Resolution Capital Global Property Securities PIE Fund

Monthly Report – 31 December 2025

RESOLUTION CAPITAL

Performance Summary

	1 Month %	3 Months %	1 Year %	Since Inception* p.a. %
Fund Return (Net Performance)	-2.31	0.77	5.74	1.37
Benchmark[1] return	-1.57	-0.51	6.88	1.40
Value Added (Net Performance)	-0.74	1.28	-1.14	-0.03

[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	$155.6 Million
NAV per Unit	$1.00
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
Investment Timeframe	Medium to long term, being 5 or more years

Top 5 Weights

Security Name	%
Welltower	8.60
Equinix	5.50
Ventas	5.12
Prologis	5.02
Simon Property Group	4.76

Top 5 Contributors

Security Name	%
Scentre Group	0.12
Sumitomo Realty	0.10
Equinix	0.08
Federal Realty	0.08
Unibail-Rodamco-Westfield	0.08

Top 5 Detractors

Security Name	%
Welltower	-1.06
Big Yellow Group	-0.25
Ventas	-0.20
Vornado Realty	-0.20
TAG Immobilien	-0.18

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 -1.6% for the month ended 31 December 2025. Performance was mixed across regions as macro expectations were recalibrated and earnings updates during the month generated a volatile response from market participants.

The U.S. REIT market returned -2.6% in local currency terms, the poorest performing region in the global REIT benchmark. As widely anticipated, the Fed announced a 25 bps rate cut in December, and expectations are now for a single 25 bps cut in 2026. Limited interest rate relief coupled with improved expectations for growth in 2026 led to a rotation out of defensive REITs towards growth-oriented segments.

Singapore was the best performing region, returning 1.4% in local currency terms. The region benefited from declining interest rates and stable fundamentals which helped spur the property transaction market. City Developments (CDL) is one listed developer rewarded for actively recycling capital, selling a retail property on Sentosa Island for S$97.3m, a premium of 47% to book value while the company shares trade at a 30% discount.

The UK REIT market returned 0.8% in December. The Bank of England pivoted to easing in December with a 25 bps rate cut due to cooling inflation and a weakened economic outlook. The UK budget announcement in late-November was better than feared for property investors, and served as a clearing event which supported performance in the UK market in December.

Sector performance varied in December.

Healthcare was the weakest performing sector, returning -7.9% in local currency terms. The defensive appeal of healthcare was out of favour in December in the U.S. as economic data improved and recession worries eased. Seniors housing behemoth, Welltower (WELL), comprises nearly 7% of the benchmark and underperformed after a prolonged period of exceptional performance. The Portfolio's overweight exposure to healthcare detracted from relative returns which was partially offset by positive stock selection.

Industrial was the strongest performing sector, returning 0.5% in local currency terms. Performance was led by the U.S., where rosier expectations for economic growth and dwindling tariff fears are supportive of prospective demand for industrial space. Recent commentary from management teams suggests an improvement in leasing activity amidst slowing construction starts, but an upward inflection in market rent growth remains a question mark. The Portfolio's underweight exposure to industrial detracted from relative returns.

There were several notable REIT announcements during the month.

UK self-storage REIT Big Yellow Group (BYG) announced in early December that Blackstone had decided against submitting a formal offer. This follows Blackstone's mid-October statement that it was considering a bid. The UK's current interest rate environment likely hindered an offer price reflecting BYG's strong portfolio and platform. If BYG's discounted share price persists, other suitors may emerge over time.

U.S. retail REIT Federal Realty (FRT) announced in early December the US$153m acquisition of Village Pointe, a 453k square foot lifestyle centre in Omaha, Nebraska, at $338/sf and a low-7% estimated cap rate. The deal reflects FRT's strategy of entering several new markets which are less institutionally competitive, funded by selective sales of lower yielding coastal assets. In line with this, FRT sold a Maryland multifamily complex and a Connecticut shopping centre for $170m in mid-December, bringing 2025 dispositions to $316m at a 5.7% blended cap rate.

Cold storage REIT, Americold (COLD) entered into a cooperation agreement with activist investor Ancora Partners, which recently built a 2.6% position in the company. A board committee will conduct a portfolio review, recommend asset sales targeting non-core and international assets with a view to reduce debt while maintaining the dividend.

Australian retail REIT Scentre Group (SCG) sold stakes in two malls for a combined ~A$1.5b in December: 19.9% of Westfield Sydney to Australian Retirement Trust for A$864m and 25% of Westfield Chermside in Brisbane to a Dexus-managed fund for A$683m. Both were sold at book value, with cap rates of 4.7% and 5.0%, respectively. SCG now holds 80.1% of Westfield Sydney and 50% of Chermside.

In late-December, Australian industrial REIT Goodman Group (GMG) announced a 50/50 partnership with Canada Pension Plan Investment Board (CPPIB) to develop European data centres, starting with four warm-shell projects in Paris, Amsterdam, and Frankfurt. The initial capital commitment is A$3.9b and construction is expected to commence by June 2026, with no pre-leasing to date. CPPIB now partners with GMG in Europe and AirTrunk (Blackstone) in Asia, reflecting strong demand for data centre development.

Signatory of:

Principles for Responsible Investment

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