

# Resolution Capital Global Property Securities Fund – Class A



APIR Code	WHT0015AU
ARSN Code	128 122 118

## Month Ending February 2021

	1 Month %	3 Months %	1 Year %	3 Years p.a. %	5 Years p.a. %	10 Years p.a. %	Since Inception* p.a. %
Share Class Return (After Fees)	2.02	3.18	-3.17	5.00	6.34	8.79	8.83
Benchmark# Return	3.78	5.81	-4.38	3.85	4.35	7.37	6.07
Value Added (After Fees)	-1.76	-2.63	1.21	1.15	1.99	1.42	2.76

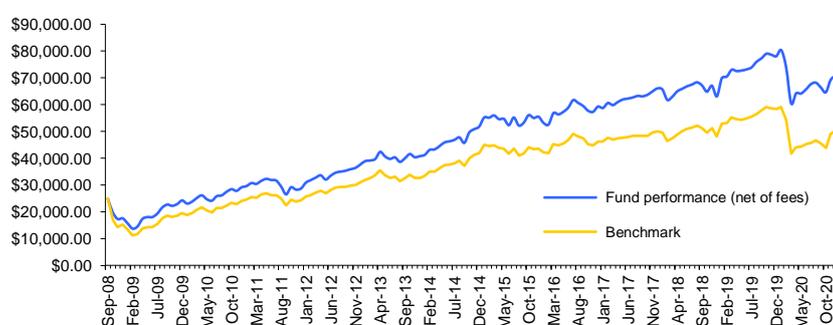
\*30 September 2008.

#Benchmark was UBS Global Real Estate Investors Index (AUD Hedged) Net TRI to 31 March 2015. From 1 April 2015 FTSE EPRA/NAREIT Developed Index (AUD Hedged) Net TRI.

### Fund Facts

*Inception Date	30 September 2008
Fund Size	\$1,494.8 Million
Management Costs	0.80% p.a. plus 20% of outperformance above the benchmark
Buy/Sell Spread	+0.20%/-0.20%
Minimum Investment	\$25,000
Distribution Frequency	Quarterly

### \$25,000 invested Since Inception\*



Source: Resolution Capital, as at 28 February 2021

Top 5 Weights		
Security Name		%
1. Prologis		6.63
2. Sun Hung Kai Properties		5.41
3. Invitation Homes		4.77
4. Mitsubishi Estate		4.19
5. Scentre Group		3.98

Top 5 Contributors		
Security Name		%
1. Sun Hung Kai Properties		0.75
2. Urban Edge Properties		0.35
3. Scentre Group		0.24
4. Mitsubishi Estate		0.24
5. Kimco Realty		0.20

Bottom 5 Contributors		
Security Name		%
1. Equinix		-0.45
2. Prologis		-0.31
3. Vonovia		-0.20
4. American Tower		-0.16
5. Nippon Prologis REIT		-0.15

### Market Commentary

The FTSE EPRA/NAREIT Developed Index (AUD Hedged) Net TRI produced a total return of 3.8% for the month ended 28 February 2021. Hong Kong was the best performing region, with a total return of 11.3% in local currency terms. The worst performing region was Singapore, with a -3.1% total return in local currency terms.

February saw continued rotation into the sectors most negatively impacted by the pandemic, with hotels and retail outperforming while the more pandemic resilient sectors were the weakest, including data centres, towers and industrial.

Earnings season has broadly confirmed the resilience of the self-storage, logistics, data centres, life science, and single-family rental sectors. However, initial 2021 guidance from most of these sectors failed to exceed the market's high expectations.

Meanwhile, despite the pandemic continuing to disrupt retail, hotels, and senior housing businesses, market participants appear to have priced in an improvement in operating fundamentals particularly in regions where vaccines are being rapidly deployed.

Nevertheless, Unibail Rodamco-Westfield's (URW) FY20 result foreshadows enduring challenges ahead for the highly levered mall REIT. URW suspended its dividend for three years ('20-'22) as it focuses on deleveraging in the "toughest operating environment in living memory."

In M&A news, Swedish diversified property company, Castellum (CAST), and Swedish residential company, Samhällsbyggnadsbolaget Norden (SBB) have both failed to gain sufficient support for their separate bids to acquire Norwegian office REIT Entra (ENTRA).

In transaction news, U.S. office REIT, SL Green Realty (SLG), sold a 25% interest in its office tower, located at 55 West 46th Street, for a gross valuation of US\$275m, or US\$793 per square foot, to Brookfield Asset Management.

