RESOLUTION CAPITAL

QUARTERLY ESG AND STEWARDSHIP REPORT

REAL ASSETS STRATEGY

MARCH 2024

ESG Commentary

Expanded ESG Reporting suite in 2024

With increasing regulatory disclosure requirements and public demand for transparency in sustainability and ESG reporting, we are proud to share three ESG reports this year. These reports capture our commitment to active stewardship, ESG integration and to building a more sustainable world. They represent a comprehensive overview of sustainability and responsible investment initiatives across our business and how we are responding to key sustainability and responsible investment issues in our investment portfolios.

- Our Climate Risk Report outlines our approach to managing climate risks and opportunities that are expected to impact global real estate and infrastructure securities now and over the long term. This report draws on the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) and the requirements of other emerging Australian and international sustainability reporting standards.

- Our commitment to active ownership and promoting the six principles of the PRI (Principles of Responsible Investment) are outlined in our Responsible Investment and Stewardship Report. This report includes details about how we decide to cast proxy votes and examples of the engagements we have conducted over the last 12 months.

- Our Corporate Social Responsibility Report outlines our commitment to develop positive relationships with our community and our contribution to focused causes. It also covers details around our firm level diversity, carbon emissions and approach to modern slavery risks in our supply chains.

Mandatory Climate Reporting requirements introduced in Australia

In January 2024, the Australian Government released draft sustainability reporting standards covering mandatory sustainability and climate related reporting requirements joining other jurisdictions, such as the European Union, United Kingdom, Japan, New Zealand, Singapore and Hong Kong with mandatory climate related reporting requirements. The disclosures will be mandatory for large companies starting in January 2025 and will phase in for progressively smaller companies from 2026 - 2028. The standard builds on the standards released by the International Sustainability Standards Board (ISSB) and the recommendations from the Taskforce for Climate - Related Financial Disclosures (TCFD).

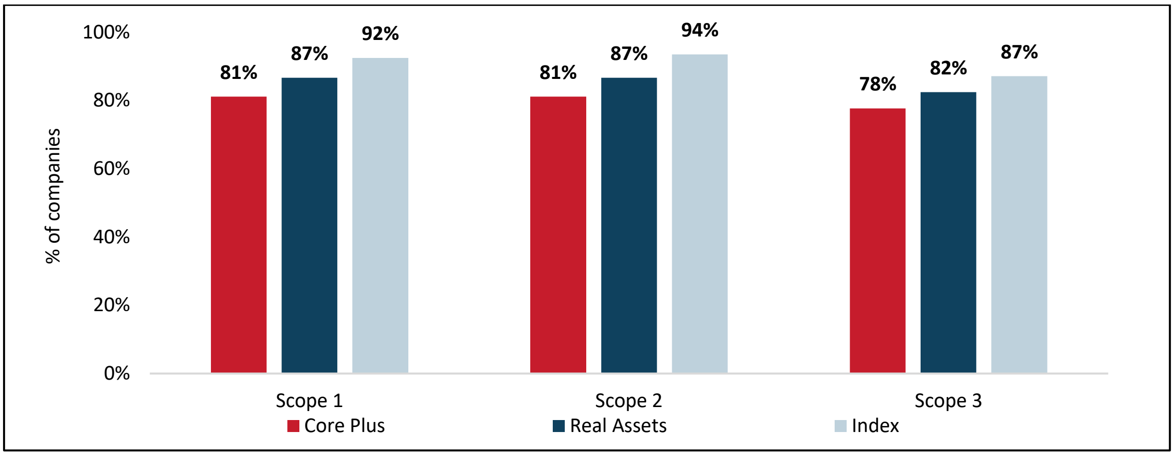
The introduction of the standard represents a significant step forward in sustainability and climate reporting requirements in Australia. It mandates companies provide a detailed "climate statement" alongside a director's declaration, ensuring clear communication of climate strategies and risks. Applicable to entities filing financial reports under the Corporations Act or those with emissions reporting requirements, it covers listed and unlisted companies, financial institutions, and significant superannuation funds. Initial reporting focuses on material climate-related financial risks, emissions targets, and governance processes, with exemptions for Scope 3 emissions disclosure in the first year to allow for adaptation.

