

## Pendal Property Investment Fund

ARSN: 089 939 819

## Factsheet

Equity Strategies

30 June 2025

### About the Fund

The Pendal Property Investment Fund (**Fund**) invests primarily in Australian listed property securities including listed property trusts, developers and infrastructure investments. In addition, up to 15% of the Fund can be invested in international listed property securities and around 5% of the Fund will generally be invested in unlisted property securities.

### Investment Return Objective

The Fund aims to provide a return (before fees, costs and taxes) that exceeds the S&P/ASX 300 A-REIT (Sector) (TR) Index over the medium to long term. The suggested investment timeframe is five years or more.

### Investment Style

Pendal's property securities investment style is active, bottom-up and valuation-driven with stock selection driven by absolute valuations.

### Investment Philosophy

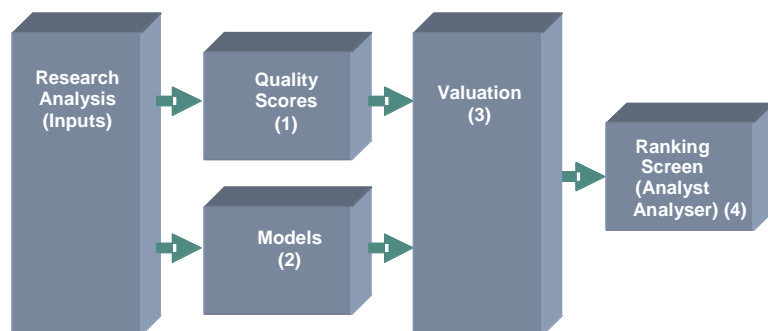
Pendal's investment philosophy is based on the beliefs that:

- market inefficiencies provide opportunities for well researched and disciplined investors to identify and purchase securities that are mispriced compared to what we consider to be their fundamental value;
- quality companies will outperform over time. Pendal's Listed Property Team place a high emphasis on quality scores to identify the best business franchises; and
- active investment management will outperform passive alternatives over a full market cycle.

### Investment Process

The Property Securities investment process starts with comprehensive research utilising a range of proprietary valuation methodology and continues to four steps:

1. Scoring of quality factors
2. Financial modelling
3. Valuation
4. Stock Ranking



### Investment Team

Pendal's Head of Property Securities, Peter Davidson has over 41 years industry experience and is supported one portfolio manager/analyst and a specialist LPT dealer. The team also draws on the resources of Pendal's other specialist teams: Multi-Asset, Equity and Income & Fixed Interest.

### Performance

(%)	Total Returns		Benchmark
	(post-fee)	(pre-fee)	Return
1 month	2.30	2.36	1.68
3 months	13.89	14.07	13.40
6 months	5.66	6.00	5.98
1 year	14.08	14.82	13.75
2 years (p.a)	18.83	19.60	18.67
3 years (p.a)	15.28	16.03	14.82
5 years (p.a)	12.40	13.13	12.47
Since Inception (p.a)	8.69	9.43	8.08

Source: Pendal as at 30 June 2025

"Post-fee" returns assume reinvestment of distributions and is calculated using exit prices. "Pre-fee" returns exclude the effects of management costs and any taxes. Returns for periods greater than one year are annualised. Fund inception: April 1993.

Past performance is not a reliable indicator of future performance.

### Other information

Fund size (as at 30 June 2025)	\$173 million
Date of inception	April 1993
Minimum investment	\$500,000
Buy-sell spread <sup>1</sup>	For the Fund's current buy-sell spread information, visit <a href="http://www.pendalgroup.com">www.pendalgroup.com</a>
Distribution frequency	Quarterly
Currency management	Foreign currency exposure is hedged
Cash holdings	Up to 20%
Tracking error guideline	2-5%
APIR code	RFA0817AU

<sup>1</sup> The buy-sell spread represents a contribution to the transaction costs incurred by the Fund, when the Fund is purchasing and selling assets. The buy-sell spread is generally incurred whenever you invest or withdraw funds, and may vary from time to time without notice.

### Fees and costs

You should refer to the latest Product Disclosure Statement for full details of the ongoing fees and costs that you may be charged.

Management fee <sup>2</sup>	0.65% pa
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<sup>2</sup> This is the fee we charge for managing the assets and overseeing the operations of the Fund. The management fee is deducted from the Fund's assets and reflected in its unit price.

## Market review

AREITs continued their recovery through June, to close +1.4% outperforming the broader market by 40bp. The performance was driven by lower bond yields with the 10-year yield down 10bp to 4.16%, and -40bp since the May peak of 4.53%. Bond yields were assisted by a slightly lower CPI reading of 2.1% vs more -30bp from the previous month and slightly softer retail sales data, +20bp for the month. Fixed income markets are pricing 3 further 25bp rate cuts with a terminal rate of 3% by end 2025. Globally REITs were +1.1% for the month (USD terms) led by Hong Kong (+7.3%) with the US REIT sector lagging (-0.6%).

The best performing REITs over the month were Charter Hall Group (+7.5%) with fund managers most sensitive to falling bond yields as well as benefiting from an increase in commercial transactions, with Centuria Capital (+5.3%) also benefiting. Goodman Group (+4.5%) was also strong benefiting from a rally in AI related stocks. Underperformers include Ingenia Group (-4.4%) possibly used to fund into the new GemLife land lease REIT, Region Group (-4.2%) impacted by a rotation towards growth REITs as well as Waypoint REIT (-3.8%).

BWP Trust proposed a management internalization during the month, which if approved would see it buy the management rights of the Trust from Wesfarmers for \$143M (3.9% of FUM). National Storage REIT also increased their stake in Abacus Storage REIT to 7.2%, as well as settling a second tranche of development assets with JV partner GIC (proceeds of \$140M). Dexus valuations increased 0.4% with office values +0.3%, HomeCo Daily Needs REIT valuations were +1.7% and Region Group valuations were +1.6%. HMC Capital also nominated to take its management fee in DigiCo REIT in scrip at the IPO price (\$5.00), rather than VWAP.

Employment decreased by 2.5k over the month, although the unemployment rate was flat at 4.1% as the participation rate fell 10bp to 67%.

## Fund performance

The Fund outperformed for the month. Positive contributions came from overweight positions in Aspen Group, Charter Hall Group and underweight positions in Region Group, Mirvac Group and Ingenia Group. The main detractors were from overweight positions in Scentre Group, Healthco Healthcare REIT and Charter Hall Retail REIT as well as underweight positions in Goodman Group and Centuria Capital Group.

During the month we reduced our underweight positions in Goodman Group, Dexus Property Group and Healthco Healthcare REIT. We also increased our overweight positions in Aspen Group and Vicinity Centres. These purchases were funded by reducing our overweight positions in Stockland Group, GPT Group, Arena REIT, Charter Hall Group and RAM Essential Property Fund.

## Outlook

The AREIT sector is priced at an FY25 dividend yield of 3.4%, a 76bp discount to 10-year bonds and forward PE of 18.5x. AREITs have are now trading in line with the All-Industrials PE, in line with their long-term average. We are expecting AREIT earnings to recover in FY26, assisted by top-line growth and falling/stable funding costs. Gearing levels across the sector sit at 29% and most REITs have lengthened and diversified their debt sources. As such we expect the AREIT sector to be more resilient than in previous asset cycles.

For more information please call 1300 346 821,  
contact your key account manager or visit [pendalgroup.com](https://pendalgroup.com)

**PENDAL**

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