



**RESOLUTION
CAPITAL**

20 July 2022

By Electronic Lodgement

The Manager
ASX Market Announcements
Australian Securities Exchange Limited
Sydney NSW 2000

Dear Sir/Madam,

Resolution Capital Global Property Securities Fund (Managed Fund) (ASX:RCAP) – Monthly Investment Update

Please find attached a copy of the investment update for the month ending 30 June 2022.

For further information, please contact 1300 010 311.

Yours faithfully,

Calvin Kwok
Company Secretary

Pinnacle Fund Services Limited as responsible entity of Resolution Capital Global Property Securities Fund (Managed Fund) (ASX:RCAP)

The name of the Fund was changed from Resolution Capital Global Property Securities Fund to Resolution Capital Global Property Securities Fund (Managed Fund) on 22 February 2022 to facilitate quotation of the fund on the ASX.

Resolution Capital Global Property Securities Fund (Managed Fund)

ARSN: 128 122 118 TICKER: RCAP



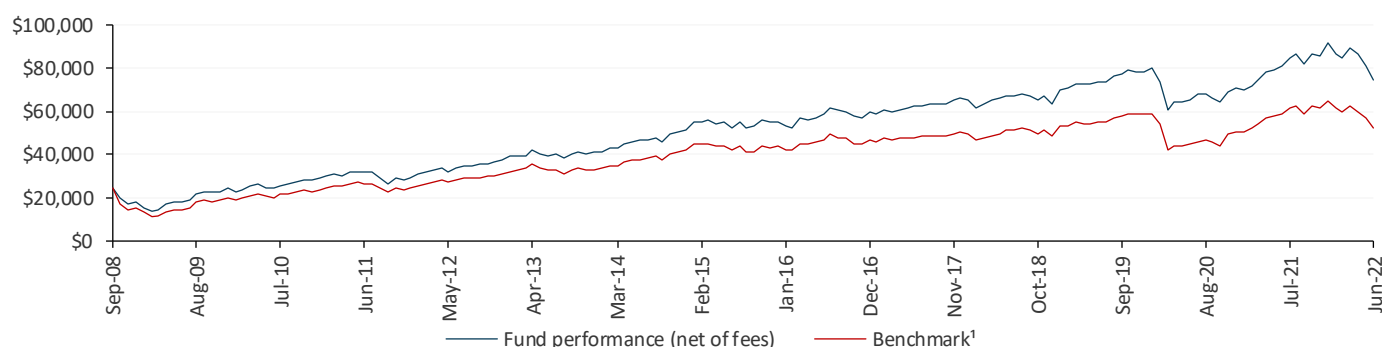
30 June 2022

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)	-8.21	-16.13	-7.92	0.71	3.72	8.35	8.29
Benchmark ¹ return	-7.82	-15.62	-10.49	-1.35	1.93	6.44	5.58
Value Added (Net Performance)	-0.39	-0.51	2.57	2.06	1.79	1.91	2.71

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*



¹Benchmark is FTSE EPRA/NAREIT Developed Index (AUD Hedged) Net TRI. Prior to 1 April 2015 the benchmark was UBS Global Real Estate Investors Index (AUD Hedged) Net TRI. Past performance is no guarantee of future results.

Source: Resolution Capital

Investors who apply for units directly with the Responsible Entity may pay a different price per unit to an investor who purchases those units on the ASX at the same time, and such differences may have a material impact on the performance of that investment. The above performance reflects the performance of the Fund where units are purchased and redeemed directly with the Responsible Entity only.

Fund Details

APIR code	WHT0015AU	Management Fee	0.80% p.a.
Benchmark	FTSE EPRA/NAREIT Developed Index (AUD Hedged) Net TRI	Performance Fee	20% of outperformance above the benchmark
ARSN Code	128 122 118	Buy/Sell Spread²	+0.20%/-0.20%
*Inception Date	30 September 2008	Distribution Frequency	Quarterly
RCAP Listing Date	22 February 2022	No. of Stocks	Generally 30 to 60
Fund Size	\$1,978.1 Million	Platform Availability	https://rescap.com/globalfund
NAV per Unit	\$1.66	Minimum Investment²	\$25,000

²only applicable for investors who apply for units directly with the Responsible Entity

Investors can buy or sell units on the ASX

Ticker	RCAP
Exchange	ASX
Trading Currency	Australian Dollar
iNAV Provider	Solactive
Market Maker	Citigroup Global Markets Australia
Pricing	Intra-day

Market pricing information on RCAP

	Ticker	iNAV Ticker
Bloomberg	RCAP AU Equity	RCAPAUIV
Reuters/Refinitiv	RCAP.AX	RCAPAUDINAV=SOLA
IRESS	RCAP.AXW	RCAPAUDINAV

Top 5 Weights

Security Name	%
Welltower	6.80
Prologis	6.74
Invitation Homes	6.31
Kimco Realty Corporation	4.93
Equity Residential	4.84

Top 5 Contributors

Security Name	%
Mitsubishi Estate Company	0.08
W.P. Carey	0.03
American Campus	0.03
Equinix	0.02
CubeSmart	0.02

Bottom 5 Contributors

Security Name	%
Kimco Realty Corporation	-0.61
Host Hotels & Resorts	-0.52
Federal Realty Investment	-0.31
Derwent London	-0.25
Cofinimmo	-0.22

Market Commentary

The FTSE EPRA/NAREIT Developed Index (AUD Hedged) produced a total return of -7.8% for the month ended 30 June 2022. Japan was the best performing region, with a total return of 0.0% in local currency terms. Continental Europe was the worst performer with a -18.3% total return in local currency terms.

