

QUARTERLY INVESTMENT REPORT

RESOLUTION CAPITAL GLOBAL PROPERTY SECURITIES PIE FUND

JUNE 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 283 basis points for the quarter ending 30 June 2026.

Period Ending 30 June 2026* - Net Returns

	Quarter %	1 Year %	Since Inception# % p.a.
Portfolio*	11.29	17.76	8.08
Benchmark+	8.46	13.20	5.94
<i>Difference</i>	<i>2.83</i>	<i>4.56</i>	<i>2.14</i>

* 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 US office REIT Vornado Realty Trust (VNO)
- ✓ Over benchmark weight in UK industrial REIT SEGRO (SGRO)
- ✓ Over benchmark weight in US healthcare REIT Healthcare Realty Trust (HR)
- ✓ Over benchmark weight in US retail REIT Federal Realty Investment Trust (FRT)
- ✓ Over benchmark weight in US residential REIT Essex Property Trust (ESS)

Relative performance was negatively impacted by:

- ✗ Exposure to cash and cash equivalents
- ✗ Over benchmark weight in Hong Kong diversified company Sun Hung Kai Properties (16)
- ✗ Over benchmark weight in Japanese diversified company Sumitomo Realty & Development (8830)
- ✗ Nil exposure to US storage REIT Iron Mountain (IRM)
- ✗ Nil exposure to US self-storage REIT Public Storage (PSA)

Market Performance

Market Overview

	30-Jun-26	31-Mar-26	Quarterly Total Returns
FTSE EPRA/NAREIT Developed Index Net (unhedged in NZD)	5,484	5,040	8.8%
FTSE EPRA/NAREIT Developed Index Net (hedged in NZD)	1,430	1,318	8.5%
S&P/ASX 300 Property (Accum)	80,965	71,305	13.5%
S&P/ASX 300 Index (Accum)	118,702	113,978	4.1%
US 10 yr bonds	4.44%	4.32%	
NZ 10 yr bonds	4.36%	4.73%	
NZD/USD	0.57	0.57	-0.3%

Source: FactSet

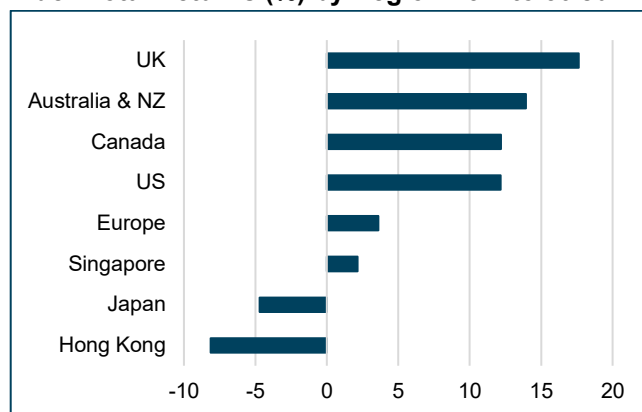
Global Commentary

The FTSE EPRA/NAREIT Developed Real Estate Index (NZD) Net TRI produced a total return of 8.5% for the quarter ending 30 June 2026.

Key contributors to Portfolio outperformance included over weight positions including: Vornado Realty (VNO), which benefited from improving leasing conditions in its New York office portfolio; Essex Property Trust (ESS), benefiting from evidence of stronger leasing for its U.S. West Coast apartment portfolio; ASX listed Goodman Group (GMG) which rebounded from preceding quarter weakness; European logistics REIT SGRO (SGRO) which received an indicative takeover offer from U.S. listed logistics REIT Prologis (PLD); a number of retail REITs including U.S. landlords Federal Realty (FRT) and Macerich (MAC) which benefited from strong leasing conditions; and overweight Healthcare REITs, most notably medical office building landlord Healthcare Realty Trust (HR) which benefited from growing appreciation of the strategy laid out by the recently installed new management.

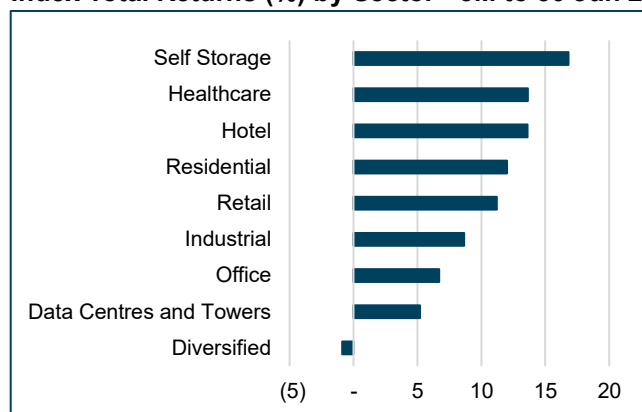
Key detractors from relative performance included: underweight exposure to U.S. self-storage which experienced a rally on the back of evidence of stabilising operating metrics; Hong Kong property company Sun Hung Kai (16) as investors fretted over the possible impacts of rising interest rates and capital controls on mainland buyers on the company's residential development exposure; and Japanese property companies which coincided with the Bank of Japan increasing interest rates to a 31 year high. However, we note Japan's monetary policy changes have been expected for some time and real estate operating conditions remain favourable. In our view, the share price represents a pullback after an extraordinary period of strong performance in preceding quarters.

