

Performance Summary

	1 Month %	3 Months %	Since Inception* %
Fund Return (Net Performance)	-0.53	1.75	-2.01
Benchmark ¹ return	0.34	2.41	-1.75
Value Added (Net Performance)	-0.87	-0.66	-0.26

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	\$110.8 Million
NAV per Unit	\$0.97
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	8.10
Digital Realty	5.54
Equinix	4.95
Ventas	4.73
Mitsui Fudosan	4.43

Top 5 Contributors

Security Name	%
Sun Hung Kai Properties	0.13
Derwent London	0.12
Shurgard Self Storage	0.10
Cousins Properties	0.09
Shaftesbury Capital	0.07

Top 5 Detractors

Security Name	%
Equinix	-0.68
Equity Residential	-0.17
Welltower	-0.16
Ventas	-0.14
Prologis	-0.10

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 0.3% for the month ended 30 June 2025. Regional performance was mixed, with gains in Asia and Continental Europe offsetting lower returns in the U.S.

Hong Kong was the best performing region in June, returning 7.4% in local currency terms, the market benefiting from a significant decline in local short-term interest rates (HIBOR) and improving sentiment. Singapore followed with a 4.8% return, underpinned by healthy growth in market rents against a backdrop of falling rates.

The U.S. market returned -0.8% in local currency terms, underperforming the global REIT benchmark. Interest rates remain elevated compared to other global economies and the impact of tariff uncertainty on economic growth continues to weigh.

In a reversal of last month's performance, diversified REITs, hotels and offices led returns while data centres, residential and self-storage lagged.

Data centres was the weakest performing sector for the month, returning -4.5% in local currency terms. Underperformance was catalysed by the investor day of U.S. data centre REIT Equinix (EQIX) where management announced a revised strategy involving a material increase in development capital expenditure and provided multi-year earnings guidance below market consensus expectations.

Office was the strongest performing sector, returning 3.1% in local currency terms. U.S. office REITs led, supported by improving fundamentals particularly in New York. Returns were however tempered by Zohran Mamdani's victory in the NYC Democratic primary which raised questions around potential policy shifts that could impact local office fundamentals.

M&A continues to be a feature with several transactions in Europe during the month.

UK student accommodation REIT Unite Group (UTG) made an offer to acquire smaller listed student peer Empiric Student Property (ESP) for cash and shares valuing ESP at £719m / £1.07 per share. The offer price represents a ~13% premium to undisturbed close with an implied transaction cap rate of 5.6%. Unite Group also sold 9 student accommodation properties across Scotland and Northern England for £212m at 6.4% yield or £58k per bed.

European healthcare REITs Aedifica (AED) and Cofinimmo (COFB) agreed to merge following the initial rejection of the first offer by Cofinimmo's board. The revised all-share offer equates to a 20% premium to COFB's undisturbed price and 16% discount to NTA. The merger will create Europe's largest listed healthcare REIT, with €12.1bn in assets.

In the UK, the board of healthcare REIT Assura (AGR) recommended an improved offer of £1.8bn in cash and scrip from UK listed peer Primary Health Properties (PHP) valuing AGR at 53.3p per share. PHP offer represents a 6% premium to an earlier offer from a KKR-led consortium and a 47% premium to an undisturbed close.

In Singapore, data centre REIT NTT DC sponsored by Japan's Nippon Telegraph and Telephone Company announced plans to IPO on the Singapore Stock Exchange. The REIT will be externally managed by the sponsor and comprises a S\$1.6bn portfolio of six smaller assets located in Singapore, U.S. and Austria with 90MW of total capacity.

U.S. office landlord Hudson Pacific Properties (HPP) completed a US\$690m equity raise at 10% discount to undisturbed close. The company will use the proceeds to reduce debt with leverage falling by 15% to 64%. At the same time HPP announced an updated G&A savings plan with additional ~US\$10m of cost reductions. These developments were viewed favourably by the market despite sizeable NAV dilution (~45%) with the stock outperforming its office peers during the month.

U.S. mall landlord Simon Property Group (SPG) announced the purchase of the remaining 75% stake in Brickwell City Centre in Miami, Florida from Swire Properties. The US\$513m transaction was completed at an estimated yield of 6.5% and represents <1% of Simon's asset base.

U.S. retail REIT Macerich (MAC) announced the purchase of Crabtree Mall in Raleigh, North Carolina for US\$290m and estimated initial yield of 11%. The acquisition is earnings accretive and enhances the average quality of MAC's portfolio based on its above-average sales productivity.

Signatory of:



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Disclaimer:

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