



**RESOLUTION  
CAPITAL**

14 December 2022

***By Electronic Lodgement***

Market Announcements Office  
ASX Ltd  
20 Bridge Street  
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 November 2022.

For further information, please contact 1300 010 311.

Authorised by:

Calvin Kwok  
Company Secretary

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

Pinnacle Fund Services Limited  
ABN 29 082 494 362  
AFSL 238371

PO Box R1313  
Royal Exchange NSW 1225  
1300 360 306

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



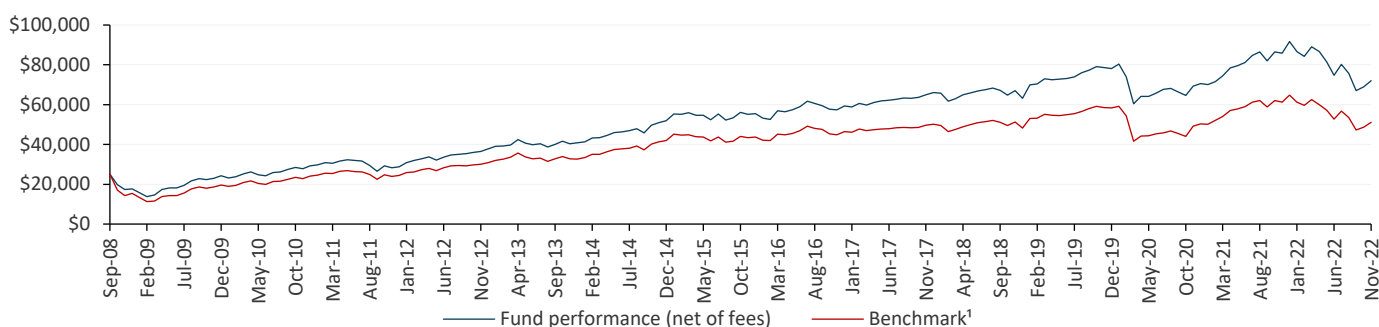
30 November 2022

## 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)	4.39	-4.90	-16.17	-2.92	2.06	7.04	7.74
Benchmark <sup>1</sup> return	4.97	-4.60	-16.48	-4.43	0.57	5.47	5.17
Value Added (Net Performance)	-0.58	-0.30	0.31	1.51	1.49	1.57	2.57

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\*



<sup>1</sup>Benchmark 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

<b>APIR code</b>	WHT0015AU	<b>Management Fee</b>	0.80% p.a.
<b>Benchmark</b>	FTSE EPRA/NAREIT Developed Index (AUD Hedged) Net TRI	<b>Performance Fee</b>	20% of outperformance above the benchmark net of the management fee and expenses
<b>ARSN Code</b>	128 122 118	<b>Buy/Sell Spread<sup>2</sup></b>	+0.20%/-0.20%
<b>*Inception Date</b>	30 September 2008	<b>Distribution Frequency</b>	Quarterly
<b>RCAP Listing Date</b>	22 February 2022	<b>No. of Stocks</b>	Generally 30 to 60
<b>Investment Manager</b>	Resolution Capital	<b>Risk/Return Profile</b>	The Fund's risk band is 5 (medium to high)
<b>Fund Size</b>	\$2,212.8 Million	<b>Platform Availability</b>	<a href="https://rescap.com/globalfund">https://rescap.com/globalfund</a>
<b>NAV per Unit</b>	\$1.59	<b>Minimum Investment<sup>2</sup></b>	\$25,000

<sup>2</sup>only applicable for investors who apply for units directly with the Responsible Entity

## Investors can buy or sell units on the ASX

<b>Ticker</b>	RCAP
<b>Exchange</b>	ASX
<b>Trading Currency</b>	Australian Dollar
<b>iNAV Provider</b>	Solactive
<b>Market Maker</b>	Citigroup Global Markets Australia
<b>Pricing</b>	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	%
Prologis	7.61
Kimco Realty Corporation	6.45
Invitation Homes	5.77
Public Storage	5.27
Equity Residential	5.19

## Top 5 Contributors

Security Name	%
Equinix	0.60
Welltower	0.47
Federal Realty Investment	0.31
Mitsubishi Estate Company	0.23
Healthpeak Properties	0.23

## Bottom 5 Contributors

Security Name	%
Public Storage	-0.54
Rexford Industrial Realty	-0.13
Host Hotels & Resorts	-0.12
Equity Residential	-0.11
Essex Property Trust	-0.11

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

## Market Commentary

The FTSE EPRA/NAREIT Developed Index (AUD Hedged) produced a total return of 5.0% for the month ended 30 November 2022. All regions posted positive returns. While inflation figures reported by major economies remain elevated, some fell below consensus expectations. Meanwhile other leading indicators (such as employment and rental housing survey data points) suggest inflation is cooling. The ensuing recalibration of interest rate expectations and in turn REIT earnings and valuation expectations, provided some relief for REIT returns during the month.