Index Total Returns (%) by Region - 3M to 30 Jun 26



Source: FTSE EPRA NAREIT Developed Index, July 2026

Index Total Returns (%) by Sector - 3M to 30 Jun 26



Source: FTSE EPRA NAREIT Developed Index, July 2026

Market Review

Investment markets continued to be transfixed by AI, particularly the scale of investment and the promise of improved productivity for the economy. This arguably overshadowed other significant macro issues such as ongoing stress amongst several high-profile private credit players, while from a broad economic perspective, the quarter was marked by a hawkish shift

in central bank interest rate policy expectation. That said, the still fragile tensions in the middle east appeared to moderate, providing some level of relief for public investment markets, REITs included.

Against this backdrop, we believe the most influential factors for the REIT sector during the quarter were:

- The Heavy Assets Low Obsolescence (“HALO”) trade gathered support from some corners of the market. REITs were likely lumped in this cohort, with evidence of resilience in real estate operating/leasing conditions in the face of uncertainty surrounding the advent of AI and its potential to disrupt and reshape business activity/productivity; and
- Increased levels of REIT industry Merger & Acquisition activity pointing to the attractiveness of REITs relative to underlying real estate pricing, and the perceived need for scale.

Hype scale Hype

Tech “mAlnia” continued to dominate the market narrative. The massive capex program to deliver the nascent productivity benefits means that the financial profile of the technology sector, particularly the larger players, has altered from generating cashflows in excess of their traditional business needs to an arms race for AI supremacy. Consequently, competition for capital across the investment spectrum is intensifying, real estate included.

With the primary objective speed to market and ultimate AI leadership, immediate financial returns is not the primary concern.

Clearly, data centres are a focal point of this environment. The current supply of new data centres is largely oriented to “hyperscale” facilities which are typically dedicated to a small number of users principally for AI training and inferencing. In many cases, the facilities are being developed by the AI players themselves, hence they have returned to capital markets to finance these colossal projects. However, demand is outpacing supply and in the quest for power enabled site ready locations, and to get ahead of the competition, they have had to call upon third party developers and investors to expedite their programs. The enormous financial outlay and technical requirements means only a limited few are capable of delivering completed projects. These developers include the likes of Goodman Group and PLD, which are able to convert some of their land from traditional industrial warehouses to data centres.

Late in the quarter, Digital Realty (DLR) acquired Blackstone's (BX) blended 64% equity interest in three

newly developed, fully leased Northern Virginia data centres for US\$3.5bn (US\$1.2bn cash plus US\$2.3bn stock that BX liquidated into the market). The properties sit within the US\$7bn hyperscale JV the two formed in December 2023, positioning DLR as the likely buyer of the remaining Frankfurt and Paris campuses over time.

The assets are leased to multiple hyperscalers on 15-year terms with 3.6% escalators. DLR is buying at an expected initial stabilised cap rate of over 6.5%. Given Northern Virginia is generally considered the deepest, most liquid, and most strategically important data centre market in the world we believe the deal represents good value for DLR.

By and large, those REITs with exposure to hyperscale data centres seek to secure long-term lease contracts (typically greater than 15 years), mostly to high credit tenant counterparties. Whilst tenant credit issues cannot be ruled out, such as for neo-cloud operators, the greatest risk appears to be underwriting the residual value of the asset at the end of the lease, and what level of obsolescence will then need to be addressed.

Such is the enthusiasm from other investors for this thematic, an IPO of a new U.S. data centre REIT, Blackstone Digital Infrastructure (BXDC), was undertaken during the quarter with features which previously would be a non-starter for many dedicated REIT investors. Historically, prominent U.S. investors would have dismissed BXDC's external management structure (e.g. largely why Westfield America Inc wasn't accepted in the U.S. 20 years ago) and that it is ostensibly a cash box owning no assets at the point of listing. But such is the investment thematic frenzy, the vehicle raised US\$2bn and has traded above the IPO price. We did not participate.

We stress AI will be an integral part of the evolution of the digital economy, but we are not betting on which players will be the ultimate winners or what commercial form the technology will take.

Our Portfolio has limited exposure to hyperscale data centres. Instead, our key data centre exposures are centered on Equinix (EQIX) and Digital Realty (DLR) which are weighted toward owning and operating multi-purpose network dense co-location (co-lo) facilities, particularly our largest data centre position EQIX. Co-lo facilities are vital to the long-term evolution and growth of the digital economy, almost irrespective of the commercial outcomes of AI. The co-lo facilities will serve AI in whatever shape it takes and the ultimate winners of the technology.

After strength in preceding quarters, EQIX and DLR produced relatively subdued returns over the June quarter.

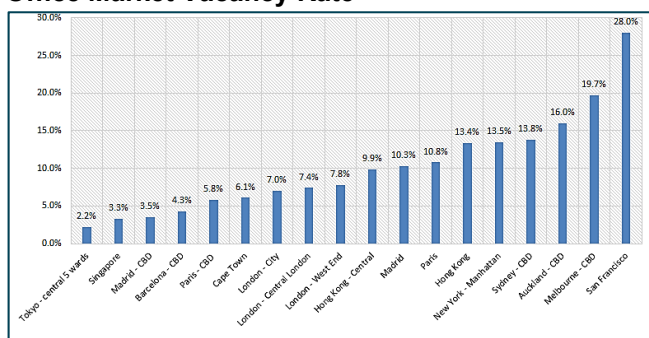
The Old Guard wearing HALOs

Against this enthusiasm for AI, the strong performance of “old world” office and retail REITs, two of the sector’s historic stalwarts, was a notable feature of the quarter.

