

Resolution Capital Global Property Securities Fund (Managed Fund)

TICKER: RCAP

CERTIFIED BY RIAA

Monthly Report - 31 July 2023

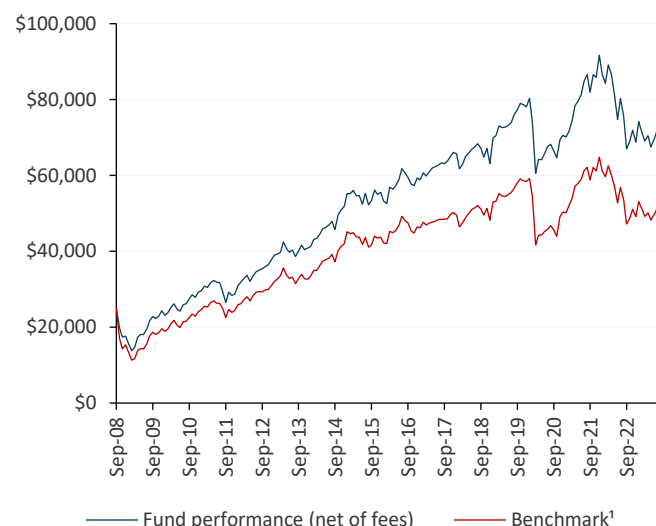
Performance Summary

	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)	3.21	1.78	-10.61	1.98	1.22	5.92	7.36
Benchmark ¹ return	3.20	2.04	-9.88	3.77	-0.11	4.45	4.95
Value Added (Net Performance)	0.01	-0.26	-0.73	-1.79	1.33	1.47	2.41

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*



¹ 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.

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

Fund Details

APIR	WHT0015AU
ARSN Code	128 122 118
Benchmark	FTSE EPRA/NAREIT Developed Index (AUD Hedged) Net TRI
*Inception Date	30 September 2008
RCAP Listing Date	22 February 2022
Fund Size	\$2,309.5 Million
NAV per Unit	\$1.55
Management Fee	0.80% p.a.
Performance Fee	20% of outperformance above the benchmark net of the management fee and expenses
Buy/Sell Spread²	+0.20%/-0.20%
Distribution Frequency	Quarterly
No. of Stocks	Generally 30 to 60
Risk/Return Profile	The Fund's risk band is 5 (medium to high)
Platform Availability	https://rescap.com/globalfund
Minimum Investment	\$25,000

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

Marketing pricing information on RCAP

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

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

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Market Commentary

The FTSE EPRA/NAREIT Developed Index (AUD Hedged) produced a total return of 3.2% for the month ended 31 July 2023. All regions posted positive total returns as evidence of disinflation and rhetoric from central bankers has become less hawkish. Lower terminal rate expectations benefited vehicles with higher financial leverage in July, as evidenced by the outperformance of both Continental Europe and the office sector.

U.S. REITs modestly underperformed the global index, returning 2.8% in local currency terms. Despite the lowest CPI print since March of '21, the Federal Reserve hiked rates an additional 0.25%. Portfolio exposure to the U.S. contributed positively to relative returns due to stock selection.

Continental Europe was the top performing region returning 9.0% in local currency terms. The market responded positively to signs of disinflation, suggesting that the end of the ECB rate hike cycle could be on the horizon. With elevated leverage in the region, a pause in rate hikes would provide much needed relief. The portfolio's underweight position detracted from relative returns.

In contrast, Hong Kong was the weakest region, returning 0.4% in local currency terms. The post-Covid reopening trade in China has disappointed thus far, with consumer spending remaining subdued. Overweight portfolio exposure contributed negatively to relative returns, albeit modestly.

Except for self-storage, all property sectors posted positive returns in July.

Self-storage was the weakest performing sector, returning -3.8% in local currency terms. Underperformance was most acute in the U.S., where the operating outlook for self-storage is decelerating from record levels and a nearly frozen housing market weighs on customer demand. Portfolio exposure to storage contributed positively to relative returns due to stock selection.

Office was the strongest performing sector returning 6.9% in local currency terms. Top performers in July were U.S. office REITs with the most pressured operating outlooks and capital markets needs. Underweight portfolio exposure contributed negatively to relative returns.

Retail modestly outperformed in July, returning 4.2% in local currency terms. Despite macro data suggesting that retail sales growth has slowed in many regions, occupier demand has remained robust, particularly for grocery-anchored retail centres. Overweight portfolio exposure contributed positively to relative returns.

There were several notable REIT announcements during the month.

At the end of July, U.S. listed single-family rental REIT, Invitation Homes (INVH), issued \$800m of unsecured notes. INVH issued \$450m of 5.45% senior notes due 2030 and \$350m of 5.5% senior notes due 2033. The U.S. unsecured market remains accessible for REITs with quality balance sheets.

U.S. data centre REIT, Digital Realty (DLR), announced the sale of a 65% interest in two stabilized hyperscale facilities in Chicago into a joint venture with GI partners for \$743m. DLR will retain a 35% ownership interest and continue to manage the day-to-day operations. This deal values the properties at a 6.5% cap rate, and puts DLR on track for the ~\$2B of planned dispositions in FY23 to fund its >\$2B development pipeline.

Europe's largest retail REIT, Unibail-Rodamco-Westfield (URW), sold its 42% stake in Westfield Mission Valley Shopping Centre for \$290m at an 8.5% cap rate. This asset was previously held in a joint venture with CPPIB and reflects URW's ongoing disposition efforts to improve its balance sheet and liquidity position.

UK student housing REIT, Unite Group (UTG), issued £300m of equity to finance previously announced development projects. The equity raise was well-executed, pricing ~4% below UTG's unaffected share price. UTG's successful issuance is likely a signal to other UK REITs with healthy balance sheets that the equity market is accommodative.

The largest U.S. storage REIT, Public Storage (PSA), announced the acquisition of Simply Self Storage from Blackstone's unlisted REIT (BREIT) for \$2.2B. Pricing suggests an initial cap rate of 5-5.5% which PSA expects to stabilize at 6.25-6.75%.

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Top 5 Weights

Security Name	%
Equity Residential	6.49
Prologis	6.39
Equinix	5.55
Invitation Homes	4.67
Welltower	4.65

Top 5 Contributors

Security Name	%
Kilroy Realty Corporation	0.27
Host Hotels & Resorts	0.21
Vicinity Centres	0.19
UNITE Group	0.19
Healthpeak Properties	0.18

Bottom 5 Contributors

Security Name	%
Public Storage	-0.11
CubeSmart	-0.09
Equity Residential	-0.08
American Tower Corp	-0.07
Sun Hung Kai Properties	-0.05

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

Signatory of:



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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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