

# Resolution Capital Real Assets Fund - Class A

30 November 2021

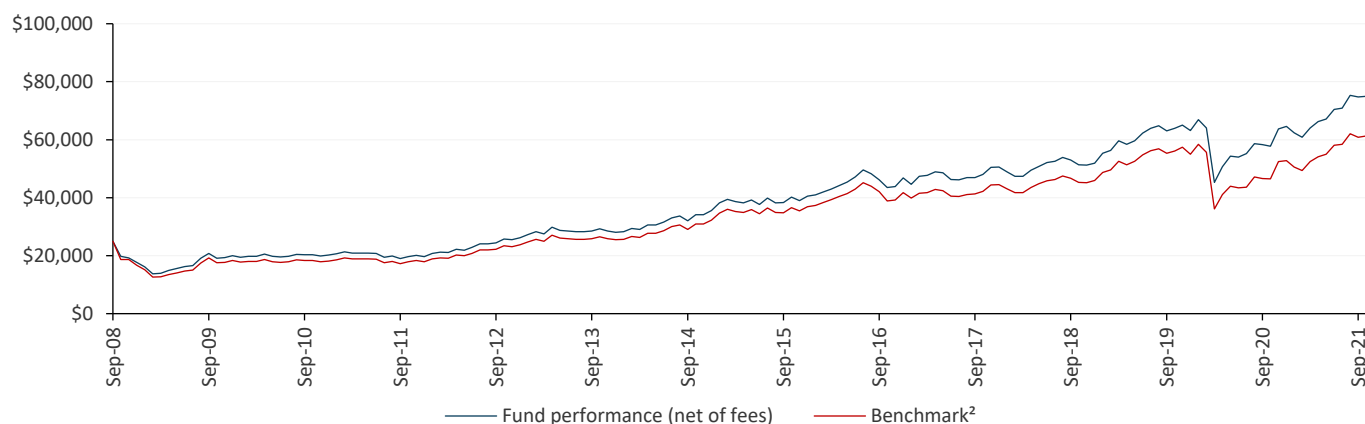


## Performance Summary

	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) <sup>1</sup>	3.86	3.36	22.11	14.93	12.15	14.47	9.00
Benchmark <sup>2</sup> return	3.96	2.55	21.43	12.12	10.21	13.24	7.35
Value Added (After Fees)	-0.10	0.81	0.68	2.81	1.94	1.23	1.65

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\*



<sup>1</sup>Please note the strategy of the Fund changed effective 1 October 2019. The Resolution Capital Real Assets Fund was previously known as the Resolution Capital Core Plus Property Securities Fund.

<sup>2</sup>Benchmark is S&P/ASX 300 AREIT Accumulation Index.

Source: Resolution Capital

## Top 5 Weights

Security Name	%
Goodman Group	21.07
Scentre Group	12.08
Mirvac Group	7.11
Charter Hall Group	6.74
Transurban Group	4.58

## Top 5 Contributors

Security Name	%
Goodman Group	2.50
Charter Hall Group	0.65
Switch	0.24
Scentre Group	0.23
Prologis	0.20

## Bottom 5 Contributors

Security Name	%
Stockland	-0.16
Ingenia Communities Group	-0.12
Aena SME	-0.07
Hotel Property Investments	-0.07
Vicinity Centres	-0.05

## Fund Details

APIR code	WHT0014AU	Management Fee	0.65% p.a. plus 20% of outperformance above the benchmark
ARSN Code	131 850 363	Buy/Sell Spread	+0.20%/-0.20%
*Inception Date	30 September 2008	Distribution Frequency	Quarterly
Fund Size	\$36.2 Million	No. of Stocks	Generally 20 to 35
NAV per Unit	\$0.60	Investment Manager	Resolution Capital
Minimum Investment	\$25,000	Platform Availability	<a href="https://rescap.com/realassetsfund">https://rescap.com/realassetsfund</a>
Benchmark	S&P/ASX 300 AREIT Accumulation Index	Investment Timeframe	Medium to long term, being 5 or more years

## Market Commentary

The S&P/ASX 300 A-REIT Total Return Index produced a total return of 4.0% for the month ended 30 November 2021, outperforming the Australian equities market by 4.5% (S&P/ASX 300 Total Return Index).

Broadly speaking, infrastructure underperformed real estate. Industrial and storage REITs outperformed whilst retail, office, residential and diversified underperformed.

