

Pendal Property Securities Fund

ARSN: 087 593 584

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

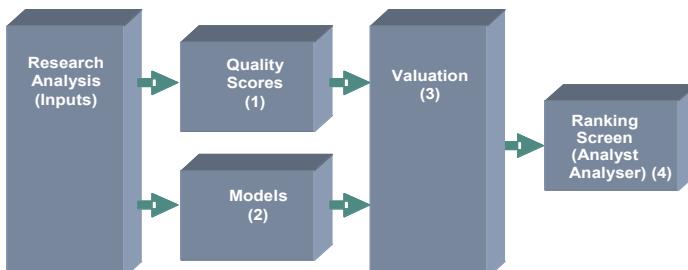
Pendal's investment philosophy is based on the beliefs that:

- 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.

Factsheet

Equity Strategies

30 September 2025

Performance

(%)	Total Returns (post-fee)	Total Returns (pre-fee)	Benchmark Return
1 month	-2.73	-2.67	-2.92
3 months	4.78	4.95	4.77
6 months	19.35	19.74	18.81
1 year	4.00	4.67	4.27
2 years (p.a)	22.61	23.41	23.35
3 years (p.a)	19.83	20.61	19.42
5 years (p.a)	11.49	12.22	11.92
Since Inception (p.a)	8.08	8.87	7.69

Source: Pendal as at 30 September 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: November 1997.

Past performance is not a reliable indicator of future performance.

Other Information

Fund size (as at 30 September 2025)	\$441 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 had a softer month in September, down 2.8%, underperforming the broader market by 220bp. Performance was impacted by domestic interest rate markets paring back expectations of further rate cuts, with a 50% chance of just one cut priced in following a higher monthly CPI print of 3%. Despite the higher CPI print, the bond market was steady closing up just 3bp to 4.30%. Globally REITs were +1.1% for the month (USD terms) led by New Zealand (+4.0%) with the Australian REIT sector lagging (-1.3% in USD terms).

The best performing REITs over the month were Centuria Industrial Fund (+5.1%) driven by the continuation of their \$60M stock buy back and the settlement of their upsized \$325M exchangeable note issue, BWP Trust (+4.8%) and Waypoint REIT (+3.5%) with small defensive REITs outperforming large caps, particularly as both are internally managed and trading at a discount to NTA. The worst performing REITs were higher beta names; Digico Infrastructure REIT (-14.8%) despite the appointment of Michael Juniper as senior executive in the digital infrastructure platform, Centuria Capital Group (-10.9%) unwinding some of the previous month's outperformance and Ingenia Group (-7.8%) on limited stock news.

Goodman Group announced the establishment of a new US\$1.3B logistics partnership in the US with Aware Super. The partnership owns three large logistics facilities with Goodman to retain a 51% interest. The transaction will reduce Goodman's gearing by 2.7% to 14.6%. Scentre Group priced a \$1B senior unsecured note at a fixed 5.35% coupon, swapped to floating at an effective margin of 138bp over the bank bill swap rate. Healthco Healthcare and Wellness REIT reported that it had agreed to a one-month extension of the partial rent arrangement (to October) pending the sale of the Healthscope business.

The US FOMC cut the Federal Funds target rate by 25bp to 4.0-4.25%. In Australia employment decreased by 5.4k, however the unemployment rate held at 4.2% with the participation rate dropping 20bp to 66.8%.

Fund performance

The Fund outperformed for the month. Positive contributions came from overweight positions in Aspen Group, Scentre Group and Charter Hall Retail REIT and underweight positions in Centuria Capital Group and Ingenia Communities Group. The main detractors were from an overweight position in DigiCo Infrastructure REIT and underweight positions in BWP Trust, Centuria Industrial REIT, Waypoint REIT and HomeCo Daily Needs REIT.

During the month we reduced our overweight positions in Charter Hall Group, National Storage REIT and increased our underweight position in Goodman Group. The proceeds funded an increased overweight position in Charter Hall Retail REIT and Lifestyle Communities Group as well as reducing our underweight positions in Waypoint REIT, Homeco Daily Needs REIT and building a position in Peet Limited.

Outlook

The AREIT sector is priced at an FY26 dividend yield of 3.1%, a 120bp discount to 10-year bonds and forward PE of 20x. AREITs are trading at a 5% discount to the All-Industrials PE, in line with their long-term average. We are expecting AREIT earnings to rise materially in FY26 (>+5-6%), assisted by accelerating top-line growth and falling funding costs. Gearing levels across the sector sit at 29% and most REITs have lengthened and diversified their debt sources. Commercial real estate values have hit a bottom and have started to rise. Given replacement costs are well above existing values we expect this trend to persist over 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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PFSL is the responsible entity and issuer of units in the Pendal Property Securities Fund (**Fund**) ARSN: 087 593 584. A product disclosure statement (**PDS**) is available for the Fund and can be obtained by calling 1300 346 821 or visiting www.pendalgroup.com. The Target Market Determination (**TMD**) for the Fund is available at www.pendalgroup.com/tmd. You should obtain and consider the PDS and TMD before deciding whether to acquire, continue to hold or dispose of units in the Fund. An investment in the Fund is subject to investment risk, including possible delays in repayment of withdrawal proceeds and loss of income and principal invested.

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Performance figures are calculated in accordance with the Financial Services Council (**FSC**) standards. Where performance returns are quoted "Post fees" then this assumes reinvestment of distributions and is calculated using exit prices which take into account management costs but not tax you may pay as an investor. Where performance returns are quoted "Pre fees and tax", they exclude the effects of management costs and any taxes. Past performance is not a reliable indicator of future performance.

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.