

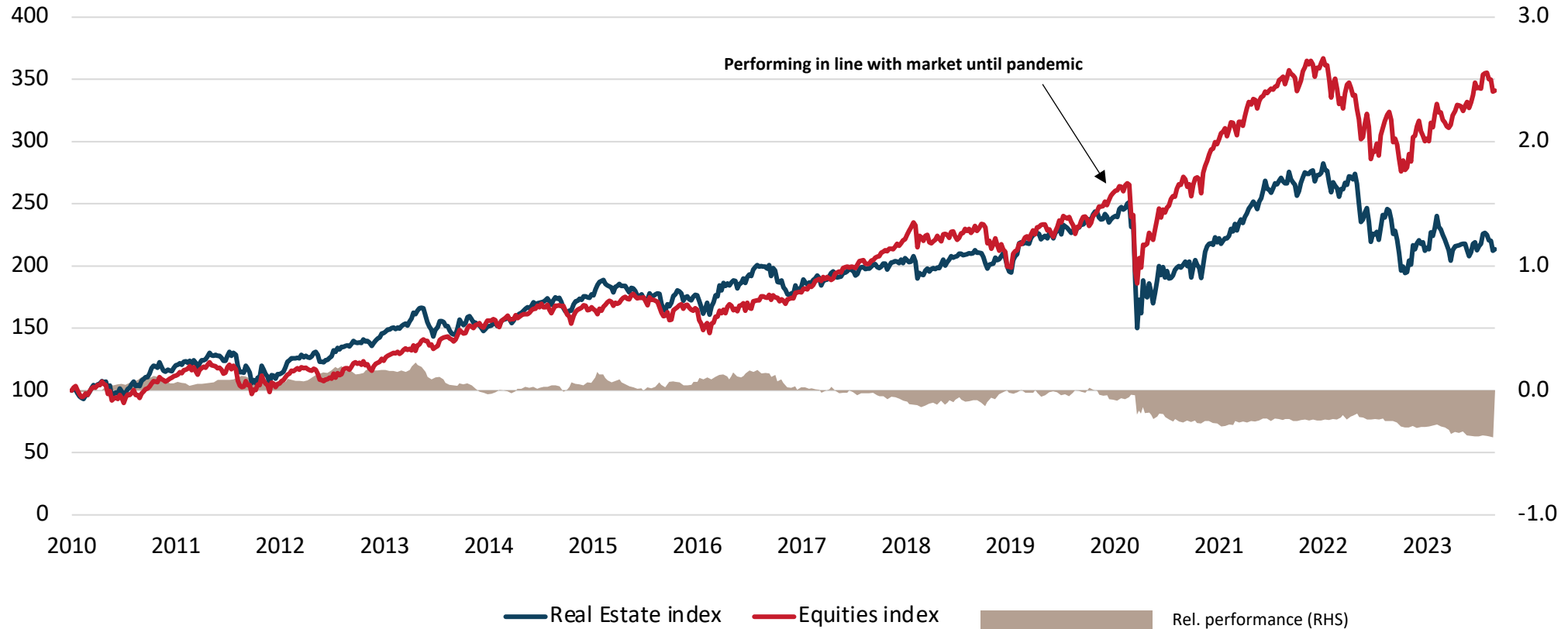


SEPTEMBER 2023

Global REITs – Positioned to capitalise

Pinnacle Summit

Global REITs vs Global Equities Total Returns Index



Source: Datastream, UBS. Priced close of 24 August 2023
Real Estate Index: FTSE EPRA NAREIT Developed USD
Equities Index: FTSE Developed



High quality relevant real estate



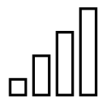
Liquidity



Inflation hedge : ↑ cashflows



Diversification

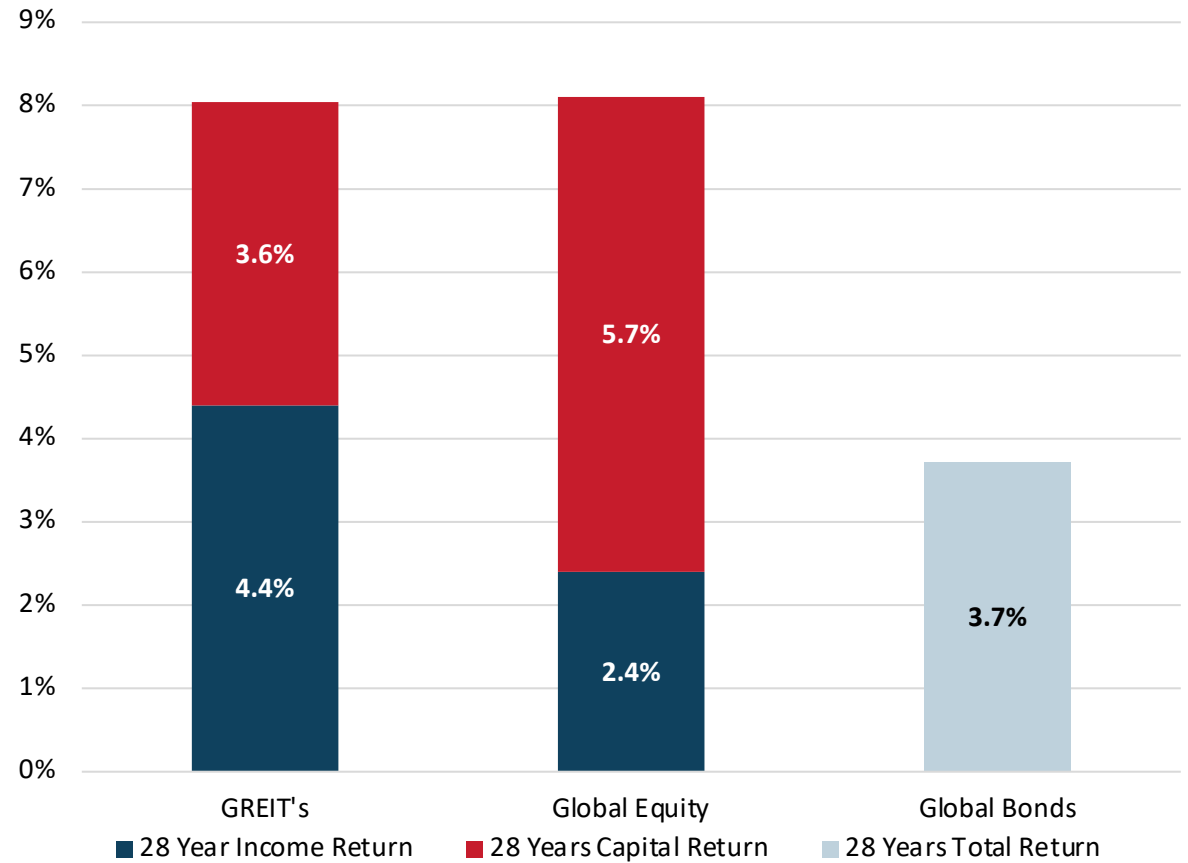


Sound balance sheets



Attractive relative valuation

28 Year Total Return to June 2023



As at June 30, A\$ Returns
GREITs- FTSE EPRA Nareit Developed Index
Global Equity – MSCI World Index
Global Bonds- Bloomberg Global Aggregate Bond Index