The U.S. returned 5.7% in local currency terms on the back of more muted inflation metrics. The consumer price index for October came in below consensus expectations. Other leading indicators also pointed to cooling inflation, including the unemployment rate which increased 20bps to 3.7%. On November 30, the Fed Chairman signalled a slower pace of interest rate rises.

Hong Kong was the strongest region returning 14.0% in local currency terms on post-COVID reopening hopes. Whilst the relaxation of restrictions is slow and ongoing, small strides made during the month should help its struggling economy. China policy makers announced minor adjustments which reflect a subtle shift toward easing, perhaps in response to recent public protests against China's tough stance. Our underweight exposure to Hong Kong detracted from performance.

Japan was the weakest region returning 0.8% in local currency terms. Its GDP unexpectedly contracted by 0.3% quarter-on-quarter on a seasonally adjusted basis, despite recently easing COVID restrictions. Yen weakness in Japan magnifies import costs and impedes consumption, but positively it supports the recovery of inbound tourism. Our underweight exposure to Japan contributed positively to performance.

All property sectors posted positive returns in November, except self-storage.

Data centres was notably strong, returning +18.6% in local currency terms on the back of positive 3Q22 earnings results. Demand remains significantly ahead of historical trends with REITs citing record bookings, and supply is constrained leading to 3-year-low vacancy rates in major markets. Our exposure to Equinix (EQIX) contributed positively to performance.

Healthcare was another bright spot, returning +9.2% in local currency terms. A highlight of 3Q22 earnings results was the ongoing recovery in senior housing demand as both occupancy and rate growth continued to improve and agency labour expense pressure abated. Additionally, U.S. healthcare REIT Welltower (WELL) announced the restructuring of its joint venture with troubled operator ProMedica, which involved transitioning 145 skilled nursing facilities to a new operator, which is a tenant credit upgrade for WELL. Our overweight exposure to healthcare and WELL contributed positively to performance.

Self-storage was relatively weak, returning -4.8% in local currency terms as 3Q22 earnings results pointed to a return to more normalised trading conditions with occupancy and rental rates edging lower. Our overweight exposure to self-storage detracted from performance.

The reality of rising interest rate headwinds continued to set in. One of several stark debt issuances during the month was completed by highly indebted German Residential REIT Vonovia (VNA). Vonovia issued €1.5bn of bonds with a blended 6.25-year term and a ~4.9% coupon that reflected a giant +370bps spread to the company's 1.2% average in-place borrowing cost.

At the end of the month, Segro (SGRO) took advantage of a slight improvement in conditions to issue £350m 5.125% 19 year bonds. This is a small issuance for the company and helps term out future capital needs.

Several REITs issued convertible bonds in the month, in an effort to soften the impact of higher debt costs. While a convertible may offer a lower coupon and thereby mute the additional interest expense, longer term dilution would be incurred upon conversion into common stock if the embedded equity option were exercised.

In November, Dexus (DXS) issued a A\$500m 3.5% 2027 convertible bond with a 30% convert premium. In Hong Kong, Link REIT (823) issued a HK\$3.3bn 4.5% 2027 convertible bond with a 17% convert premium.

## Contact Us

### Investor Contact Details

Pinnacle Investment Management

Email: [service@pinnacleinvestment.com](mailto:service@pinnacleinvestment.com)

Phone: 1300 010 311

### Adviser Contact Details

Pinnacle Investment Management

Email: [distribution@pinnacleinvestment.com](mailto:distribution@pinnacleinvestment.com)

Phone: 1300 010 311

---

Disclaimer: 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](mailto:service@pinnacleinvestment.com)

This communication is for general information only. It is not intended as a securities recommendation or statement of opinion intended to influence a person or persons in making a decision in relation to investment. It has been prepared without taking account of any person's objectives, financial situation or needs. Any persons relying on this information should obtain professional advice before doing so. Past performance is for illustrative purposes only and is not indicative of future performance.

Whilst Resolution Capital, PFSL and Pinnacle believe the information contained in this communication is reliable, no warranty is given as to its accuracy, reliability or completeness and persons relying on this information do so at their own risk. Subject to any liability which cannot be excluded under the relevant laws, Resolution Capital, PFSL and Pinnacle disclaim all liability to any person relying on the information contained in this communication in respect of any loss or damage (including consequential loss or damage), however caused, which may be suffered or arise directly or indirectly in respect of such information. This disclaimer extends to any entity that may distribute this communication.

Any opinions and forecasts reflect the judgment and assumptions of Resolution Capital and its representatives on the basis of information available as at the date of publication and may later change without notice. Any projections contained in this presentation are estimates only and may not be realised in the future. Unauthorised use, copying, distribution, replication, posting, transmitting, publication, display, or reproduction in whole or in part of the information contained in this communication is prohibited without obtaining prior written permission from Resolution Capital. Pinnacle and its associates may have interests in financial products and may receive fees from companies referred to during this communication.