QUARTERLY INVESTMENT REPORT

RESOLUTION CAPITAL GLOBAL PROPERTY SECURITIES PIE FUND

MARCH 2026

Global Property Securities

Fund Investment Performance

The Resolution Capital Global Property Securities PIE Fund (the ‘Fund’) outperformed the FTSE EPRA/NAREIT Developed Index Net TRI (100% Hedged to NZ dollars) by 115 basis points for the quarter ending 31 March 2026.

Period Ending 31 March 2026* - Net Returns			
	Quarter %	**1 Year %**	**Since Inception# % p.a.**
Portfolio*	1.80	7.66	2.29
Benchmark+	0.65	6.90	1.59
Difference	*1.15*	*0.76*	*0.70*

* Returns are expressed after deducting tax and investment management costs.
# Inception Date: 26 August 2024.
+ Benchmark: FTSE EPRA/NAREIT Developed Index Net TRI (100% Hedged to NZ dollars).
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 Performance Drivers

Relative performance was positively impacted by:

- ✓ Over benchmark weight in Hong Kong diversified real estate company Sun Hung Kai Properties (16)
- ✓ Over benchmark weight in US data centre REIT Equinix (EQIX)
- ✓ Over benchmark weight in Japanese diversified company Sumitomo Realty & Development (8830)
- ✓ Over benchmark weight in US retail REIT Federal Realty Investment Trust (FRT)
- ✓ Exposure to cash and cash equivalents

Relative performance was negatively impacted by:

- × Over benchmark weight in US office REIT Vornado Realty Trust (VNO)
- × Over benchmark weight in UK self-storage REIT Big Yellow Group (BYG)
- × Over benchmark weight in Australian retail REIT Scentre Group (SCG)
- × Nil exposure to US storage REIT Iron Mountain (IRM)
- × Nil exposure to US retail REIT Realty Income Corporation (O)

Market Performance

Market Overview	31-Mar-26	31-Dec-25	Quarterly Total Returns
FTSE EPRA/NAREIT Developed Index Net (unhedged in NZD)	5,040	4,948	1.8%
FTSE EPRA/NAREIT Developed Index Net (hedged in NZD)	1,318	1,310	0.6%
S&P/ASX 300 Property (Accum)	71,305	85,311	-16.4%
S&P/ASX 300 Index (Accum)	113,978	116,347	-2.0%
US 10 yr bonds	4.32%	4.17%	
NZ 10 yr bonds	4.73%	4.40%	
NZD/USD	0.57	0.58	-0.8%

Source: FactSet

Global Commentary

mAInia and TurmOil

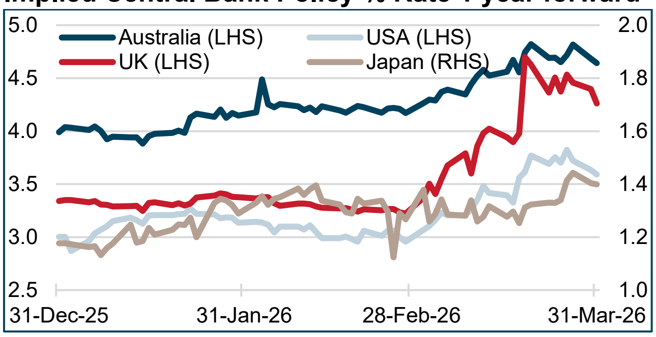
The FTSE EPRA/NAREIT Developed Real Estate Index (NZD) Net TRI produced a total return of 0.6% for the quarter ending 31 March 2026.

The Portfolio outperformed the index, driven primarily by stock selection in diversified names in Hong Kong and Japan, and overweight exposure to data centres and healthcare, which more than offset weakness in our UK holdings.

In local currency terms global REITS outperformed global equities[1] (-3.2%) and global bonds[2] (-0.3%) over the quarter. For the twelve months to 31 March 2026, global REITs delivered 7.8% total return, between bonds (2.9%) and equities (17.8%).

The first two months of the quarter began well for global listed real estate which returned +10.3% to 28 February. However, those gains were largely erased in March as the U.S./Israel war with Iran triggered a spike in oil and gas prices leading to inflation fears, higher interest rate expectations and weaker bond prices.

Implied Central Bank Policy % Rate 1 year forward



Source: Bloomberg, 31 March 2026.

As a consequence, regional and sector performance dispersion over the quarter largely reflected relative vulnerability to energy disruption and the resulting changes in inflation and interest rate outlooks.

Change in 10 Year Bond Yields

10yr yields	28-Feb-26	31-Mar-26	Change bps
UK	4.25%	4.84%	59
US	3.96%	4.32%	36
Singapore	1.94%	2.28%	35
Germany	2.67%	3.02%	35
Australia	4.65%	4.98%	33
Japan	2.12%	2.33%	22

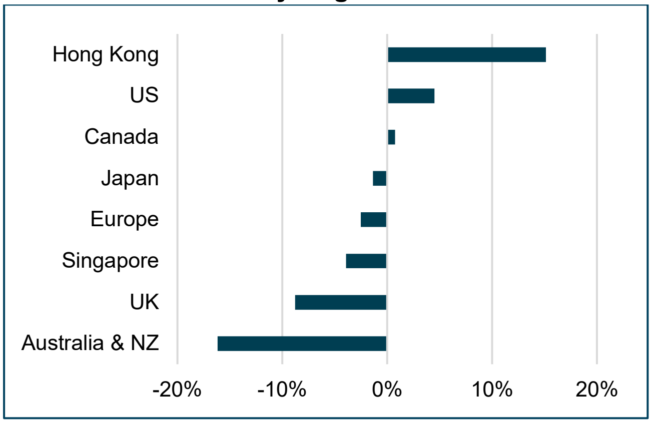
Source: Factset, April 2026

Over the quarter, Australia was the weakest performing region in the index with a total return of -16.2%, as two consecutive RBA 25bp rate hikes weighed on AREITs, particularly residential exposed names including Portfolio holding Mirvac (MGR) (-14% total return). Industrial & data centre developer/manager Goodman Group (GMG) declined 18% as the market was disappointed that the company did not upgrade guidance or announce any pre-leasing of its data centre pipeline in its recent reporting. As we will discuss, this provided us with the opportunity to build a meaningful position.

[1] Source: Factset, MSCI Global Aggregate Index (local, net of withholding tax)

[2] Source: Factset, Bloomberg Global Aggregate (AUD Hedged)

Index Total Returns by Region – 3M to 31 Mar 26

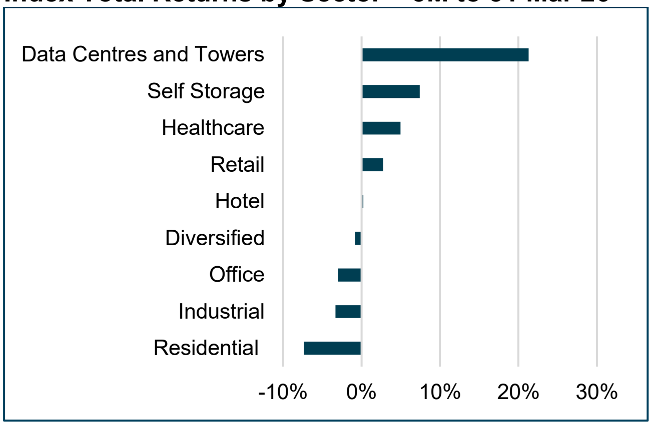


Source: FTSE EPRA NAREIT Developed Index, April 2026.

