

Resolution Capital Global Property Securities Fund (Unhedged) Series II - Class A

Monthly Report - 31 May 2024

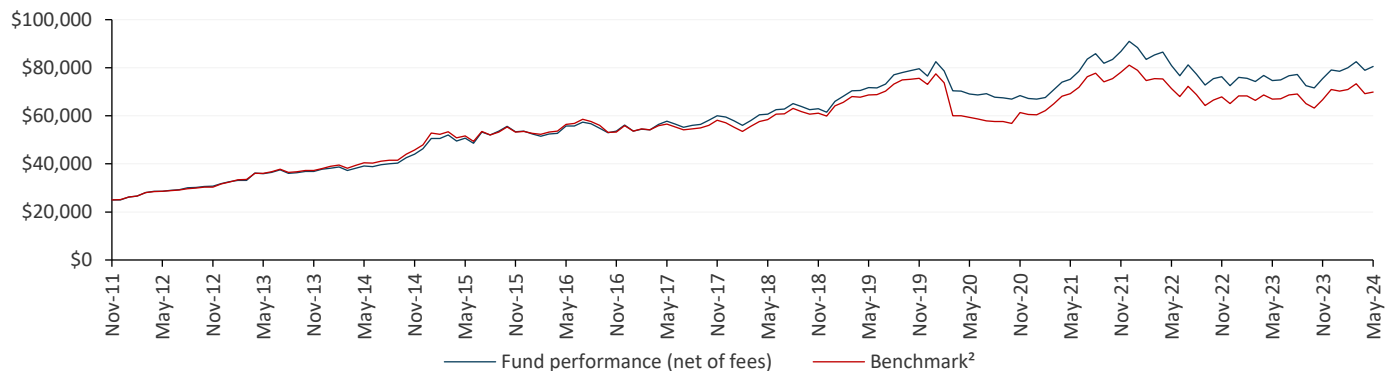
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Performance Summary

	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	1.94	0.60	7.74	2.27	2.31	7.49	9.80
Benchmark ² return	0.97	-1.52	4.42	0.32	0.37	5.62	8.57
Value Added (Net Performance)	0.97	2.12	3.32	1.95	1.94	1.87	1.23

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 Unhedged Global Property 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 FTSE EPRA/NAREIT Developed Index (AUD Unhedged) Net TRI.

Source: Resolution Capital

Top 5 Weights

Security Name	%
Welltower	8.51
Equinix	7.13
Equity Residential	6.00
Prologis	5.00
Unibail-Rodamco-Westfield	4.81

Top 5 Contributors

Security Name	%
Welltower	0.55
Big Yellow Group	0.38
Ventas	0.37
Equinix	0.36
Prologis	0.28

Bottom 5 Contributors

Security Name	%
Mitsui Fudosan	-0.42
Mitsubishi Estate Company	-0.25
Federal Realty Investment	-0.23
Host Hotels & Resorts	-0.13
Realty Income Corp.	-0.09

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

Fund Details

APIR code	IOF0184AU	Management Fee	1.05% p.a.
ARSN Code	118 076 529	Buy/Sell Spread	+0.20%/-0.20%
*Inception Date	30 November 2011	Distribution Frequency	Quarterly
Fund Size	\$586.6 Million	No. of Stocks	Generally 30 to 60
NAV per Unit	\$1.22	Risk/Return Profile	The Fund's risk band is 6-7 (High - Very high)
Minimum Investment	\$25,000	Platform Availability	https://rescap.com/globalfundunhedged/seriesii
Benchmark	FTSE EPRA/NAREIT Developed Index (AUD Unhedged) Net TRI	Investment Timeframe	Medium to long term, being 5 or more years

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Market Commentary

The FTSE EPRA/NAREIT Developed Index (AUD Unhedged) produced a total return of 1.0% for the month ended 31 May 2024. All regions, except Hong Kong and Japan, posted positive returns over the month. Japan was dragged down by a continued slide in the Yen which reignited concerns over higher domestic long-term interest rates.

The UK shrugged of a higher-than-expected inflation print, encouraged by the Bank of England signalling that the market is not pricing in enough interest rate cuts. A number of UK REITs also reported results this month, showcasing favourable operating conditions and stabilising values.

With respect to sector based relative returns, diversified stocks lagged, driven principally by the Japanese developers, which underperformed after stellar share price performance over the last year.

Healthcare was the best performing sector for the month, up 8.8% in local currency terms. Prominent U.S. healthcare companies, Ventas (VTR) and Welltower (WELL) released updates which demonstrated operational outperformance versus initial 2024 guidance.

Host Hotels (HST) announced two major acquisitions during the month:

1. A 2-hotel complex in Nashville, TN for US\$530m, which equates to US\$735k per key or a 7.4% cap rate on 2024 earnings.
2. The 450-room Turtle Bay Resort in Hawaii for US\$725m which equates to US\$1.4m per key or 16.3x EBTDA on 2024 earnings after backing out key money provided by Marriott.

U.S. industrial REIT, Terreno (TRNO), acquired a US\$365m portfolio of 28 industrial properties in New York, New Jersey, San Francisco, and Los Angeles. The portfolio has an in-place cap rate of 4.3% and an estimated stabilized cap rate of up to 5.8%.

Equinix (EQIX-US), a leading data center REIT, announced that its audit committee had substantially completed an investigation of its accounting with the assistance of independent third-party advisors, concluding that its financial reporting has been accurate. The company had been targeted by short seller, Hindenburg Research, which included claims the REIT overstates its capex adjusted free cash flow (or AFFO).

Digital Realty (DLR) raised equity of US\$1.69b, equivalent to a 3% increase in shares outstanding, via a public offering. Proceeds will be used to repay debt, fund acquisitions, development, working capital and other general corporate purposes.

In the UK, Landsec (LAND) announced the sale of its entire hotel portfolio to Ares Management and EQ Group for £400m which was slightly below September 2023 book values. This sale aligns with Landsec's strategy to divest from non-core sectors and focus on areas in which they have a competitive advantage.

Great Portland Estates (GPE), a UK listed REIT, focused on the Central London office market, raised £350m via a rights issue. The equity raise was opportunistic, designed to take advantage of troughing private real estate values as well as to fund existing developments.

British Land (BLND), a diversified UK REIT, announced that it has exchanged contracts for the sale of its 50% stake in Meadowhall Shopping Centre to its partner Norges Bank for £360m. The disposal is in line with its strategy to focus on retail parks and reduce exposure to covered shopping centres. The transaction values the asset at ~£480 per sqft and was 3% above September 2023 book value.

In Hong Kong, a consortium of investors which included Starwood Capital made a preliminary proposal to buy out the listed developer and fund manager, ESR Group (1821-HK). No pricing has been disclosed for the proposed deal.

Lastly, Australian developer Lendlease Group (LLC) announced that it plans to sell its overseas construction business to focus on domestic operations, potentially freeing up A\$4.5bn in capital. The restructuring aims to simplify operations, cut costs, and expedite the divestment of some offshore properties and development projects.

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Links to the Product Disclosure Statement: [IOF0184AU](#), links to the Target Market Determination: [IOF0184AU](#).
For historic TMD's please contact Pinnacle client service Phone 1300 010 311 or Email service@pinnacleinvestment.com.

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