

Resolution Capital Real Assets Fund - Class A

31 July 2023

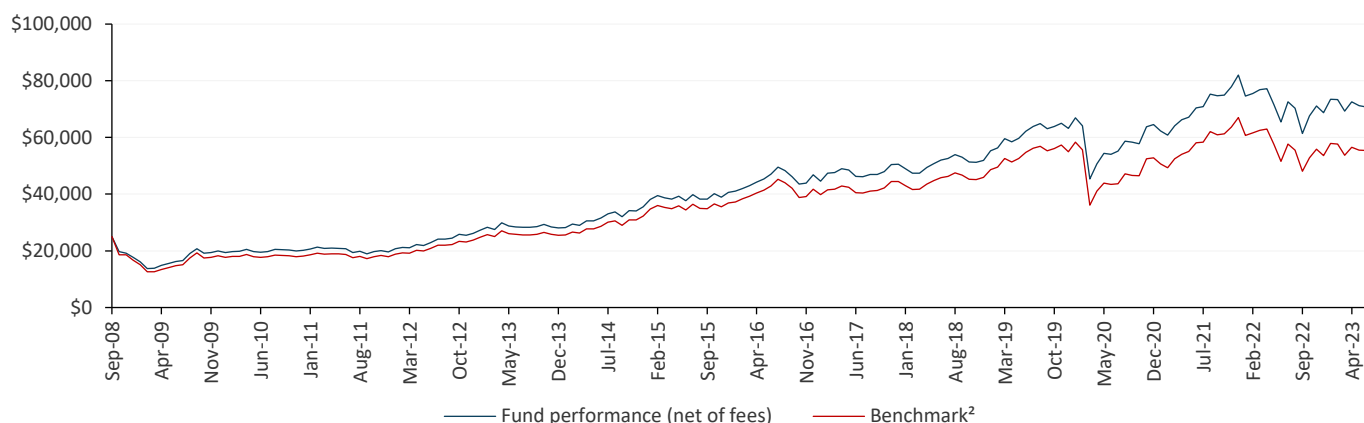
RESOLUTION CAPITAL

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	3.19	0.58	0.55	9.76	6.78	9.95	7.49
Benchmark ² return	3.89	1.91	-0.10	9.68	4.48	8.44	5.79
Value Added (Net Performance)	-0.70	-1.33	0.65	0.08	2.30	1.51	1.70

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	18.99
Scentre Group	13.32
Vicinity Centres	7.00
Mirvac Group	5.04
Region Group	4.08

Top 5 Contributors

Security Name	%
Scentre Group	0.77
Vicinity Centres	0.46
Goodman Group	0.45
Charter Hall Group	0.29
Region Group	0.25

Bottom 5 Contributors

Security Name	%
Hotel Property Investments	-0.09
SSE	-0.08
National Storage REIT	-0.04
Ameren	-0.03
Abacus Property Group	-0.03

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	\$52.4 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 3.9% for the month ended 31 July 2023, outperforming the Australian equities market (S&P/ASX 300 Total Return Index). Australian listed Infrastructure slightly outperformed property.

After two months of consecutive rate rises the Reserve Bank of Australia (RBA) held the cash rate at 4.1% in July. Sentiment regarding future interest rate rises shifted downward with the consumer price index (CPI) numbers for July coming in below market expectations.

Within A-REITs, the specialist and retail sectors outperformed whilst the industrial and residential sectors underperformed. Broadly, the Portfolio's infrastructure exposure detracted from relative performance.

It was a relatively quiet month in terms of news flow ahead of the August reporting season. Outperforming A-REITs included agricultural REIT Rural Funds (RFF). RFF rebounded in July after a year of underperformance on the back of balance sheet concerns. Moreover, the REIT declared its final FY23 distribution in-line with guidance. The Portfolio's underweight position detracted from relative performance.

Underperforming A-REITs included pub landlord Hotel Property Investment (HPI). During the month the Victorian Government announced its intention to implement a number of electronic gambling machine reforms. HPI has limited Victoria exposure, but other states could follow suit. The Portfolio's overweight position detracted from relative performance.

Property fund manager Charter Hall Group (CHC) announced redemption deferrals for investors in its unlisted Charter Hall Direct PFA Fund (PFA). CHC stated: "we will only sell assets for prices that reflect fair value and given the lower sales volumes in the office investment markets, sales have proved challenging."

Three notable transactions occurred in July, with retail landlord Unibail-Rodamco-Westfield (URW) selling its stake in Westfield Mission Valley Shopping Centre in California for \$290m. The deal reflects a 12% discount to the most recent valuation, an 8.5% cap rate and ~\$249 per square foot. The deal pricing likely reflects a reasonable discount considering the competitive retail landscape in the area, with the higher quality, upscale Fashion Valley mall within walking distance.

Charter Hall Retail REIT (CQR) announced the sale of its 50% interest in the Brickworks Marketplace shopping centre in South Australia for \$85 million. The sale price represents a 6.1% premium to the December 2022 book valuation.

Meanwhile, Stockland Group (SGP) expanded its lend lease communities development pipeline through the purchase of five lend lease community projects for \$210m from the Living Gems Group. Three of the projects are currently under construction with the remaining two due to start construction within the next twelve months.

Toll road owner Atlas Arteria (ALX) reported that traffic on its French roads was up 4.2% year on year. More negative were reports that the French government wants to introduce additional taxes for toll roads.

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