

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



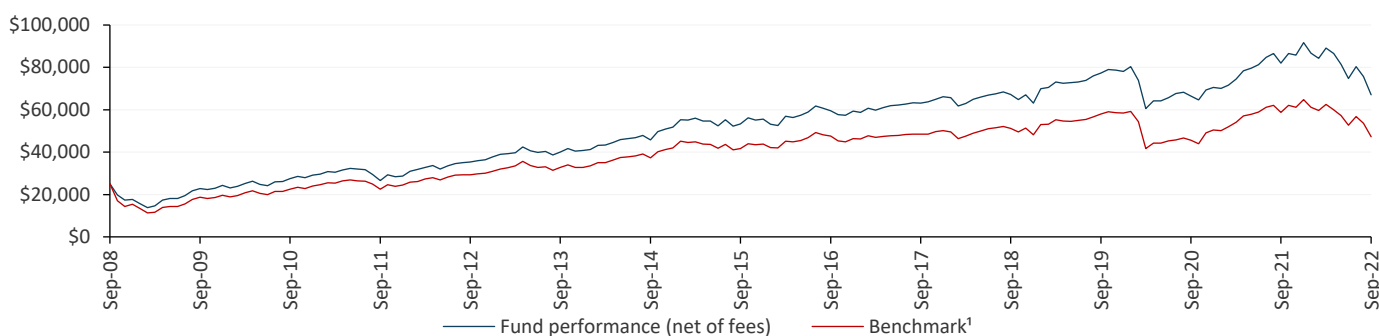
30 September 2022

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)	-11.39	-10.33	-18.21	-4.63	1.21	6.60	7.30
Benchmark ¹ return	-11.84	-10.46	-19.70	-6.64	-0.50	4.88	4.65
Value Added (Net Performance)	0.45	0.13	1.49	2.01	1.71	1.72	2.65

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	\$1,925.4 Million	Platform Availability	https://rescap.com/globalfund
NAV per Unit	\$1.48	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	%
Equity Residential	6.60
Invitation Homes	6.58
Prologis	6.38
Public Storage	5.71
Kimco Realty Corporation	5.58

Top 5 Contributors

Security Name	%
Mitsubishi Estate Company	0.15
Equity Commonwealth	0.01
Gecina	-0.01
Mitsui Fudosan	-0.01
Sun Hung Kai Properties	-0.02

Bottom 5 Contributors

Security Name	%
Prologis	-0.81
Welltower	-0.58
Scentre Group	-0.35
Rexford Industrial Realty	-0.35
Kimco Realty Corporation	-0.31

Market Commentary

The FTSE EPRA/NAREIT Developed Index (AUD Hedged) produced a total return of -11.8% for the month ended 30 September 2022. All regions and sectors posted negative returns for the month. The macro environment – namely elevated inflation spurred higher by the energy crisis, and (mostly) upward revisions to interest rate expectations – has influenced downgrades to REIT earnings and values.

Our elevated cash position was a key contributor to relative performance.

The UK was the weakest region returning -17.6% in local currency terms, partly attributable to the UK Government's "mini-budget" blunder, triggering a sharp spike in gilt yields and a depreciation of the Pound. The BoE was forced to implement a temporary bond-buying program to stabilise the market. Our modest overweight exposure to the UK detracted from relative performance.

Continental Europe returned -15.3% in local currency terms, with the ECB announcing a +75bps interest rate hike and acknowledging inflation had been "more persistent and of a magnitude that nobody expected". Our underweight exposure to Continental Europe contributed positively to performance.

The U.S. returned -12.2% in local currency terms as accelerating inflation prompted the Fed to increase interest rates by a further +75bps and warn of elevated rates for an extended period in order to bring inflation back to the 2% target level.

Our overweight exposure to the U.S., particularly residential names such as Invitation Homes (INVH) and Equity Residential (EQR) contributed positively to performance.

Japan was the best performing region returning -3.1% in local currency terms. Japan benefited from comparably low inflation, and the BoJ continued to hold interest rates negative (the only major central bank in the world to do so). However, loose monetary policy has driven a meaningful decline in the JPY/USD exchange rate, prompting the BoJ to intervene to support the local currency for the first time since 1998. Our underweight exposure to Japan detracted from performance.

All property sectors posted negative returns in September. "Value" sectors' returns were less negative, i.e., sectors with lower earnings multiples and slower growth expectations including office and retail. "Growth" sectors, such as Industrial, were among the worst performers as their higher earnings multiples and loftier growth expectations compressed.

The Healthcare sector was also weak as elevated expenses (labour and interest costs) offset solid revenue growth in U.S. seniors housing. Our exposure to U.S.-listed Welltower (WELL) detracted from performance.

Following a pause in REIT M&A activity due to public market turmoil in recent months, STORE Capital (STOR), a U.S. net lease REIT announced that it would be acquired by GIC and Oak Street in September. The all-cash deal for \$32.25 per share reflects a 20% premium to the unaffected price and implies a 6.4% acquisition cap rate. The Portfolio has no exposure to STORE.

However, for most REITs and many other investors, the rapidly rising cost of capital has eroded the ability to invest accretively, and property transaction volumes reduced in September signalling a widening gap between buyer and seller price expectations.

During the month, UK net lease REIT LXI REIT (LXI) pulled a £500m deal to acquire a portfolio of Sainsbury's supermarkets and associated equity capital raising, citing stock market volatility. Nevertheless U.S. net lease REIT Agree Realty (ADC) enjoyed the luxury of trading at a NAV premium, enabling a \$933m equity raise to fund ADC's peer-group leading external growth ambitions.

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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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