Investor concerns about structural demand for physical space and the quantum of capital needed to fund the AI phenomenon is no doubt playing a part in an environment requiring higher returns in other segments of the economy, commercial real estate included. Combined with materially higher construction costs, this competition for capital is manifesting in higher hurdle rates for the development of new commercial real estate. Hence, other than data centres, there is limited new supply of commercial real estate space being developed in most markets. Yet despite the concerns, tenant demand for a broad range of traditional commercial real estate occupiers is thus far proving robust, particularly for high quality space which we principally define as conveniently/centrally located and highly amenitised.

For much of the past 6 years, office has been the poster child for commercial real estate pessimists (perhaps realists for longer term investors). The lingering impact of pandemic-era work-from-home policies, tech companies right sizing space needs for legacy businesses and, more recently, the threat of white-collar job redundancy from AI have pressured leasing market conditions and soured investor appetite for the sector. It is fair to say office vacancy rates in some of the leading markets are among the highest of any commercial real estate market.

Office Market Vacancy Rate



Source: Miki Shoji 1Q26, CBRE 1Q26, Cushman & Wakefield 1Q26, Savills 1Q26, JLL 1Q26, Cadigal 1Q26, Colliers 1Q26

However, office market vacancy rates appear to have peaked, and the picture is more nuanced depending on asset quality. In higher quality tiers, vacancy rates are falling and/or historically low. Many businesses have, at least until recently, underestimated the post COVID return to office dynamic. Indeed, some businesses are reportedly finding that they have under catered for staff space needs. HSBC and PWC in London are examples where having contracted in the immediate fall-out from COVID, they have subsequently sought additional space as Return To Office becomes more prevalent. They have also recognized the need to provide an

attractive work environment to entice talented workers which focused the search on higher quality buildings. Consequently, in some markets such as London (as we will later illustrate), space inquiry levels are at multi-year highs.

Whilst there are no doubt changes taking place in repetitive, process-driven white-collar roles, thus far, the incorporation of AI applications is showing no obvious signs of adversely impacting physical office demand, particularly in high value functions. In fact, AI proponents are currently absorbing physical office space, most notably in key office markets such as London, New York, San Francisco and Tokyo. For example, in London Anthropic has expanded its office footprint by more than 20x in less than 12 months. In this sense, the evolution of AI thus far appears to be net additive to leasing demand in high value markets.

During the quarter we re-introduced Kilroy Realty (KRC) to the portfolio. KRC is approximately 60% weighted to the San Francisco Bay Area, the epicentre of the AI innovation and venture-capital funding ecosystem. While San Francisco was one of the worst-hit office markets from both Covid and the AI-fear trade (SaSS-pocalypse), the market appears to have turned a corner with vacancy falling 320bps over the past year, albeit to a still-high 28%. With KRC trading at a meaningful discount to replacement cost, the balance sheet in reasonable shape, and earnings expected to inflect positively, we saw an attractive re-entry point.

The supply outlook for office in key markets is increasingly supportive for future leasing conditions. As we see it, with minimal new office development completions over the past few years, demand for high quality/highly amenitised space is outstripping supply. Consequently, rents are growing for A-Grade space. Portfolio holding Landsec (LAND) reported decade-high office occupancy at 98.6% and achieved 13% increases in rents on lease renewals over the year to March 2026 for its London portfolio. Elsewhere, market rents in quality buildings in Tokyo and Manhattan have grown 10% over the past year. Our exposure to office, including our key holding in Vornado (VNO) (+51.2%), enjoyed a strong quarter of performance. VNO is positioned to generate 13% annual earnings per share growth over the next 3 years as its predominantly mid-town Manhattan portfolio enjoys solid demand after several years of investment to make it highly amenitised and attractive for a wide range of tenants.

Meanwhile, retail property is proving its value as social infrastructure that remains a powerful avenue for businesses to sell and distribute goods and services. While on-line retail continues to grow, retailer’s desire for physical customer interaction and acquisition remains central to the distribution model and underpins demand for high quality brick and mortar retail property. Several listed retail REITs are well placed for this dynamic, as demonstrated by record leasing volumes

and stronger rents at a number of retail property exposed REITs. Our key holdings, including U.S. REITs Federal Realty (FRT) and Macerich (MAC), performed strongly during the quarter, the latter raising equity to pursue additional acquisitions.

Unibail Rodamco Westfield (URW) also outperformed during the quarter. The company's largely restored financial footing and asset recycling program enabled it to acquire its partner's 50% interest in Westfield UTC in San Diego for US\$705m. We have toured this asset on a number of occasions in recent years, including during the June quarter in advance of the opening of its new luxury wing, which is set to become operational later this year. The estimated ~5.8% acquisition yield on this asset reflects its position as one of the more dominant assets in the U.S.

Indeed, a number of significant retail transactions took place during the quarter, including the privatisation of US\$1.7bn U.S. shopping centre REIT, Whitestone REIT, by ARES Management. This adds to a slew of deals over the past 12 months, pointing to renewed investor interest in leading retail properties.

