

## Pendal Global Property Securities Fund

ARSN: 108 227 005

## Factsheet

Global Properties

29 February 2024

### About the Fund

The Pendal Global Property Securities Fund (**Fund**) is an actively managed diversified portfolio of international property securities in North America, Europe and Asia. The management of Pendal's international property securities portfolios is outsourced to US-based AEW Capital Management, L.P. (AEW), one of the world's leading real estate managers.

### Investment Return Objective

The Fund aims to provide a return (before fees, costs and taxes) that exceeds the return from the FTSE EPRA/NAREIT Developed ex Australia hedged in AUD Net TRI over the medium to long term. The suggested investment time frame is five years or more.

### Investment Style

The international property securities portfolios are managed in an active, value driven, risk controlled style that integrates top-down research with hands-on real estate and capital markets expertise.

### Investment Process

AEW's active value-driven style recognises that property securities become mispriced relative to each other. This can be the result of themes that run through the market from time to time, as well as the sentiment that can affect the pricing of individual stocks and sectors.

AEW's bottom-up investment process takes advantage of these opportunities through active management by rigorously collecting and evaluating research data, by assessing the relative value of individual securities, and by managing portfolio risk.

Securities are bought when they are good value relative to other securities in the property securities investment universe. AEW expects the majority of outperformance to result from stock selection, and to a lesser extent country allocation, within each region.

The security selection process is tailored to each region as follows:

North America	Europe	Asia Pacific
<ul style="list-style-type: none"> <li>Three filters:                             <ul style="list-style-type: none"> <li>- Valuation</li> <li>- Price</li> <li>- Catalyst</li> </ul> </li> <li>Discount/premium to Real Estate Value</li> <li>Discount/premium to Capital Markets Value</li> <li>On-the-ground property market insights</li> </ul>	<ul style="list-style-type: none"> <li>Discount/premium to Net Asset Value (NAV) is most relevant metric today</li> <li>Discount/premium to Capital Markets Value (CMV) increasingly important</li> <li>On-the-ground property market insights</li> </ul>	<ul style="list-style-type: none"> <li>Growth focused in Asia (ex-Australia)</li> <li>Multi-factor ranking system</li> <li>Company specific research</li> <li>On-the-ground property market insights</li> </ul>

### 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>1</sup>	0.95% pa
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<sup>1</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.

### Performance

(%)	Total Returns (post-fee)	(pre-fee)	Benchmark Return
1 month	-0.44	-0.36	-0.13
3 months	3.88	4.12	4.15
6 months	3.28	3.77	2.55
1 year	1.90	2.87	-0.10
2 years (p.a)	-7.18	-6.30	-7.64
3 years (p.a)	-0.13	0.80	-0.72
5 years (p.a)	-0.82	0.10	-0.80
Since Inception (p.a)	6.50	7.48	6.29

Source: Pendal as at 29 February 2024

"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: July 2004.

Past performance is not a reliable indicator of future performance.

### Regional allocation (as at 29 February 2024)

North America	70.0%
Europe	13.5%
Asia (ex-Australia)	13.9%
Cash & other	2.6%

### Other Information

Fund size (as at 29 February 2024)	\$80 million
Date of inception	July 2004
Minimum investment	\$500,000
Buy-sell spread <sup>2</sup>	For the Fund's current buy-sell spread information, visit <a href="http://www.pendalgroup.com">www.pendalgroup.com</a>
Distribution frequency	Half-yearly
Currency management	100% hedged to the AUD
Cash holdings	Up to 10%
Tracking error guideline	2% - 5% pa
APIR code	RFA0051AU

<sup>2</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.

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## Risks

An investment in the Fund involves risk, including:

- **Market risk** - The risk associated with factors that can influence the direction and volatility of an overall market, as opposed to security-specific risks. These factors can affect one country or a number of countries.
- **Security specific risk** - The risk associated with an individual asset.
- **International investments risk** – The risk arising from political and economic uncertainties, interest rate movements and differences in regulatory supervision associated with international investments.
- **Currency risk** - Currency exchange rate fluctuation risk arising from investing across multiple countries.
- **Counterparty risk** – The risk of another party to a transaction failing to meet its obligations.