U.S. hotel REIT, Pebblebrook Hotel Trust (PEB) disposed of the 416-room Sir Francis Drake Hotel in San Francisco, CA, to a third party. The asset was sold on a 7.2% cap rate using 2019 net operating income, with net proceeds expected to be US\$157.6m.

U.S. healthcare REIT, Omega Healthcare (OHI) acquired 24 senior housing assets from U.S. diversified healthcare REIT, Healthpeak (PEAK), for US\$510m, representing an 8.5% yield or US\$200,000 per unit.

UK healthcare REIT Assura (AGR) acquired primary care developer Apollo Capital Projects Development. The acquisition expands AGR's development team and increases their immediate and extended development pipeline. AGR did not disclose the price.

Finnish retail REIT, Citycon (CTY1S), sold three shopping centres in Sweden to Nordic real estate investor Niam for €147m.

Swedish diversified REIT, Castellum (CAST) has sold 53 logistics properties to Blackstone for SEK 4.8bn, a 15% premium to their fourth-quarter 2020 appraisal valuation.

Hong Kong retail REIT, Link (823), acquired a 50% interest in Shanghai Qibao Vanke Plaza, a shopping mall located in Shanghai, China, for HK\$2.67bn, representing a 6.1% gross rental yield.

Singapore industrial REIT, Mapletree Logistics Trust (MLT), acquired five logistics properties in Yongin-Icheon, South Korea, for S\$335m, representing a net property income yield of 4.5%.

In other news, Belgium diversified REIT, Cofinimmo (COFB), announced its intention to create a subsidiary for its Belgium office portfolio, which comprises 77 buildings across c540,000 sqm. Following the restructure, COFB intends to sell a minority interest in the subsidiary.

Several REITs raised equity to strengthen their balance sheet and help fund acquisitions.

- European logistics REIT, Warehouses De Pauw (WDP) successfully raised €200m of equity. WDP issued 3.9% of outstanding shares at €29.25 per share, a 3.3% discount to the last close. Net proceeds will strengthen its balance sheet and fund its development and acquisition pipeline.
- European logistics REIT, Tritax Eurobox (EBOX), raised €200m via an equity raise. Shares were priced at 103p, a 2.4% discount to the last close. Net proceeds will help fund the acquisition of six logistics properties across Italy and Germany for €416m and help fund €81m of development opportunities.
- Canadian healthcare REIT Northwest Healthcare (NWH.UT) announced that it would raise a maximum of C\$255m. NWH will issue up to 10% of outstanding shares, priced at \$12.65 per share, a 3.3% discount to the last close. Net proceeds will repay debt, however NWH is reported to be seeking to acquire the unlisted Australian Unity Healthcare Fund.
- Singapore data centre REIT, Keppel DC (KEPE), raised S\$270m in gross proceeds to fund the Keppel Bay Tower's acquisition. KEPE issued 238.9m shares, at S\$1.13 per share, a 4.1% discount to last close VWAP.

## Fund Details

Investment Manager	Resolution Capital
Objective	<ul style="list-style-type: none"><li>The Fund aims to achieve an annual total return that exceeds the total return of the Benchmark after fees on a rolling 3 year basis.</li></ul>
Benchmark	<ul style="list-style-type: none"><li>FTSE EPRA/NAREIT Developed Index (AUD Hedged) Net TRI.</li></ul>
Portfolio Allocation	<ul style="list-style-type: none"><li>85-100% invested in global listed REITS and real estate securities.</li><li>0-15% invested in cash and short dated money market securities.</li><li>For reasons of investment efficiency, the Fund may gain its exposure by holding units in other Resolution Capital Funds.</li></ul>
Investment Timeframe	<ul style="list-style-type: none"><li>Medium to long term, being 5 or more years.</li></ul>
Number of Stocks	<ul style="list-style-type: none"><li>Generally 30 to 60.</li></ul>
Minimum Investment	<ul style="list-style-type: none"><li>Indirect investors: refer to the operator of your service.</li><li>Direct investors: minimum initial investment \$25,000.</li></ul>
Platform Availability	<ul style="list-style-type: none"><li>Aegis</li><li>AMP North</li><li>AMP PortfolioCare</li><li>AMP WealthView</li><li>ANZ Wrap</li><li>Asgard</li><li>BT Panorama</li><li>BT Wrap</li><li>CFS First Wrap</li><li>DPM</li><li>FNZ</li><li>HUB24</li><li>IOOF Pursuit</li><li>Macquarie Wrap</li><li>Mason Stevens</li><li>MLC Navigator</li><li>MLC Wrap</li><li>Netwealth</li><li>PowerWrap</li><li>Praemium</li><li>Premium Choice</li><li>Simple Wrap</li><li>uXchange</li></ul>

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