Major 2Q26 retail transactions

Property	Location	Sector	Buyer	Seller	Transaction value \$A (m)	Ownership stake	Cap rate
Annapolis Mall	Annapolis, Maryland, US	Regional mall	Macerich (MAC)	Centennial	392	100%	9.2%
Westfield UTC (50% stake)	San Diego, California, US	Flagship Mall	Unibail-Rodamco-Westfield (URW)	JPM	528	50%	5.8%
Eastern Creek Quarter (ECQ)	Western Sydney, NSW, AUS	Outlet + SC	Vicinity Centres (VCX)	Fraser's Property Aus.	400	100%	5.8%
Sunshine Plaza	Maroochydore, QLD, AUS	Regional Mall	GPT Retail Fund	Lendlease APPF-Retail	622	50%	5.5%
Macarthur Square	Campbelltown, NSW, AUS	Regional Mall	GPT Retail Fund	Lendlease APPF-Retail	568	50%	5.8%
Westfield Marion	Adelaide, SA, AUS	Regional Mall	Paragon REIT	Cuscaden Peak	670	50%	6.3%
Islazul Shopping Center	Madrid, ESP	Regional Mall	Castellana Properties	Henderson Park	560	100%	6.5%
OrioCenter	Bergamo, IT	Regional Mall	Generali & Percassi	Commerz Real	775	100%	6.9%
8 Retail Parks	Various across the UK	Retail Parks	Realty Income (O)	Tristan Capital	501	100%	7.7%
Merry Hill	Midlands, UK	Regional Mall	Redical	Owners	551	100%	7.8%
Swing By @ Thomson Plaza	Upper Thomson, Singapore	Flagship Mall	Jack Inv't & Pangwee Dev't	Link REIT (823)	279	100%	4.4%

Source: ResCap, Company data, Green Street Research. NB Some cap rates estimated.

The pending sale of the €1.6bn 'Balkany' portfolio of Spanish malls will likely provide another value yardstick in the coming months.

M&A Size Matters

Over the course of the quarter, REIT sector Merger & Acquisition (M&A) activity grew in scale and significance.

In general, REITs have become increasingly viewed as small caps within the global equities market. Nevertheless, most of the REITs within our benchmark have achieved a size large enough to justify/secure an

investment credit rating, providing them with broader access to debt capital markets.

We stress size matters to a point, cost synergies should enhance returns to investors and size should mean attracting capital (debt and equity) from a wider range of investors, thereby strengthening the platform's financial flexibility. But it's what the REIT does with the supposed benefits that matters more. There's no point improving the cost of capital only to waste it through poor capital allocation.

Early in the June quarter, Brookfield/GIC successfully closed the deal to privatise Portfolio holding and ASX listed National Storage (NSR). This was followed soon after by the announcement of a number of small take private REIT deals in North America.

But two mega deals are worth profiling.

1. Upsizing Apartments

In late May, U.S. apartment REITs AvalonBay Communities (AVB) and Equity Residential (EQR) agreed to an all-scrip merger to create a vehicle with a combined equity value of ~US\$50bn, propelling it into the 10 largest listed REITs and an enterprise value (including debt) of US\$69bn. If concluded, the deal will set an industry record in terms of value.

Combined, the merged REIT will own 183,000 apartments, making it the world's largest private residential landlord by value¹, and the largest in the U.S. by number as shown in the table below.

U.S. Apartment Owners

Rank	Company	Units owned	Public / Private
1	Equity Residential + AvalonBay (combined)	183,000	Public REITs
2	Greystar	122,545	Private
3	Mid-America Apartment Communities (MAA)	102,348	Public REIT
4	Morgan Properties	96,727	Private
5	Nuveen Real Estate	86,586	Private (TIAA-owned asset manager)
6	Related Companies	83,839	Private

¹ German listed property company owns 530,000 apartments in Europe, but of lower value.

7	Monarch Investment & Management	75,871	Private
8	Cortland	73,479	Private
9	Edward Rose Building Enterprise	71,591	Private
10	The Michaels Organization	67,151	Private

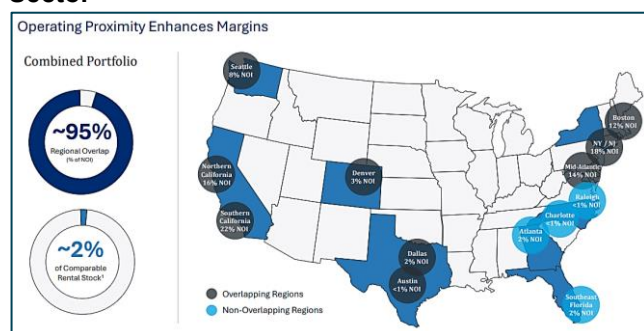
Source data (underlying standalone ranks): NMHC Top Owners 2025

Crucially, the merger should face little regulatory push-back as the combined portfolio will account for ~2% of the total relevant rental stock. We note the proposed Federal government curbs on institutional ownership of residential property is targeted at free-standing single family homes, not multi-family apartment buildings.

In what was described as a “merger of equals” - AVB shareholders will own 51%, EQR 49% of the merged entity - the merger is comparatively straight forward involving:

- similar capital structures, each with low financial leverage of circa 4.5x Net Debt/EBITDA. Both companies have similar investment grade credit ratings of A-/A3;
- similar valuation metrics on the eve of the deal in terms of earnings multiples; and
- as highlighted in the graphic below, a high degree of real estate market commonality, albeit EQR has more of a weighting toward inner urban/downtown locations and AVB to more suburban districts. In the past 5 years both REITs elected to broaden their footprints to sunbelt markets up to 20% of total enterprise.

Most Efficient Operation in Very Fragmented Sector



Source: CoStar company filings, Census ACS, Avalon Bay Market Research, June 2026

Perhaps the key difference between the two platforms is that AVB has maintained a significant and active apartment develop-to-own capability, representing circa 10% of its assets, whereas EQR meaningfully downsized if not disbanded its in-house development capability several years ago. AVBs commitment to development has required that it raise capital more frequently, typically through a mix of asset recycling (disposals), as well as additional debt and some level of new equity, and it has resulted in a more modern portfolio resulting in stronger effective cashflows.

