

## Resolution Capital Global Property Securities Fund (Managed Fund)

TICKER: RCAP

CERTIFIED BY RIAA

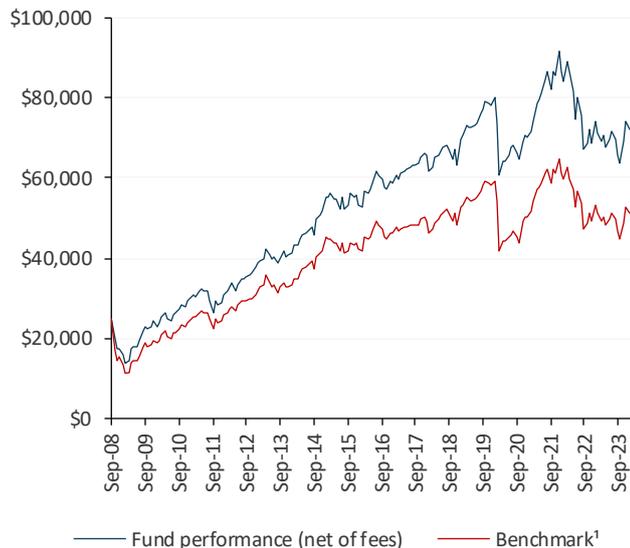
Monthly Report - 31 March 2024

### Performance Summary

|                               | 1 Month<br>% | 3 Months<br>% | 1 Year<br>% | 3 Years<br>p.a. % | 5 Years<br>p.a. % | 10 Years<br>p.a. % | Since<br>Inception*<br>p.a. % |
|-------------------------------|--------------|---------------|-------------|-------------------|-------------------|--------------------|-------------------------------|
| Fund Return (Net Performance) | 3.36         | 0.66          | 8.25        | 0.14              | 0.46              | 5.60               | 7.32                          |
| Benchmark <sup>1</sup> return | 3.64         | -0.10         | 7.69        | -0.67             | -0.82             | 4.23               | 4.96                          |
| Value Added (Net Performance) | -0.28        | 0.76          | 0.56        | 0.81              | 1.28              | 1.37               | 2.36                          |

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> Benchmark 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. Past performance is no guarantee of future results. Source: Resolution Capital. Investors who apply for units directly with the Responsible Entity may pay a different price per unit to an investor who purchases those units on the ASX at the same time, and such differences may have a material impact on the performance of that investment. The above performance reflects the performance of the Fund where units are purchased and redeemed directly with the Responsible Entity only.

### Investors can buy or sell units on the ASX

|                         |                                    |
|-------------------------|------------------------------------|
| <b>Ticker</b>           | RCAP                               |
| <b>Exchange</b>         | ASX                                |
| <b>Trading Currency</b> | Australian Dollar                  |
| <b>iNAV Provider</b>    | Solactive                          |
| <b>Market Maker</b>     | Citigroup Global Markets Australia |
| <b>Pricing</b>          | Intra-day                          |

### Fund Details

|                                    |  |
|------------------------------------|--|
| <b>APIR</b>                        | WHT0015AU  |
| <b>ARSN Code</b>                   | 128 122 118  |
| <b>Benchmark</b>                   | FTSE EPRA/NAREIT Developed Index (AUD Hedged) Net TRI                            |
| <b>*Inception Date</b>             | 30 September 2008  |
| <b>RCAP Listing Date</b>           | 22 February 2022   |
| <b>Fund Size</b>                   | \$2,625.5 Million  |
| <b>NAV per Unit</b>                | \$1.59   |
| <b>Management Fee</b>              | 0.80% p.a.   |
| <b>Performance Fee</b>             | 20% of outperformance above the benchmark net of the management fee and expenses |
| <b>Buy/Sell Spread<sup>2</sup></b> | +0.20%/-0.20%  |
| <b>Distribution Frequency</b>      | Quarterly  |
| <b>No. of Stocks</b>               | Generally 30 to 60   |
| <b>Risk/Return Profile</b>         | The Fund's risk band is 6-7 (High - Very high)                                   |
| <b>Platform Availability</b>       | <a href="https://rescap.com/globalfund">https://rescap.com/globalfund</a>        |
| <b>Minimum Investment</b>          | \$25,000   |