Global REITs – Economically relevant real estate

NECESSITY RETAIL
15%



RESIDENTIAL
23%



HEALTHCARE
9%



DATA CENTRES / TOWERS
12%



LOGISTICS
11%



Return of the store

Housing undersupply

Ageing Population


Digitisation

Supply chain
realignment

**Regency
Centers.**

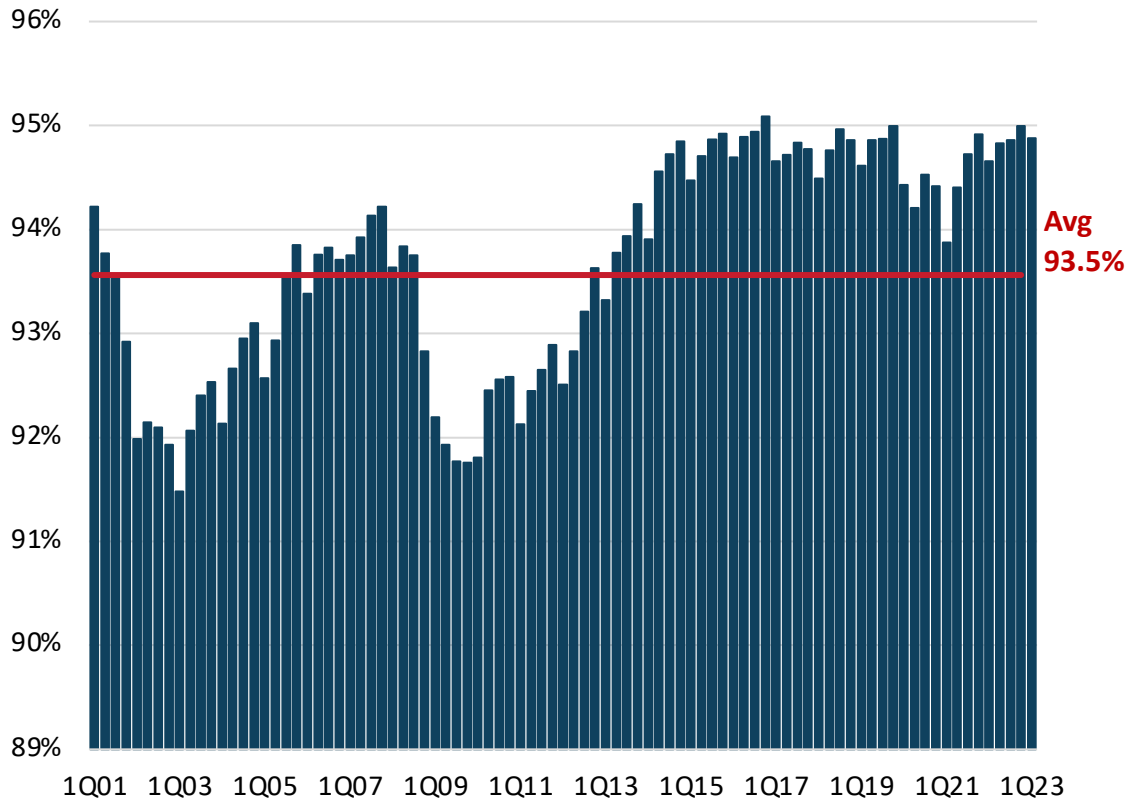
 **invitationhomes**

welltower

 **EQUINIX**

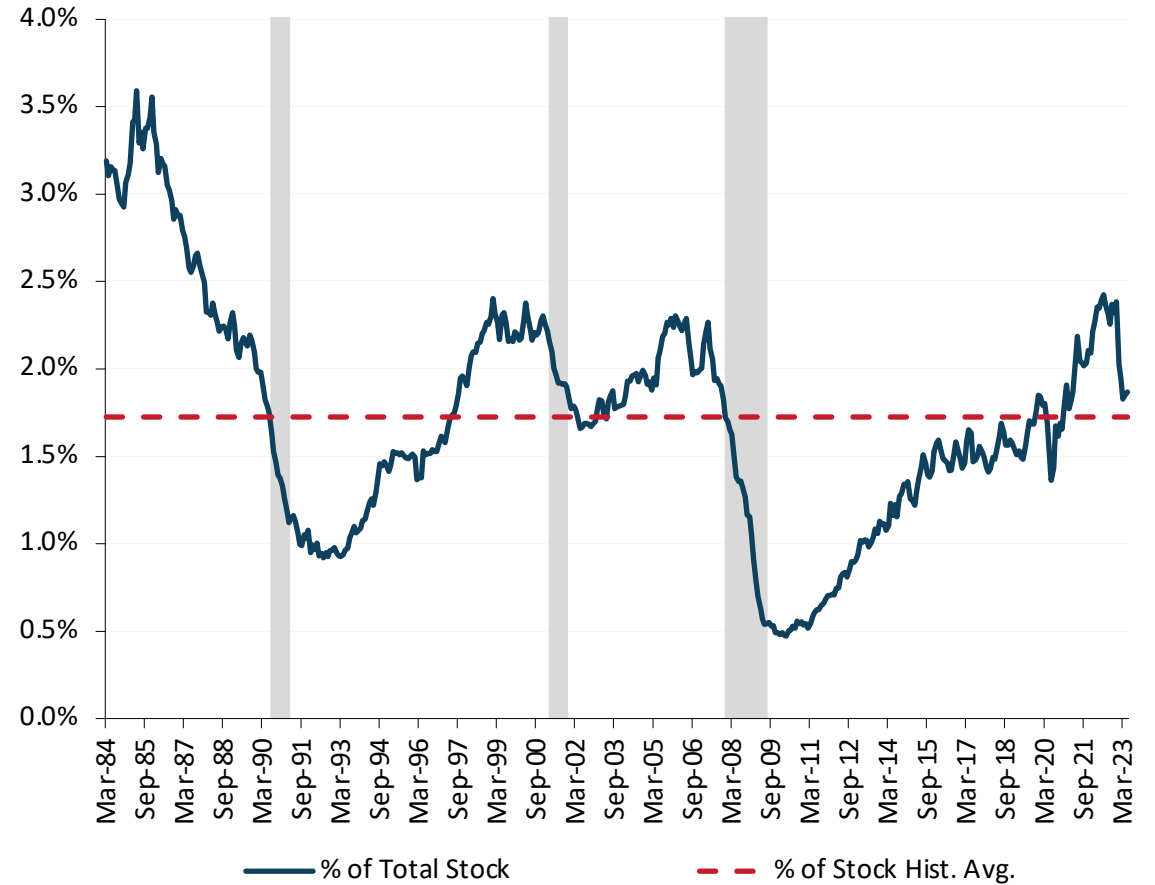