Both organisations already operate with relatively low corporate overheads in the listed sector and display the benefits of critical mass on a number of fronts. Hence, the rationale for the merger is not abundantly clear. The identified benefits include:

- Net Operating Cost synergies estimated to be \$125m which would increase the earnings of the combined company by approximately 4%; and
- Scale benefits to enhance data analytics and defray the costs of investments in AI, automation and centralized services.

Over the years we have invested in both REITs, although currently our exposure has been centered on EQR. We have no strong aversion to the merger, but nor do we see the dynamics of the combined vehicle being particularly compelling relative to the status quo. We are inclined to accept the recommendation of the board and we look forward to the management team extracting more benefits than thus far quantified.

The merger came soon after we added Camden Property Trust (CPT) to the portfolio, another U.S. residential apartment REIT, which owns ~53,000 apartments² located predominantly in sunbelt markets including Houston, Phoenix, Dallas and SE Florida, albeit its largest market is Washington DC (it is in the process of selling its California footprint). CPT's stock price has been relatively weak in recent years as elevated supply in many of its sunbelt markets pressured rents. Positively, these markets have continued to experience strong inbound migration and jobs growth which absorbed multi-decade highs in terms of new apartment deliveries. With supply now abating and continued solid demand trends we believe the outlook is now more constructive for landlords. Coupled with supportive valuation metrics, we believe have found a sensible investment entry point.

Following the EQR-AVB deal, we expect the pressure will be on management of smaller apartment REITs to consider mergers and/or potentially be an acquisition target of the industry heavyweight.

² Assuming that it sells its California properties as planned

2. Will investors be Prologis or continue with SEGRO-gation?

Amidst a record heat wave in Europe, late in the quarter REIT M&A activity heated up when NYSE listed logistics behemoth Prologis (PLD) made an indicative all scrip proposal to acquire London Stock Exchange listed European logistics leader SEGRO (SGRO). We have an overweight position in SGRO, and whilst we do hold a position in PLD, it is less than the benchmark weight.

SGRO has an £18bn portfolio of logistics properties across the EU but the jewel in the crown is Slough Trading Estate, the largest industrial estate in single private ownership in Europe, which represents approximately 15% of SGRO's asset base.

Originally an army depot and once maligned as a dreary industrial estate (the setting of British television sitcom "The Office" featuring Ricky Gervais), the Slough Estate is located close to the M25 and within 15kms of Heathrow Airport. The estate sits directly on top of the primary trans-Atlantic sub-sea fibre optic routes, and has its own power generation. Largely as a consequence of these factors, it has become the largest data centre hub in Europe.

Slough Estate



Source: Google Maps satellite imagery, accessed July 2026

Whilst operating within an agreed planning framework, the Slough Estate acts as its own planning authority providing extraordinary development flexibility.

There has been no formal bid, and SGRO has rejected the unsolicited indicative scrip bid of £9.25 per share, which is equivalent to SGRO's last published appraisal NAV, and compares with SGRO's share price of £7.40 on the eve of the news.

There are likely several factors why PLD is interested in acquiring SGRO, and the current negative sentiment in the UK makes the timing particularly opportune. Today, European industrial property market rent growth exceeds that of the U.S., and the medium-long term outlook is arguably supported by the trend to onshoring and remilitarisation. PLD has owned

industrial property in Europe for over 30 years but the exposure to the market has been diluted in recent years, partly as a function of several takeover transactions in its home market over the past 10 years. Today we estimate Europe represents less than 10% of PLD's total enterprise value. If a deal to acquire SGRO were consummated the European exposure would double to circa 20%. We await further information, but our valuation of SGRO is in excess of SGRO's official NAV.

We should not discount a competing suitor emerging for this largely prime portfolio including strategically critical estates such as Slough. That said, SGRO's 3.0GVA data centre powerbank and its infill industrial footprint around London could well have sovereign value that could elicit government protection from offshore bidders.

UK REITs Catch a Bid

Boosted by the corporate activity surrounding SGRO, our overweight exposure to UK stocks produced meaningful alpha (outperformance) for the Portfolio for the June quarter. Note we say UK 'stocks', not the market as we focus first and foremost on bottom-up factors.

Concerns about the UK economy and political situation have weighed on UK REITs in recent years. Perhaps amongst our most contentious positions, collectively UK REITs currently represent ~8% versus the benchmark of just over 3%. The over benchmark weight has been a subject of concern given the seemingly moribund economy, and a government and gilt market constrained by debt and sticky inflation.

Some client and advisor feedback suggests we should have a portfolio construction policy that is regional neutral. With all due respect, this is impractical and ill-advised given we manage a concentrated portfolio focused on identifying value capable of generating superior returns. Why should we have exposure to any market if we don't see any value in its constituency stocks? And if we see value at the stock level, why should we be limited to an almost arbitrary proportion? We are not investing in an index, we are investing in high-quality securitised real estate and we see value in the UK REITs.

Of course, we monitor the economy and the political environment, but we do not believe investors are always consistent or unbiased to the many risks in any economy.

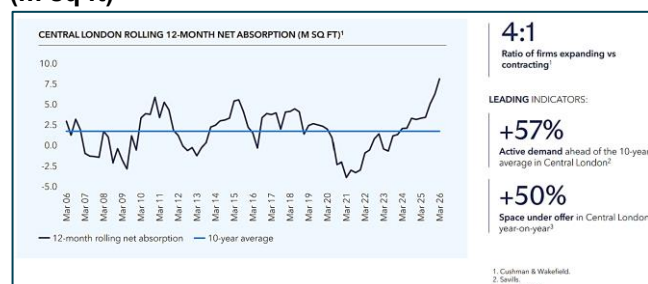
Recognising the risks of home market bias, we are greatly concerned by the profligate spending on the

now economically significant NDIS³. Australia seems to be riding its luck on the back of continued elevated revenues from the commodities super-cycle. The Federal Government's recent blunt-instrument approach to cooling the housing market and broad changes to capital gains taxes has the potential for wider negative impacts on the economy and for state governments heavily reliant on residential stamp duty⁴. Elsewhere, readers of Le Monde will likely attest the situation in France is unstable and its economic growth is weaker than the UKs.