<sup>2</sup>only applicable for investors who apply for units directly with the Responsible Entity

### Marketing pricing information on RCAP

|                          | Ticker         | iNAV Ticker      |
|--------------------------|----------------|------------------|
| <b>Bloomberg</b>         | RCAP AU Equity | RCAPAUIV         |
| <b>Reuters/Refinitiv</b> | RCAP.AX        | RCAPAUDINAV=SOLA |
| <b>IRESS</b>             | RCAP.AXW       | RCAPAUDINAV      |

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## Market Commentary

The FTSE EPRA/NAREIT Developed Index (AUD Hedged) produced a total return of 3.6% for the month ended 31 March 2024. All regions posted positive returns for the month except for Hong Kong. Similarly, with the exception of Data Centres, all property sectors posted positive returns in March.

Japan was the top performing market in the global index, returning 12.6% in local currency terms. The Bank of Japan (BOJ) ended most of its longstanding unconventional monetary stimulus program: its target policy rate increased for the first time in nearly 17 years from -0.1% to a 0% to 0.1% band and ended the yield curve control program. Additionally, the BOJ indicated it will discontinue purchasing J-REITs and equity ETFs. The Portfolio's underweight position detracted from relative returns.

Hong Kong was the weakest region, returning -7.0% in local currency terms. The Portfolio's underweight position contributed positively to relative returns. There were several notable drivers of weakness in the region, including an unexpected dividend cut by Chueng Kong (113) amid difficult operating conditions, consumer spending weakness, the potential reversal of residential stamp duty relief, and ongoing weak sentiment in China as major property developers flounder.

Data Centres was the weakest performing sector, returning -4.9% in local currency terms. Short seller Hindenburg Research issued a negative report on the leading data centre platform Equinix (EQIX), which included claims the REIT overstates its capex adjusted free cash flow (or AFFO) and oversells electricity to its customers. EQIX will formally respond to the claims following an ongoing audit committee investigation. The Portfolio's overweight exposure to data centres detracted from relative returns.

There were several notable REIT announcements during the month impacting Portfolio holdings.

U.S. Industrial REIT, Terreno Realty (TRNO) exploited its favourable cost of capital, raising \$392m of equity to fund two portfolio acquisitions. This included a \$365m portfolio of twenty-eight properties which reflected a 4.8% stabilised cap rate. The other portfolio, with a \$84m price tag, is subject to a non-binding letter of intent.

TRNO's listed peer, Rexford Industrial (REXR) also tapped capital markets to fund \$1.3bn of acquisitions. The new capital comprised \$841m equity issued to an existing long-only investor, as well as exchangeable notes comprising \$500m due 2027 at a coupon of 4.375% and \$500m due 2029 for 4.125%. The exchange price of \$63.64 reflects a 30% premium to REXR's reference price. The acquisitions include a \$1bn (\$332sqft) portfolio acquired from Blackstone for an initial cash yield of 4.7%, or stabilised cash yield of 5.6%.

Meanwhile, U.S. apartment REIT, Essex (ESS) acquired its JV partner's interest in a portfolio of four properties for US\$505m which reflected a value of US\$341k per home and a cap rate of 5.25% or 5.9% post cost synergies. The transaction was not open to external bids, which means limited read-through to broader West Coast valuations.

Canadian residential REIT, Canadian Apartment Properties (CAR) acquired two newly constructed apartment properties for C\$130m which reflected a value of C\$447k per home and a mid-4% cap rate. CAR also disposed of four non-core assets for C\$83.5m and is reportedly pursuing a sale of its Manufactured Housing Unit (MHU) as it streamlines its overall portfolio.

U.K. diversified REIT, British Land (BLND) sold a 50% interest in its 1 Triton Square office building for £192.5m or 9% above its reported value, to Royal London Asset Management. The joint venture will redevelop the asset which includes converting lower floors to lab space.

The FTSE EPRA Global Developed Index announced the re-admission of Goodman Group (GMG) to the benchmark effective 15 March 2024. With a benchmark weight of circa 248bps, GMG is the 8<sup>th</sup> largest index constituent.