The spike in bond yields, coming on the heels of lingering inflation concerns, and a stalling economy weighed on UK real estate with the index delivering a total return of -9% over the quarter. Portfolio overweight exposure to the UK detracted from relative returns.

Hong Kong was the best performing region in the index (+15.1%) as home prices continue to recover from their trough in March 2025 supported by mainland Chinese buyers, lower mortgage rates and wealth effects from a 30% rise in the Hang Seng during calendar 2025. Overweight exposure to Sun Hung Kai (+37%) contributed positively to relative returns over the quarter.

Index Total Returns by Sector – 3M to 31 Mar 26



Source: FTSE EPRA NAREIT Developed Index, April 2026.

Data centres were the best performing sector over the quarter, buoyed by solid fourth-quarter operating results from portfolio holdings Equinix (EQIX) (+29%) and Digital Realty Trust (DLR) (+17%).

The U.S. self-storage sector rebounded from the prior quarter weakness with M&A and corporate activity again influencing stock returns.

Healthcare real estate continued to deliver strong performance, benefiting from superior earnings growth driven by demographic-led demand growth combined with constrained supply. Seniors housing remains the strongest segment, with overweight exposures to Welltower (WELL) (+7%) and Ventas (VTR) (+6%), contributing positively to relative returns for the quarter. Our recently added medical office REIT Healthcare Realty (HR) (+2%) also contributed positively.

The retail property index eked out a positive total return, led mostly by U.S. names including Portfolio holdings Kimco (KIM) (+12%) and Federal Realty (FRT) (+7%). This was mostly offset by weaker performance of retail REITs in the rest of the world which we largely attribute to concerns around consumer vulnerability to rising fuel prices and interest rates.

Residential was the weakest sector in the index over the quarter. This included UK student housing REIT Unite Group (UTG) (-19%) which yet again disappointed investors with a further downgrade to 2026 earnings guidance as the demand outlook remains challenged. Highly levered German residential investment companies[3] were weak given their sensitivity to rising interest rates together with revenues which are capped by rent regulations. Meanwhile U.S. residential REITs lagged thanks to subdued earnings guidance. The Portfolio's underweight exposure to residential benefited relative performance.

Industrial property returns were mixed with positive returns in North America while collectively industrial REITs in the rest of the world produced negative total returns. Singapore in particular was weak on the back of a S$900m capital raising by CapitaLand Ascendas (A17U) (-9%) to fund the acquisition of two industrial properties in Singapore and a data centre in Japan.

The threat of AI job substitution weighed on the office sector, with U.S. office names hit the hardest. This weakness coincided with a slew of corporate layoff announcements, many of which were linked to AI efficiency gains - and came soon after the release of new AI tools (including Claude Cowork) which are tailored for legal, finance and marketing functions. While we remain underweight the office sector, exposure to New York focused Vornado Realty Trust (VNO) (-22%) detracted from performance.

Data Centres – Scotty we need more power!

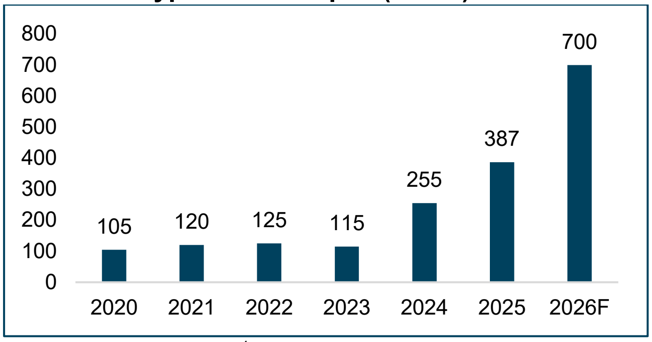
After an unsettled 2025 for data centre REITs, investors entered 2026 with a more constructive view as attention turns towards the increasing adoption, monetisation and efficiency potential of AI.

Hyperscalers – the largest occupiers of data centers globally – have committed to sharply expanding capex,

[3] German legislation does not allow residential property to be owned by REITs

with spending expected to reach US$700b[4] in 2026, an 80% year-on-year increase.

Total U.S. Hyperscaler Capex (US$B)



Source: Moody's Ratings[4] and Company filings, March 2026.

Despite lingering concerns around potential overbuilding, as noted in our prior quarterly report, vacancy rates remain low in key established data centre markets and rental pricing remains firm. The scale of new supply continues to attract headlines, yet construction pipelines in core markets are largely pre-leased, mitigating near-term supply risk. While data centre development capex has increased dramatically, it only recently reached levels equivalent to office[5] construction spending in the U.S. as illustrated in the following chart.

U.S. Private construction spending (US$B)

Source: U.S. Census Bureau, Macrobond, Apollo Chief Economist, January 2026.

Furthermore, supply bottlenecks are delaying the delivery of announced data centre projects, including electrical power generation and grid capacity constraints, long lead times for electrical transformers and cooling equipment, as well as increasing community and planning opposition to data centre development due to perceived impact on household energy bills and water consumption. Industry feedback from recent property tours indicates that replacement costs continue to rise, while sourcing experienced data centre talent is becoming increasingly challenging.

Meanwhile, data centre demand continues to accelerate, underpinned by AI and cloud-driven compute growth and evidenced by persistently low vacancy rates, heavily pre-leased development pipelines, and sharply expanding hyperscaler capex budgets. Leasing activity reported by listed data centre REITs remains elevated, while industry research from JLL points to a significant step-up in global capacity requirements through the end of the decade, with AI inference emerging as an increasingly important driver of incremental, distributed demand. Increasingly, sovereign security is likely to play a major role in driving demand in markets outside the U.S., which have thus far trailed the U.S. in leasing volume, supply growth, and AI adoption.

We believe our largest data centre exposures are well positioned to capture this accelerating demand, given earnings are largely derived from stabilised operating assets in structurally undersupplied, critical markets. Supply bottlenecks are already driving rent growth and adding a scarcity premium to existing, well-located data centres. Moreover, these platforms combine strong balance sheets with deep operational IP, including long-standing relationships with planners, utilities and customers to be at the forefront of meeting the demand.

At its recent GPU Technology Conference, NVIDIA (NVDA) signaled an inflection in AI workloads from training to inference[6] – a development we view as supportive for listed data centre REITs portfolios which, as we have outlined in prior reports, are more directly exposed to inference-led demand rather than the initial training of models.

