

## 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.

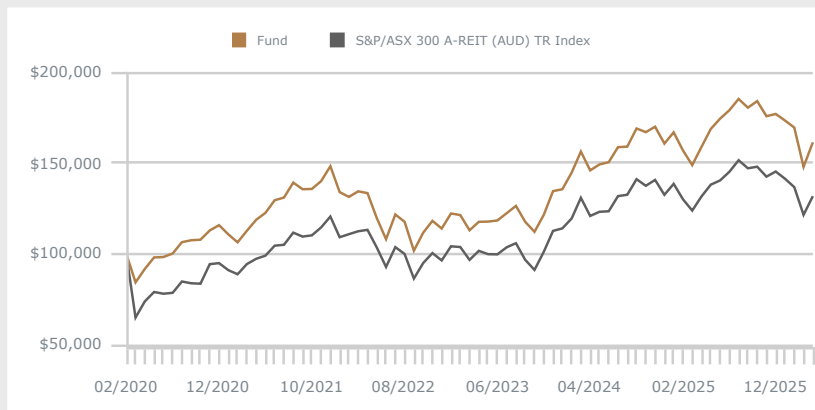
### PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 30 Apr 2026<sup>1</sup>

	1 MTH	1 YEAR	2 YEARS P.A.	3 YEARS P.A.	SINCE INCEPTION P.A.
High Conviction Property Securities Fund	9.1%	1.6%	5.2%	11.1%	8.0%
S&P/ASX 300 A-REIT (AUD) TR Index	8.5%	0.1%	4.4%	9.0%	4.6%

### PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION<sup>2</sup>



### TOP HOLDINGS (ALPHABETICALLY)

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

### SECTOR BREAKDOWN

Retail REITs	19.7%
Diversified REITs	11.5%
Specialized REITs	4.1%
Industrial REITs	44.1%
Real Estate Management & Development	11.1%
IT Services	2.9%
Capital Markets	3%
Cash	3.6%

### STATISTICAL DATA

VOLATILITY<sup>3</sup> 20.5%

NUMBER OF STOCKS 15

BETA<sup>4</sup> 0.76

MAXIMUM DRAW DOWN -31.4%

## NAVIGATING THROUGH UNCERTAIN TIMES

### COMMENTARY

The Fund returned 9.1% over the month, outperforming the benchmark by 0.6%, driven by our overweight positions in **NEXTDC** (+27.80%), **Goodman Group** (+15.82%) and **Centuria Capital Group** (+6.31%).

April reinforced the market's growing recognition that the global macro backdrop has shifted. Elevated geopolitical risk now appears structurally embedded, driving volatility across asset classes through its impact on energy prices, inflation expectations and capital flows.

For A-REITs, the initial shock of higher inflation and interest rates was felt in March, with the sector falling 11% before rebounding 8.5% in April. The recovery was supported by positive updates from **Goodman Group (GMG)** and **Scentre Group (SCG)**, alongside a better than feared CPI print late in the month.

#### Where to from here?

While geopolitical risks are likely to persist, markets will remain volatile as inflation and growth expectations continue to evolve. Importantly, not all real estate is equal – we expect increasing bifurcation in performance across both sub-sectors and individual stocks.

March quarterly updates pointed to stable operating conditions, with most REITs reaffirming earnings guidance despite renewed headwinds from cost pressures, elevated interest rates and supply chain disruptions.

A key near-term development has been the Federal Budget, which confirmed significant changes to negative gearing and capital gains tax for residential investors. New builds and build-to-rent developments were exempted, preserving favourable treatment for investment that adds to housing supply. Both **Mirvac (MGR)** and **Stockland (SGP)** are strategically expanding their build-to-rent (BTR) and land lease platforms, capitalising on affordability pressures, growing long-term rental demand, and the Budget's tilt toward new supply.

#### AI and data centres: a structural growth theme

At the Macquarie Conference, the standout theme was the clear acceleration in AI adoption. Demand is no longer being driven solely by model training. The shift to AI inference workloads, which are potentially 10–100x larger, is increasingly becoming a powerful driver.

A major beneficiary of this structural growth is the data centre sector, which provides the critical digital infrastructure underpinning AI development and deployment. Demand continues to accelerate, supported by hyperscaler investment, with global AI infrastructure spending forecast to reach US\$758 billion by 2029.

#### Office: Too early to call

While green shoots are emerging, slowing economic growth suggests a more drawn-out recovery. Cautious hiring intentions are starting to translate into more conservative long term space assumptions, particularly in financial and professional services. Prime CBD assets in core markets are stabilising, but secondary-grade assets continue to face elevated vacancy, weaker incentives and valuation pressure.

The full impact of AI adoption on the office sector is still being played out. Back-office process work – where routine work is more susceptible to automation is likely to face greater structural pressure than front office roles, where AI is more likely to enhance productivity than replace headcount. This distinction is expected to widen the performance gap between prime and secondary grade assets further.

### **The opportunity in A-REITs**

Despite higher interest rates, policy uncertainty and macro volatility, the A-REIT sector is far more resilient than many investors appreciate. The opportunity today is no longer about owning broad “property beta”. It’s about selectively investing in high-quality real estate businesses with strong balance sheets, visible earnings and exposure to powerful structural growth themes such as data centres, land lease communities and alternative housing.

## FEATURES

APIR CODE	PCL8246AU
REDEMPTION PRICE	A\$ 1.1176
FEES *	Management Fee: 0.70% Performance Fee: 15%
MINIMUM INITIAL INVESTMENT	A\$10,000
FUM AT MONTH END	A\$ 39.74m
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 11<sup>th</sup> 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.

## PENGANA HIGH CONVICTION PROPERTY SECURITIES FUND

### PENGANA CAPITAL LIMITED

ABN 30 103 800 568

AFSL 226566

### CLIENT SERVICE

T: +61 2 8524 9900

F: +61 2 8524 9901

E: [clientservice@pengana.com](mailto:clientservice@pengana.com)



### PENGANA.COM

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