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## Top 5 Weights

| Security Name      | %    |
|--------------------|------|
| Welltower          | 7.30 |
| Equinix            | 7.00 |
| Prologis           | 6.37 |
| Equity Residential | 5.46 |
| Invitation Homes   | 4.25 |

## Top 5 Contributors

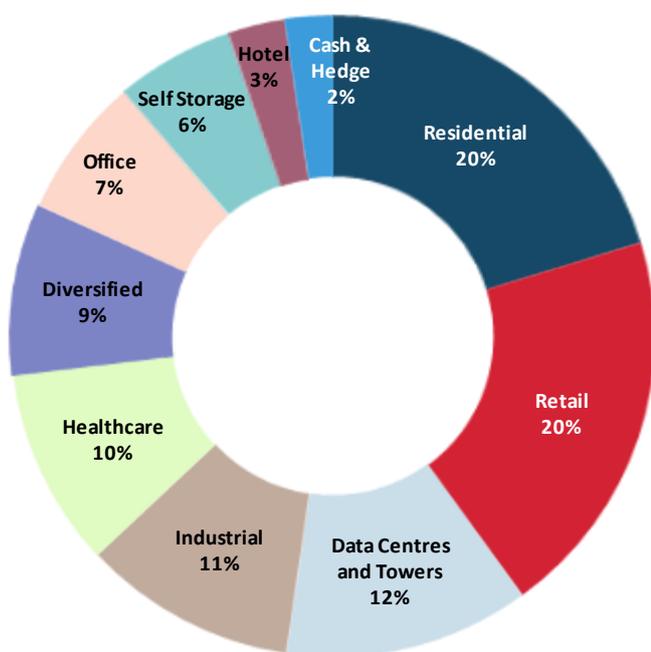
| Security Name             | %    |
|---------------------------|------|
| Mitsui Fudosan            | 0.73 |
| Mitsubishi Estate Company | 0.42 |
| Unibail-Rodamco-Westfield | 0.33 |
| Scentre Group             | 0.30 |
| Equity Residential        | 0.29 |

## Bottom 5 Contributors

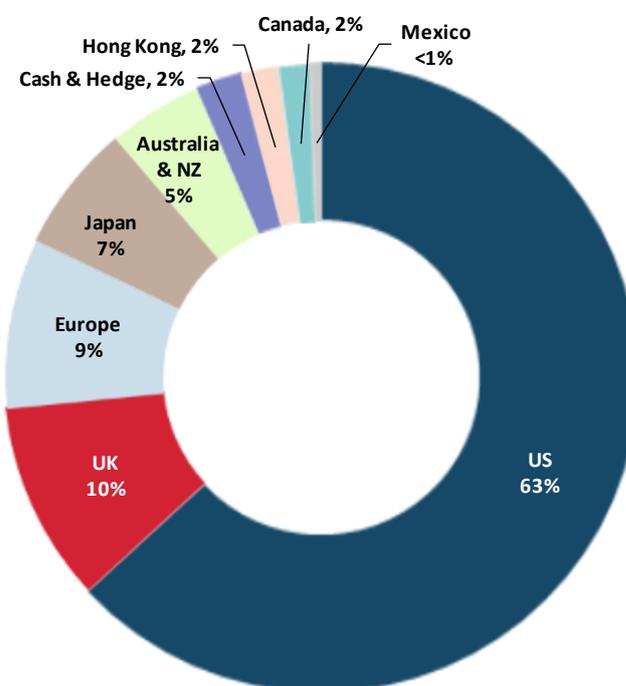
| Security Name               | %     |
|-----------------------------|-------|
| Equinix                     | -0.59 |
| Link REIT                   | -0.21 |
| Prologis                    | -0.14 |
| Equity LifeStyle Properties | -0.08 |
| Digital Realty              | -0.06 |

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

## Sector Allocation



## Regional Allocation



Signatory of:



## Contact Us

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The Product Disclosure Statement ('PDS') and Target Market Determination ('TMD') of the Fund are available via the links below. Any potential investor should consider the PDS and TMD before deciding whether to acquire, or continue to hold units in, the Fund.

Links to the Product Disclosure Statement: [WHT0015AU](#)

Links to the Target Market Determination: [WHT0015AU](#)

For historic TMD's please contact Pinnacle client service Phone 1300 010 311 or Email [service@pinnacleinvestment.com](mailto:service@pinnacleinvestment.com)

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