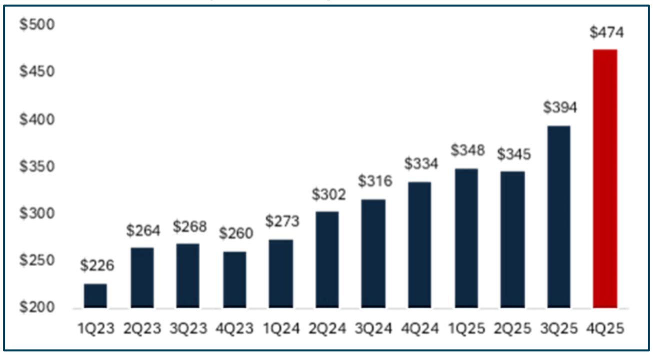
Equinix's (EQIX) 4Q25 results appeared to corroborate this shift, with a record quarter of leasing activity (42% higher than one year ago levels) and AI-related demand accelerating faster than management had previously anticipated. After a disappointing investor day in mid-2025 due to short term earnings headwinds associated with its "build bolder" capex plans, our analysis and patience were rewarded with the market's positive reaction to its 2025 earnings result and 2026 outlook which were materially ahead of expectations.

[4] Moody's Ratings and Company filings, March 2026. Includes capital expenditures of Microsoft, Amazon's AWS, Alphabet, Meta, Oracle and CoreWeave. AWS' capital expenditures are Moody's Ratings estimates because Amazon does not report capital expenditure for AWS. [F] Moody's Ratings forecast.

[5] U.S. Census Bureau definition of Office construction spending is broader than just new traditional office tower development. It includes government administration buildings, computer centers, medical office buildings, and professional buildings and also includes renovation and tenant buildout works.

[6] In the context of AI, "inference" is the process of using AI models to generate output as opposed to 'training' which is the initial phase where the model learns patterns from large data sets.

Equinix Quarterly Bookings - Annualised



Source: Company filings, February 2026.

Overweight exposure to Digital Realty (DLR) also contributed positively to Portfolio returns as the company posted strong results driven by record leasing in its 0-1MW and interconnection segment. DLR's initial 2026 earnings per share guidance implies 8% growth year-over-year.

Late in the quarter, DLR closed its inaugural U.S. hyperscale data centre fund with US$3.25b of total equity commitments. The vehicle will primarily focus on the development and ownership of hyperscale data centres across major U.S. Tier 1 metros.

Funding data centre development has been a major topic of conjecture over 2025, and the first quarter of 2026 saw some significant progress for our Portfolio holdings. Alongside the DLR fund close, Merlin (MRL) advanced its data centre development by raising €768m in equity (~10% of share capital).

Earlier in the quarter, Merlin hosted its capital markets day where it committed to materially scaling its data centre platform, confirming it will commence phase III of its pipeline in 2026. Underpinned by favourable power pricing and availability, phase III is underwritten to generate a 10.3% net income yield, with scope for upside given phase I rents are tracking ~40% above initial underwriting. Our overweight exposure to Merlin contributed positively to relative returns over the quarter.

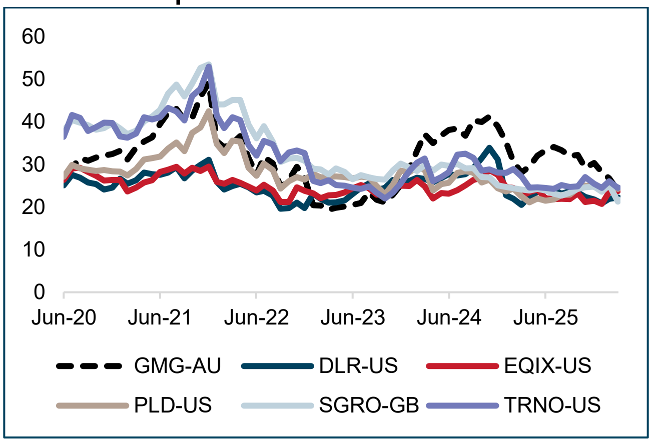
After initially struggling to gain traction with a planned A$500m issue of subordinated notes, Australian-listed data centre company Next DC (NXT) announced that it would issue A$1bn of Hybrid Notes fully underwritten by Canadian investment group LaCaisse at an effective coupon of 9.2% for the first 5 years of a 100 year term instrument.

Proving not all data centres are powering ahead, its ASX listed rival Digico (DGT) delivered lower than expected H1-26 earnings and continues to search for options to fund its accelerated development plans at its S1 data centre. The REIT also experienced delays in securing planning approval at its Los Angeles development site and subsequently withdrew its planning application and will evaluate alternative uses for the site. DGT delivered a total return of -37% over the quarter and is trading 65% below its IPO price. The Portfolio holds no exposure to DGT or NXT.

Goodman – ex froth

We took the opportunity to re-introduce Goodman Group (GMG) into the Portfolio after a period of underperformance relative to industrial and data centre peers. We have long admired the GMG platform and management team, but valuation kept us on the sidelines (except for a brief period in 2023 when the company first revealed its significant data centre power bank).

EBITDA multiples: industrial & data centre stocks



Source: RCL March 2026.

After the initial exuberance surrounding GMG's pivot towards data centres, the market has been resetting its expectations as earnings growth moderated from mid-teens to 9% p.a. The transition from its roots in industrial development to data centre development which is longer duration, more capital intensive and often not pre-leased, has taken much of the froth out of GMG's valuation multiple.

With GMG stock trading at a circa 20% discount to the price at which it raised equity in February 2025, valuation multiples have converged to peers. Yet we believe the long-term runway for Goodman's earnings growth remains intact, supported by strong data centre demand in Tier 1 metro markets, as well as early signs of a pickup in demand for larger automated warehouses, for which GMG has a strong capability. GMG's track record of raising capital, intensifying industrial land use and developing complex projects in multiple jurisdictions stands it in good stead to deliver on its ambitious data centre development program.

Healthcare – breaking broken records

At the risk of sounding like a broken record, it is worth briefly reiterating continued strong results from seniors housing operating REITs. Our key exposures, Welltower (WELL), Ventas (VTR) and Chartwell Retirement Residences (CSH), each reported greater than 15% same-store NOI growth in seniors housing operations, led by Welltower at +20.4% year-over-year, driven by meaningful occupancy gains (+300 bps), mid-single-digit rent growth, and substantial operating leverage as margins approach ~30%.

Strong internal growth is being complemented by accretive external growth, particularly in the U.S., where acquisition yields remain attractive in the high-6% to low-7% range. With a favorable cost of equity, WELL and VTR are able to deploy capital on a year-one accretive basis, even before considering embedded cash flow upside from operating improvements.

In the March quarter, we participated in the IPO of Janus Living (JAN), which is a US$4 billion portfolio of seniors housing assets carved out of Healthpeak Properties (DOC). Following the IPO, JAN will have net cash of US$950m on its balance sheet, and its portfolio of 39 properties, entirely focused on seniors housing operating assets, possess strong internal and external growth prospects.

Self-storage – switching places

The Portfolio's positioning in the self-storage sector detracted from relative performance, in contrast to the prior quarter, with M&A and corporate activity overwhelming operating performance drivers.

U.S. self-storage names delivered mostly positive returns despite results that were marked by a disappointing 2026 outlook relative to consensus expectations. Demand recovery remains closely tied to a rebound in housing transactions which has been slow to materialise.

In conjunction with 4Q25 results, Public Storage (PSA) announced a board and management restructure. Former CFO Tom Boyle was named Chief Executive Officer, while at the board level, Welltower (WELL) CEO Shankh Mitra was elevated to Chairman.

