

Resolution Capital Global Property Securities PIE Fund

Monthly Report - 28 February 2025

Performance Summary

	1 Month %	3 Months %	Since Inception* %
Fund Return (Net Performance)	1.51	-4.13	-1.09
Benchmark ¹ return	1.90	-3.11	-1.31
Value Added (Net Performance)	-0.39	-1.02	0.22

¹ Benchmark is FTSE EPRA/NAREIT Developed Index Net TRI (100% Hedged to NZ dollars).

* Inception Date: 26 August 2024. Performance numbers less than one year are cumulative while numbers greater than one year are annualised. Past performance is no guarantee of future results.

Fund Details

Inception Date	26 August 2024
Manager and Issuer	FundRock NZ Limited
Investment Manager	Resolution Capital Limited
Registry	Apex Investment Administration (NZ) Limited
Legal Structure	New Zealand unit trust which has elected to be a Portfolio Investment Entity
Fund Size	\$81.6 Million
NAV per Unit	\$0.98
Benchmark	FTSE EPRA/NAREIT Developed Index Net TRI (100% Hedged to NZ dollars)
Management Fee	0.80% p.a.
Buy/Sell Spread	+0.20%/-0.20%
Distribution Frequency	Quarterly
No. of Stocks	Generally 30 to 60
Risk/Return Profile	The Fund's risk band is 6-7 (High - Very high)
Investment Timeframe	Medium to long term, being 5 or more years

Top 5 Weights

Security Name	%
Welltower	9.29
Equinix	7.30
Ventas	5.92
Digital Realty	4.69
Equity Residential	4.59

Top 5 Contributors

Security Name	%
Welltower	1.19
Ventas	0.81
Simon Property Group	0.28
Essex Property Trust	0.24
Equity Residential	0.24

Top 5 Detractors

Security Name	%
Scentre Group	-0.26
Digital Realty	-0.23
Mitsui Fudosan	-0.18
Kilroy Realty	-0.12
Derwent London	-0.10

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

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Market Commentary

The FTSE EPRA/NAREIT Developed Index Net TRI (100% Hedged to NZ Dollars) produced a total return of 1.9% for the month ended 28 February 2025. The U.S. returned 3.6% in local currency terms as the market adjusted to price in two rate cuts this year, a shift from near-zero expectations at the start of the year, driven by softer-than-expected economic data. Hong Kong outperformed, benefiting from its currency peg to the U.S. dollar and the automatic transmission of U.S. rate declines. In contrast, Australia underperformed, weighed down by Goodman Group's (GMG) A\$4 billion equity raise.

On a sector basis, data centres extended their underperformance in February on the back of the prior months release of DeepSeek's large language model (LLM). In addition, reports that Microsoft have terminated select leases with data centre operators across multiple U.S. regions weighed on the sectors performance.

Healthcare was the best performing sector over the month, driven by robust Q4 earnings results from Welltower (WELL) and to a lesser extent Ventas (VTR). Strong senior housing fundamentals, as reflected in the implied double-digit SS SHOP NOI growth in REIT guidance, continues to support the sector's momentum.

Sun Communities (SUI), owner of U.S. manufactured home communities, RV parks, marinas and UK holiday parks announced an agreement to sell its Safe Harbor marina business to Blackstone's infrastructure fund for US\$5.7bn. The transaction price values the portfolio at an estimated mid-to-high 5% cap rate and marks a significant step forward in SUI's strategy to streamline its portfolio and strengthen its balance sheet.

U.S. multifamily REIT, AvalonBay Communities (AVB) announced it is under contract to acquire an 8-building portfolio in Dallas and Austin for US\$619m, effectively doubling the company's presence in Texas and consistent with its strategy to grow its expansion region presence to 25% of NOI. The transaction price represents \$230k per apartment and an estimated 4.8% cap rate.

Global Net Lease (GNL) announced it has entered into a binding agreement to sell its multi-tenant retail portfolio to RCG Venture Holdings for US\$1.8bn at a cap rate of 8.4%. Post closing, GNL will return to a pure-play net lease REIT with 75% exposure to industrial and single-tenant retail.

Assura (AGR), owner and developer of GP surgeries in the UK, announced that they had rejected a £1.6bn acquisition bid from the private equity firm KKR and Universities Superannuation Scheme. KKR disclosed it had previously made four indicative, non-binding proposals to AGR, the latest of which was at 48 pence per share, a 28% premium to Assura's unaffected closing price.

Singaporean retail landlord, Paragon REIT (SK6U) announced their proposed privatisation by a wholly owned subsidiary of Cuscaden Peak Investments, the sponsor of Paragon REIT. The offer price represented a price to NAV multiple of 1.07x and values the portfolio at a 4.7% cap rate.

Finally, there were two significant equity raises during the month:

- In Australia, Goodman Group (GMG) raised A\$4bn in equity to re-set its balance sheet ahead of a sharp expected ramp-up in data centre development activity.
- In New Zealand, Ryman Healthcare (RYM) raised NZ\$1bn in order to shore up its over-leveraged balance sheet, reducing gearing from 37% to 23%.

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Disclaimer:

This fact sheet is prepared by Resolution Capital Limited ('Resolution Capital') (ABN 50 108 584 167, AFSL 274491) as the investment manager of the Resolution Capital Global Property Securities PIE Fund ('the Fund') in good faith and is designed as a summary to accompany the Product Disclosure Statement (PDS) for the Fund. The PDS is available from Resolution Capital at <https://rescap.com/resolution-capital-global-property-securities-pie-fund/>, or on www.fundrock.com/fundrock-new-zealand.

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