

Resolution Capital Global Property Securities Fund (Managed Fund)

TICKER: RCAP

CERTIFIED BY RIAA

Monthly Report - 31 May 2023

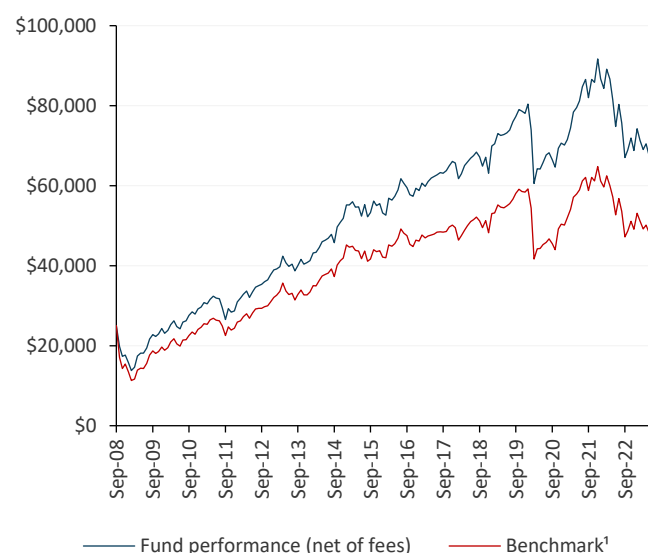
Performance Summary

	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)	-4.20	-5.33	-17.06	1.73	0.48	5.19	7.01
Benchmark ¹ return	-3.82	-5.67	-15.66	2.89	-0.70	3.66	4.58
Value Added (Net Performance)	-0.38	0.34	-1.40	-1.16	1.18	1.53	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	\$2,165.2 Million
NAV per Unit	\$1.47
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 -3.8% for the month ended 31 May 2023. All regions posted negative returns over the month, except for Japan, as the takeout of First Republic Bank by JP Morgan Chase at least temporarily resolved the U.S. banking crisis, with focus shifting toward U.S. government debt ceiling negotiations in Washington.

U.S. REITs modestly outperformed the global index, returning -3.2% in local currency terms as the market digested persistent inflation and another 0.25% interest rate hike by the Fed, coupled with commentary hinting at the potential conclusion of the end of the hiking cycle. Overweight portfolio exposure to the U.S. contributed positively to relative returns.

Japan was the top performing market in the global index, returning 0.1% in local currency terms, and the portfolio's underweight position detracted from relative returns. Logistics REITs Nippon Prologis REIT (3283) and GLP J-REIT (3281) raised ~\$200m & ~\$240m of equity in May to acquire logistics facilities.

Hong Kong was the weakest region, returning -8.9% in local currency terms, and the portfolio's overweight position to the region detracted from relative returns. REITs in the region were affected by multiple factors in China, including a softening Chinese property market and declining manufacturing production.

Continental Europe returned -8.9% in local currency terms, and the underweight position contributed positively to relative returns. The European Central Bank (ECB) raised its marginal lending rate and signalled for additional raises after headline Eurozone inflation accelerated through April, increasing pressure on troubled REIT balance sheets in Europe. Several highly levered European REITs made progress on balance sheet remediation in May through equity raises, asset sales or a combination of both. Castellum (CAST) launched their previously announced SEK 10bn (~US\$920m) rights issue which aims to lower net debt/EBITDA to ~11x from 13x and reduce LTV from 44% to 38%. CAST also reported the disposal of 20 properties for the year to date, for SEK 2.3bn (~US\$210m) in line with book values.

Meanwhile, German landlords Vonovia (VNA) and Aroundtown SA (AT1) disclosed asset sales for the purpose of deleveraging, with VNA disposing of five newly built assets to CBRE for €560m and AT1 reporting €320m of disposals YTD at close to book value.

Unibail-Rodamco-Westfield (URW) completed two sale transactions during the period, including the disposal of Westfield Brandon, a U.S. shopping centre in Florida for \$220m representing a 10% net initial yield and a 4% discount to the most recent valuation. Proceeds from the asset sales will be used to reduce debt.

All property sectors posted negative returns in May, except for data centres.

Data centre REITs was the strongest performing sector returning 3.3% in local currency terms as investors were buoyed by signs of ongoing, robust secular tenant demand. Chipmaker NVIDIA Corporation (NVDA) reported strong first quarter earnings with bullish AI growth projections which have positive implications for future total data centre demand. The portfolio's underweight position to data centres detracted from relative returns.

Retail was the weakest performing REIT sector, returning -5.8% in local currency terms. The sector was negatively impacted by concerns over tenant credit and a slowdown in retail sales.

Overall, real estate transaction activity remains meagre providing limited evidence for valuers, lenders and investors on which to rely.

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Top 5 Weights

Security Name	%
Prologis	8.29
Invitation Homes	7.52
Equity Residential	6.05
Realty Income	5.31
Equinix	4.93

Top 5 Contributors

Security Name	%
Invitation Homes	0.31
Equinix	0.25
Prologis	0.14
Host Hotels & Resorts	0.12
American Homes 4 Rent	0.05

Bottom 5 Contributors

Security Name	%
Vicinity Centres	-0.38
Federal Realty Investment	-0.31
Link REIT	-0.28
Sun Hung Kai Properties	-0.18
Regency Centers	-0.17

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

Signatory of:



Contact Us

Investor Contact Details

Pinnacle Investment Management

Email: service@pinnacleinvestment.com

Phone: 1300 010 311

Adviser Contact Details

Pinnacle Investment Management

Email: 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

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