On the heels of these changes, PSA announced the acquisition of listed peer National Storage Affiliates (NSA) in a US$10.5bn all-stock transaction implying a ~35% premium to NSA's unaffected price. With only modest earnings accretion for PSA, overall, the deal underscores two factors: 1) PSA's increased flexibility and creativity under new leadership in driving accretion via external growth, as well as 2) the real external growth challenges in U.S. self-storage amidst aggressive pricing expectations from sellers and subdued organic growth.

Over in Europe and the UK, self-storage fundamentals remain structurally healthier than in the U.S., (principally in the form of lower supply per capita) but the near-term backdrop has been challenging, mirroring U.S. headwinds as a soft housing transaction market and weak economic growth have constrained demand.

Recent results from Big Yellow (BYG) and Shurgard (SHUR) show like-for-like revenue growth below 2%, materially under the sector's ~4% long-term average. Sector sentiment further deteriorated in March amid renewed Middle East tensions, which reignited stagflation concerns across the UK and Western Europe. The Portfolio overweight to UK/EU self-storage detracted from relative returns during the quarter.

In Australia, we were disappointed that other shareholders in National Storage REIT (NSR) did not share our view that the takeover bid undervalued the company. Despite our engagement with the board and management, the vast majority of shareholders appear to have accepted the offer, and as a result the bid will likely succeed. While we generated acceptable returns during our hold period, we believe NSR had further long term upside potential which will accrue to its new private owners.

Retail –K shaped economy … or E or L or U?

Despite deeply pessimistic consumers in many of the major markets in which we invest (as indicated by consumer confidence surveys), retail spending has been remarkably resilient. With low unemployment, real income growth and the wealth effect from years of asset price inflation, high income cohorts have sustained / increased their spending. At the other end of the spectrum (or 'K') those with lower income levels have cut back given the disproportionate impact of inflation and higher interest rates on their wallets without the offsetting wealth effect from rising asset prices.

While the repercussions of the war in the Middle East may cloud the retail outlook in the near-term, we have deliberately skewed the Portfolio toward assets and markets where structural supply constraints and affluent consumer catchments provide a degree of insulation from these pressures.

Reinforced by the lack of additional space being developed, retailers are focused more than ever on ensuring a presence in the most productive bricks and mortar malls and shopping centres. Premium centres such as Portfolio holdings Unibail Rodamco Westfield (URW), Scentre Group (SCG) and Simon Property Group (SPG) are enjoying record or near record occupancy and increasing rents.

Similar dynamics are evident for open-air shopping centre REIT and Portfolio holding Federal Realty (FRT) which, over multiple decades, has consciously positioned its portfolio in affluent dense catchments across the U.S. Federal's results in the quarter highlighted the highest leasing volume ever for the portfolio and leasing spreads at decade highs. Our overweight exposure to FRT contributed positively to Portfolio returns.

Scentre Group (SCG) reported solid 2025 results with 99.8% leased occupancy (the highest since 2013) and comparable net rent growth of 4.8%. However, the market was disappointed by 2026 guidance of 'at least' 4% earnings per share growth which was circa 300bps lower than consensus due to non-operating headwinds (lost rent as assets start re-developments, lower development management fees and NZD weakness), While SCG underperformed for the quarter and detracted from Portfolio returns we believe underlying fundamentals remain sound.

In the UK, Hammerson's (HMSO) FY25 results highlighted continued improvement in UK retail fundamentals for dominant malls. Like-for-like net rental growth of +2.7% in FY25 was the highest in over a decade (excluding 2022 which was boosted by the pandemic re-opening) and the company guided to acceleration in 2026 to 4-5%, supported by strong leasing spreads and improving cost efficiency. With the caveat that forecasts were made prior to the latest Middle East unrest, HMSO expects to generate 10% earnings per share growth in FY26, driven by asset repositioning and portfolio simplification.

Vale David Simon

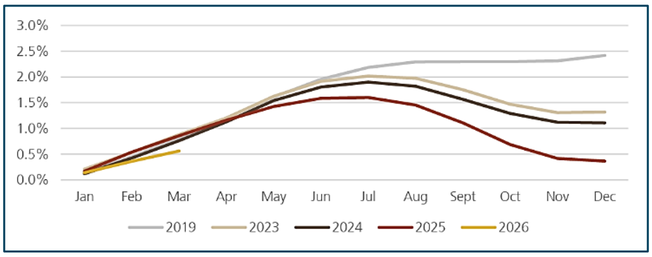
David Simon, Chairman, CEO and President of Simon Property Group (SPG) passed away in March. One of the most accomplished CEOs in the modern REIT era, David Simon joined the family company before its 1993 IPO and went on to lead its growth via multiple corporate acquisitions, in the process transforming SPG into a world-leading retail property platform while steadfastly maintaining balance sheet discipline. The board appointed current Chief Operating Officer, Eli Simon, as CEO, and board member Larry C. Glasscock was appointed Chair.

Residential – On ICE

The U.S. residential sector had a challenging quarter in absolute terms largely due to continued uncertainty around macroeconomic conditions, particularly employment and household formation rates. Our underweight position in the sector resulted in positive attribution. We made limited changes to our residential exposure during the quarter.

The U.S. multi-family (apartments) financial reporting period was lacklustre, with most operators providing 2026 guidance below sell-side estimates, albeit in line with our expectations. Whilst renewing tenants are accepting reasonable rate increases, rent growth is moderating for new tenants leading to overall growth no better than 2025.

U.S. Multi-family market rent growth – slow start to 2026



Source: CoStar, UBS, April 2026.

Our team recently visited several multi-family assets in Austin and Dallas, Texas where on-the-ground commentary was cautiously optimistic although we note rental declines continue in these relatively oversupplied sunbelt markets.

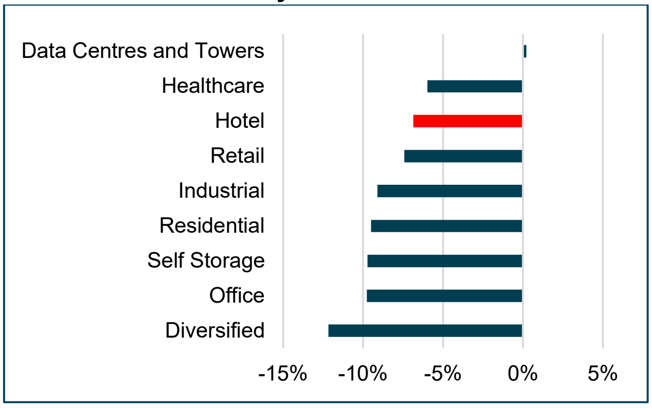
Regulation remains topical in U.S. single family homes. The U.S. government is proposing two major rules: 1) banning institutional investors from purchasing existing single-family homes; and 2) select single-family homes (mainly developed) must be sold to the renters after 7 years of ownership. Early indications suggest developers are reducing the capital deployed in this sector which we think is working against the government's objective of improving housing affordability. We remain of the view that encouraging new supply is the most effective antidote for improving housing affordability (our more detailed report from January 2026 is available here).

