

Resolution Capital Global Property Securities Fund - Class A

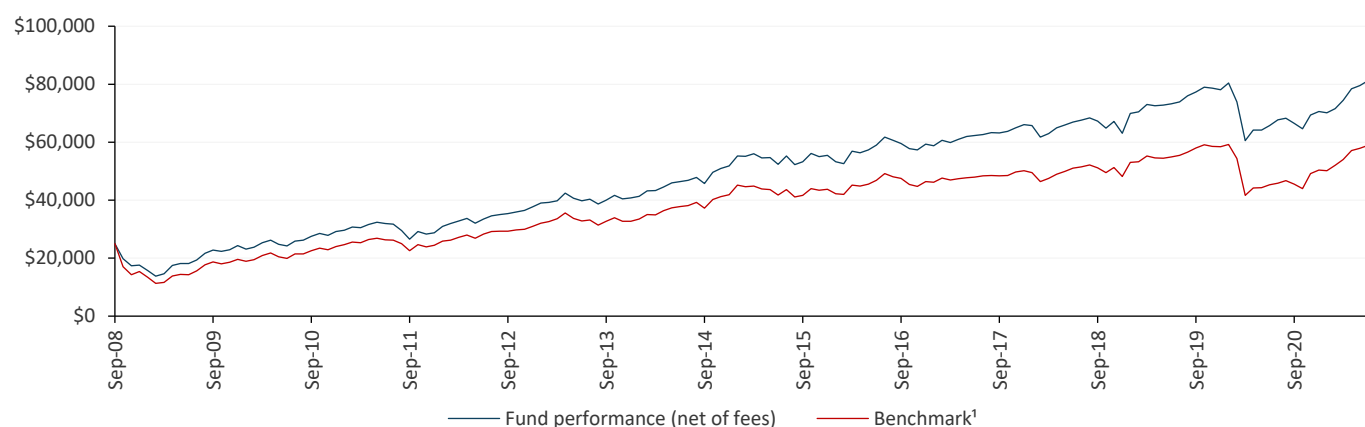
RESOLUTION CAPITAL

31 July 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)	4.36	8.05	25.21	7.84	6.53	10.32	9.97
Benchmark ¹ return	3.88	7.16	33.60	5.94	4.47	8.82	7.22
Value Added (After Fees)	0.48	0.89	-8.39	1.90	2.06	1.49	2.75

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.

Top 5 Weights

Security Name	%
Prologis	7.96
Invitation Homes	6.04
Welltower	4.99
Equinix	3.80
Kimco Realty Corporation	3.61

Top 5 Contributors

Security Name	%
Prologis	0.71
Invitation Homes	0.65
Welltower	0.36
Equity Residential	0.36
Essex Property Trust	0.33

Bottom 5 Contributors

Security Name	%
Scentre Group	-0.14
Klepierre	-0.11
Sun Hung Kai Properties	-0.07
Mitsubishi Estate Company	-0.05
Mirvac Group	-0.04

Fund Details

APIR code	WHT0015AU	Management Fee	0.80% p.a. plus 20% of outperformance above the benchmark
ARSN Code	128 122 118	Buy/Sell Spread	+0.20%/-0.20%
*Inception Date	30 September 2008	Distribution Frequency	Quarterly
Fund Size	\$2,067.2 Million	No. of Stocks	Generally 30 to 60
NAV per Unit	\$1.94	Investment Manager	Resolution Capital
Minimum Investment	\$25,000	Platform Availability	https://rescap.com/globalfund
Benchmark	FTSE EPRA/NAREIT Developed Index (AUD Hedged) Net TRI	Investment Timeframe	Medium to long term, being 5 or more years

Market Commentary

The FTSE EPRA/NAREIT Developed Index (AUD Hedged) produced a total return of 3.9% for the month ended 31 July 2021. The UK was the best performing region with a total return of 7.7% in local currency terms, reflecting optimism as lockdowns end. The worst performing region was Hong Kong with a -2.6% total return in local currency terms as regulatory uncertainty in Mainland China weighed.

Residential was the best performing sector driven by improved operating fundamentals. Hotels was the weakest due to renewed fears around the spread of the Covid-19 delta variant.

U.S. REIT earnings season is underway. Industrial REITs confirmed robust fundamentals with strong tenant demand and pricing power driving increased funds from operations (FFO) guidance for 2021. Similarly, self-storage REITs reported impressive results and upgraded FFO guidance as record high occupancies translated to unprecedented pricing power. Data centres continue to report durable leasing demand.

Results for U.S. office REITs continue to be mixed, Conditions for life science remain strong while Sunbelt office markets are improving with greater optimism around tenant demand. However, return to office delays and enduring Work-From-Home impacts continue to cloud the outlook for many office markets. Residential REITs reported accelerating rent growth and raised FFO guidance. For retail REITs, operating fundamentals are returning to pre-pandemic levels at a faster pace than expected, driven by strong leasing demand and normalising rent collections resulting in FFO guidance upgrades.

In contrast, European retail REITs Unibail-Rodamco-Westfield (URW) and Klepierre's (LI) 1H21 results were weak, reflecting the impact of lockdowns and lagging reopening of their major markets. Positively, in June, as Covid-19-related restrictions lifted, footfall levels returned to c.25% below 2019 levels, whilst retailer sales were on average c.10% below.

M&A activity remains in the spotlight. U.S. shopping centre REIT, Kite Realty Group Trust (KRG) announced a strategic merger with peer Retail Properties of America (RPAI). The all-stock deal values RPAI at \$12.98/share and if successful will create one of the five largest listed U.S. shopping centre REITs. The deal was struck at a 13% premium to the last close prior to announcement.

A heated battle is emerging for U.S. industrial REIT, Monmouth Real Estate Investment Corp. (MNR). Following Equity Commonwealth's (EQC) all-stock offer in May, Starwood Capital has emerged with a competitive all cash bid at \$18.88/share. The offer equates to a 7% premium to EQC's bid based on month end pricing. While MNR's Board of Directors re-affirmed their support for EQC's offer, shareholder votes for both EQC and MNR are scheduled in August.

Meanwhile in Germany, the merger between Vonovia (VNA), a €60bn residential landlord, and its Berlin focused peer, Deutsche Wohnen (DWINI), first announced in May, hit a fork in the road. Only 47.6% of shareholders accepted VNA's offer of €52/share, short of the 50% required. After month-end, VNA launched a new offer at €53/share which has support from DWINI's Board but is subject to shareholder acceptance and approval by German financial regulator BaFin.

Finally, a consortium backed by Dutch pension fund manager APG and Blackstone made a £969m offer for GCP Student Living (GCP). The 213 pence a share offer represents an 11% premium to GCP's last close prior to announcement. GCP's £1.1bn portfolio consists of 11 assets located primarily in London and the South- East of England.

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