

Performance Summary

	1 Month %	3 Months %	1 Year	Since Inception* p.a. %
Fund Return (Net Performance)	2.68	1.16	-0.90	-0.34
Benchmark ¹ return	3.64	3.71	1.01	1.53
Value Added (Net Performance)	-0.96	-2.55	-1.91	-1.87

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	\$118.4 Million
NAV per Unit	\$0.99
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*
Investment Timeframe	Medium to long term, being 5 or more years

*Note: The Fund has been in existence for less than 5 years. The Fund's returns have been used to calculate the risk indicator for the period 31 August 2024 to 31 December 2024. Market index returns have been used to calculate the risk indicator for the period 31 December 2019 to 31 August 2024. The risk indicator may therefore provide a less reliable indicator of the Fund's future volatility.

Top 5 Weights

Security Name	%
Welltower	8.46
Digital Realty	5.61
Equinix	5.31
Ventas	5.31
Extra Space Storage	4.38

Top 5 Contributors

Security Name	%
Mitsui Fudosan	0.70
Scentre Group	0.38
Federal Realty	0.32
Sumitomo Realty	0.29
Extra Space Storage	0.28

Top 5 Detractors

Security Name	%
Digital Realty	-0.32
Derwent London	-0.21
UNITE Group	-0.06
Sun Hung Kai Properties	-0.04
Safestore	-0.04

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

Market Commentary

The FTSE EPRA/NAREIT Developed Index (100% Hedged to NZ Dollars) produced a total return of 3.6% for the month ended 31 August 2025. From a regional perspective, notable underperformers included the UK and Hong Kong. The UK declined 4% in local currency terms, extending its run of weakness amid rising long-term borrowing costs due to stickier-than-expected inflation. Hong Kong's underperformance followed strong outperformance in July and was precipitated by a sharp rebound in the Hong Kong Interbank Offered Rate (HIBOR), pressuring borrowing costs and real estate yields.

The best-performing market over the month was Japan which returned 7.4% in local currency terms, driven by combination of strong economic data as well as a robust reporting season from the listed developers. Results here were underpinned by solid leasing fundamentals, healthy condominium sales, and active asset disposals.

Data centres was the only sector to post negative returns during the month. Public comments from OpenAI CEO Sam Altman, warning of speculative excess in AI markets, added to growing concerns about potential overinvestment in the sector.

There were several notable REIT announcements during the month.

In the U.S., Plymouth Industrial REIT (PLYM), an industrial landlord with a portfolio concentrated in the Midwest and Southeast, disclosed a non-binding buyout proposal from Sixth Street Partners at \$24.10 per share in cash. The offer price represents a 63% premium to PLYM's unaffected price and values the company at a mid-7% cap rate.

Canadian listed Dream Residential REIT (DRR.UT) announced that agreed to being acquired by Morgan Properties for US\$354m in cash, valuing the company at a cap rate of ~7%. DRR's portfolio includes 3,300 apartments across 15 properties in Texas and the U.S. Midwest.

Cousins (CUZ), a U.S. office REIT landlord, announced the US\$218m acquisition of "The Link" – a recently completed 292k sq ft office building in uptown Dallas. The transaction price values the asset at a 6.7% cash yield and US\$747 sq ft.

Braemar Hotels and Resorts (BHR), an externally managed U.S. lodging REIT, announced that it is initiating a process for the sale of the company. BHR owns 13 luxury and upper upscale hotels in key urban and resort destinations in the U.S.

In Germany, TAG Immobilien (TEG) acquired 5,300 newly built rental units in Poland for €565m at a 6% net yield, financed in part by a €189m capital increase. The deal lifts the share of Polish build-to-hold assets to 17% of portfolio value (from 11%), advancing TEG toward its target of 10,000 completed rental units in the region. Alongside the acquisition, management announced plans to raise the dividend payout ratio to 50% from 40%, beginning in 2026.

UK student accommodation REIT, Unite Group (UTG) announced a firm cash and scrip offer for Empiric Student Property (ESP), valuing the company at 942p per share or an implied yield of 6.7%. The announcement follows an initial non-binding offer made in June. The transaction is expected to be earnings-neutral in year one and accretive from year two, with minimal NAV uplift and generate a low double-digit unlevered IRR.

In Singapore, CapitaLand Integrated Commercial Trust (CICT) raised circa S\$600m via a private placement to partly fund its S\$1bn acquisition of the remaining 55% stake in CapitaSpring it didn't already own. The transaction values the grade A office and retail asset in Raffles Place at a yield in the low-4% range, or S\$2,820 per sq ft.

In Australia, Mirvac (MGR) and Mitsubishi Estate (8802) announced a joint venture for the delivery of MGR's Harbourside project in Sydney, with an expected end value of AU\$2bn. Harbourside is expected to deliver approximately 260 luxury apartments along with 35k sq m of premium grade office and retail space.

Finally, the proposed acquisition of Abacus Storage King (ASK) by a Kirsch and Public Storage (PSA) led consortium was withdrawn after the parties failed to reach agreement with the target's directors on valuation.

Signatory of:



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

Disclaimer:

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