

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.

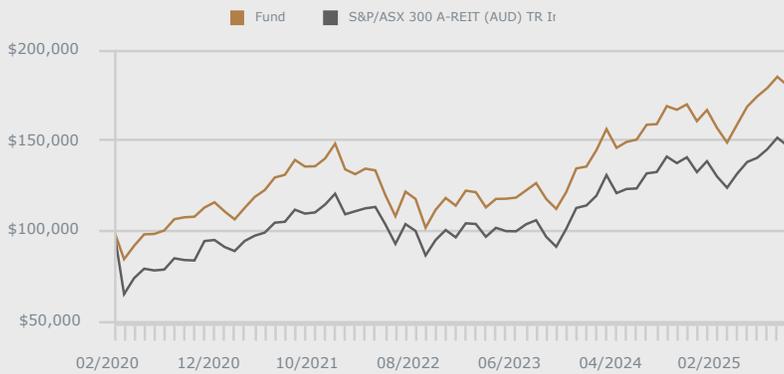
PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 30 Sep 2025¹

	1 MTH	1 YEAR	2 YEARS P.A.	3 YEARS P.A.	SINCE INCEPTION P.A.
High Conviction Property Securities Fund	-2.6%	6.8%	23.8%	21.0%	11.1%
S&P/ASX 300 A-REIT (AUD) TR INDEX	-2.9%	4.3%	23.3%	19.4%	7.1%

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION²



TOP HOLDINGS (ALPHABETICALLY)

Cedar Woods Properties Limited	Real Estate
Centuria Industrial REIT	Real Estate
Goodman Group	Real Estate
Mirvac Group	Real Estate
Scentre Group	Real Estate

SECTOR BREAKDOWN

Retail REITs	21.5%
Diversified REITs	11.2%
Specialized REITs	1.4%
Industrial REITs	44.1%
Real Estate Management & Development	10.4%
IT Services	3.5%
Capital Markets	4.3%
Cash	3.6%

STATISTICAL DATA

VOLATILITY³ 20.3%

NUMBER OF STOCKS 13

BETA⁴ 0.74

MAXIMUM DRAW DOWN -31.4%

CONFIDENCE RETURNS TO HOUSING, DESPITE RATE CUTS MODERATING

COMMENTARY

After a strong reporting season, the A-REIT sector underperformed the broader equities market in September as expectations for interest rate cuts eased following a stronger-than-expected CPI print. A-REITs returned -2.9% for the month, with the Fund slightly outperforming the benchmark by 0.3%.

Calendar year to date, the Fund has delivered a strong return of 12.3%, outperforming the benchmark by 1.3%.

The RBA's decision to keep the cash rate on hold at 3.60% was widely anticipated by the market. Current consensus suggests the next rate cut may come in November, followed by another 25 basis point cut in February 2026, bringing the cash rate to 3.10%.

Despite a more measured outlook for rate cuts, we remain confident in our investment thesis for the residential sector, which continues to benefit from strong underlying fundamentals and supportive government policies.

Since the easing cycle began in February 2025, the RBA's three cuts totalling 75 basis points have ignited a strong rebound in the housing market. Auction clearance rates have risen sharply, and annualised price growth is now approaching 10%. This strength has also lifted household expectations for property prices, which have returned to the record levels last seen during the 2021 boom. Growing confidence in further price appreciation is clearly driving the surge in investor lending.

Although markets have pared back expectations for additional rate cuts, the combination of lack of supply, renewed housing momentum and the expansion of the government's **First Home Buyer Guarantee (FHBG)** program, effective 1 October 2025, should continue to accelerate housing credit growth.

Among the residential-exposed names, we see the strongest upside in **Mirvac Group (MGR)**, **Cedar Woods (CWP)**, **Peet Limited (PPC)**, and **Gemlife Communities (GLF)**. These companies have effectively replenished their land and project pipelines heading into this phase of the residential cycle and are well positioned to expand margins as market conditions improve.

FEATURES

APIR CODE	PCL8246AU
REDEMPTION PRICE	A\$ 1.2783
FEES *	Management Fee: 0.70% Performance Fee: 15%
MINIMUM INITIAL INVESTMENT	A\$10,000
FUM AT MONTH END	A\$ 30.24m
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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