 **PROLOGIS**

U.S. REIT Occupancy – Record Highs



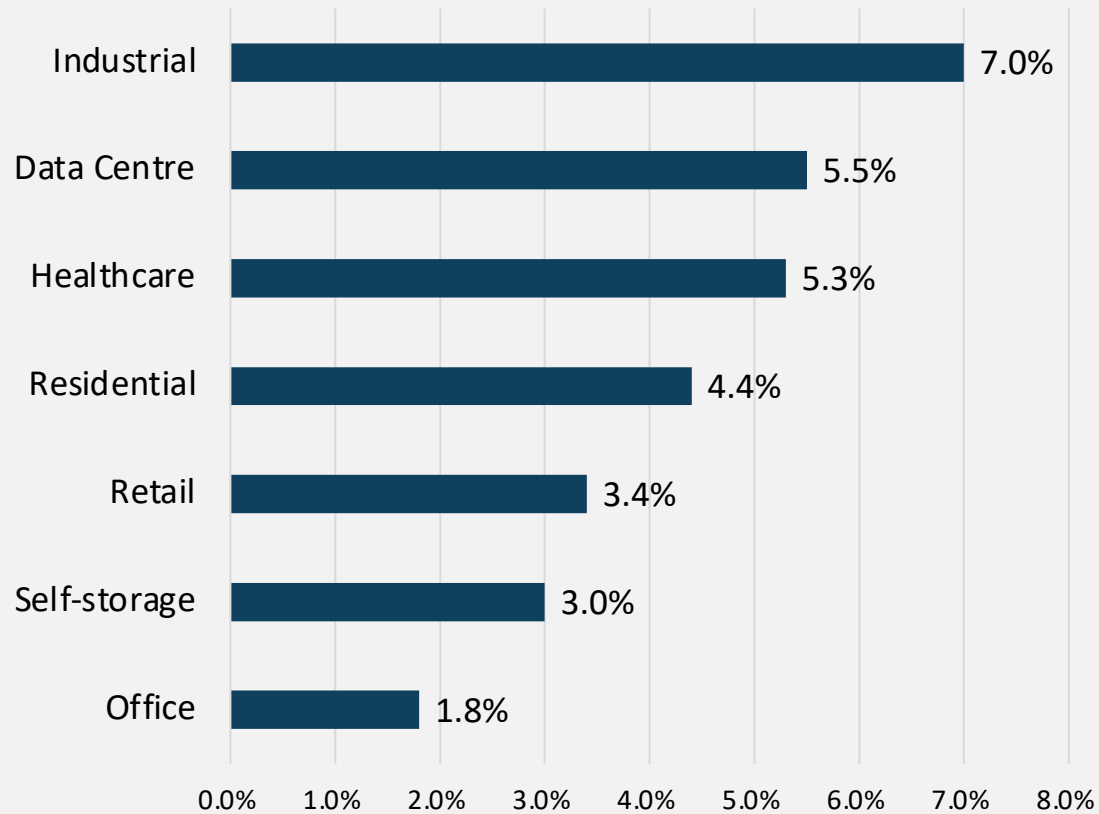
Source: Citi Research June 2023

Moderate Supply U.S. Aggregate Construction Starts as % of Inventory



Source: Citi Research June 2023

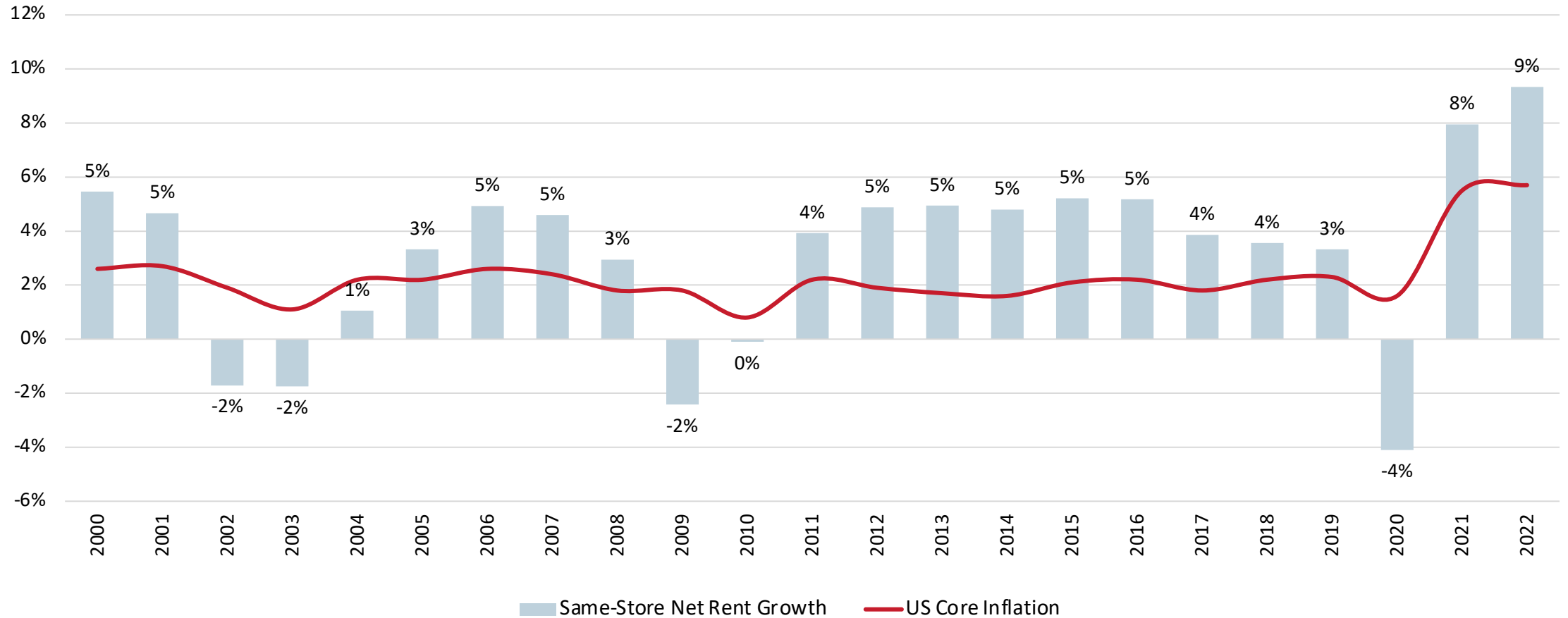
FY24 Forecast Net Rent Growth



- Contractual rent escalations
 - CPI linked leases
 - Rent increases on expiry / renewal
