

PENGANA HIGH CONVICTION PROPERTY SECURITIES FUND

DESCRIPTION

A Property Fund focussed on capital security, income yield, and sustainable growth.

The Fund believes each security has an underlying or intrinsic value and that securities become mispriced at times relative to their value and each other.

The Fund seeks to exploit such market inefficiencies by employing an active, value based investment style to capture the underlying cashflows generated from real estate assets and/or real estate businesses.

The Fund believes that responsible investing is important to generate long term sustainable returns. Incorporating ESG factors along-side financial measures provides a complete view of the risk/return characteristics of our property investments.

The Fund is benchmark unaware. All positions are high conviction and assessed on a risk-reward basis, resulting in a concentrated portfolio of 10-20 securities.

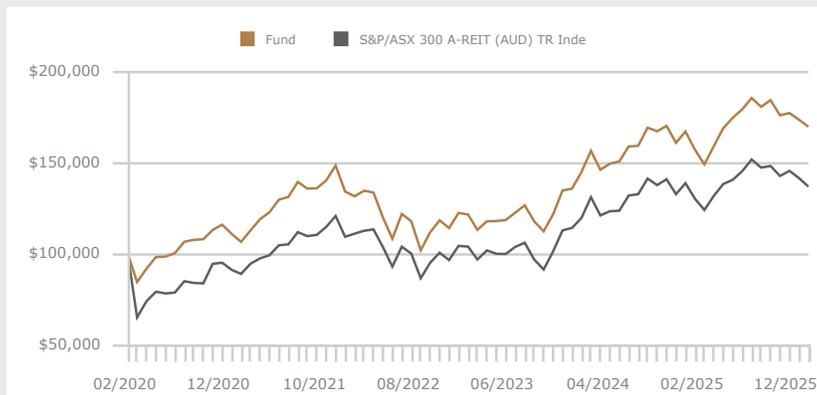
PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 28 Feb 2026¹

	1 MTH	1 YEAR	2 YEARS P.A.	3 YEARS P.A.	SINCE INCEPTION P.A.
High Conviction Property Securities Fund	-2.2%	8.0%	8.3%	11.8%	9.2%
S&P/ASX 300 A-REIT (AUD) TR Inde	-3.3%	5.1%	7.0%	9.6%	5.3%

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION²



TOP HOLDINGS (ALPHABETICALLY)

Cedar Woods Properties Limited	Real Estate
Charter Hall Group	Real Estate
Goodman Group	Real Estate
Mirvac Group	Real Estate
Scentre Group	Real Estate

SECTOR BREAKDOWN

Retail REITs	20%
Diversified REITs	15.8%
Industrial REITs	39.3%
Real Estate Management & Development	12.5%
IT Services	3.3%
Residential REITs	2.7%
Capital Markets	3.8%
Cash	2.6%

STATISTICAL DATA

VOLATILITY³ 19.8%

NUMBER OF STOCKS 14

BETA⁴ 0.74

MAXIMUM DRAW DOWN -31.4%

CAUGHT BETWEEN HIGHER RATES AND STRONG FUNDAMENTALS

COMMENTARY

The A-REIT sector declined 3.3% in February, driven by a 25bps rate hike early in the month and continued market concern around the prospect of further rate rises. In comparison, the Fund returned -2.2%, outperforming the benchmark by 1.1%.

Top contributors to performance came from our residential exposures in **Cedar Woods Properties** (CWP +12.11%), **GemLife Communities** (GLF +6.36%) and **Peet Limited** (PPC +6.93%).

Portfolio Manager Amy Pham also provides a brief Q&A update below, reviewing the February 2026 reporting season and sharing her outlook on the A-REIT sector.



The 1H26 reporting season highlighted the underlying resilience of the A-REIT sector. Operational conditions remain solid, with improving asset valuations and continued capital deployment despite a higher interest rate backdrop. Many REITs also took the opportunity to refinance their debt facilities, extending tenure while achieving average margin savings of 35-40bps.

Operationally, rent growth remains healthy, development conditions are normalising, and asset valuations are stabilising. NTA growth is resuming across the sector (+2% on average), with the strongest growth in manufactured housing estates and retail, while office and logistics were more subdued. Despite rising cash rates and bond yields (3-year swap rose +90bps to 4.3% since October 2025), earnings momentum has remained intact.

Overall, the February reporting season delivered strong outcomes, with most companies reaffirming earnings guidance. Importantly, there were thirteen guidance upgrades (or companies guiding to the upper end of their ranges) and no downgrades across the sector.

Active business models continue to show strong momentum. Fund managers can still raise and deploy capital, with **Charter Hall** reporting record equity inflows in the half. Developers, including **Mirvac**, reported improving margins and a normalisation in operating conditions.

Despite upbeat 1H26 updates, the A-REIT sector fell in February, underperforming the broader market by 7.2%, as banks and materials led market gains. In our view, the pullback appears more reflective of sector rotation than a

deterioration in fundamentals, with earnings and asset values continuing to track positively.

Heightened geopolitical tensions in the Middle East are contributing to market volatility by pushing oil prices higher and reinforcing inflation concerns. While this raises the risk of a higher-for-longer interest rate environment, which can weigh on the sector in the near term, A-REITs remain supported by resilient earnings underpinned by contracted rental income and the capital protection provided by tangible asset values.

We remain constructive on the sector, with the most compelling opportunities in affordable residential developers including **Cedar Woods Properties (CWP)**, **Ingenia Communities Group (INA)**, **Gemlife Communities (GLF)** and **Peet Limited (PPC)**, where structural demand continues to outstrip supply. **Goodman Group (GMG)** remains a core holding, with the remainder of the year expected to deliver significant catalysts through data centre leasing activity and capital partnering initiatives. At around 19x PE and with earnings projected to grow at approximately 12% over the next three years, we view the stock as undervalued.

FEATURES

APIR CODE	PCL8246AU
REDEMPTION PRICE	A\$ 1.1829
FEES *	Management Fee: 0.70% Performance Fee: 15%
MINIMUM INITIAL INVESTMENT	A\$10,000
FUM AT MONTH END	A\$ 39.15m
STRATEGY INCEPTION DATE	11 March 2020
BENCHMARK	S&P/ASX 300 A-REIT Total Return Index

FUND MANAGERS



Amy Pham
Portfolio Manager



Jade Ong
Investment Specialist

1. Net performance figures are shown after all fees and expenses, and assume reinvestment of distributions. The Fund inceptioned on March 11th 2020. Index performance calculations include a complete month's performance for March 2020. No allowance has been made for buy/sell spreads. Please refer to the PDS for information regarding risks. Past performance is not a reliable indicator of future performance, the value of investments can go up and down.

2. Inception 11 March 2020.

3. Annualised standard deviation since inception.

4. Relative to S&P/ASX 300 A-REIT TotalReturn Index.

* For further information regarding fees please see the PDS available on our website.

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