Covid levels, with Asian routes up 10% sequential to 56% of pre-pandemic. The company also announced plans for the development of a brand-new domestic terminal which would be fully integrated into the existing international terminal. The capital expenditure for this development is expected to be around NZ\$3.9bn over the next five to six years.

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