 - Occupancy increasing (healthcare, retail, D.C.)
- ➔ Healthy rent growth

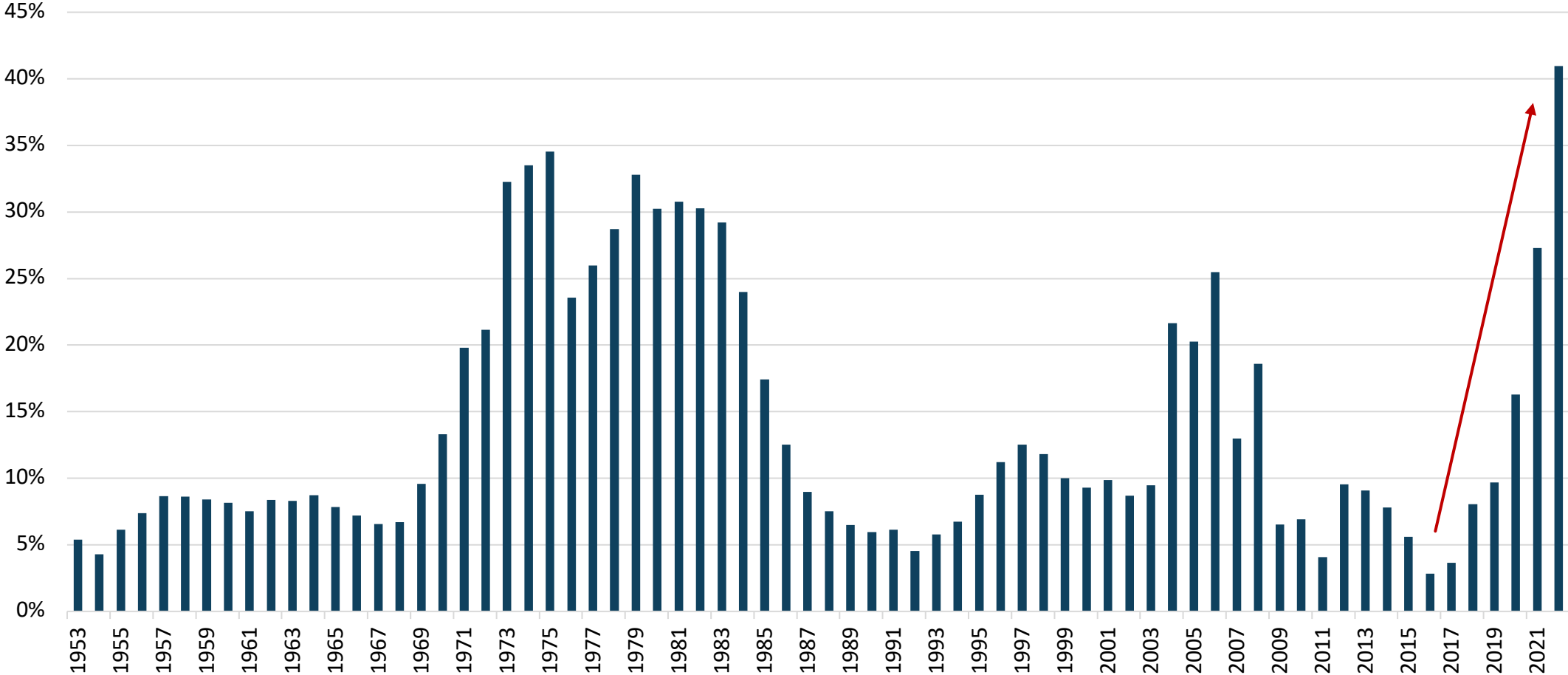
Source: ResCap estimates. Simple average of FY24 Net operating income growth forecasts for ResCap Portfolio @ July 2023.

Real Estate Income Growth v Inflation



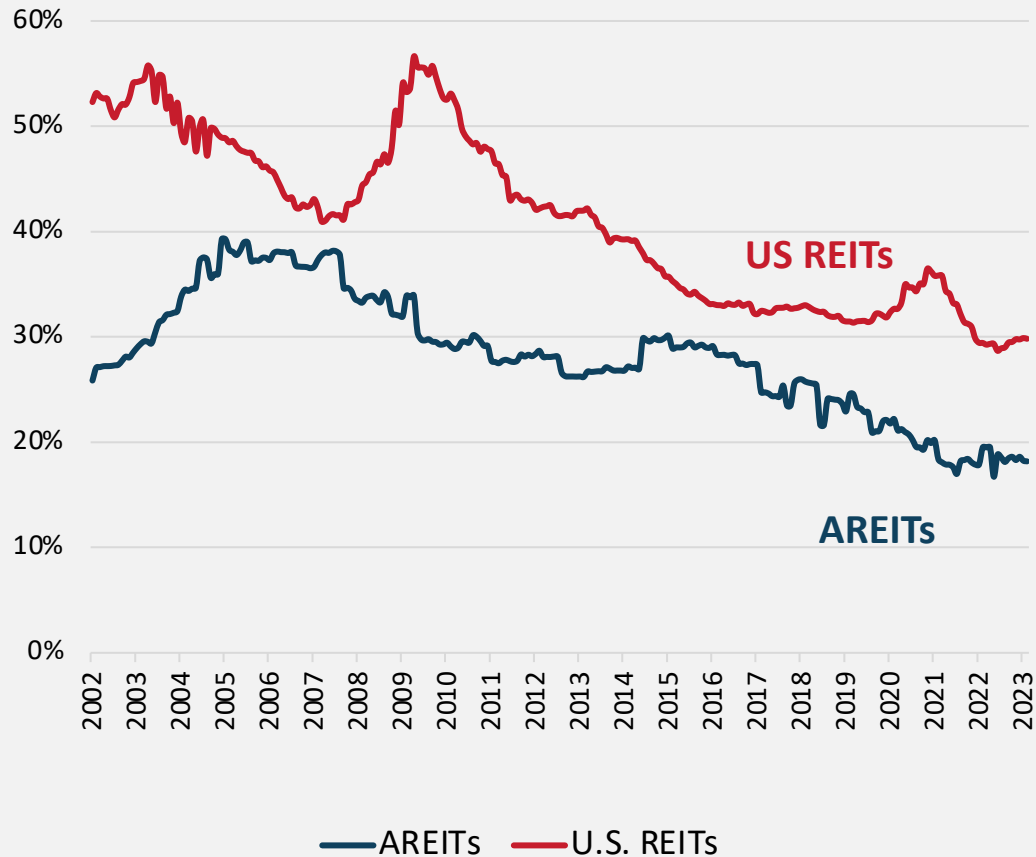
Source: Green Street Advisors, ResCap. Simple average of U.S. core property sectors

