

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.

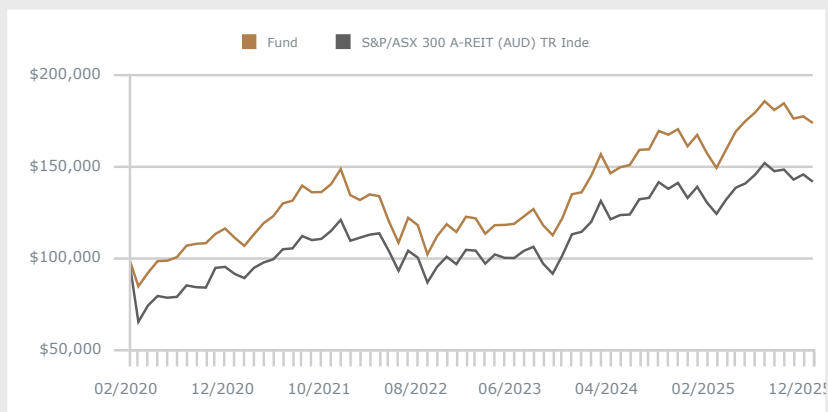
PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 31 Jan 2026 ¹

	1 MTH	1 YEAR	2 YEARS P.A.	3 YEARS P.A.	SINCE INCEPTION P.A.
High Conviction Property Securities Fund	-2.1%	3.9%	13.1%	12.4%	9.7%
S&P/ASX 300 A-REIT (AUD) TR Inde	-2.7%	2.0%	11.3%	10.7%	6.0%

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION ²



TOP HOLDINGS (ALPHABETICALLY)

Centuria Industrial REIT	Real Estate
Gemlife Communities Group	Real Estate
Goodman Group	Real Estate
Mirvac Group	Real Estate
Scentre Group	Real Estate

SECTOR BREAKDOWN

Retail REITs	22.7%
Diversified REITs	12.2%
Industrial REITs	42.8%
Real Estate Management & Development	11.3%
IT Services	3.6%
Residential REITs	2.2%
Capital Markets	3.3%
Cash	1.9%

STATISTICAL DATA

VOLATILITY³ 19.9%

NUMBER OF STOCKS 14

BETA⁴ 0.74

MAXIMUM DRAW DOWN -31.4%

REITS REMAIN ON TRACK DESPITE RISING RATES

COMMENTARY

A-REITs fell -2.73% in January, underperforming the broader equities market, as bond yields continued to edge higher, with the 10-year yield lifting to 4.81%. In comparison, the Fund returned -2.1%, outperforming the benchmark by 0.6%. Key contributors continue to come from our non-benchmark holdings such as **NextDC** (NXT +6.30%), **Peet Limited** (PPC +2.02%) and **GemLife Communities Group** (GLF -0.98%).

Markets are becoming more interesting as volatility picks up and reporting season gets underway.

Three key themes are emerging.

Firstly, A-REIT valuations continue to adjust to an evolving interest-rate outlook. The focus has shifted from rate cuts to potential hikes, with some economists now expecting the cash rate to rise by around 50bps this year. While this represents a less supportive rates backdrop for the sector, we do not anticipate a repeat of the 2022–23 valuation reset, when asset values corrected by roughly 15–20%. Real estate valuations have since stabilised, with inflation and supply constraints supporting income growth. Higher debt costs should be partly mitigated by proactive hedging and margin compression, while a healthy consumer environment and tight labour market provide additional support.

Secondly, previously crowded themes. AI, gold, silver, crypto and broader technology are showing signs of moderation.

Thirdly, company results reinforce the resilience of underlying REIT earnings, with outcomes in line with expectations and management reaffirming or upgrading FY26 guidance.

Where are we on this? We believe the macro backdrop remains supportive for REITs. Population growth continues to strengthen, capital values appear to have bottomed, transaction activity is rising, and development costs are easing – reflected in improving profitability across construction companies and stronger earnings growth across the sector.

We remain constructive on the residential, retail and data centre sub-sectors, where demand continues to outstrip supply, underpinned by strong population growth and enduring secular tailwinds. Within these sectors, we focus on best-in-class operators with strong balance sheets, high-quality assets, and experienced management teams capable of delivering resilient earnings throughout the cycle.

FEATURES

APIR CODE	PCL8246AU
REDEMPTION PRICE	A\$ 1.2098
FEES *	Management Fee: 0.70% Performance Fee: 15%
MINIMUM INITIAL INVESTMENT	A\$10,000
FUM AT MONTH END	A\$ 39.78m
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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