If ever there was a case of buying in gloom, this is it, albeit it could be argued UK gloom is the normal state of affairs. We reiterate our UK exposure should be viewed not as a call on the UK economy but the quality of the portfolios and the strength of the specific segments in which they operate. We are simply investing in outstanding real estate platforms at relatively attractive prices.

Apart from JP Morgan's new European headquarters in Canary Wharf (a vote of confidence in London), the pipeline of new office buildings in London looks limited for several years. This is despite low/moderate market vacancy rates, increasing rents and elevated office leasing volumes as highlighted in the following graphic.

Central London Rolling 12-month net Absorption (m sq ft)



Source: British Land full year results, March 2026

Meanwhile UK retail property, particularly prime malls and retail parks, offers a similar picture. Retail rents have been reset lower over the past 7 years to more sustainable levels, the department store shake-out is largely complete, and cap rates are cyclically weak. Yet quality malls are at or close to full occupancy and rental income is growing with no signs of meaningful new supply on the horizon.

Overall, most of the underlying portfolios we have exposure to in the UK are experiencing high occupancy, trading prices which implies values well below replacement costs, with low supply posing little risk to the dynamic. Landsec (LAND) is a good example. During the quarter, LAND released its financial results which we believe demonstrated the

position of strength of its portfolio as evidenced by the following company presentation excerpt.

Landsec Results Portfolio Highlights – not so gloomy



Landsec FY2025/2026 results presentation, May 2026

Based on pricing at 30 June, LAND is trading at a 25% discount to an NAV we believe to be conservative, a 12x earnings multiple on rents which are growing faster than inflation, is on track to deliver 5% compound earnings growth over the next 3 years and trades at a material discount to replacement costs. The 6.5% dividend yield is a bonus.

It is worth noting that European real estate is seeing commitment of long term capital by foreign investors including by REITs. Notably, PLD's bid for SGRO is the first transatlantic public-to-public deal we have seen in some time. But it isn't the only U.S. REIT actively allocating capital to European real estate, and the UK in particular. Welltower (WELL) has assembled a major portfolio of UK seniors housing and Realty Income (O) has been aggressively purchasing UK retail parks. Equinix and Digital Realty also have been investing in European data centres, including recently purchasing development sites in the Slough area of London.

Furthermore, foreign investment in UK direct real estate remains meaningful. In addition to JP Morgan's commitment to Canary Wharf⁵, Australian superannuation funds have recently been actively buying office buildings in London, and Norges has been acquiring a range of property types, most notably London retail and meaningful positions in the REITs.

No doubt BREXIT has been a drag on the economy, and the economy faces a litany of issues including the government's fiscal position and relatively high tax policies including excessive business rates paid by tenants based on inconsistent real estate values. But the UK, and London in particular, remains a significant economy with considerable business and social infrastructure and leading investment and educational institutions.

We acknowledge some UK REITs have had a chequered past, and we do not dispute there is room

³ National Disability Insurance Scheme

⁴ During the quarter we exited our small positions in Stockland Trust Group (SGP) and Mirvac (MGR)

⁵ Whilst not foreign capital, we note during the quarter Barclays Bank committed to buying its currently leased headquarters building at Canary Wharf for £750m, a sign that the bankers see value in the local market and having some certainty around occupancy costs in light of emerging pressure on rents

for improvement on a number of fronts, particularly in relation to reigning in corporate overheads. As part of the takeover justification, PLD highlighted its management structure is at least 20% more efficient in terms of overheads as a ratio of assets under management. Landsec has focused on this issue, it is part way through a 3-year drive to deliver a 25% cut to overheads. Other UK REIT boards should follow suit else they too will become vulnerable to offers from those more focused on maximizing returns to their stakeholders

We have spent a great deal of time inspecting properties across England – like all markets we invest in – and our desktop research is supported by what we see at the coal face.

Investors feeling UnWELL about rem

Last quarter we noted Welltower's (WELL) egregious executive remuneration package. It's fair to say other investors shared our displeasure with the say-on-pay vote recording a 78% rebuke.

Unfortunately, the vote is non-binding, albeit the extent of the rejection cannot be easily dismissed by the company's remuneration committee. It is now up to the Directors to find a satisfactory and meaningful compromise. As things stand management is creating a yardstick that will be used to justify errant nonsense by other management teams if not only for WELL.

Welltower's executives are testing the limits of credulity of Warren Buffett's principle that good management is underpaid, poor management is overpaid. We do not dispute management has done an outstanding job over the past 5-7 years, they have been far more focused on extracting income and value for shareholders than many other REIT management teams. However, this needs to be tempered with an appreciation that management has done so with no small amount of shareholder capital and with industry operating tailwinds. Most importantly, the remuneration structure is not adequately or wholly aligned with future value creation because senior management would receive 50% of the plan's value simply by virtue of remaining executives of the company over the ensuing five years. We worry that this will be a case of mind over matter: management don't mind and we don't matter. We elaborate on this issue in Appendix 1.