Rolling 3 Year Real Property Replacement Cost Trend



Source: ResCap, Zurich Real Property Replacement Cost Trend. Jan 2023

Net Debt / Gross Asset Value (LTV)



ResCap Portfolio

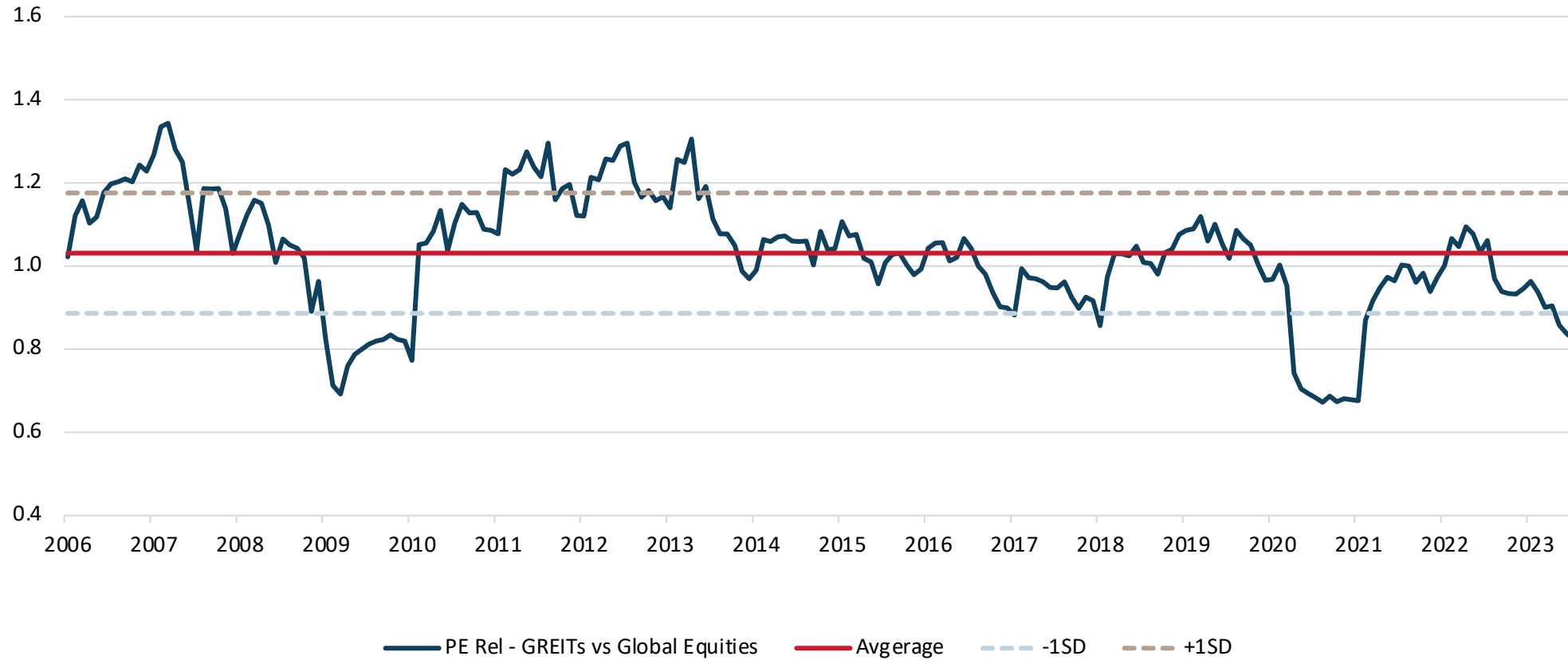
- Modest leverage: LTV 28%
- Long term debt: Avg 6.7 yrs
- 88% debt hedged / fixed rate
- Well laddered debt maturity profile
- Low payout ratio
- Diversity of debt sources

REITs positioned to capitalise

	REIT Buyer	PE Seller	Sector	Price
	Prologis (PLD)	Blackstone	Industrial	US\$3.1b
	Public Storage (PSA)	Blackstone	Storage	US\$2.2b
	Ryman Hospitality (RYN)	Blackstone	Hotel	US\$0.8b
	Vici Properties (VICI)	Blackstone	Gaming	US\$1.3b
	Realty Income (O)	Blackstone	Gaming	US\$0.95b*
	Invitation Homes (INVH)	Starwood	SF Residential	US\$0.7bn

