

Resolution Capital Global Property Securities Fund – Class A



APIR Code	WHT0015AU
ARSN Code	128 122 118

Month Ending March 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)	4.05	5.43	22.99	5.72	5.52	9.33	9.12
Benchmark# Return	3.92	7.27	29.66	4.37	3.63	7.86	6.36
Value Added (After Fees)	0.13	-1.84	-6.67	1.35	1.89	1.47	2.76

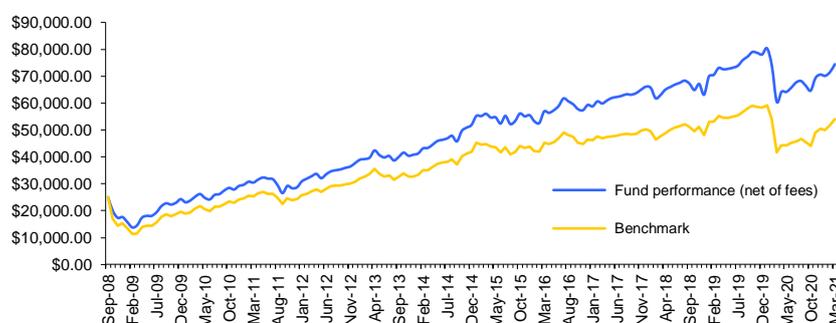
*30 September 2008.

#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	\$1,647 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 31 March 2021

Top 5 Weights	
Security Name	%
1. Prologis	7.86
2. Invitation Homes	5.26
3. Sun Hung Kai Properties	4.76
4. Welltower	4.62
5. Mitsubishi Estate	3.92

Top 5 Contributors	
Security Name	%
1. Prologis	0.65
2. Invitation Homes	0.56
3. Equity Residential	0.40
4. Welltower	0.32
5. Healthpeak Properties	0.26

Bottom 5 Contributors	
Security Name	%
1. Sun Hung Kai Properties	-0.19
2. Scentre Group	-0.07
3. Shurgard Self Storage	-0.06
4. Link REIT	-0.05
5. Assura	-0.04

Market Commentary

The FTSE EPRA/NAREIT Developed Index (AUD Hedged) Net TRI produced a total return of 3.9% for the month ended 31 March 2021. Singapore was the best performing region with a total return of 5.8% in local currency terms. The worst performing region was Hong Kong, generating a negative 1.5% total return in local currency terms. The residential sector generated the strongest returns, up 5.7% for the month. In a reversal from the previous month, the worst performing sector was hotels, which ended flat for the month.

Buoyant REIT share prices and the anticipation of future acquisition opportunities resulted in several equity raisings over the month, including:

- UDR Inc (UDR) entered into a US\$310m forward equity offering, making it the first major equity issuance in the U.S. apartment REIT space since the onset of the COVID-19 pandemic.
- Sun Communities (SUI), an owner of predominantly U.S. manufactured home communities, RVs, and marinas raised approximately US\$1bn of common equity. SUI is using the proceeds to pay down debt that was incurred during a highly acquisitive 2020 and to fund future opportunities.

- SITE Centers (SITC), an owner of open-air shopping centres in the U.S., raised approximately US\$200m of equity. SITC intends to use the proceeds to redeem US\$150m of preferred equity, with the remainder going toward general corporate purposes.
- Extra Space Storage (EXR), owner of self-storage facilities in the U.S., raised approximately US\$210m of equity. EXR intends to use the proceeds primarily to fund potential acquisition opportunities.

The transaction market has also witnessed an increase in activity, with a number of notable transactions taking place over the month.

Host Hotels (HST), the largest hotel REIT in the U.S., announced the acquisition of the Hyatt Regency Austin for US\$161m (US\$359,000 per key). The purchase price implies a 10.0% cap rate and an 8.8x EBITDA multiple based on 2019 results and reflects a 20-25% discount to pre-COVID pricing based on comparable publicly disclosed hotel sales.

West Coast office REIT, Kilroy (KRC), announced the sale of The Exchange, the company's 750,000 sq. ft office property located in San Francisco's Mission Bay for US\$1.1bn. The sale price represents 10% of KRCs Enterprise Value and implies pricing of US\$1,440 per sq. ft and a 4.0% cap rate. Proceeds will be mostly redeployed into the development of buildings catering to the life-science sector.