Whilst German residential lagged the market, Portfolio holding TAG Immobilien (TEG) reported operationally sound results – particularly its exposure to Poland where rents are not regulated and the build-to-sell condominium segment continues to perform strongly. The company confirmed that it is conducting a review of strategic options regarding its Polish business – including a potential IPO of the BTS operations, although TEG would remain a majority shareholder in any spinoff. The company maintains it is not under pressure to sell, thus the rationale appears to be price discovery for this undervalued part of the group. TEG delivered a marginally positive total return (+2%) over the quarter, materially outperforming its German peers, reflecting its positive operating performance and lower leverage.

Hotels – a life of luxury

The performance of hotel REITs was notable in light of the tumultuous geopolitical backdrop. Thus far, the sector has held up remarkably well registering a total return of -7% since the start of the conflict to the end of March, the third-best sector in the global benchmark over that period. We attribute this relative resilience to a paucity of hotel supply over the past decade, and better balance sheets than in prior cycles.

Index Total Returns by Sector – 1M to 31 Mar 2026



Source: FTSE EPRA NAREIT Developed Index, April 2026.

Our only hotel holding, Host Hotels & Resorts (HST) is more than 95% U.S. focused, has the strongest balance sheet in the sector (the only hotel REIT with an investment grade rating and 2.5x net debt/EBITDA), the highest quality portfolio following a refurbishment program during COVID, and an attractive valuation at ~US$420k/key (vs replacement costs and transactions occurring at >US$700k/key).

Importantly, HST has demonstrated outstanding capital allocation acumen, re-shaping its portfolio towards the more resilient affluent traveler while keeping its balance sheet strong. In February, just before the Iran war began, the company opportunistically divested two resort properties (Four Seasons Orlando and Jackson Hole) for a combined US$1.1billion reflecting a 14.9x EBITDA multiple compared to 10x implied by HST's prevailing share price. The company articulated a range of potential uses of the sale proceeds, including special dividends, share buybacks, portfolio re-investment or acquisitions. HST is therefore very well placed to weather the 'Epic Fury' storm.

Office – fear is in the AI of the beholder

The office sector is facing a multitude of challenges in the current environment from the lingering effects of WFH and new fears of AI job substitution to macro headwinds from the Iran war. Hence we remain underweight and further reduced exposure over the quarter. At the same time we acknowledge that valuations are discounted and there is much we don't know about the long term impacts of AI (either positive or negative), therefore we maintain select exposures.

The rise of agentic AI and the release of powerful AI tools over past few months has raised concerns about the prospect of white-collar employment entering a period of secular decline. There have been several waves of the AI-fear trade impacting software companies (quickly labelled the 'SaaSpocalypse'), financial services firms and commercial real estate agencies – and office stocks alongside them.

So far the negative impacts of the AI fear trade have been felt most acutely by the U.S. listed office REITs – likely attributable to more flexible labour laws which imply greater speed of transmission to office space demand. Office REIT prices in other regions including Japan and parts of Europe have held up better. This has been reinforced by a number of high-profile corporate layoff announcements – mostly by U.S. based companies. Often these layoffs have been attributed to AI efficiency gains, although it can be fairly argued that some companies make this link to the short-term benefit of their stock price.

We expect that back-office and lower-order job functions such as administrative support roles are, at least initially, more at risk of AI displacement. Therefore, we expect higher quality buildings in key gateway markets which are oriented towards leadership and non-routine cognitive functions to be more resilient.

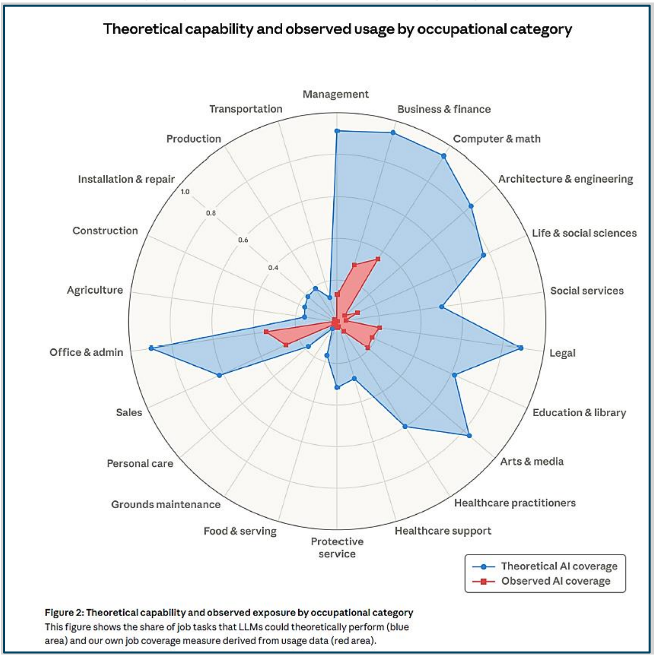
This is consistent with market observations to date. Tenant flight-to-quality continues, with the bulk of market vacancy in older/non-competitive buildings and regional locations, while Premium buildings are highly occupied and generating headline rent growth.

Ultimately however, replacing higher paying white collar jobs should be where the greatest efficiencies lie, therefore one should not assume that only back-office functions are at risk.

A study by Anthropic[7] found the professions most exposed to AI displacement that are already actively using Claude (red shaded in the following spider chart) are; computer & math, business & finance, office & admin, sales, legal, education & library, arts & media. Clearly most of these functions are office-using jobs – and some functions, including software coding, are not low-paying un-skilled functions. The study noted that workers in these professions are more likely older, female, more educated and higher paid.

[7] Massenkoff & McCrory; *Labor market impacts of AI: A new measure and early evidence*, March 2026

AI capability by occupational category



Source: Anthropic, March 2025.

While it is easy to make the bear-case for the office sector as a whole, there are counter arguments to consider.

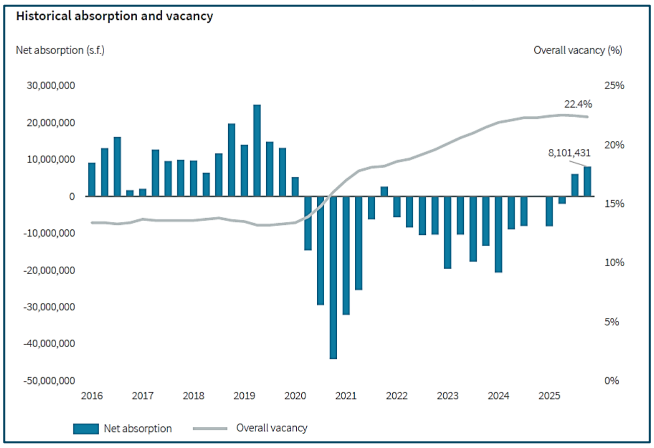
- ‘it is easier to see the jobs destroyed than imagine the jobs to be created’. There is a long history of technology displacing jobs in certain industries while new jobs and industries emerge that were never previously imagined. Cloud computing is just one example of a relatively new industry that has emerged and created massive demand for talent.
- Technology may improve productivity and profitability of office tenants – enhancing tenant credit for landlords.
- Automation may be a positive for economies facing labour shortages due to aging populations.

