MONTHLY REPORT
JULY 2026

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.

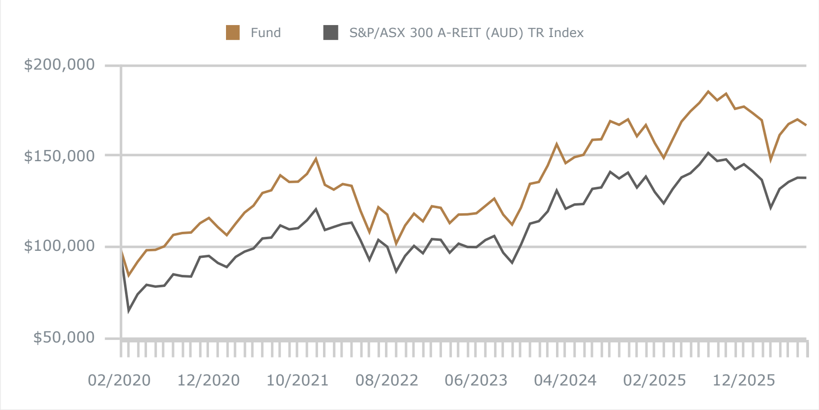
PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 31 Jul 2026[1]

	1 MTH	1 YEAR	2 YEARS P.A.	3 YEARS P.A.	SINCE INCEPTION P.A.
High Conviction Property Securities Fund	-1.9%	-6.9%	2.5%	10.8%	8.3%
S&P/ASX 300 A-REIT (AUD) TR Index	0.0%	-5.0%	2.3%	10.0%	5.1%

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION[2]



TOP HOLDINGS (ALPHABETICALLY)

Charter Hall Group	Real Estate
Goodman Group	Real Estate
Region Group	Real Estate
Scentre Group	Real Estate
Stockland	Real Estate

SECTOR BREAKDOWN

Retail REITs	18.1%
Diversified REITs	16.9%
Specialized REITs	3.3%
Industrial REITs	42.8%
Real Estate Management & Development	9.8%
IT Services	2.4%
Capital Markets	4.2%
Cash	2.6%

STATISTICAL DATA

VOLATILITY[3]	20.2%
NUMBER OF STOCKS	14
BETA[4]	0.76
MAXIMUM DRAW DOWN	-31.4%

HEADING INTO REPORTING SEASON

COMMENTARY

The A-REIT sector (-0.04%) underperformed the broader equities market (+2.1%) in July, as 10-year bond yields jumped (+21bps) to 4.93%, and persistent inflation, higher-for-longer interest rates and post-Budget uncertainty weighed on listed real estate sentiment. In comparison, the Fund returned -1.9%, underperforming the benchmark by 0.0%%.

Detractors for the month included **Centuria Group** (CNI -24.03%), **Next DC** (NXT -8.37%) and **GemLife** (GLF -4.13%). **Centuria Group** sold off following concerns over its exposure to the struggling Bathla Group through Bass Credit, CNI's private credit business. We have reviewed our position and exited the holding, given the potential for Bathla Group's problematic loan exposure to weigh on Centuria's reputation and its ability to grow FUM.

The sector experienced some weakness over the month, with softer performance across a number of REITs. Despite this weakness, the sector's setup now looks compelling, trading at an undemanding 14x forward P/E and an 8% discount to NTA (ex GMG & CHC), with a 3-year EPS CAGR of 5.8% pointing to improving earnings growth.

The macro backdrop remains the key driver of valuations, with the RBA expected to stay on hold through 2026 and rate cuts likely delayed until late 2027 depending on data. Since earnings expectations are largely reflected in consensus forecasts, this reporting season's focus will be on FY27 guidance and management outlook rather than current results. Property fundamentals remain broadly supportive, with retail performing strongly, industrial normalising, office stabilising, and residential demand easing but structurally supply-constrained. New supply across all sectors remains below trend as elevated construction costs continue to delay development.

We continue to support REITs with strong balance sheets and sectors that have strong structural tailwinds, including land lease communities such as **Gemlife** (GLF), data centres such as **NextDC** (NXT) and **Goodman Group** (GMG), and affordable residential developers such as **Stockland Group** (SGP), **Peet Ltd** (PPC) and **Cedar Woods** (CWP).

FEATURES

APIR CODE	PCL8246AU
REDEMPTION PRICE	A$ 1.1384
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 incepted 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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