Recession fears mounted in June, as many Central Banks increased interest rates to control elevated inflation, and GDP growth expectations were tempered. Continental Europe fared worst as the surge in energy prices and the implications of the ongoing Russia-Ukraine conflict compounded its relative weakness.

The sharp increase in interest rates has drastically narrowed the spread between borrowing costs and historically low property cap rates. In the public market, liquidity has expedited a broad-based implied cap rate expansion leading to negative returns across all sectors. Reflecting recessionary concerns, the worst performing sectors were those that have historically demonstrated greater sensitivity to changes in GDP – Hotel, Retail and Office.

Public market real estate merger and acquisition activity continued in June, following announcements in May:

- Leading logistics REIT Prologis (PLD) increased its unsolicited all-share offer to acquire smaller rival Duke Realty (DRE) after DRE rejected the initial offer made last month. The revised offer, which is circa 2% higher, was approved by DRE's board. It values DRE at ~US\$26bn reflecting a 31% premium to its unaffected stock price.
- Following discussions announced last month, Central London mixed-used REITs Capital & Counties (CAPC) and Shaftesbury (SHB) announced agreed terms for a recommended all-share merger. The implied offer price for SHB was circa -3.5% below its share price, and -18% below reported net tangible assets. The merger is strategically sound but does not adequately compensate SHB's shareholders for: (a) SHB's more favourable historical public-market valuation, (b) SHB's superior balance sheet, and (c) change of control debt refinancing risks. The merger will go to a vote in July / August 2022 and several of SHB's institutional shareholders have publicly questioned the merger economics.
- Activist investor Land & Buildings published its intention to vote against Healthcare Realty's (HR) proposed merger with Healthcare Trust of America (HTA), with a view that the merger is value destructive for HR. While the activist's 1% stake does not alone exert meaningful voting influence, it refocuses investor attention on the unappealing aspects of the deal and raises doubt regarding approval.

Notable real estate transactions in June include:

- U.S. healthcare REIT Welltower (WELL) announced the acquisition of a portfolio of senior housing assets located on the East Coast and Midwest for US\$502m or US\$172k per unit. The deal brings its "Wellness Housing" platform – age restricted housing – to nearly 10,000 units which it has quickly amassed since establishing the platform in 2019.
- U.S. West Coast infill logistics REIT Rexford Industrial (REXR) announced the acquisition of six industrial properties for US\$218m. The weighted average cap rate is around 3%, and the rental mark-to-market and densification opportunities are expected to drive meaningful returns.
- Singapore diversified REIT, CapitaLand Integrated Commercial Trust (C38U) announced the acquisition of a 50% interest in two office buildings in North Sydney, Australia for A\$422m or A\$1,690 per sq ft. The valuation reflects a 4.9% cap rate.
- European mall REIT, Unibail-Rodamco-Westfield (URW) announced the sale of Almere Centrum in the Netherlands for €155m or €166 per sq ft, in line with its reported value. Upon closing URW will have completed €2.7bn of its planned €4.0bn disposal program with proceeds being used to reduce debt.
- Canadian listed owner of U.S. grocery-anchored shopping centres Slate Grocery REIT (SGR), announced its acquisition of a Sunbelt portfolio for US\$425m or US\$174 per sq ft. The valuation reflects a 6.9% cap rate. The deal expands SGR's portfolio value by 22%.

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This communication is prepared by Resolution Capital Limited ('Resolution Capital') (ABN 50 108 584 167, AFSL 274491) as the investment manager of the Resolution Capital Global Property Securities Fund (Managed Fund) (ASX:RCAP) (ARSN 128 122 118) ('the Funds'). Pinnacle Fund Services Limited ('PFSL') (ABN 29 082 494 362, AFSL 238371) is the product issuer of the Funds. PFSL is not licensed to provide financial product advice. PFSL is a wholly-owned subsidiary of the Pinnacle Investment Management Group Limited ('Pinnacle') (ABN 22 100 325 184). The Product Disclosure Statement ('PDS') and Target Market Determination ('TMD') of the Fund are available via the links below. Any potential investor should consider the PDS and TMD before deciding whether to acquire, or continue to hold units in, the Fund.

Links to the Product Disclosure Statement: [WHT0015AU](#)

Links to the Target Market Determination: [WHT0015AU](#)

For historic TMD's please contact Pinnacle client service Phone 1300 010 311 or Email service@pinnacleinvestment.com

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