In Australia, Dexus (DXS) announced the formation of a partnership with Singaporean investor Mercatus to acquire a stake in the premium grade office building 1 Bligh St in Sydney's central business district. DXS previously held a 1/3 stake in the asset and post this transaction, the groups direct holding will increase to 36.66%. The transaction price was consistent with Dec-20 book values and was struck around a 4.4% cap rate.

In the UK, Unite Group (UTG) announced the sale of a portfolio of eight student accommodation assets to Aventicum Capital Management for approximately £133m (UTG share: £90m). The disposals were priced at 6.5% cap rate and a 2% discount to book value.

Ascendas REIT, a large Singaporean industrial REIT with meaningful international exposure, purchased a portfolio of 11 data centres located in the UK and Europe from Digital Realty Trust (DLR) for S\$900m (US\$670m). The sale price values the assets at approximately US\$1,000 per sq. ft and a 5.7% cap rate. DLR will manage the properties for another year before transitioning to a new asset manager.

REITs also were active in debt capital markets. Two German residential landlords, Vonovia (VNA) and Deutsche Wohnen (DWNI), issued inaugural green bonds during the month. VNA's €600m ten-year bond will bear an interest rate of 0.625%. DWNI issued two green bonds collectively amounting to €1bn at an average interest rate of 0.90% for 15-years. The green bond issuances will be used to finance projects that will help both companies' goals to become virtually carbon neutral - by 2040 for DWNI and by 2050 for VNA.

In REIT M&A news, Columbia Property Trust (CXP), a \$2bn equity market cap office REIT with assets in New York, Washington D.C., and San Francisco, received an all-cash offer for \$19.50 per share, or ~30% over its unaffected share price. The offer was made by Arkhouse Equities, a real estate private equity firm.

Extended Stay (STAY), the largest owner/operator of extended stay hotels in North America, announced that it has agreed to be acquired by a 50/50 joint venture between Blackstone (BX) and Starwood Capital for US\$19.50 per share in cash. The offer price values the company at approximately US\$6bn (US\$91,000 per key) and implies a 10.7x EBITDA multiple based on 2019 earnings.

Central and Eastern European industrial property owner and developer, CTP (CTPNV), raised €980m through an initial public offering. CTP, which is domiciled in the Netherlands but headquartered in Prague, priced its IPO of 61m new shares — representing 15.4% of shares outstanding after the offering — at €14 per share, valuing the company at €5.6bn. The company's share price finished the quarter at €15.00 per share.

Meanwhile, CapitaLand, a Singapore based diversified owner, developer and manager of real estate across the globe, announced a significant restructuring that will see the privatisation of its real estate development business. Under the scheme, the group's investment management and fund management platforms as well as its lodging business will be consolidated into CapitaLand Investment Management (CLIM). CLIM will be listed on the Singapore Exchange and have assets under management of approximately S\$115bn (US\$86bn) which will make it the largest listed real estate investment manager in Asia based on AUM.

Fund Details

Investment Manager	Resolution Capital
Objective	<ul style="list-style-type: none">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.
Benchmark	<ul style="list-style-type: none">FTSE EPRA/NAREIT Developed Index (AUD Hedged) Net TRI.
Portfolio Allocation	<ul style="list-style-type: none">85-100% invested in global listed REITS and real estate securities.0-15% invested in cash and short dated money market securities.For reasons of investment efficiency, the Fund may gain its exposure by holding units in other Resolution Capital Funds.
Investment Timeframe	<ul style="list-style-type: none">Medium to long term, being 5 or more years.
Number of Stocks	<ul style="list-style-type: none">Generally 30 to 60.
Minimum Investment	<ul style="list-style-type: none">Indirect investors: refer to the operator of your service.Direct investors: minimum initial investment \$25,000.
Platform Availability	<ul style="list-style-type: none">AegisAMP NorthAMP PortfolioCareAMP WealthViewANZ WrapAsgardBT PanoramaBT WrapCFS First WrapDPMFNZHUB24IOOF PursuitMacquarie WrapMason StevensMLC NavigatorMLC WrapNetwealthPowerWrapPraemiumPremium ChoiceSimple WrapuXchange

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