Resolution Capital Real Assets Fund - Class A

31 October 2023

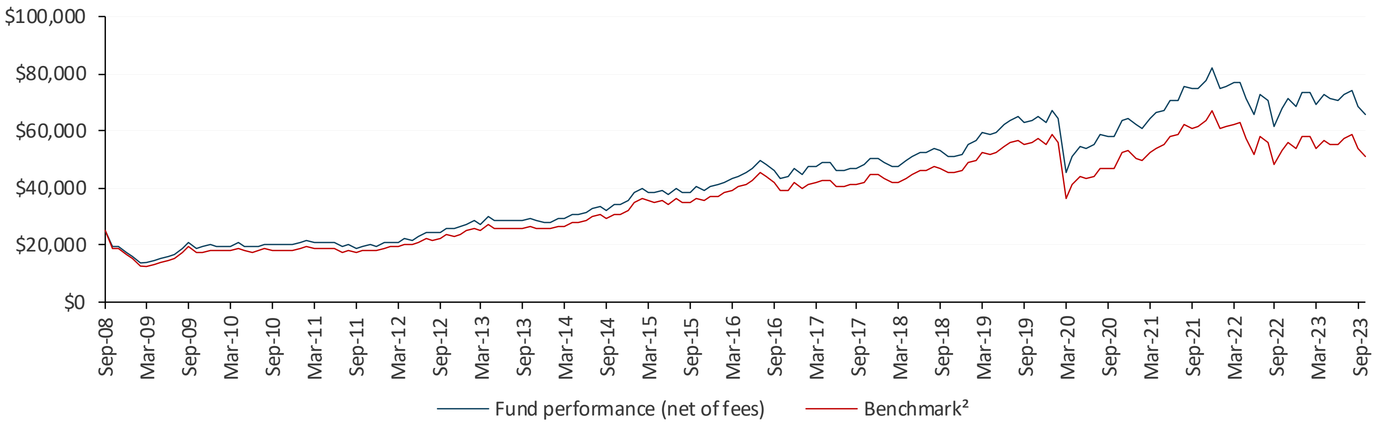
RESOLUTION CAPITAL

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]	-4.10	-9.99	-2.76	4.39	5.07	8.40	6.61
Benchmark[2] return	-5.72	-12.01	-3.95	2.94	2.28	6.69	4.79
Value Added (Net Performance)	1.62	2.02	1.19	1.45	2.79	1.71	1.82

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*



[1]Please note the strategy of the Fund changed effective 1 October 2019. The Resolution Capital Real Assets Fund was previously known as the Resolution Capital Core Plus Property Securities Fund. Past performance is no guarantee of future results.
[2]Benchmark is S&P/ASX 300 AREIT Total Return Index.
Source: Resolution Capital

Top 5 Weights

Security Name	%
Goodman Group	24.30
Scentre Group	12.75
Vicinity Centres	5.87
Arena REIT	3.73
Mirvac Group	3.64

Top 5 Contributors

Security Name	%
Severn Trent	0.27
Ameren	0.06
Terna	0.06
SSE	0.05
Digital Realty	0.04

Bottom 5 Contributors

Security Name	%
Goodman Group	-0.78
Mirvac Group	-0.53
Stockland	-0.30
Arena REIT	-0.22
Charter Hall Group	-0.20

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

Fund Details

APIR code	WHT0014AU	**Management Fee**	0.65% p.a. plus 20% of outperformance above the benchmark net of the management fee and expenses
ARSN Code	131 850 363	**Buy/Sell Spread**	+0.20%/-0.20%
***Inception Date**	30 September 2008	**Distribution Frequency**	Quarterly
Fund Size	$20.9 Million	**No. of Stocks**	Generally 20 to 40
NAV per Unit	$0.46	**Risk/Return Profile**	High (risk band 6)
Minimum Investment	$25,000	**Platform Availability**	https://rescap.com/realassetsfund
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 -5.7% for the month ended 31 October 2023. A-REITs underperformed as global bond yields rose over the month as inflationary pressures persist. The Australian 10-year bond yield is at the highest level in more than a decade. Australian listed infrastructure outperformed property.

The Reserve Bank of Australia (RBA) held the cash rate at 4.1% in October, in line with expectations. In the third quarter inflation re-accelerated, the unemployment rate ticked down to 3.6%, and retail sales were stronger than expected. This prompted the bond market to price in a likely interest rate hike in November.

Within A-REITs the retail and industrial sectors outperformed, whilst office and diversifieds, including property fund managers, underperformed. Broadly, the Portfolio's infrastructure exposure, particularly overseas utilities, contributed to relative performance.

Several A-REITs reported quarterly operational updates. Key themes include:

- Earnings guidance has been maintained.

- **Office:** Remains challenged. A-REIT occupancy generally fell, and whilst it remains above the market average, it is below retail/industrial average occupancy. Dexus' (DXS) occupancy fell a notable 120 basis points to 94.7%, though positively tenant incentives also reduced. Furthermore, Dexus' CEO announced his retirement in 2024. The office sector underweight exposure contributed to the Portfolio's relative performance.

- **Retail:** Solid operational metrics, but with decelerating tenant sales growth, especially for discretionary categories such as apparel. Mall occupancy is high (>99%) with both Vicinity Centres (VCX) and GPT reporting sequential improvement. Leasing spreads (rents on new deals vs. passing) are positive and/or accelerated with Vicinity's +4.5% the highest in a decade and well above FY24 guidance. Notably, Vicinity acquired the remaining 49% of the Chatswood Chase mall in Sydney for $307m from its JV partner to whom it sold the stake for $562m in 2017. The mall is about to commence a substantial luxury-oriented redevelopment. Retail overweight positioning contributed to the Portfolio's relative performance.

- **Industrial:** Remains strong. Occupancy is high (>99%) and leasing spreads generally accelerated with Centuria Industrial REIT (CIP) reporting almost 50%. The industrial underweight position detracted from relative performance.

- **Residential:** Quarterly apartment and masterplanned community sales volumes were weak. Land lease community sales are more resilient. Affordability continues to constrain first home buyers in particular, although enquiry is improving. In transactions, Mirvac (MGR) acquired a 47.5% stake in land lease operator/developer Serenitas for $300m as it continues to upweight exposure to "living" sectors.

- **Self-storage:** Slowing faster than expected. National Storage REIT (NSR) reported unit revenue growth of -0.7%, well below its FY24 guidance of 4.2%. Self-storage positioning contributed to relative performance.

Moving to infrastructure, positions in defensive utilities contributed most to relative performance. With respect to news, toll road operator Transurban (TCL) reiterated dividend growth guidance of +7%. The Portfolio's position detracted from relative performance.

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