This is not to downplay concerns for the disrupted. Undoubtedly transitions are painful and government policies will be important to cushion the consequences.

For what it’s worth, office REIT management teams claim that they are not yet seeing evidence that AI is having an incrementally negative impact on space demand. This partly reflects the quality of listed REIT portfolios that are faring better than market average occupancy levels.

In fact, despite softer white-collar employment growth, net absorption across U.S. office markets has turned positive for the past two quarters – likely reflecting pent-up leasing decisions after 6 years of WFH uncertainty.

U.S office net absorption and vacancy



Source: JLL, Q4 2025.

Moreover, there is real and growing demand for office space from AI companies themselves. OpenAI is looking to double its workforce, Anthropic is consolidating and expanding in San Francisco and HarveyAI took more space at One Madison Ave in New York.

Office vacancy rates are improving across key markets, with Tokyo, New York, and London leading in terms of tenant demand and market rent growth. Meanwhile construction starts remain muted and, in some cases, obsolete office stock is being converted to residential.

Notwithstanding these positives, investors are likely to remain cautious until there is greater clarity on the structural demand impact of AI on the office sector. The war in Iran adds another layer of uncertainty that will cool investor appetite.

During the quarter we exited the remainder of our long standing position in Derwent London (DLN). Despite our constructive view for London office leasing, senior management departures and uncertainty over investment market conditions are likely to continue to weigh on DLN’s business model which relies on recycling assets to fund the next phase of redevelopment projects.

Industrial – from super-cycle to normal cycle

Early last year, industrial leasing market conditions were still feeling the after-effects of the pandemic-era construction boom when ‘Liberation Day’ tariffs extended the weakness. Supply levels have since moderated and the market has turned its attention to the timing of a positive inflection in demand, with consensus coalescing around the second-half of 2026.

Timing is now likely to push out further given the war in Iran and further tariff uncertainty following the U.S. Supreme Court ruling which struck down the IEEPA tariffs only for others to be introduced. Amidst this turbulence, the industrial sector underperformed over the quarter.

Optimists might take an alternate view that the disruption to the Strait of Hormuz and escalating geopolitical tensions will again refocus attention on supply chain resilience – leading to higher inventory levels and therefore increased demand for warehouse space.

We lean towards the former view, given that the much larger disruption to supply chains during the pandemic did not result in a change to the longer-term downward trend in the inventory to sales ratio index as illustrated in the following chart.

Warehouse Inventory to Sale Ratio index

Source: GreenStreet, St Louis Fed, U.S. Census Bureau, Indexed to January 2019 = 100, March 2026.

We believe the medium-term factors driving logistics demand revolve around de-globalisation, ecommerce and AI.

De-globalisation may negatively impact port-related demand in favour of manufacturing locations, hence we are cautious on the Los Angeles market. The growth in ecommerce, while remaining positive, has slowed, and AI efficiencies could dampen warehouse demand.

On balance we believe the surge in warehouse demand from ecommerce has largely played out and industrial demand will revert to more normalised levels approximating GDP growth. We remain underweight the sector as we believe valuations have not yet factored in the 'old-normal' growth outlook, and development remains economically feasible. As always there will be winners and losers, and as such we remain selective, preferring those with infill locations, strong balance sheets, and land use intensification opportunities.

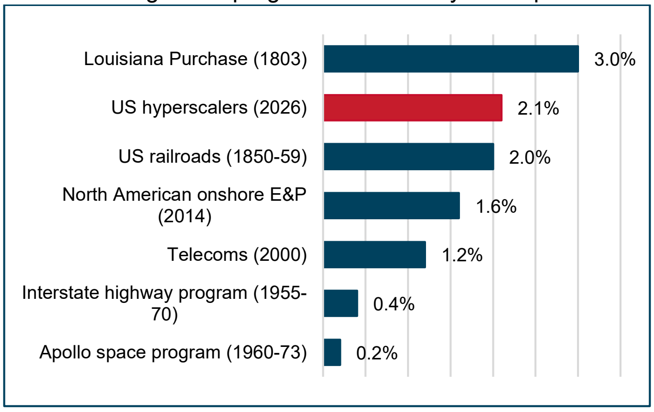
During the quarter we increased our exposure in the industrial sector, principally due to the aforementioned re-introduction of GMG into the portfolio. This was partly funded by reducing exposure to Prologis (PLD).

Outlook

In our previous quarterly we suggested that AI would be among the most important drivers of markets in the foreseeable future. The scale of capital committed to AI and the digitalisation of the economy, highlighted in the chart below, is creating a scarcity of capital for other areas of the market. This is manifesting in lower development activity in many traditional segments of the CRE market, and below average CRE transaction activity.

Capital expenditure program % of GDP

Annual average over program duration or year if specified



Source: Company reports, World Bank, Federal Reserve, S&P Global, Wall Street Journal, 7 February 2026.

Whilst we continue to believe AI spending is critical to market dynamics, we should have added the rider; 'together with the machinations of the U.S. President'.

As we write, uncertainty over the Iran conflict has added significantly to the maelstrom of issues confronting investors, increasing concerns about the private credit sector adding to the list.

Crucially for commercial real estate, new building supply levels are low – and heightened fears around energy prices, inflation, interest rates and economic growth will further dampen developer appetite to start new projects.

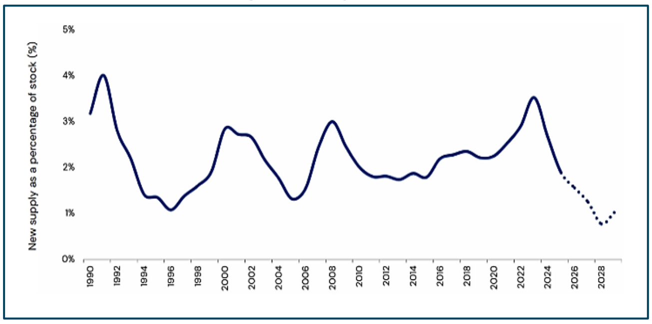
Somewhat unusually, the low/falling supply coincides with average or below average vacancy rates across many segments of the commercial real estate market (usually falling supply is a response to declining occupancy levels). We attribute this dynamic to two major factors;

1. The material increase in construction costs over the past 5 years without a commensurate increase in rents and/or cap rate compression; and, somewhat related to this,

2. the AI spend crowding-out of capital for other forms of investments

Hence real estate enters a period of greater macro uncertainty in great shape from a supply-side perspective.

Global New Building Supply as % of stock



Source: Lasalle, November 2025.

Key to the outlook therefore is the shape of tenant and investor demand.

Based on the fourth-quarter 2025 reporting season which largely concluded just prior to the Iran war, earnings growth for 2026 was projected to accelerate slightly to circa 6%. Importantly, the growth was derived largely from underlying organic rental growth, not other non-core activities or financial engineering. For a more detailed review of recent reporting season, please refer to our recent note here.

Clearly there are down-side risks to demand for some segments of the real estate market because of the war – and medium term questions about the impact of AI. We believe the Portfolio is relatively insulated to most of these risks, already being underweight office and industrial, and our retail exposures skewed to more affluent consumers in supply constrained markets. The Portfolio's key overweight exposures are to sectors that should benefit from secular demand trends that are less economically sensitive, including the ageing population (healthcare) and the digital economy (data centres).

