

Pendal Global Property Securities Fund

Global Properties

ARSN: 108 227 005

31 October 2023

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

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 ¹	0.95% pa
-----------------------------	----------

¹ 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)	Total Returns (pre-fee)	Benchmark Return
1 month	-3.73	-3.66	-4.42
3 months	-11.72	-11.51	-12.10
6 months	-9.73	-9.30	-10.21
1 year	-4.99	-4.08	-7.55
2 years (p.a)	-14.84	-14.03	-15.06
3 years (p.a)	0.45	1.39	0.68
5 years (p.a)	-1.95	-1.04	-1.92
Since Inception (p.a)	5.91	6.88	5.70

Source: Pendal as at 31 October 2023

"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 31 October 2023)

North America	67.6%
Europe	10.9%
Asia (ex-Australia)	15.8%
Cash & other	5.7%

Other Information

Fund size (as at 31 October 2023)	\$67 million
Date of inception	July 2004
Minimum investment	\$500,000
Buy-sell spread ²	For the Fund's current buy-sell spread information, visit www.pendalgroup.com
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

² 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.

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 in October, posting a total return of -4.6%. Europe (-3.9%) was the top performer, followed by North America (-4.7%) and Asia Pacific (-4.8%). In Europe, returns were largely negative. Switzerland (+1.8%) and Austria (+1.4%) were the only countries to post a gain, while Israel (-14.7%), Norway (-9.4%), Italy (-9.3%), Sweden (-6.6%), and Germany (-4.8%) were the largest laggards. In North America, Canada and the U.S. returned -9.5% and -4.5%, respectively. In Asia Pacific, results were negative across the region. Japan (-3.5%) posted the smallest decline, followed by Hong Kong (-6.2%), Singapore (-6.7%), New Zealand (-7.5%), and South Korea (-10.3%).

Fund performance

The Fund outperformed the benchmark over the month of October.

NORTH AMERICA – Pental's North America exceeded the FTSE EPRA Nareit North America Index over the month.

Outperformance relative to the benchmark was driven by positive sector allocation and, to a lesser extent, positive stock selection. Regarding sector allocation, positive results were largely attributable to the portfolio's exposure to Towers and underweight to Storage and Office. Meanwhile, the portfolio's small cash balance was a notable positive contributor to relative performance.

In terms of stock selection, results were strongest in the Hotel, Apartment and Shopping Center sectors and weakest in the Manufactured Housing and Storage sectors. Amongst the portfolio's holdings, top individual contributors to relative performance included exposure to off-benchmark American Tower (Tower), as well as overweight positions in Ryman Hospitality (Hotel) and Essential Properties Realty (Triple Net Lease). Detractors most notably included an underweight position in Welltower (Health Care) and overweight positions in Dream Industrial (Industrial) and Extra Space Storage (Storage).

EUROPE – Pental's European portfolio trailed the regional EPRA benchmark over the month. Underperformance relative to the benchmark was attributable to negative country allocation, primality the portfolio's lack of exposure to Switzerland. Meanwhile, the portfolio's small cash balance was a notable positive contributor to performance. In terms of stock selection, results were slightly positive and strongest in the United Kingdom and the Netherlands, and weakest in Belgium and Sweden. Among the portfolio's holdings, top contributors to relative performance included overweight positions in Big Yellow Group (UK) and TAG (Germany), as well as exposure to off-benchmark CTP (Netherlands). Detractors most notably included a lack of exposure to Swiss companies PSP Swiss Property and Swiss Prime Site, and an overweight position in VGP (Belgium).

ASIA – Pental's Asia portfolio trailed the regional EPRA benchmark over the month. Underperformance relative to the benchmark was largely attributable to negative stock selection results, which were weakest in Japan. In terms of country allocation, slightly positive results were driven by the portfolio's lack of exposure to New Zealand and South Korea during the period. Meanwhile, the portfolio's small cash balance was a notable contributor to performance. Among the portfolio's holdings, top contributors to relative performance included an overweight position in GLP J-REIT (Japan), as well as a lack of exposure to Keppel DC REIT (Singapore) and Hongkong Land Holdings (Hong Kong). Detractors included overweight positions in Nomura Real Estate Holdings (Japan) and Mapletree Logistics (Singapore), and exposure to off-benchmark TKP (Japan).

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

PENTAL

This factsheet has been prepared by Pental Fund Services Limited (PFSL) ABN 13 161 249 332, AFSL No 431426 and the information contained within is current as at the date of this factsheet. It is not to be published, or otherwise made available to any person other than the party to whom it is provided.

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. The Target Market Determination (TMD) for the Fund is available at 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.

This factsheet is for general information purposes only, should not be considered as a comprehensive statement on any matter and should not be relied upon as such. It has been prepared without taking into account any recipient's personal objectives, financial situation or needs. Because of this, recipients should, before acting on this information, consider its appropriateness having regard to their individual objectives, financial situation and needs. This information is not to be regarded as a securities recommendation.

The information in this factsheet may contain material provided by third parties, is given in good faith and has been derived from sources believed to be accurate as at its issue date. While such material is published with necessary permission, and while all reasonable care has been taken to ensure that the information in this factsheet is complete and correct, to the maximum extent permitted by law neither PFSL nor any company in the Pental group accepts any responsibility or liability for the accuracy or completeness of this information.

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.