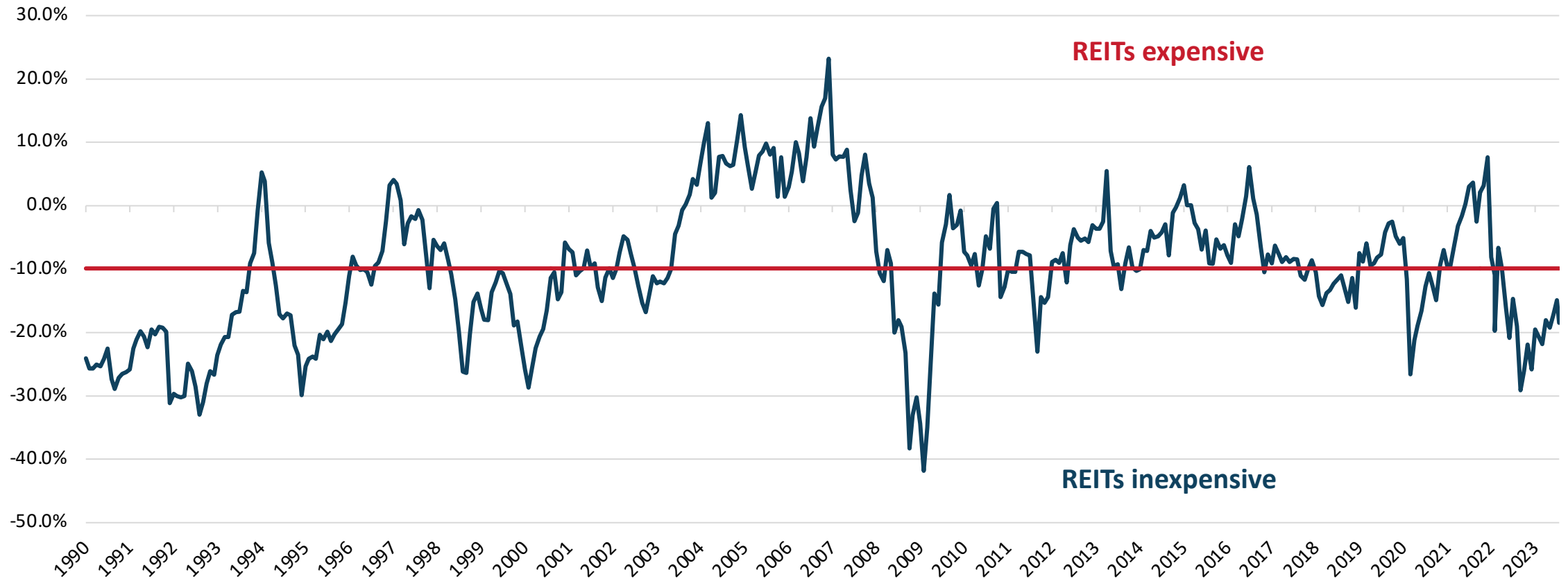
- Private managers shedding assets to meet redemptions
- REITs positioned to capitalise:
 - Sound balance sheets
 - Access to capital

Global REITs – PE Relative to Global Equities



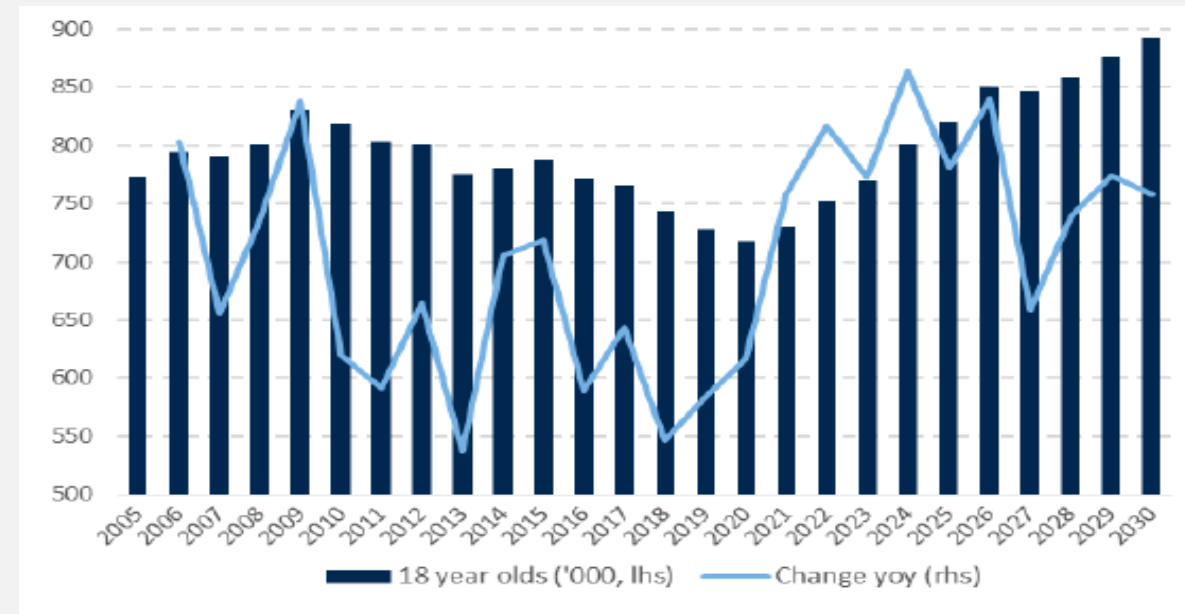
Source: UBS, Datastream, Global Equities: MSCI World; Global REITs UBS data (July 2023)

Global REITs - Price to Net Asset Value



- Leading UK student accommodation provider
 - £6bn portfolio / c.70,000 beds
- Record student demand / constrained supply
 - 99% occupancy
 - 7% rent growth
- Defensive income profile
- Profitable development pipeline enhancing returns
- Solid balance sheet: <math><6.5x</math> net debt/EBITDA, ~25% LTV
- 3 yr EPS growth forecast avg. 9% p.a.