Please read the Fund's Product Disclosure Statement (PDS) for a detailed explanation of each of these risks.

## Market review (IN USD)

Performance of the global property securities market (on an ex-Australia basis) as measured by the FTSE EPRA Nareit Developed Index declined slightly in February, posting a total return of -0.5%. North America (+1.5%) was the top performer, followed by Asia Pacific (-2.2%) and Europe (-7.7%). In North America, Canada and the U.S. returned -2.9% and 1.7%, respectively. In Asia Pacific, results were mixed across the region. Hong Kong (+4.5%) was the top performer, followed by Japan (-3.7%) and Singapore (-4.3%). Within Europe, returns were largely negative. Germany (-12.3%) was the most notable laggard, followed by Belgium (-9.9%), Spain (-8.2%), Sweden (-8.0%) and the United Kingdom (-7.2%). Conversely, Israel (+4.8%) was the only country in the region to post a gain for the month.

## Fund performance

The Fund underperformed the benchmark over the month of February.

**NORTH AMERICA** – Pental's North America portfolio trailed the FTSE EPRA Nareit North America Index over the month. Underperformance relative to the benchmark was attributable to negative stock selection results, which were weakest in the Industrial and Office sectors and strongest in the Manufactured Housing sector. All in all, sector allocation results were largely neutral during the month. Among the portfolio's holdings, top

individual contributors to relative performance included an overweight position in Ryman Hospitality Properties (RHP, as well as a lack of exposure to Ventas (VTR) and W.P. Carey (WPC). Detractors most notably included overweight positions in Broadstone Net Lease (BNL), Dream Industrial REIT (DIR.U), and Essential Properties Realty (EPRT).

**EUROPE** – Pental's European portfolio trailed the FTSE EPRA Nareit Developed Europe Index over the month. Modest underperformance relative to the benchmark was driven by negative stock selection results, which were weakest in the United Kingdom and the Netherlands. Country allocation results were also negative. The portfolio's lack of exposure to Switzerland and overweight to Germany were the top detractors to relative performance, while overweights to France and the Netherlands were the top contributors. Meanwhile, the portfolio's small cash balance was a meaningful contributor. Among the portfolio's holdings, top contributors to relative performance included overweight positions in Unibail-Rodamco-Westfield (France), SEGRO (UK), and Tritax Eurobox (UK). Detractors most notably included overweight positions in Gecina (France), Big Yellow Group (UK), and TAG Immobilien (Germany).

**ASIA** – Pental's Asia portfolio trailed the FTSE EPRA Nareit Developed Asia Pacific Index over the month. Underperformance relative to the benchmark was driven by negative stock selection results, which were weakest in Singapore and Japan and strongest in Hong Kong. Meanwhile, country allocation results were slightly positive and largely attributable to the portfolio's underweight to Singapore and lack of exposure to New Zealand. Among the portfolio's holdings, top contributors to relative performance included overweight positions in Mitsui Fudosan (Japan) and Wharf REIC (Hong Kong), as well as a lack of exposure to Japan Metropolitan Fund Investment (Japan). Detractors included a lack of exposure to Mitsubishi Estate Company (Japan) and overweight positions in Nomura Real Estate Holdings (Japan) and Digital Core REIT (Singapore).

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

**PENTAL**

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PFSL is the responsible entity and issuer of units in the Pental Global Property Securities Fund (Fund) ARSN: 108 227 005. A product disclosure statement (PDS) is available for the Fund and can be obtained by calling 1300 346 821 or visiting [www.pentalgroup.com](http://www.pentalgroup.com). The Target Market Determination (TMD) for the Fund is available at [www.pentalgroup.com/ddo](http://www.pentalgroup.com/ddo). 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.