The standard not only enhances transparency and accountability but also establishes a solid foundation for informed decision-making and effective climate action across the corporate sector, improving credibility and reliability in climate related reporting.

As part of its ongoing engagement activities, Resolution Capital has encouraged investee companies to implement the recommendations of the TFCD in their climate reporting, as there are many benefits to using commonly used and standardised reporting frameworks.

Australian REITs already have high standards of climate related disclosures, the chart below showing that our Australian based Portfolio holdings in the Core Plus and Real Assets strategies already have very high levels of carbon emissions disclosures, including Scope 3 emissions.

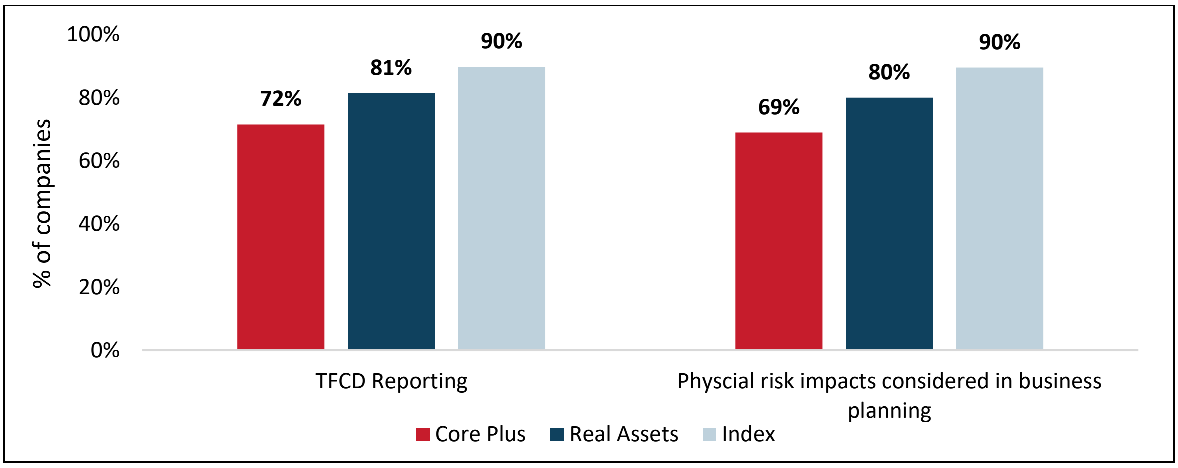
Proportion of Australian companies disclosing Carbon Emissions



Source: GRESB, MSCI, Company Disclosure, 2023

In terms of broader climate reporting, there is also a high proportion of companies that already have published climate reporting using the TCFD recommendations, as well as integrating physical climate risk impacts into their business planning to various degrees. This gives them a good foundation on which to prepare for this additional reporting requirements.

Proportion of Australian companies in Core Plus and Real Assets strategies with climate related disclosures compared to the ASX300 A-REITs benchmark



Source: GRESB, MSCI, Company Disclosure, 2023

Portfolio Metrics

Carbon Emissions

The carbon emissions and carbon intensity of the Portfolio versus the index are monitored and measured on a quarterly basis from data sourced from the GRESB[1] company assessments, MSCI, Bloomberg and company disclosures. The charts below illustrate the carbon intensity of the Portfolio versus the benchmark[2] as of 31 March 2024.