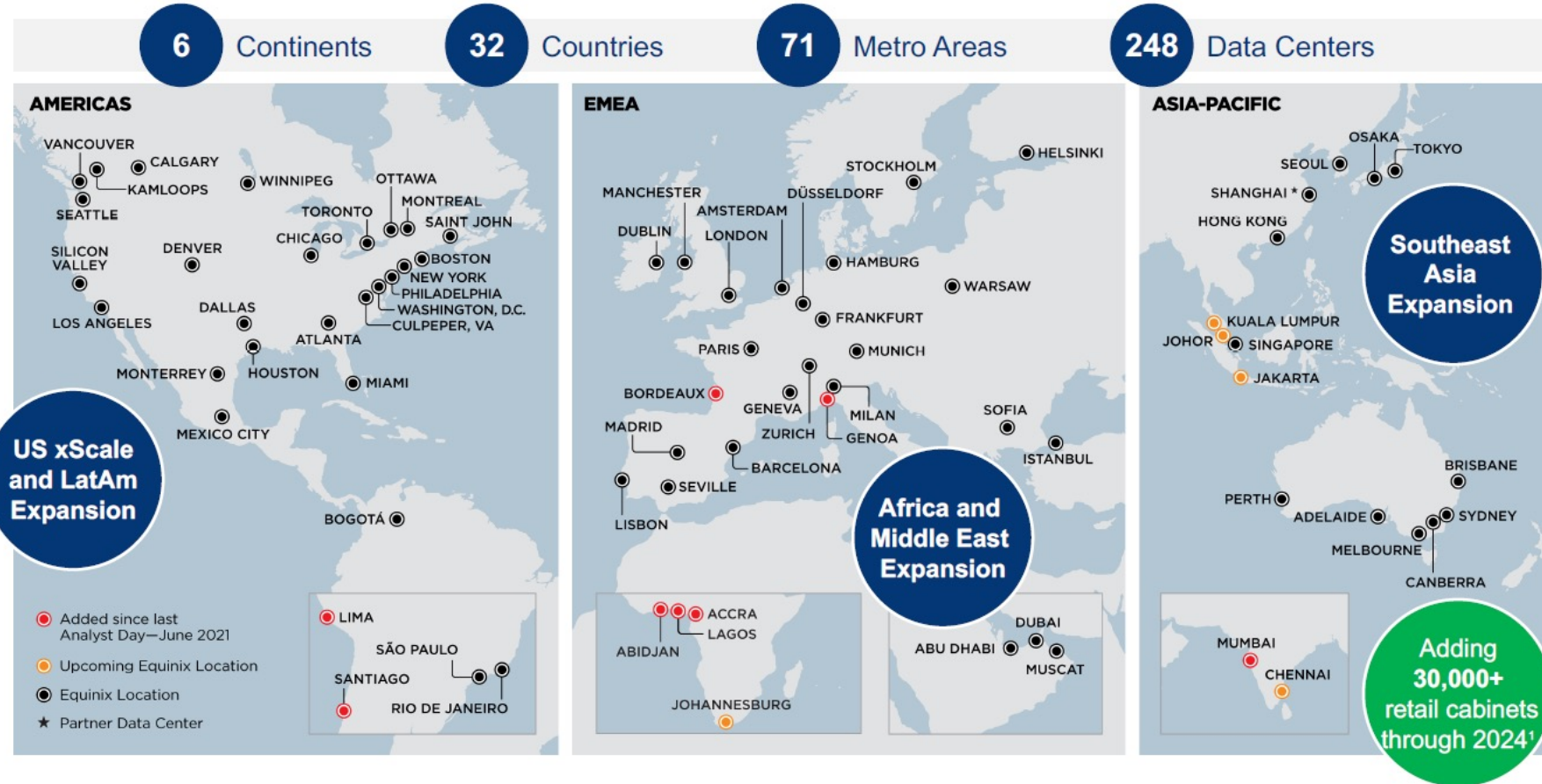
Number of 18-year-olds in UK increasing circa 22% by 2030



Source: RBC Capital markets



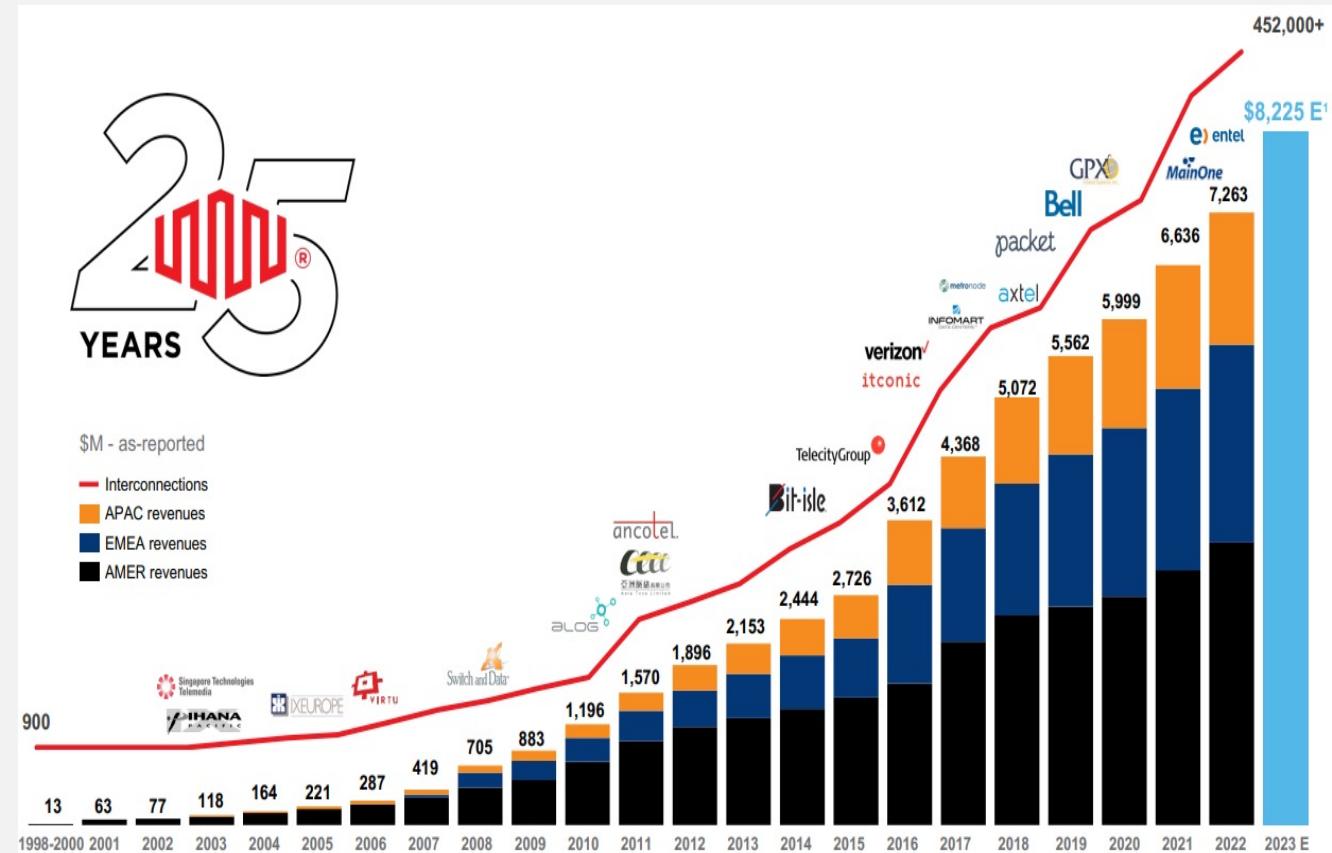
EQIX has a global footprint



- US\$85bn global portfolio
- Strong demand & moderate supply
- **AI** is a long-term demand catalyst
- Value proposition
 - Critical ecosystems
 - Network density
 - Low latency
 - Interconnection
- 96% renewable power (100% pledge)
- Robust balance sheet – net debt/EBITDA 3.6x
- 3-year EPS growth forecast 7-10% p.a.

