

Pendal Property Securities Fund

ARSN: 087 593 584

Equity Strategies

31 March 2026

About the Fund

The Pendal Property Securities 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

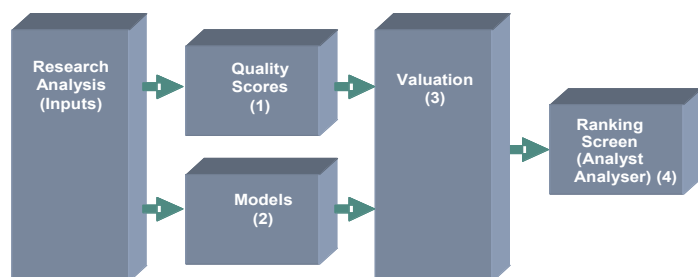
Pendal's investment philosophy is based on the beliefs that:

- 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



Environmental, social and governance (ESG) elements are incorporated into our investment process through the "Quality Scores". Examples of such ESG criteria include environmental performance (e.g. ABGR and NABERS environmental ratings); leading sustainability practices such as community and greenspace areas in residential projects as well as management's approach to addressing the risks (and opportunities) associated with climate change and the transition to a low carbon environment.

Investment Team

Pendal's Head of Property Securities, Peter Davidson has over 41 years industry experience and is supported by 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 Return
	(post-fee)	(pre-fee)	
1 month	-11.92	-11.87	-11.16
3 months	-17.19	-17.06	-16.42
6 months	-17.80	-17.53	-17.44
1 year	-1.89	-1.25	-1.90
2 years (p.a)	-3.77	-3.15	-3.65
3 years (p.a)	7.66	8.36	7.91
5 years (p.a)	4.87	5.55	5.18
Since Inception (p.a)	7.19	7.97	6.82

Source: Pendal as at 31 March 2026

"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: November 1997.

Past performance is not a reliable indicator of future performance.

Other Information

Fund size (as at 31 March 2026)	\$349 million
Date of inception	November 1997
Minimum investment	\$25,000
Buy-sell spread ¹	For the Fund's current buy-sell spread information, visit www.pendalgroup.com
Distribution frequency	Quarterly
Currency management	Foreign currency exposure is hedged
Cash holdings	Up to 20%
Tracking error guideline	2-5%
APIR code	BTA0061AU

¹ 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 ²	0.65% pa
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² 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

The AREIT sector fell 11.2% in March, it's worst monthly performance since COVID in March 2020 and underperformed the broader market by 410bp. AREITs were impacted by higher inflation expectations because of the Gulf War's impact on oil prices. Bond yields rose 33bp to finish the month at 4.98%. The fixed income market priced another 2.4 rate increases over 2026 despite the RBA lifting rates 25bp for the second consecutive month to 4.1%. Global REITs were -9.3% over the month (USD terms) with the UK market the worst performing (-17.7%) and the US the best performing market (-5.7%, both in USD terms).

The best performing REITs over the month were National Storage REIT (+0.4%) with the stock under takeover and the Scheme expected to be complete at the end of April, Region Group (-1.7%) given the group's defensive asset class and elevated interest rate hedging for FY27/28 and Arena REIT (-3%) with the AREIT expected to benefit from CPI linked annual lease increases, low gearing and high interest rate hedging. The worst performing REITs over the month were Centuria Capital Group (-15.9%) following ongoing concerns over private credit and fund managers particularly sensitive to bond rate movements, Stockland Group (-15.7%) following the RBA lifting rates another 25bp and expectations of 2 further rate hikes expected to impact residential sales rates and Charter Hall Group (-15.6%) again as fund managers are impacted by rising bond yields and their impact on asset values and fund flows.

During the month Stockland Group announced the establishment of a 50/50 joint venture with EdgeConnex to develop, own and operate a portfolio of data centres in Australia with Stockland contributing the SGP's land, development and project management expertise and EdgeConnex providing DC solutions to cloud and AI providers.

Employment increased by 48.9k jobs, however as the participation rate increased 10bp to 66.9%, the unemployment rate increased 20bp to 4.3%. During the month the RBA lifted the cash rate 25bp to 4.1%, its second consecutive increase and is expected to continue to lift rates at least 2 more times in 2026. The US Fed left the cash rate at 3.75%.

Fund performance

The Fund underperformed for the month. Overweight positions in Charter Hall Retail REIT, Vicinity Centres and Lifestyle Communities and underweight positions in Mirvac Group and Centuria Capital Group all contributed to performance. Overweight positions in Aspen Group Limited and Gemlife Communities and underweight positions in National Storage, Region Group and BWP Trust all detracted from performance.

Fund changes

During the month we reduced our overweight positions in Charter Hall Group, Charter Hall Retail REIT, Scentre Group and GPT Group (now underweight). We used the proceeds to reduce our underweight position in Goodman Group (now overweight) and lift our overweight position in Vicinity Centres.

Outlook

The AREIT sector is offering a FY26 dividend yield of 3.8%, representing a 120-basis point discount relative to 10-year bonds, with a forward price-to-earnings ratio of 14.5x. Earnings within the AREIT sector are projected to increase solidly in FY26, with expected growth exceeding 4-6%, supported by solid top-line expansion and stable funding costs due to hedging. Sector gearing stands at 28%, and most REITs have successfully extended and diversified their debt portfolios. Commercial real estate values appear to have bottomed out and are beginning to recover. As replacement costs remain substantially higher than existing valuations, this upward trend is anticipated to continue in the medium term.

For more information please call 1300 346 821,
contact your key account manager or visit pendalgroup.com

PENDAL

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If market movements, cash flows or changes in the nature of an investment (e.g. a change in credit rating) cause the Fund to exceed any of the investment ranges or limits specified, this will be rectified by PFSL as soon as reasonably practicable after becoming aware of it. If PFSL does so, it will have no other obligations in relation to these circumstances. The procedures, investment ranges, benchmarks and limits specified are accurate as at the date of this factsheet and PFSL reserves the right to vary these from time to time.