Whilst private credit markets are under the spotlight, by and large the issues do not appear to be disproportionately related to real estate lending. And, as we have consistently made the case in recent quarters if not years, by and large REIT balance sheets are in strong shape, with low leverage and well-laddered maturities. Debt capital remains widely available for REITs. Of course, higher interest rates, if sustained, would be a marginal headwind to earnings – and would dampen investment market pricing.

From a valuation perspective many REITs are trading at or below replacement costs, at an historic multiple discount to equities, and are discounted to underlying asset values (NAV). With this backdrop, and with solid balance sheets, REITs are extensively buying-back shares. Buy backs are not at the expense of cutting dividends and are not material relative to total market capitalisation. Nevertheless, we view share buyback programs as a signal of where management believe the stocks are trading relative to intrinsic value.

Last quarter we concluded that the only constant is change, musing that one could argue we have been afflicted by the Chinese curse, "may you live in interesting times". That sentiment remains apt today, as does the comfort we draw from our exposure to high-quality, well-capitalised, listed and liquid real estate where supply is subdued and demand is anchored by needs-based and secular growth segments of the economy.

ESG

Are Brown Portfolios Impacting REIT Financing Costs in the UK and EU?

In previous reports we have discussed the potential for climate change transition risks to impact property valuations, vacancy rates and rental income, as energy efficiency regulations tighten and tenants require high levels of sustainability performance to meet their own corporate targets. Now, in the European Union and United Kingdom, we are seeing some evidence that energy efficiency and climate risks are influencing access to, and the cost of, financing.

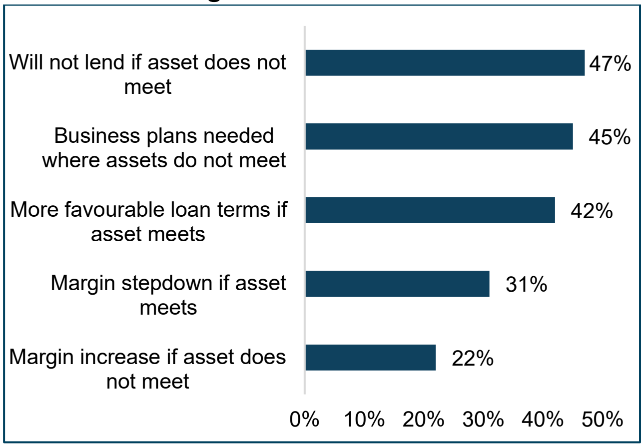
The European Central Bank's (ECB) recent Bank Lending Survey (BLS) shows that Euro area banks are systematically differentiating lending conditions based on the climate performance of borrowers and the energy efficiency of their properties.

This survey, which covered approximately 150 European based banks, found that significant proportions of respondents were either tightening or easing credit standards for companies based on their sustainability credentials. Approximately 20% of respondents reported that they intended to ease lending criteria depending on whether a company is classified as green, 15% intended to ease criteria for transitioning companies and 35% intended to tighten lending criteria for carbon– intensive companies.

Although the BLS focuses on corporate and residential housing loans rather than commercial real estate, the underlying mechanisms it highlights are directly relevant for REITs. These include collateral adjustments linked to energy performance, tighter terms for physically exposed assets, and preferential pricing for greener borrowers.

While the ECB survey provides a broad view of bank behaviour, lender sentiment within real estate markets specifically can be seen more clearly in CBRE's European Lender Intentions Survey from early 2025 of European Real Estate Lenders. Respondents were more explicit in how they approached valuing the sustainability credentials of their real estate companies. These results are highlighted in the chart below.

How sustainability criteria are expected to influence lending



Source: CBRE Research, June 2025.

This lender sentiment is also being reinforced at the regulatory level, with the ECB introducing a climate factor into its collateral valuation framework in the second half of 2026. This factor will reduce the amount of central bank liquidity banks can utilise against climate exposed, or high transition risk assets. This is expected to effectively lower the value of risky assets in collateral assessments, creating further incentives for banks to favour greener assets.

ECB research[8] directly examining Euro area office real estate transactions from 2007–2023 found that for older less-efficient buildings, transition risk is materialising via falling liquidity in addition to falling prices.

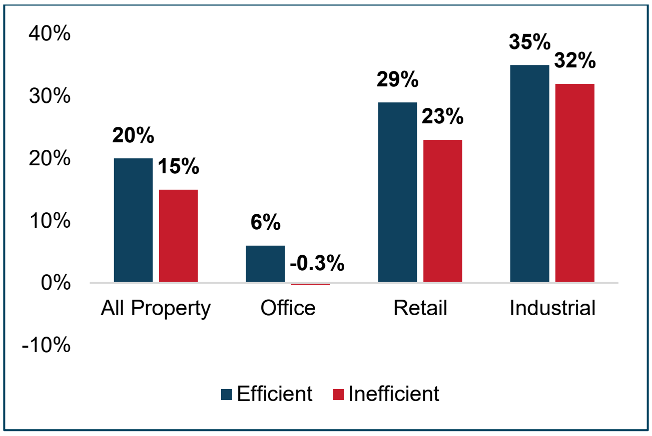
While there are no equivalent surveys for the UK market, there is evidence that similar impacts are being experienced. The Bank of England (BoE) also incorporates some climate related considerations for valuing collateral, but only for residential mortgages.

The BoE applies a discount to the value of mortgages on properties with low or missing EPC ratings and those located in flood risk zones. While there are no confirmed plans to expand these assessments to commercial real estate assets, the BoE is actively researching this area, and is being encouraged to expand its reach.

Additionally, through CBRE's Sustainability Index there is an indication of whether a green premium or brown discount is present in the UK commercial real estate market. Running since the beginning of 2022, the index measures the returns of over 1,000 properties and differentiates the returns of "efficient" properties (EPC Rating of at least B) and "inefficient" properties (EPC Rating C or lower).

The latest release of this index in mid-2025 showed the total return outperformance of efficient buildings over inefficient ones across the office, retail and industrial property sectors. While this outperformance may not be entirely attributable to the energy efficiency performance of these properties, it does give an indication of the impact that is being felt or could be felt from transition risks at the property level.

CBRE Sustainability Index total returns from H1 2022 to H1 2025



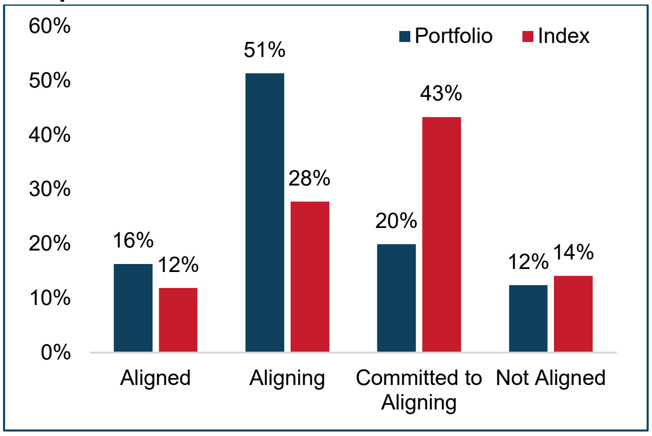
Source: CBRE Research, September 2025.