Source: ResCap estimates, company data. July 2023

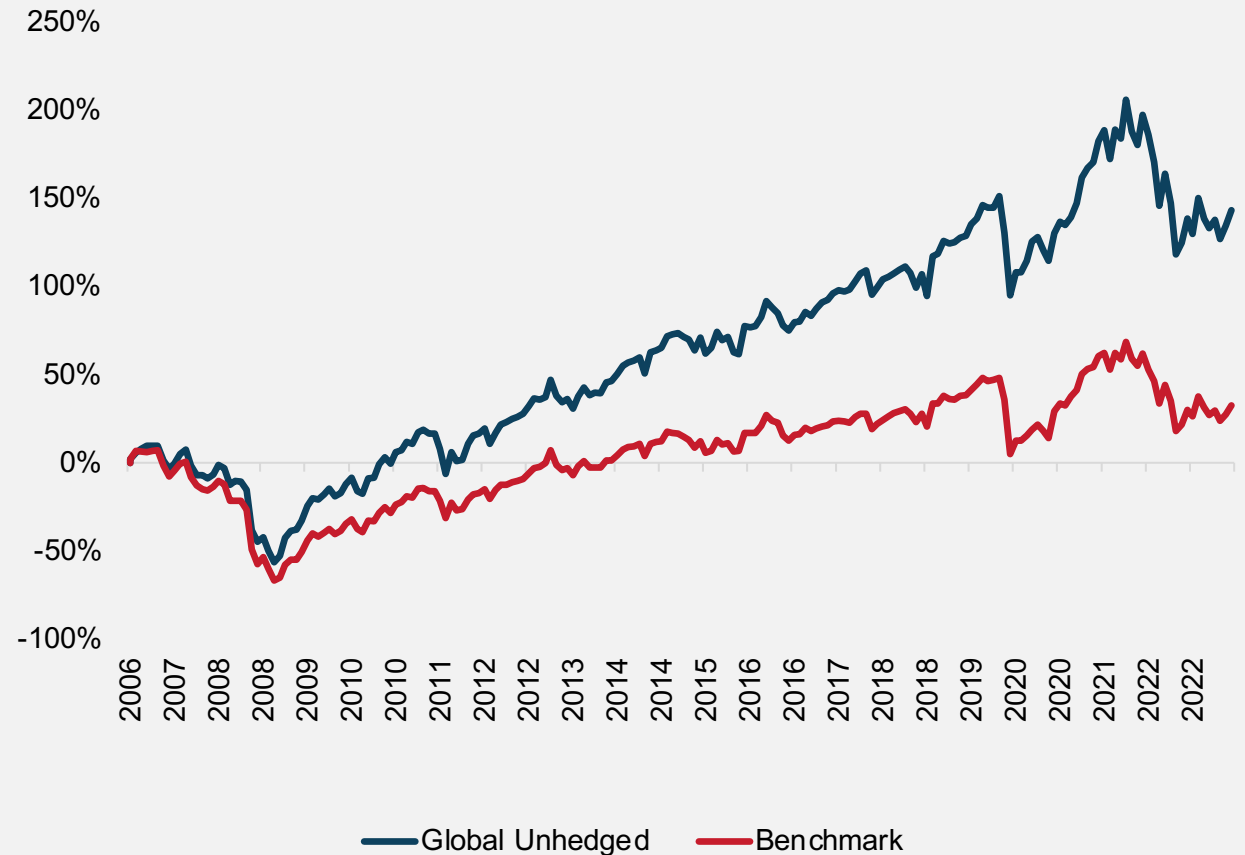
Consistent Revenue Growth since inception



Source: Equinix, June 2023

- Economically relevant, liquid real estate
- Supportive supply outlook
- Real income growth
- Sound balance sheets - positioned to capitalise
- Discounted valuation

ResCap Global REIT Fund Cumulative TR since inception A\$ returns net of fees



Source: ResCap as at July 31 2023, net of fees, global unhedged returns in AUD.

Resolution Capital Limited ABN: 50 108 584 167, AFSL No. 274491

This communication was prepared by Resolution Capital Limited (“Resolution Capital”) and is intended for wholesale clients only. The information in this communication is for general information purposes only. This communication has been prepared without taking account of any person’s objectives, financial situation or needs, and because of that, any person should before acting on the advice, consider the appropriateness of the advice having regard to their objectives, financial situation and needs. Accordingly, reliance should not be placed on the information in this communication as the basis for making an investment, financial or other decision. Any opinions, forecasts or recommendations reflect the judgment and assumptions of Resolution Capital and its representatives on the basis of information at the date of publication and may later change without notice. Any projections contained in this communication are estimates only and may not be realised in the future. Returns from investments may fluctuate and that past performance is not a reliable indicator of future performance. Resolution Capital believes the information contained in this communication is reliable, however no warranty is given as to its accuracy and persons relying on this information do so at their own risk.

Unauthorised use, copying, distribution, replication, posting, transmitting, publication, display, or reproduction in whole or in part of the information contained in this communication is prohibited without obtaining prior written permission from Resolution Capital Limited.

Resolution Capital is an affiliate of Pinnacle Investment Management Ltd. Pinnacle Investment Management (UK) Ltd is an appointed representative of Mirabella Advisers LLP (FRN 606792), which is authorized and regulated in the UK by the Financial Conduct Authority. This marketing communication is intended exclusively for Professional Clients as defined by the UK Financial Conduct Authority (“FCA”) and should not be relied upon by other persons, such as Retail Clients, as defined under the FCA’s Rules. The definitions can be found on the FCA website at www.fca.org.uk. Before making any final investment decisions and to ensure you understand whether this fund is suitable for you, please read the fund’s governing documents and subscription agreements, which are available from Resolution Capital.

Further Information:

Global REIT Portfolio Managers

Andrew Parsons

Email: andrew.parsons@rescap.com

Marco Colantonio

Email: marco.colantonio@rescap.com

Robert Promisel

Email: robert.promisel@rescap.com

Julian Campbell-Wood

Email: julian.cwood@rescap.com

www.rescap.com