

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.

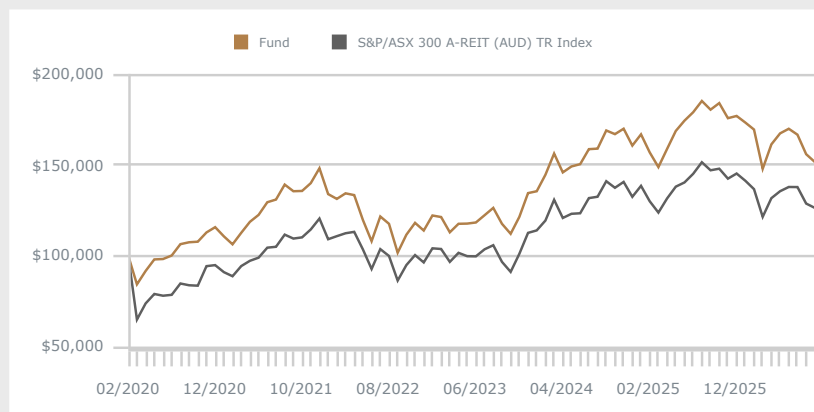
PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 30 Sep 2026¹

	1 MTH	1 YEAR	2 YEARS P.A.	3 YEARS P.A.	SINCE INCEPTION P.A.
High Conviction Property Securities Fund	-2.8%	-16.0%	-5.3%	8.8%	6.5%
S&P/ASX 300 A-REIT (AUD) TR Index	-1.9%	-14.1%	-5.4%	9.3%	3.6%

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION²



TOP HOLDINGS (ALPHABETICALLY)

Charter Hall Group	Real Estate
Goodman Group	Real Estate
Ingenia Communities Group	Real Estate
Region Group	Real Estate
Scentre Group	Real Estate

SECTOR BREAKDOWN

Retail REITs	18.4%
Diversified REITs	14.1%
Industrial REITs	45.2%
Real Estate Management & Development	9.1%
IT Services	2.8%
Residential REITs	5.6%
Capital Markets	2.4%
Cash	2.4%

STATISTICAL DATA

VOLATILITY³ 20.2%

NUMBER OF STOCKS 13

BETA⁴ 0.77

MAXIMUM DRAW DOWN -31.4%

HAS THE SECTOR TURNED THE CORNER?

COMMENTARY

ASX300 REITs declined 1.9% in September, outperforming the broader market (-2.4%) despite the RBA's 25bp rate hike to 4.60% at month-end.

The sector recovered strongly at the end of the month on a softer-than-expected CPI print, indicating that macro factors remain the key driver of performance. As a comparison, the Fund returned -2.8%, underperforming the benchmark by 0.9%.

Contributors to performance included our investments in **Ingenia Communities Group** (INA +32.24%) and **Region Group** (RGN -0.45%).

Detractors included **NextDC** (NXT -21.58%) and **Qualitas Limited** (QAL -18.42%). After underperforming last month on its bid for Peet, INA rebounded strongly and more than recovered those losses following a series of bids from Warburg Pincus.

Over the past 12 months, the REIT sector has returned -14.1%, compared with +2.4% for the broader market. Most of the 16.5% underperformance has come in 2026, coinciding with the start of the rate-hiking cycle. On valuation, the sector now trades on a forward P/E of 14x versus 18x for equities, with 7% earnings growth and a 15% discount to book value.

The withdrawal of the Firmus IPO should ease selling pressure on stocks such as **Goodman Group** (GMG) and **Charter Hall Group** (CHC), which investors may have been selling to fund their IPO allocations. More broadly, it strengthens the case for REITs. The sector offers earnings visibility backed by tangible assets, along with exposure to growth in AI and data centres.

As we head into AGM season and the quarterly updates, the market will focus on residential sales volumes for developers such as **Mirvac** (MGR) and **Stockland** (SGP). With rates at multi-year highs and changes in the federal budget, we expect sales volumes to fall by 10–20%. We prefer residential developers with strong earnings visibility, such as **Cedar Woods** (CWP), which has around 90% of FY27 earnings covered by presales.

In retail, we expect softer consumer spending to weigh on leasing spreads and specialty sales, particularly in discretionary retail. We prefer convenience-based retail such as **Region Group** (RGN), where 70% of sales come from supermarkets and 30% from specialty stores.

✓ FEATURES

APIR CODE	PCL8246AU
REDEMPTION PRICE	A\$ 1.0356
FEES *	Management Fee: 0.70% Performance Fee: 15%
MINIMUM INITIAL INVESTMENT	A\$10,000
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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