

Resolution Capital Core Plus Property Securities Fund - Series II



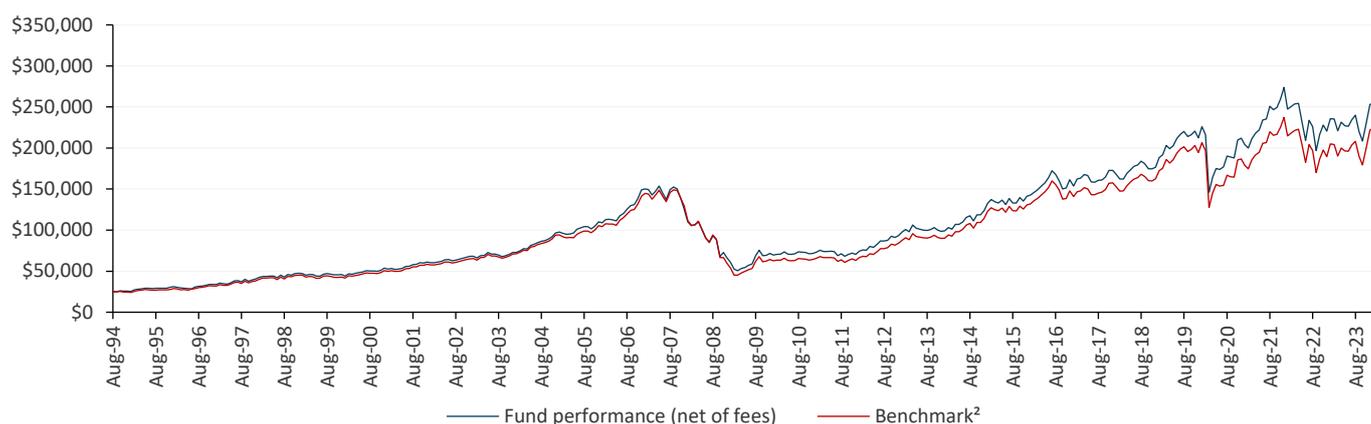
31 March 2024

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) ¹	9.57	16.70	33.58	11.77	7.75	11.28	8.70
Benchmark ² return	9.56	16.16	35.36	11.50	6.71	10.74	8.20
Value Added (Net Performance)	0.01	0.54	-1.78	0.27	1.04	0.54	0.50

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 Australian Property Wholesale Trust. Resolution Capital was appointed the investment manager of the Fund, effective 1 November 2014. Past performance is no guarantee of future results.

²Benchmark is S&P/ASX 300 AREIT Total Return Index.

Source: Resolution Capital

Top 5 Weights

Security Name	%
Goodman Group	33.67
Scentre Group	13.39
Mirvac Group	7.23
Stockland	5.30
Dexus	4.54

Top 5 Contributors

Security Name	%
Goodman Group	4.27
Scentre Group	1.25
Mirvac Group	0.57
Stockland	0.47
Hotel Property Investments	0.39

Bottom 5 Contributors

Security Name	%
Aspen Group	-0.01
Digital Realty	-0.01
Abacus Storage King	0.00
Welltower	0.01
Federal Realty	0.01

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

Fund Details

APIR code	IOF0044AU	Management Fee	0.80% p.a.
ARSN Code	087 719 917	Buy/Sell Spread	+0.20%/-0.20%
*Inception Date	31 August 1994	Distribution Frequency	Quarterly
Fund Size	\$11.8 Million	No. of Stocks	Generally 20 to 40
NAV per Unit	\$1.88	Risk/Return Profile	The Fund's risk band is 6-7 (High - Very high)
Minimum Investment	\$25,000	Platform Availability	https://rescap.com/coreplusfund/seriesii
Benchmark	S&P/ASX 300 AREIT Total Return 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 9.6% for the month ended 31 March 2024, outperforming the Australian equities market (S&P/ASX 300 Total Return Index). The Portfolio outperformed the index.

Domestic economic data released during the month showed 4th quarter 2023 GDP moderated to 1.5% year on year and inflation steady at 3.4%, however, the unemployment rate fell further to 3.7%. As anticipated the Reserve Bank of Australia held the cash rate steady at 4.35%.

Within A-REITs, the industrial sector outperformed, driven by Goodman Group which rallied on its inclusion in the FTSE EPRA NAREIT index. Retail and land lease sectors performed in line whilst office and diversified underperformed.

Positive contributors to relative performance included an overweight position in pub landlord Hotel Property Investments (HPI) on potential M&A and underweight positions in diversified group including GPT Group (GPT) and Charter Hall Long WALE REIT (CLW) on limited stock specific news. Performance detractors included an overweight position in affordable residential-focused Aspen Group (APZ), following the announcement of a takeover offer for Eureka Group (EGH), and an underweight position in industrial developer and fund manager Goodman Group (GMG).

There was further A-REIT corporate activity this month.

- Fund manager Charter Hall (CHC) and its listed Charter Hall Retail REIT (CQR) jointly acquired a 14.8% stake in pub landlord Hotel Property Investments (HPI). The Portfolio's overweight position in HPI benefitted relative performance.
- Securityholders in Goodman Group's (GMG) externally managed New Zealand listed industrial REIT Goodman Property Trust (GMT) voted in favour of the proposed management internalisation. GMT will pay GMG \$290m, equivalent to 6% of GMT's asset base, to retire the management rights. This is earnings accretive for GMT. GMG is taking its consideration in the form of shares in GMT, thereby lifting its stake to 32%. GMG will also contribute capital to growing GMT's own funds management platform.

Meanwhile, a Mirvac (MGR) unlisted managed fund sold a 50% stake in 255 George St, Sydney for \$364m translating into a ~6.3% yield, ~\$18,700/sqm and 9% discount to book value. This is notable given transactional evidence has been sparse and office A-REITs trade at deep discounts to book value. The A-grade building is well located, 93% occupied with a relatively long 6.8 year average lease length. The Portfolio's overweight position in Mirvac detracted from relative performance.

A Dexus (DXS) managed fund sold a stake in Adelaide's Tea Tree Plaza mall for a ~12% discount to Scentre Group's book value, which owns the residual stake. This implies an income yield of ~7%. The Portfolio's overweight position in Scentre Group (SCG) detracted from relative performance.

Several A-REIT management changes were announced. GPT announced the appointment of Merran Edwards as CFO who joins from Investa. Office and industrial landlord Growthpoint Properties (GOZ) announced the appointment of Ross Lees as CEO who joins from Centuria Capital.

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