To assess how exposed our holdings may be to these transition risks, we evaluate whether Portfolio companies have credible plans to decarbonise over time. We are using the Institutional Investor Group on Climate Change's (IIGCC) Net Zero Investment Framework (NZIF) to measure transition risks and assess how companies are planning to decarbonise their portfolios and categorises companies as Aligned to a net zero trajectory or Not Aligned.

As of 31 March 2026, the Resolution Capital global real estate portfolio held approximately 18% exposure to the EU and UK. The chart below shows the NZIF assessment for these holdings, with 67% being either Aligned or Aligning with a net zero trajectory – compared to the index at 40%. To be in these categories a company needs to have a net zero target, an ambitious short-term target and public decarbonisation strategy for achieving these goals.

[8] ECB Working Paper No. 3059 ("Pricing or panicking? Commercial real estate markets and climate change", Foerster et al., July 2025),

NZIF assessment for EU and UK holdings compared to the Index



Source: MSCI, Company Disclosures, Resolution Capital, March 2026.

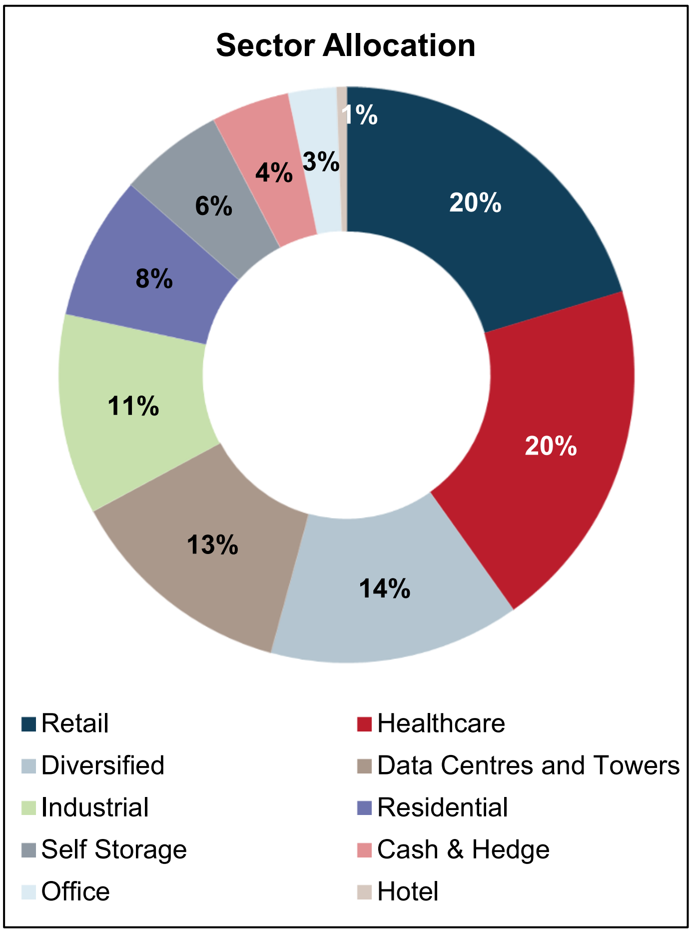
While the direct impact on commercial real estate financing costs is still emerging, the direction of travel is clear — banks and regulators are increasingly differentiating based on building energy performance, and we expect this to accelerate as the ECB climate factor takes effect and energy efficiency regulation deadlines approach. We continue to monitor the energy performance, retrofit investment plans and green financing strategies of our Portfolio holdings as part of our ongoing assessment of climate transition risk.

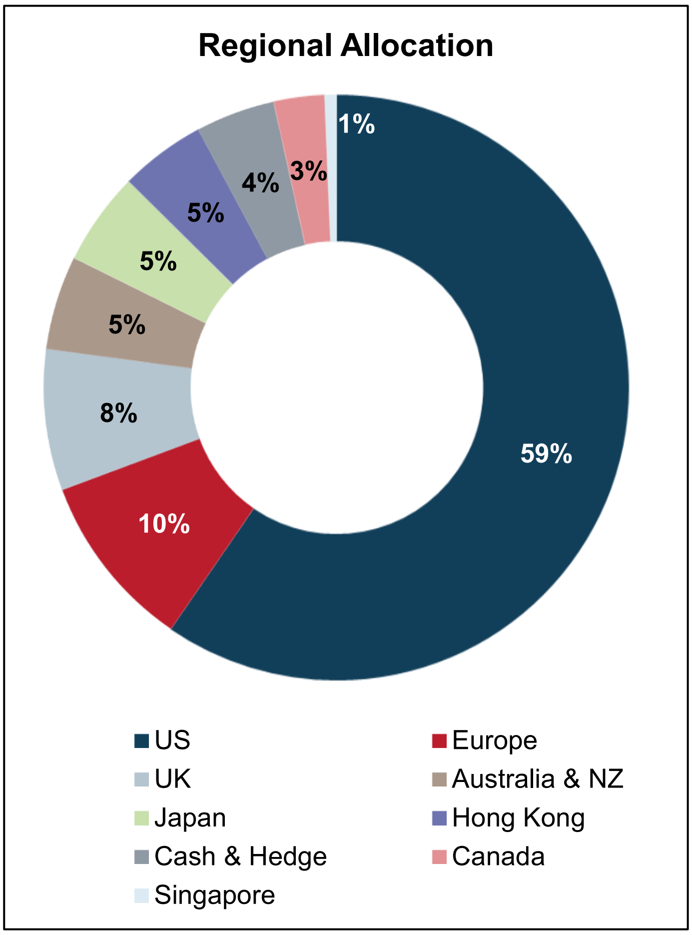
Fund Top 10 Holdings

Top 10 Portfolio Holdings – 31 March 2026			
Stock	**Sector**	**Listing**	**Portfolio Weight**
Welltower Inc.	Healthcare	US	9.3%
Equinix, Inc.	Data Centres And Towers	US	8.3%
Federal Realty Investment Trust	Retail	US	5.1%
Simon Property Group, Inc.	Retail	US	4.8%
Digital Realty Trust, Inc.	Data Centres And Towers	US	4.6%
Ventas, Inc.	Healthcare	US	4.4%
Unibail-Rodamco-Westfield SE	Retail	Europe	4.0%
Sun Hung Kai Properties Limited	Diversified	Hong Kong	4.0%
Prologis, Inc.	Industrial	US	3.9%
Healthcare Realty Trust Inc.	Healthcare	US	3.1%

Illustrative only and not a recommendation to buy or sell any security.

Allocations – 31 March 2026





Source: Resolution Capital

Contact Details

Andrew Parsons

CIO - Portfolio Manager
Email: andrew.parsons@rescap.com

Marco Colantonio

Portfolio Manager
Email: marco.colantonio@rescap.com

Robert Promisel

Portfolio Manager
Email: robert.promisel@rescap.com

Julian Campbell-Wood

Portfolio Manager
Email: julian.cwood@rescap.com

Resolution Capital Limited

Tel: +61 2 8258 9188
Email: clientservices@rescap.com