

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.

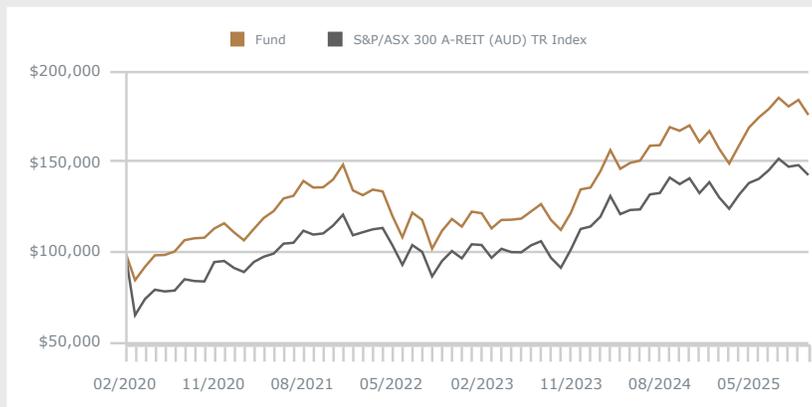
PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 30 Nov 2025¹

	1 MTH	1 YEAR	2 YEARS P.A.	3 YEARS P.A.	SINCE INCEPTION P.A.
High Conviction Property Securities Fund	-4.5%	3.4%	20.3%	14.2%	10.3%
S&P/ASX 300 A-REIT (AUD) TR Index	-3.7%	1.3%	18.7%	12.4%	6.3%

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION²



TOP HOLDINGS (ALPHABETICALLY)

Centuria Capital Group	Real Estate
Centuria Industrial REIT	Real Estate
Goodman Group	Real Estate
Mirvac Group	Real Estate
Scentre Group	Real Estate

SECTOR BREAKDOWN

Retail REITs	23.3%
Diversified REITs	13.7%
Specialized REITs	1.3%
Industrial REITs	40.5%
Real Estate Management & Development	10.5%
IT Services	3.9%
Capital Markets	4.5%
Cash	2.3%

STATISTICAL DATA

VOLATILITY³ 20.1%

NUMBER OF STOCKS 14

BETA⁴ 0.74

MAXIMUM DRAW DOWN -31.4%

WHY RISING RATES WON'T SINK REITS

COMMENTARY

The listed property sector was down -3.7% for the month as market expectations turned from further rate cuts to rate hikes due to higher than expected inflation figures. In comparison, the Fund returned -4.5%, underperforming the benchmark by 0.8%.

Over the longer term, the Fund is tracking well, delivering a solid return of +9.39% compared to the benchmark of +7.55% for the calendar year to date. This is driven by our exposure to non-benchmark stocks such as **Aspen Group** (APZ 119.5%), **Cedar Woods** (CWP +46.5%), **Qualitas Limited** (QAL 35.5%), and **Peet Limited** (PPC 29.9%).



SPECIAL OFFER

Pay no buy-spread to invest in the Pengana High Conviction Property Securities Fund.

For applications received before 31 January 2026

Contact Us to Apply

Periods of market uncertainty often create compelling opportunities. In listed property, attractive valuations and improving fundamentals are creating a favourable entry point for investors seeking income, diversification, and long-term growth.

Despite rates likely remaining higher for longer, A-REITs can deliver strong performance in such environments. For example, the A-REIT index returned **30.57%**, and the Fund delivered **31.19%** during the last cycle, which was dominated by 13 rate hikes. Supported by disciplined capital management and a high-conviction, free-cash-flow-driven approach, the Fund remains well positioned across market conditions.

To support existing investors considering increasing their exposure, **Pengana will cover the buy-spread on investments in the Pengana High Conviction Property Securities Fund made before 31 January 2026.**

If you wish to take up the offer, please reach out to client services on +61 2 8524 9900 or at clientservice@pengana.com.

This cycle is different

Even if the RBA raises interest rates again, the backdrop is far more stable, and A-REITs are in better shape than during the post-COVID inflation shock.

- **Earnings growth is locked in** – contracted rental increases, record levels of pre-sales, embedded developments and long leases provide visible earnings, even with modest rate pressure.

- **Strong balance sheet** – average gearing sits around **28%** -in line with the broader ASX 100. Over the past year, most REITs have also re-hedged debt at lower short-term rates, extending maturities and easing future funding costs.
- **Valuations have stabilised** – we're at the early phases of the upward asset valuation cycle with transaction activity accelerating, signalling that long-term capital is re-engaging – typically an early marker of multi-year recovery.
- **Healthier economic base** – unlike the last cycle, today's economy is supported by resilient consumer demand, recovering house prices, improving credit growth, strong population inflows and normalising supply chains. These conditions support both rental income and improve margins, even in a modestly rising-rate environment.

We expect volatility to continue as the market digests macro conditions and expectations of where rates will land. However, we believe that investors will be rewarded for investing through the cycle. If we look at the last cycle, there were 13 rate hikes between May 2022 and November 2023, followed by 3 rate cuts. From January 2022 to the end of November 2025, the A-REIT index (and the Fund) delivered a cumulative total return of **30.57%** and **31.19%** respectively, despite this period being dominated by rate increases.

A-REITs remain an attractive option for investors seeking stability, income, and long-term growth. With attractive valuations, continued improvement in property fundamentals, and a very different backdrop to the last rate-hike cycle, the asset class appears well positioned, even if interest rates rise. Our proven, high-conviction, free-cash-flow-driven strategy is built to keep delivering resilient results in the next phase of the cycle.

FEATURES

APIR CODE	PCL8246AU
REDEMPTION PRICE	A\$ 1.2358
FEES *	Management Fee: 0.70% Performance Fee: 15%
MINIMUM INITIAL INVESTMENT	A\$10,000
FUM AT MONTH END	A\$ 37.6m
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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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



PENGANA.COM

Pengana Capital Ltd (ABN 30 103 800 568, Australian financial services license number 226566) is the issuer of units in the Pengana High Conviction Property Securities Fund (ARSN 639 011 180) (the "Fund"). An Information Memorandum and Target Market Determination are available and can be obtained from our distribution team. A person should obtain a copy of the product disclosure statement and should consider the product disclosure statement carefully before deciding whether to acquire, or to continue to hold, or making any other decision in respect of, the units in the Fund. This report was prepared by Pengana Capital Ltd and does not contain any investment recommendation or investment advice. This report has been prepared without taking account of any person's objectives, financial situation or needs. Therefore, before acting on any information contained within this report a person should consider the appropriateness of the information, having regard to their objectives, financial situation and needs. Neither Pengana Capital Ltd nor its related entities, directors or officers guarantees the performance of, or the repayment of capital or income invested in, the Fund.