

Resolution Capital Global Property Securities Fund (Managed Fund)

TICKER: RCAP

CERTIFIED BY RIAA

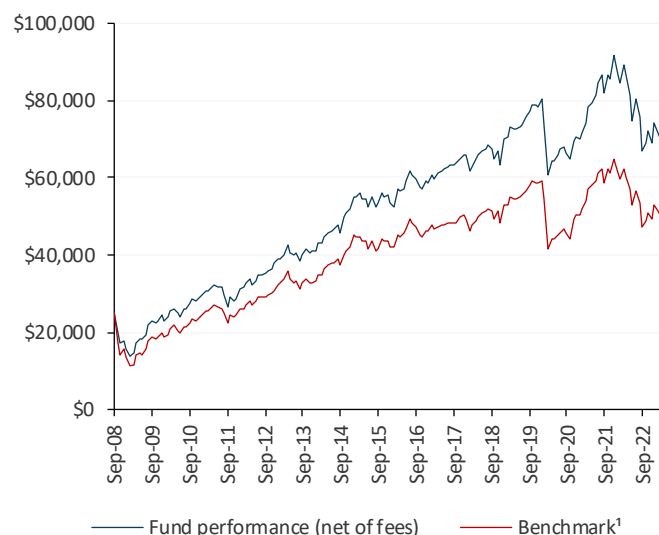
Monthly Report - 30 June 2023

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)	2.94	0.68	-6.99	1.90	0.78	5.74	7.18
Benchmark ¹ return	2.81	0.87	-5.94	3.11	-0.55	4.22	4.75
Value Added (Net Performance)	0.13	-0.19	-1.05	-1.21	1.33	1.52	2.43

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	\$2,234.6 Million
NAV per Unit	\$1.50
Management Fee	0.80% p.a.
Performance Fee	20% of outperformance above the benchmark net of the management fee and expenses
Buy/Sell Spread ²	+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 2.8% for the month ended 30 June 2023.

The U.S. was the top performing region returning 4.8% in local currency terms. The market responded positively to the U.S. Federal Reserve pausing its interest rate hiking cycle and ongoing resilience in the broader economy. The portfolio's overweight position to the region contributed positively to relative returns.

In contrast, the U.K. was the weakest region, returning -7.3% in local currency terms. REITs in the region were pressured as the Bank of England raised interest rates higher than anticipated by 0.5% to 5%. Meanwhile inflation remains stubbornly high in the region, signalling further hikes are likely in order to return it to target levels. The portfolio's overweight position to the region detracted from relative returns.

With the exception of industrial, all property sectors posted positive returns in June.

Data centres was the strongest performing sector returning 7.2% in local currency terms as investor enthusiasm persisted driven by robust secular tenant demand. Canadian office REIT Allied Properties (AP) capitalised on investor appetite, selling its Toronto urban data centre portfolio to Japanese telecommunications operator KDDI Corporation (9433) for C\$1.35bn, an estimated low-4% cap rate and a 10% premium to book value. The portfolio's underweight position detracted from relative returns.

Industrial was the weakest performing sector, returning -1.1% in local currency terms. The sector was negatively impacted by decelerating tenant demand and an elevated supply backdrop. The portfolio's underweight position contributed positively to relative returns.

Office was in the middle-of-the-field, returning 4.1% in local currency terms. Performance diverged by region with U.S. strength diluted by weakness elsewhere. Late in the month, U.S. office REIT SL Green (SLG) sold a 49.9% stake in 245 Park Avenue, New York to unlisted Japanese developer, Mori Trust, for \$2bn (\$1.1k/sqft), which reflected a low-4% cap rate. The valuation was meaningfully *higher* than public market implied values for A-grade quality assets and drove a re-rating in depressed valuations.

Elsewhere, Australian office REIT Dexus (DXS) sold an A-grade asset, 44 Market Street, Sydney, for \$393m or AU\$12.8k sqm (US\$797/sqft) to APAC focussed investment firm, PAG. The deal reflected a meaningful 17% discount to its December valuation. The portfolio's underweight position to the office sector detracted from relative returns.

There were several other notable REIT announcements during the month.

Crime and safety issues plaguing San Francisco metro saw several landlords cease payments on secured debt amidst challenging operating conditions. Transatlantic mall REIT Unibail Rodamco Westfield (URW) along with its JV partner Brookfield, handed Westfield San Francisco to its lender. U.S. hotel REIT Park Hotels (PK) also ceased payments on a \$725m CMBS loan secured by two San Francisco hotels maturing late 2023 amidst refinancing negotiations.

U.S. life science REIT Alexandria (ARE) continued to execute its capital recycling program to fund development, executing deals above its public implied value. ARE sold a portfolio of five non-core assets in greater Boston for \$365m (\$852/sqft) reflecting a 5.2% cap rate.

U.S. REITs also notably capitalised on private funds selling assets to meet investor redemptions. U.S. industrial REIT Prologis (PLD) acquired a portfolio of industrial assets from Blackstone's private REIT (BREIT) for \$3.1bn (\$221/sqft). The valuation reflected a cap rate of 4.0%, or 5.75% marking the rent to market. Elsewhere, U.S. single-family residential REIT, Invitation Homes (INVH) acquired a portfolio of ~2,000 single-family residential homes from Starwood Capital Group for \$800m (\$400k per home). The valuation reflected a cap rate of roughly mid-4%.

European senior housing portfolio holding Aedifica (AED) announced a dilutive two for eleven rights issue at €52 per share, equivalent to 18% of shares outstanding, aiming to raise €380m. AED indicated the proceeds will be used to reduce debt, and fund future development and investment opportunities.

Australian retail REIT Vicinity Centres (VCX) continued to recycle assets to fund its mixed-use development pipeline. VCX sold a 50% interest in Broadmeadows Central, located in Victoria for \$135m reflecting roughly a mid-6% cap rate, and a premium to book value.

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Top 5 Weights

Security Name	%
Equity Residential	6.83
Prologis	6.55
Invitation Homes	5.31
Equinix	5.30
Welltower	4.91

Top 5 Contributors

Security Name	%
Equity Residential	0.42
Welltower	0.25
Federal Realty Investment	0.25
Regency Centers	0.21
Essex Property Trust	0.13

Bottom 5 Contributors

Security Name	%
Prologis	-0.30
Link REIT	-0.14
Invitation Homes	-0.13
Sun Hung Kai Properties	-0.10
Realty Income Corp.	-0.09

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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