

Resolution Capital Global Property Securities Fund (Unhedged) – Series II



APIR Code IOF0184AU

ARSN Code 118 076 529

Month Ending December 2018

	1 Month %	3 Months %	1 Year %	3 Years p.a. %	5 Years p.a. %	7 Years p.a. %	Since Inception* p.a. %
Fund^ Return (After Fees)	-2.33	-3.75	3.41	4.61	10.22	13.71	13.52
Benchmark# Return	-2.04	-3.07	4.84	3.85	9.46	13.21	13.11
Value Added (After Fees)	-0.29	-0.68	-1.43	0.76	0.76	0.50	0.41

*30 November 2011.

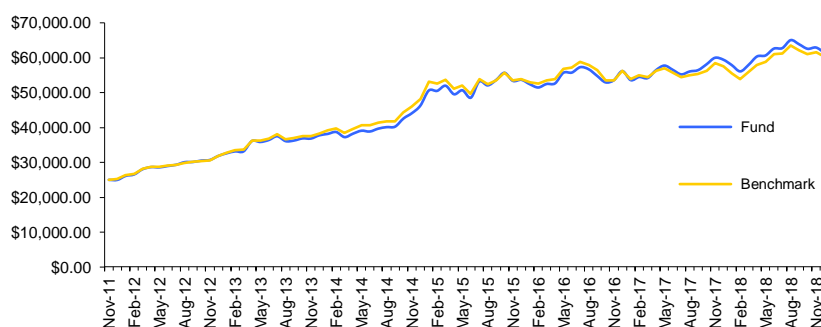
^Please note this Fund was previously known as the Perennial Unhedged Global Property Trust. Resolution Capital was appointed the investment manager of the Fund, effective 1 November 2014.

#Benchmark is FTSE EPRA/NAREIT Developed Index (AUD) Net TRI.

Fund Facts

*Inception Date	30 November 2011
Fund Size	\$209.6 Million
Management Costs	1.05% 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. Simon Property Group	5.89	
2. Prologis	5.87	
3. Equity Residential	5.60	
4. Deutsche Wohnen	4.34	
5. Boston Properties	3.83	

Top 5 Contributors		
Security Name	%	
1. Link REIT	0.22	
2. Dexus	0.18	
3. Sun Hung Kai Properties	0.15	
4. Wharf Real Estate	0.09	
5. Assura	0.07	

Bottom 5 Contributors		
Security Name	%	
1. Prologis	-0.55	
2. Boston Properties	-0.42	
3. Simon Property Group	-0.34	
4. Empire State Realty Trust	-0.23	
5. Equity Residential	-0.19	

Market Commentary

The FTSE EPRA/NAREIT Developed Index (AUD) Net TRI produced a total return of -2.0% for the month ended 31 December 2018. Regionally, Australia was the strongest performer, delivering a total return of 2.3% in local currency terms. The poorest performing region was the U.S. with a -8.2% total return, followed by Continental Europe delivering -5.0%.

Overall, the market appeared to be concerned with signs of slowing economic growth in many of the world's larger economies. U.S. REITs were impacted by rising US interest rates together with signs of pressure on corporate profit margins.

As part of its strategy to expand its resort offering, DiamondRock Hospitality (DRH) acquired a 142-room resort in the Golden Gate National Recreation Area in Sausalito, California for US\$150m or a 12.8x earnings multiple.

Healthcare REIT, Welltower (WELL) announced the acquisition of 55 buildings from CNL Healthcare for US\$1.25bn. During the month, the Qatar Investment Authority (QIA) established an interest in WELL through a US\$300m investment. In the terms, QIA also has an option to acquire an interest in a development pipeline of urban senior living communities.

There were also a number of equity offerings during the month. Healthcare REIT, HCP announced a forward equity sale of c.US\$500m, to be settled within 12 months of entry into the forward sale agreement. Apartment REIT, UDR Properties (UDR) raised US\$300m through an equity offering. The company is likely to invest the proceeds in the New York and Philadelphia markets.

In Canada, ECREIT or European Commercial Real Estate Investment Trust (ERE.UN) announced the acquisitions of 41 multi-residential properties in the Netherlands from Canadian Apartment Properties (CAPREIT) for C\$634m. The sale will create Canada's first European-focused multi-residential REIT. The transaction was partially funded through issuance units, giving CAPREIT majority ownership of ECREIT. During the month, CAPREIT also raised approx. C\$250m through an equity offering.

Hong Kong based retail REIT, Link REIT (823) disposed of 12 properties to Gaw Capital Partners for a total of HK\$12bn at a 32% premium to the appraised value of the portfolio. Following the disposal of the properties and the acquisition of Beijing Jingtong Roosevelt Plaza (as announced in November 2018), Link will have approx. 90.1% of its assets in Hong Kong and 9.9% in mainland China.

In Europe, diversified property company Covivio (COV) exited a portfolio of non-strategic assets in Italy (Milan and Turin) for €220.5m, implying a net yield of c.4%. Proceeds from the sale were used to complete the purchase of a building in Greater Paris for €121m.

Finally, Belgian healthcare company Aedifica (AED) acquired a portfolio of 93 healthcare properties in the UK for £450m at an initial gross yield of 7%. The acquisition marks the groups entry into the UK market. The properties are leased to 14 operators on inflation-linked triple net leases with a 22 year lease term.

Fund Details

Investment Manager	Resolution Capital
Objective	<ul style="list-style-type: none">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.
Benchmark	<ul style="list-style-type: none">FTSE EPRA/NAREIT Developed Index (AUD) Net TRI.
Portfolio Allocation	<ul style="list-style-type: none">85-100% invested in global listed REITS and real estate securities.0-15% invested in cash and short dated money market securities.For reasons of investment efficiency, the Fund may gain its exposure by holding units in other Resolution Capital Funds.
Investment Timeframe	<ul style="list-style-type: none">Medium to long term, being 5 or more years.
Number of Stocks	<ul style="list-style-type: none">Generally 30 to 60.
Minimum Investment	<ul style="list-style-type: none">Indirect investors: refer to the operator of your service.Direct investors: minimum initial investment \$25,000.
Platform Availability	<ul style="list-style-type: none">AMP NorthBT WRAPHUB24IOOF Portfolio ServiceIOOF Pursuit SelectMacquarie WrapuXchange

Contact Us

Investor Contact Details

Email: contact@rescap.com

Phone: 1300 737 240

Website: www.rescap.com

Adviser Contact Details

Pinnacle Investment Management

Email: distribution@pinnacleinvestment.com

Phone: 1300 010 311

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