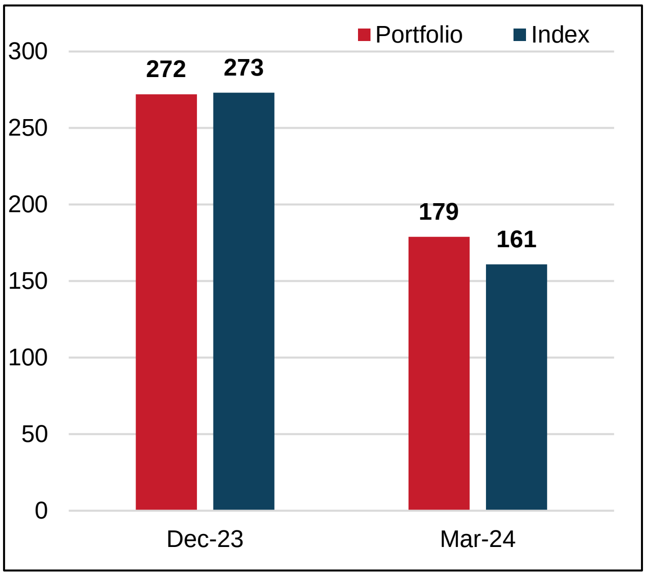
This quarter the Portfolio's revenue-based carbon intensity reduced to be in line with that of the benchmark's, however, the area-based intensity remained above that of the benchmark. The area-based carbon intensity for the Portfolio remains higher than the index due to the larger positions (by weight) in several retail REITs (particularly Scentre Group (SCG) and Vicinity Centres (VCX)). Retail REITs are typically more carbon intensive than other property types due to

[1] GRESB is the Global Real Estate Sustainability Benchmark, an independent organization providing validated ESG performance data and peer benchmarks for investors and managers to improve business intelligence, industry engagement and decision-making

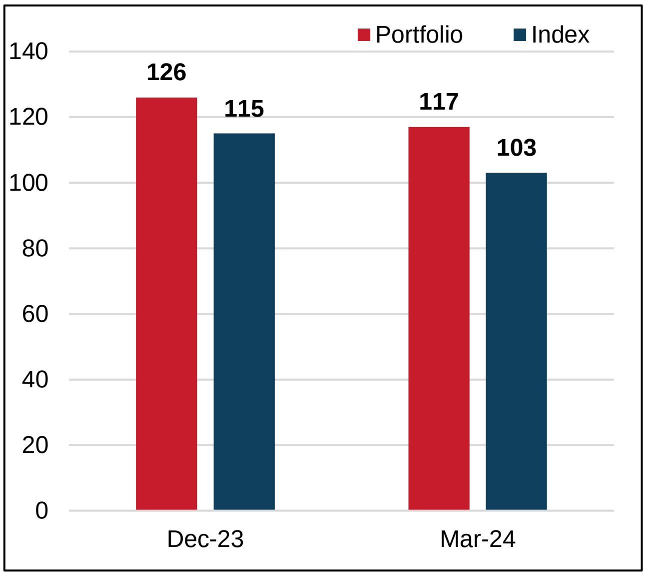
[2] The benchmark is the S&P ASX300 / A-REIT

several factors, including high interior and exterior lighting density, increased demands on central air conditioning from more open spaces, increased interior lighting levels, and from cooking and refrigeration activities.

Carbon intensity (Ton/US$1m Rev)



