Resolution Capital Global Property Securities PIE Fund

Monthly Report - 30 April 2025

RESOLUTION CAPITAL

Performance Summary

	1 Month %	3 Months %	Since Inception* %
Fund Return (Net Performance)	0.53	-0.64	-3.18
Benchmark[1] return	-0.41	-1.35	-4.46
Value Added (Net Performance)	0.94	0.71	1.28

[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	$98.0 Million
NAV per Unit	$0.96
Benchmark	FTSE EPRA/NAREIT Developed Index Net TRI (100% Hedged to NZ dollars)
Management Fee	1.05% p.a.
Buy/Sell Spread	+0.20%/-0.20%
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	7.96
Ventas	6.41
Digital Realty	5.00
Equinix	4.83
Mitsui Fudosan	4.77

Top 5 Contributors

Security Name	%
Digital Realty Trust	0.31
Mitsui Fudosan	0.29
Scentre Group	0.23
TAG Immobilien	0.23
Big Yellow Group	0.17

Top 5 Detractors

Security Name	%
Welltower	-0.51
Essex Property Trust	-0.43
Kimco Realty	-0.42
Prologis	-0.38
Simon Property Group	-0.36

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

Market Commentary

The FTSE EPRA/NAREIT Developed Index Net TRI (100% Hedged to NZ Dollars) produced a total return of -0.4% for the month ended 30 April 2025. Performance was mixed across regions, as the world digested the "Liberation Day" tariffs announced by the Trump Administration.

The U.S. market returned -2.7% in local currency terms, which underperformed the global REIT benchmark. U.S. returns faced headwinds from global capital flows as tariff announcements are likely to pressure economic growth and corporate profitability in the U.S. These macroeconomic issues outweighed generally positive Q1 earnings results by the REIT sector.

Europe was the best performing market, returning 6.9% in local currency terms. The region benefited from capital flight away from the U.S. and relative stability. Real estate values were also supported by the seventh consecutive interest rate cut from the European Central Bank. Weak economic growth has been a headwind for the region, but more predictable economic policy supported performance in April.

Most property sectors posted negative returns in April.

Industrial was the weakest performing sector, returning -4.9% in local currency terms, with the U.S. as the primary driver. Tariffs are viewed as having an outsized impact on the industrial sector given its ties to global trade and tenant demand that is economically sensitive. U.S. industrial REIT behemoth Prologis (PLD), as well as peers, left FY25 guidance metrics unchanged despite negative headlines. The Portfolio's underweight exposure to industrial benefited relative returns.

Data Centres was the strongest performing sector, returning 7.6% in local currency terms. The sector has been challenged by negative headlines in 2025, which include potential AI-training efficiencies and news that Microsoft, a key hyperscale data centre tenant, has walked away from a handful of deals. Despite negative headlines, Digital Realty (DLR) and Equinix (EQIX) both reported first quarter earnings results that featured strong leasing demand across tenant categories and geographies. The Portfolio's overweight exposure to data centres benefited relative returns.

There were several notable REIT announcements during the month.

U.S. data centre REIT Digital Realty (DLR) announced the establishment of an investment fund targeting US$2.5B of equity commitments and with long-term ambitions to grow the fund to US$10B. DLR has raised US$1.7B of commitments through the first closing and will retain a 20% ownership interest. The fund will focus on hyperscale investment across top U.S. markets, and it was seeded with five operating properties and four future development sites. The five operating properties were contributed at high-5% cap rates. The fund provides DLR an opportunity to diversify its capital sources, benefit from fee income, and to unlock additional development capacity.

Australian storage REIT Abacus Storage King (ASK) received an offer in early-April from majority shareholder Ki Corporation Limited and U.S. storage REIT Public Storage (PSA) for A$1.47/sh (A$1.9B). The offer price represents a 27% premium over the unaffected share price, but an 8% discount to ASK's reported NTA of A$1.60/sh. The pricing implies a high-5% cap rate, a positive readthrough for ASK's Australian storage peer National Storage REIT (NSR) This deal would mark PSA's strategic entry into Australia following an unsuccessful 2020 bid for National Storage REIT due to Covid-related market conditions.

In early-April, UK healthcare REIT Assura's (AGR) board accepted the £1.6B cash offer from KKR for 49.4p/sh. This decision followed the rejection of a cash and scrip offer from UK healthcare REIT peer Primary Health Properties (PHP) for 46.2p/sh.

UK triple-net REIT LondonMetric (LMP) submitted an initial and then revised offer to acquire Urban Logistics REIT (SHED) for £674m, which was approved by SHED's board of directors. The implied yield at this offer price is in the mid-5% range. The privatizations underway for both SHED and AGR demonstrate that there is opportunity for potential suitors to capitalize on price dislocation between the public and private market in the UK and Europe. We will likely see further consolidation if discounts to NAV persist in the UK/Europe.

RESOLUTION CAPITAL

Signatory of:

PRI Principles for Responsible Investment

Contact Us

Pinnacle Distribution – New Zealand
David Batty
Email: David.batty@pinnacleinvestment.com
Phone: +64 (0) 21 2888 0303

FundRock NZ Limited
Phone: +64 (0) 4 499 9654
Email: contact@fundrock.com