Outlook – Hyper Uncertainty or Business as Usual, focus on Intrinsic Value

The long-term globalization trend has been at least temporarily interrupted and in so doing has fueled inflationary pressures, a situation exacerbated by the unstable situation in the Middle-East and eastern

Europe. Cyber security and data sovereignty now joins energy and border security for the market to fret over. Meanwhile, on the heels of private real estate fund freezes in recent years, mounting issues in the private credit market highlights the perils of private market investing. Crucially these credit concerns do not appear to be weighted to real estate exposure⁶.

But AI is perhaps the most significant immediate challenge in terms of the sheer scale of the investment program and the necessary dividends in terms of transforming productivity and generating earnings for the majority of protagonists and many of their tag-alongs. The irony may be that the intelligence proves to be superficial if not artificial. The ultimate winners may not be obvious for some time, and the losses could be catastrophic.

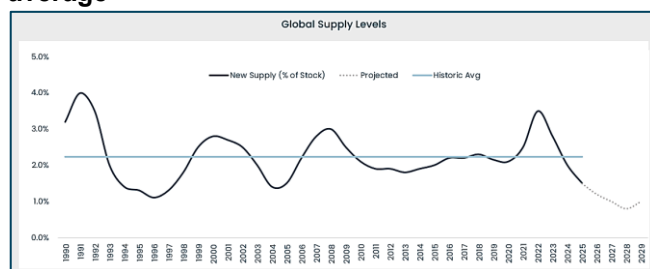
For our purposes, the key is to understand the impacts on physical demand for commercial real estate and intrinsic value. Our Portfolio is weighted toward needs-based and flexible space owned and operated by some of the most outstanding managers in the commercial real estate industry with little need for additional capital.

As we have been at pains to point out, despite high CRE occupancy in most sectors, there is limited new development taking place. This is an outcome of the significant increase in construction costs, investors' caution about future tenant demand levels, and increased competition for capital. Bottom line. hurdle rates have increased, suggesting to some degree the sector is being priced conservatively.

Crucially, we believe REITs are on average valued at or close to building replacement costs, i.e. intrinsic value.

We are unsure if the same critical analysis is being applied to other parts of the investment market.

Global Real Estate Supply – below long-term average



Source: MSCI, JLL, PMA, LSEG, LaSalle, February 2026.

In this environment we are likely to see further consolidation in public REIT markets as management teams seek scale and reduce overheads drag.

In summary, the listed real estate sector is largely self-funding with limited need to raise additional capital. We

⁶ Although we are watching Australian residential in particular in light of the cooling measures taken by the federal government

believe our portfolio is exposed to real estate with clearly visible cashflows, often underpinned by needs-based demand and/or medium to long term contracts, and demonstrating pricing power will generate attractive risk adjusted returns.

Appendix 1: Welltower faces remuneration backlash

At its AGM in May in 2026, Welltower (WELL) received a significant vote against its executive remuneration policy, with almost 81% of shareholder voting against the resolution. This was one of the largest votes against remuneration in the U.S. for many years. Remuneration resolutions in the U.S. are advisory, so not binding, but the outcome contains a significant reputational component for companies that do not bring shareholders on board.

The program in question is unprecedented within the REIT industry for its size and structure. The program, which was board approved, stands to award the CEO and four other named executives a significant number of shares as a long-term incentive, vesting over five years and with a holding period of five years after that. Long term outperformance awards with large payouts for ambitious hurdles are not unusual nor unprecedented. What makes the Welltower program stand out is the scale of awards and the structure of how these awards are paid.

The scale is significant. The CEO received US\$800m in shares in October 2025 when the plan was adopted, and if the market capitalisation and relative shareholder return performance hurdles are met, they will vest in 2030 with a value of approximately US\$3bn. While the CEO's annual salary has been reduced to US\$110,000, he will receive distributions on the awarded, but unvested, time-based shares from the grant date, providing another lucrative income stream during the performance period.

The structure for the award is also noteworthy for several troubling aspects that are very favourable to the CEO. Half of the award is time based, so no matter what happens in terms of company performance, approximately US\$400m, at grant date, in shares will vest from 2030. There is a termination clause that requires the CEO to be paid US\$500m if he is removed without cause or if he resigns for good reason. Finally, the clawback policy only applies to fraud or criminal conduct, the absence of poor performance in this policy weakens the downside protection for shareholders.

We voted against the remuneration resolution for the reasons outlined above. We believe the magnitude of the compensation program as well as the 50% weighting on remaining employed at the company represents a misalignment with investors interests. The amount of money awarded is unprecedentedly high, and the structure of the award is only partly based on performance. Importantly, we also voted against the

four directors (Johnese Spisso, Ade Patton, Sergio Rivera, Kathryn Sullivan) sitting on the compensation committee under whose auspices this plan was created. These directors all received elevated votes against their re-election, at 24 – 27% votes against. We also informed the company of our intention to vote against the remuneration plan and the four directors ahead of this year's AGM.

We have engaged with company management over the last six months to better understand the reasoning behind implementing this plan, and to attempt to amend the plan in the lead up to the AGM vote. From our ongoing discussions, we understand that the board is reviewing a potential response to the very clear negative shareholder vote against the remuneration plan at the recent annual meeting. We would expect to see progress on this front later this year.

Typically, when companies have received elevated votes against remuneration resolutions they hold engagements with major shareholders. These engagements are to understand reasons for Against votes and to seek recommendations for improvements that could lead to shareholder acceptance, while minimizing changes.