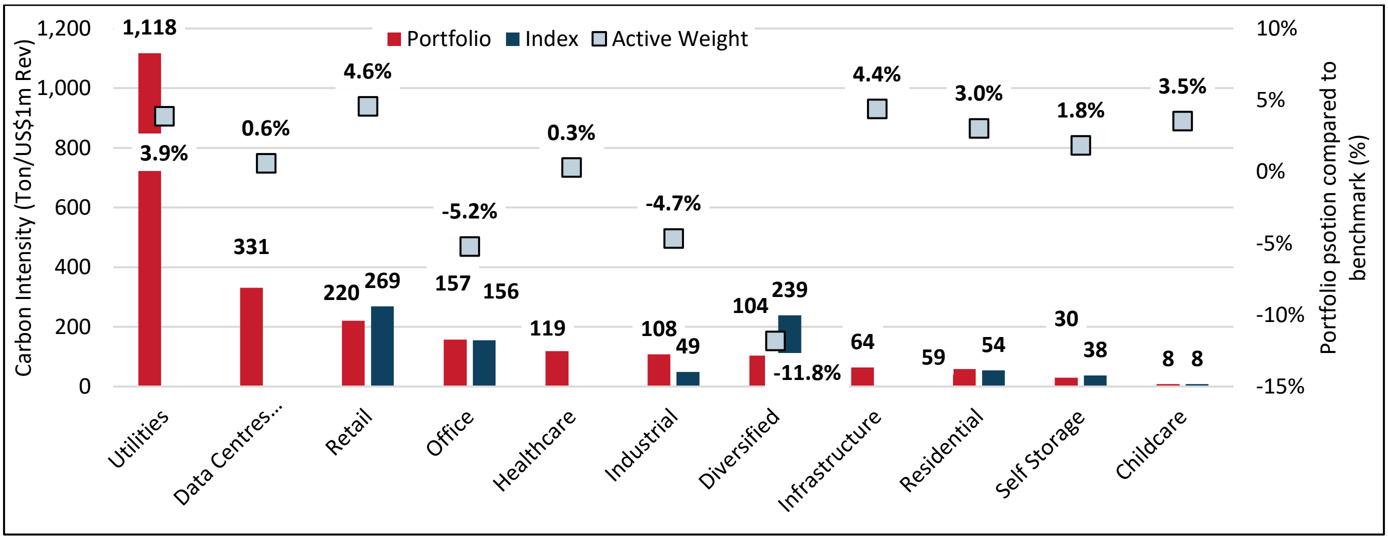
Carbon intensity (kg/m²)



Source: Resolution Capital, GRESB, Bloomberg, company disclosure, 31 March 2024
Index: S&P ASX300 / A-REIT constituents

The chart below shows the revenue-based carbon intensity for the different sectors covered by the Portfolio and the index. The largest Portfolio overweight sectors are the retail, infrastructure, utilities and childcare sectors. Stock selection within the overweight positions in the retail (3%) and childcare (3%) sectors, as well as in the large underweight position in the diversified sector (-12%), contribute to offsetting the rise in carbon intensities caused by the significant carbon intensities in the utilities sector (4%).

Sector based carbon intensity (Ton/US$1m Rev) of portfolio vs index



Index: S&P ASX300 / A-REIT constituents, 31 March 2024

Proxy Voting

In the three months to 31 March 2024, there were no shareholder meetings for Portfolio holdings, therefore there were no resolutions voted on this quarter.

Corporate engagements

In March we met with Scentre Group's new Chair, Head of Reward and Benefits and the Company Secretary to discuss concerns related to corporate governance and any potential issues regarding director elections or executive remuneration to be voted on at its AGM in early April.

This meeting was welcome as Resolution Capital had voted against the election of two directors in the last two years (Catherine Brenner in 2022 and Steve McCann in 2023) and wanted to raise the issue of succession planning and the director nomination process.

With a change in Chair over the last year, there has been some changes related to some board committees, including the Audit Committee being split into an Audit & Finance Committee and a Risk & Sustainability Committee. In particular, the chair of the Audit Committee has served on the board long enough to be not considered as independent. As a result, succession is being considered and looking for a skillset including Audit/Finance experience as well as experience in the real estate sector, which we see as a positive focus for a potential new director on this board.

In terms of sustainability, we also discussed how the company is planning on reducing its Scope 3 emissions due to tenant use of its properties and how electrification is contributing to this goal. The company has been working with tenants and educating them on the benefits of electrification and decarbonisation.

During their engagements with tenants, they have found that smaller retailers are more likely to be willing to embrace electrification than larger energy consumers. The cost element of switching is playing into decisions rather than a lack of enthusiasm about the process or outcome electrification. The company is exploring ways to incentivise retailers to make this switch by offering access to renewable energy sources either through Power Purchase Agreements (PPA) or onsite solar panels.

During the meeting they mentioned that Scope 3 emissions reductions would be a focus at the company this year, so we will be following their actions this year to monitor progress in this area.

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