

Resolution Capital Global Property Securities Fund – Series II

RESOLUTION CAPITAL

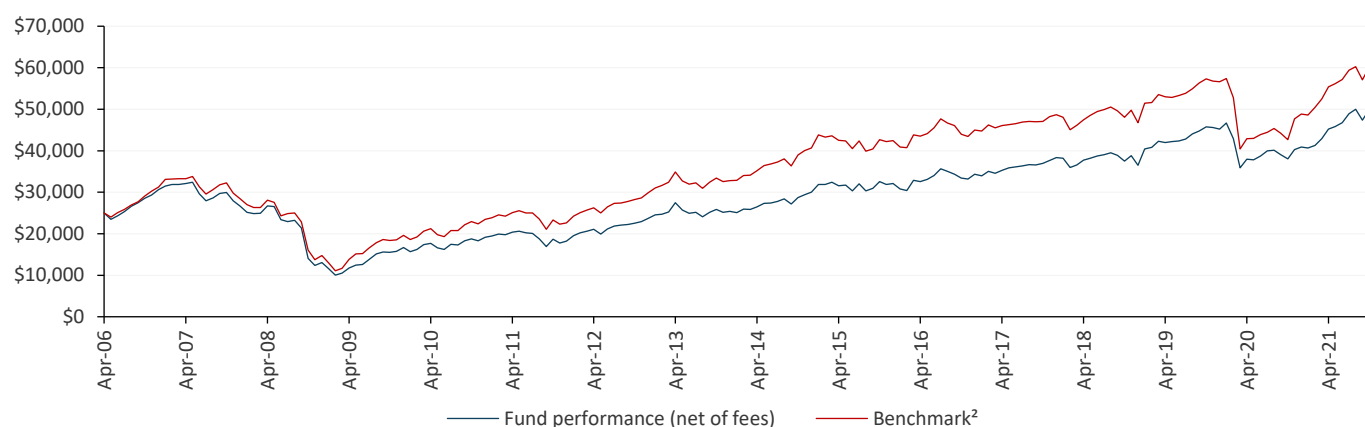
30 November 2021

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) ¹	-0.73	-0.75	23.15	8.54	8.36	10.79	4.49
Benchmark ² return	-1.45	-1.48	24.49	6.05	6.44	10.28	5.70
Value Added (After Fees)	0.72	0.73	-1.34	2.49	1.92	0.51	-1.21

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*



¹Please note this Fund was previously known as the Perennial Hedged Global Property Wholesale Trust. Resolution Capital was appointed the investment manager of the Fund effective 1 November 2014.

²Benchmark 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 and prior to 1 November 2014 the FTSE EPRA/NAREIT Developed Index (AUD Hedged) Net TRI.

Source: Resolution Capital

Top 5 Weights

Security Name	%
Prologis	9.14
Invitation Homes	5.79
Welltower	4.81
Kimco Realty Corporation	4.80
Essex Property Trust	4.65

Top 5 Contributors

Security Name	%
Prologis	0.83
Rexford Industrial Realty	0.29
Essex Property Trust	0.25
Segro	0.23
Invitation Homes	0.23

Bottom 5 Contributors

Security Name	%
Mitsubishi Estate Company	-0.11
Klepierre	-0.08
Canadian Apartment Prop.	-0.07
American Tower Corp	-0.07
Host Hotels & Resorts	-0.05

Fund Details

APIR code	I0F0081AU	Management Fee	1.05% p.a.
ARSN Code	118 190 542	Buy/Sell Spread	+0.20%/-0.20%
*Inception Date	30 April 2006	Distribution Frequency	Quarterly
Fund Size	\$343.7 Million	No. of Stocks	Generally 30 to 60
NAV per Unit	\$1.34	Investment Manager	Resolution Capital
Minimum Investment	\$25,000	Platform Availability	https://rescap.com/globalfund/series-ii
Benchmark	FTSE EPRA/NAREIT Developed Index (AUD Hedged) Net TRI	Investment Timeframe	Medium to long term, being 5 or more years

Market Commentary

The FTSE EPRA/NAREIT Developed Index (AUD Hedged) produced a total return of -1.5% for the month ended 30 November 2021. The UK was the best performing region with a total return of 3.3% in local currency terms. The worst performing region was Japan with a -6.1% total return in local currency terms.

Toward the tail end of November, reports of a new, potentially more infectious variant of Covid-19, Omicron, rattled markets producing a broad-based sell off, led by sectors most exposed to the potential impacts of disruption including hotels, healthcare, and retail.

Two U.S. listed data centre REITs, Cyrus One (CONE) and CoreSite Realty (COR) were the subject of take-over bids this month. KKR and Global Infrastructure Partners (GIP) intend to privatise CONE in an all-cash transaction which values the company at approximately US\$15bn. COR is to be acquired by listed telco tower REIT American Tower (AMT) in an all-cash bid priced at US\$170/share or approximately \$10.1bn.

The self-storage sector also witnessed a lot of transactional activity over the month:

- American asset manager, TIAA, entered into an unconditional agreement to purchase the listed Swedish self-storage operator, 24Storage for SEK2.0bn (US\$230m), beating out a bid from listed peer, Shurgard (SHUR).
- CubeSmart (CUBE) announced the acquisition of 59 self-storage assets for US\$1.7bn. The transaction values the predominately Western U.S. properties at a 3.7% cap rate or US\$387 per sq ft.
- Public Storage (PSA) acquired a portfolio of 56 self-storage assets primarily located in Dallas-Fort Worth for \$1.5bn.

In Germany, Vonovia (VNA) announced a well telegraphed €8bn rights issue to help fund its acquisition of listed peer Deutsche Wohnen (DWNI). The deal represents a 35% increase in share count. Separately, the newly formed coalition government in Germany announced their housing strategy which included several changes to the existing regulatory framework. The changes were received positively given they were less punitive than anticipated and helped reduce the regulatory uncertainty that has been plaguing the listed German residential sector.

Henderson Land (12) agreed to pay a record HK\$50.8bn (US\$6.5bn) to acquire a prime harbourfront development site in Hong Kong. Henderson intends to develop a mixed use project totalling 1.6 million sq ft in two stages, with the first phase expected to be delivered in 2027 comprising 270,000 sq ft of office and 340,000 sq ft of retail, dining and entertainment uses.

In Japan, Nippon Prologis (3283) raised US\$280m, equivalent to a 3.4% increase in share count, to help fund the acquisition of three recently constructed assets in Tokyo and Greater Osaka from the company's sponsor, Prologis (PLD). The transactions are expected to be accretive to dividend per share and NAV per share.

Hong Kong retail landlord, Link REIT (823), announced that it is acquiring a 50% interest in three iconic Sydney retail assets for A\$538m. The price paid was in line with recent appraisal values and equivalent to a 5.5% yield. The deal is expected to be debt funded and accretive to earnings per share.

In Australia, Ingenia Communities (INA) raised A\$475m, representing 24% of issued capital. Equity issuance proceeds will be used to help fund recently announced acquisitions totalling A\$441m, comprising a mix of established communities and development sites.

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