Two other examples of extraordinary CEO pay facing shareholder pushback have been Prologis (PLD) and Simon Property Group (SPG), each slightly different to Welltower's case, however both showed the power of shareholder action in influencing a board's decision on remuneration.

In 2011 Simon Property awarded its previous Chairman and CEO, the late David Simon, a one-off, time-based, retention payment of US\$120m LTIP units. This received 73% votes against at the next AGM in 2012, and the proposal did not survive the shareholder engagement process.

In PLD's case, its Chairman and CEO, Hamid Moghadam, had faced shareholder opposition for several years with annual pay peaking at US\$50m. After receiving a 72% vote against in 2023 and widely engaging with shareholders, the PLD CEO requested his annual pay be capped at US\$25m from 2024.

Welltower has not announced such an engagement program as at the end of June, but we will be watching for this announcement. We will be pressing Welltower to make a number of changes to the remuneration plan. These recommendations will include a reduction in the value of the award, increasing the proportion of performance-based pay and providing more downside protection for shareholders in the clawback policy.

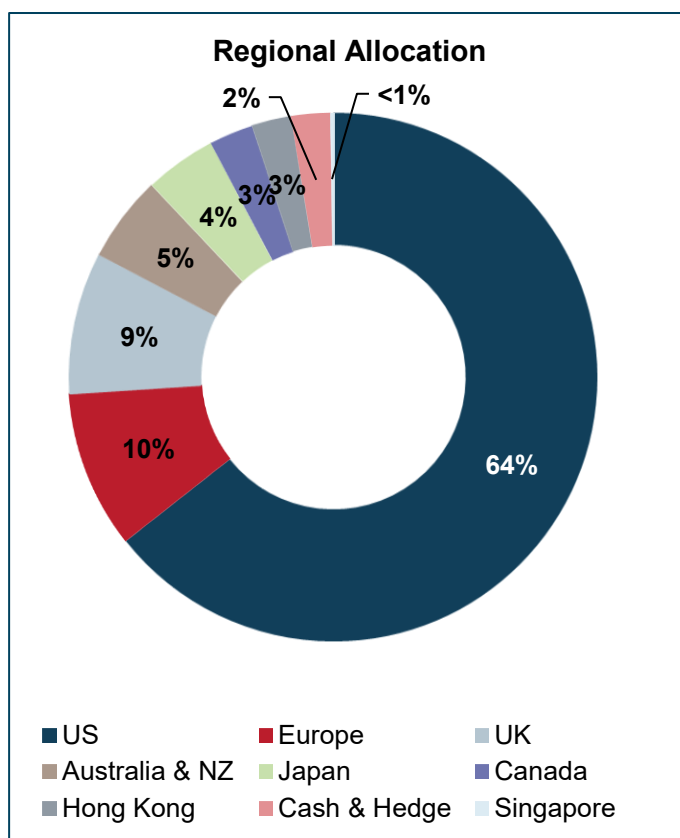
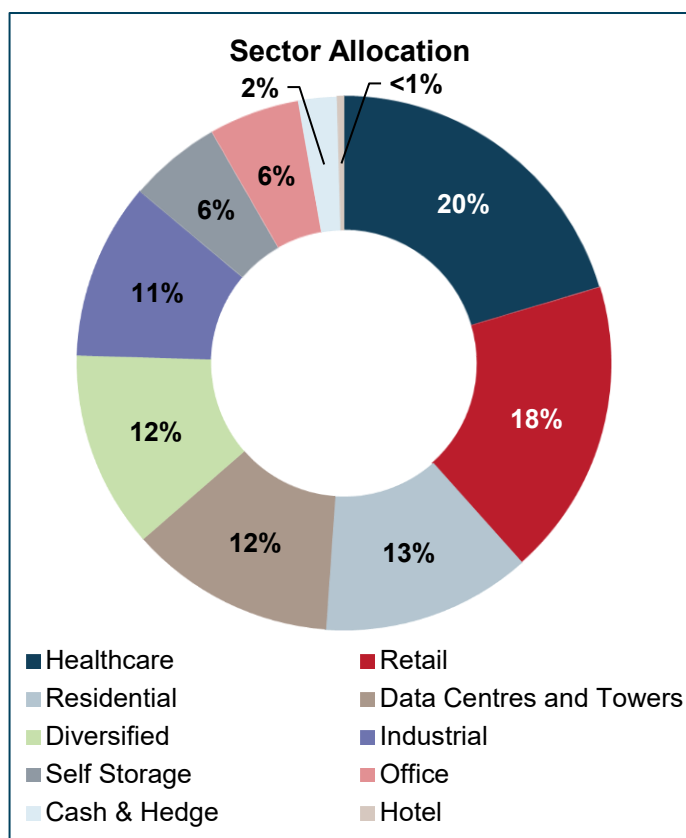
Fund Top 10 Holdings

Top 10 Portfolio Holdings – 30 June 2026

Stock	Sector	Listing	Portfolio Weight
Welltower Inc.	Healthcare	US	9.5%
Equinix, Inc.	Data Centres And Towers	US	7.5%
Federal Realty Investment Trust	Retail	US	4.8%
Vornado Realty Trust	Office	US	4.6%
Ventas, Inc.	Healthcare	US	4.4%
Digital Realty Trust, Inc.	Data Centres And Towers	US	4.1%
Unibail-Rodamco-Westfield SE	Retail	Europe	3.7%
Essex Property Trust, Inc.	Residential	US	3.7%
Simon Property Group, Inc.	Retail	US	3.6%
Extra Space Storage Inc.	Self Storage	US	3.3%

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

Allocations – 30 June 2026



Source: Resolution Capital

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