

# Resolution Capital Core Plus Property Securities Fund – Series II



APIR Code	IOF0044AU
ARSN Code	087 719 917

## Month Ending November 2018

	1 Month %	3 Months %	1 Year %	3 Years p.a. %	5 Years p.a. %	10 Years p.a. %	Since Inception* p.a. %
Fund^ Return (After Fees)	-0.12	-5.04	1.05	8.80	11.79	9.14	8.34
Benchmark# Return	-0.27	-4.87	1.64	8.35	11.89	9.14	7.95
Value Added (After Fees)	0.15	-0.17	-0.59	0.45	-0.10	0.00	0.39

\*31 August 1994.

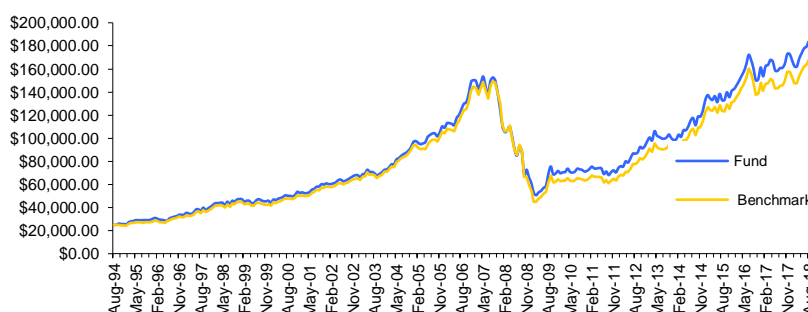
#Benchmark is S&P/ASX 300 AREIT Accumulation Index.

\*Please note this Fund was previously known as the Perennial Australian Property Wholesale Trust. Resolution Capital was appointed the investment manager of the Fund, effective 1 November 2014.

### Fund Facts

*Inception Date	31 August 1994
Fund Size	\$30.8 Million
Management Costs	0.92 % p.a.
Buy/Sell Spread	+0.20%/-0.20%
Minimum Investment	\$25,000
Distribution Frequency	Half Yearly

### \$25,000 invested Since Inception\*



Top 5 Weights		
Security Name	%	
1. Scentre Group	20.30	
2. Goodman Group	12.96	
3. Dexus	12.29	
4. URW - AU	7.96	
5. GPT Group	6.95	

### Market Commentary

The S&P/ASX 300 A-REIT Accumulation Index produced a total return of -0.3% for the month ending 30<sup>th</sup> November 2018, outperforming the Australian equities market (S&P/ASX 300 Accumulation Index), which declined 2.18%.

Office was the best performing sector over the month, generating a total return of 1.4%. The retail sector was the weakest performer with a total return of -1.9%.

Top 5 Contributors		
Security Name	%	
1. Dexus	0.28	
2. GPT Group	0.15	
3. Arena	0.11	
4. Ingenia Communities Group	0.06	
5. Charter Hall Group	0.05	

Office A-REIT Dexus (DXS) announced that it will be divesting \$1.4bn (or approximately 70%) of its industrial portfolio into a newly formed unlisted joint venture, Dexus Australian Logistics Trust. Singapore Sovereign Wealth Fund GIC will initially take a 25% stake in the JV. The divestment is marginally earnings dilutive but will increase DXS's exposure to its core competency in office and also improving the company's balance sheet capacity. DXS will continue to manage the assets.

Cromwell Property Group (CMW) launched a \$300m equity raise. The company will use \$124m of the proceeds to fund CMW's share of CEREIT's (Cromwell European Real Estate Investment Trust) recent equity raise. CMW owns a 35.3% stake in this Singaporean listed REIT. The remainder of the proceeds will be used to repay debt.

Bottom 5 Contributors		
Security Name	%	
1. URW - AU	-0.60	
2. Scentre Group	-0.41	
3. Goodman Group	-0.15	
4. Abacus Property Group	-0.04	
5. Cromwell Property Group	-0.01	

Sun Communities (SUI-US), a US focused manufactured housing REIT, announced that it will take a strategic investment in Ingenia Communities Group (INA), which owns similar properties in Australia. SUI will invest approximately US\$54m (A\$73m) for a 9.9% ownership stake in INA. Both REITs will also form a 50/50 joint venture with the goal to establish and grow a manufactured housing community development program in Australia.

Goodman Property Group (GMG) held its AGM which saw 45.5% of shareholders vote against the remuneration report. This was GMG's 'first strike' and if 25% or more of votes are

cast against next year the entire board is required to put itself up for re-election.

Diversified A-REIT Growthpoint Properties Australia (GOZ) acquired an A-grade office asset in Brisbane for \$250m, reflecting a 5.7% yield. The building was completed in 2014 and has a 7.5 year weighted average lease expiry. The acquisition was partially funded by an equity raising of ~\$135m.

Stockland (SGP) divested two retail assets, Stockland Bathurst and Stockland South, for \$113m, at a 5% discount to book value. The asset sales are consistent with the company's focus on divesting non-core retail assets.

Lastly, Steven Lowy, the former co-CEO of Westfield, has said he will retire from the board of Scentre Group (SCG) next year. SCG was formed in 2014 when it was spun out of the Westfield retail giant, which his father Sir Frank and John Saunders founded in 1960.

## Fund Details

Investment Manager	Resolution Capital
Objective	<ul style="list-style-type: none"><li>The Fund aims to achieve an annual total return that exceeds the total return of the Benchmark after fees on a rolling 3 year basis.</li></ul>
Benchmark	<ul style="list-style-type: none"><li>S&amp;P/ASX 300 AREIT Accumulation Index.</li></ul>
Portfolio Allocation	<ul style="list-style-type: none"><li>65-100% invested in ASX listed REITs.</li><li>0-20% invested in global listed REITs and real estate securities.</li><li>0-15% invested in cash and short dated money market securities.</li><li>For reasons of investment efficiency, the Fund may gain its exposure by holding units in other Resolution Capital Funds.</li></ul>
Investment Timeframe	<ul style="list-style-type: none"><li>Medium to long term, being 5 or more years.</li></ul>
Number of Stocks	<ul style="list-style-type: none"><li>Generally 20 to 30.</li></ul>
Minimum Investment	<ul style="list-style-type: none"><li>Indirect investors: refer to the operator of your service.</li><li>Direct investors: minimum initial investment \$25,000.</li></ul>
Platform Availability	<ul style="list-style-type: none"><li>BT Wrap</li><li>HUB24</li><li>IOOF Portfolio Service</li><li>IOOF Pursuit Select</li><li>Macquarie Wrap</li><li>MLC Navigator</li><li>MLC Wrap</li><li>Premium Choice</li></ul>

## Contact Us

### Investor Contact Details

Email: [contact@rescap.com](mailto:contact@rescap.com)

Phone: 1300 737 240

Website: [www.rescap.com](http://www.rescap.com)

### Adviser Contact Details

Pinnacle Investment Management

Email: [distribution@pinnacleinvestment.com](mailto:distribution@pinnacleinvestment.com)

Phone: 1300 010 311

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