Residential exposed REITs were impacted by various banks raising fixed rate home loans and expectations that the Reserve Bank might start tightening monetary policy as soon as next year which might adversely impact house prices.

Starting with quarterly updates, retail landlords Scentre Group (SCG) and Vicinity Centres (VCX) noted that occupancy held broadly flat and whilst rent collection had been negatively impacted by lockdowns, visitation rebounded strongly as restrictions lifted. VCX noted that leasing spreads were still -7% but significantly improved from FY21. SCG also reaffirmed its dividend guidance.

In its update diversified group GPT noted that office vacancy remains elevated, but improved over the quarter with leasing success. Industrial occupancy improved and this part of the portfolio continues to grow via acquisitions and developments. Earnings guidance remains withdrawn as uncertainty regarding retail rent collection persists.

New Zealand based Napier Port (NPH NZ) released its FY21 result in which earnings grew 6%, above guidance, supported by bulk cargo/log and container volume growth. FY22 guidance is for 10% earnings growth which assumes ongoing supply chain disruptions. The new wharf 6 project will complete in 2022.

Diversified group Stockland's (SGP) strategy day with its new CEO contained few surprises. Key strategic pillars include reshaping capital allocation to reduce retail and retirement exposure whilst upweighting residential, land lease, industrial and office. Further diversification into apartments for sale and potentially multi-family was signalled. Increasing capital partnering to generate recurring management income streams is also a focus.

Toll road operator Atlas Arteria (ALX) held an investor day. For its key French toll road asset a positive employment and tourism outlook is supportive for car traffic whilst truck volumes are supported by trans-European freight from Spain. ALX is targeting a regulatory restructure for its U.S. toll road asset to enable distance based tolling, provide greater toll certainty and unlock distributions.

Numerous Annual General Meetings took place this month. Industrial landlord Goodman (GMG) copped its first strike to its proposed remuneration report plus indicated opposition against Greg Goodman's performance rights issue. In our opinion, both were excessively generous. Meanwhile, fund manager Charter Hall's (CHC) remuneration plan, which included a somewhat contentious retention bonus, was approved.

Elevated retail investment activity continued this month. Vicinity Centres (VCX) divested a 50% interest in Runaway Bay in QLD for \$132m representing an 18% premium to book value and roughly in line with pre-Covid values. This followed its recent acquisition of a 50% stake in the nearby Harbour Town outlet centre. Meanwhile, a Dexus managed fund acquired a 25% stake in Sydney's Warringah mall for \$410m, representing a ~2% discount to the value at which Scentre holds its 50% stake.

Moving to equity raisings, NZ-listed landlord and fund manager Stride (SPG NZ) raised \$120m of equity to bolster its balance sheet after it recently aborted the listing of an office fund.

Lastly, Cromwell (CMW) signalled it was exploring spinning off its office assets into a new managed REIT.

## Contact Us

---

### Investor Contact Details

Pinnacle Investment Management

Email: [service@pinnacleinvestment.com](mailto:service@pinnacleinvestment.com)

Phone: 1300 010 311

### Adviser Contact Details

Pinnacle Investment Management

Email: [distribution@pinnacleinvestment.com](mailto:distribution@pinnacleinvestment.com)

Phone: 1300 010 311

[www.rescap.com](http://www.rescap.com)

Disclaimer: Interests in the Resolution Capital Real Assets Fund ('Fund') (ARSN 131 850 363) are issued by Pinnacle Fund Services Limited, ABN 29 082 494 362, AFSL 238371, as responsible entity of the Fund. Pinnacle Fund Services Limited is not licensed to provide financial product advice. You should consider the Product Disclosure Statement (PDS) and Target Market Determination (TMD) of the Fund available at [www.rescap.com/funds](http://www.rescap.com/funds) in its entirety before making an investment decision. Resolution Capital Limited ('Resolution Capital') (ABN 50 108 584 167 AFSL 274491) is the investment manager of the Fund. Pinnacle Fund Services Limited and Resolution Capital believe the information contained in this communication is reliable, however its accuracy, reliability or completeness is not guaranteed. Any opinions or forecasts reflect the judgment and assumptions of Resolution Capital and its representatives on the basis of information at the date of publication and may later change without notice. The information in this communication is not intended as a securities recommendation or statement of opinion intended to influence a person or persons in making a decision in relation to investment. This communication is for general information only. It has been prepared without taking account of any person's objectives, financial situation or needs. Any persons relying on this information should obtain professional advice before doing so. Past performance is not a reliable indicator of future performance.