

Pendal Monthly Factsheet

Pendal Australian Listed Property Portfolio (the Portfolio)

May 2025

Market review

AREITs continued their recovery through May, to close +5.0% outperforming the broader market by 80bp.

The performance was driven by renewed optimism about AI spending following Nvidia's result and the flow on impact on data centres as well as the continued retreat on tariffs.

The Australian 10-year bond yield was +9bp to finish at 4.26% and the RBA cut the cash rate 25bp to 3.85% with another two rate cuts priced in for CY25.

Globally REITs were +2.5% for the month (USD terms) led by Hong Kong (+8.4%) with the US REIT sector lagging (+0.3%).

The best performing REITs over the month were DigiCo REIT (+27.9%) recouping some previous underperformance and benefiting from renewed data centre demand optimism, Goodman Group (+9.8%) following a solid 3Q25 update with WIP increasing \$0.7B to \$13.7B and Charter Hall Long WALE REIT (+7.6%) on no new news.

Underperformers include Dexus Property Group (-6.9%) following a dispute with co-owners of the APAC Fund (owns Melbourne and Launceston airports) with a Dexus managed Fund that owns 27% of APAC alleged to have shared confidential information with prospective investors in its stake. Worst case, Dexus may be forced to divest their stake resulting in the loss of \$15M in management fees (2-3% of annual FFO).

Also, during the month BWP Trust (-1.1%) underperformed on no new news and Stockland Group (-0.5%) following a change in CFO.

Scentre Group released its 1Q25 update with the portfolio occupancy +40bp to 99.6%, sales growth across the portfolio up 2.8% and specialties +3.2% and leasing spreads +2.1%. Vicinity Centres upgraded earnings to the top end of guidance, specialty releasing spreads were +3.5% and sales +2.4%. GPT also announced a \$1B logistics partnership with QuadReal with it seeded with \$420M of GPT balance sheet assets. Abacus Storage King rejected Ki Corp and Public Storage's offer of \$1.47 and revalued the portfolio with the NTA lifting 5.5% to \$1.73.

Employment increased 98k over the month with the unemployment rate up slightly to 4.1%. Retail sales were -0.1% and the monthly CPI +2.4% was flat over the previous month.

Portfolio overview

Investment strategy	Pendal employs a bottom up, fundamental approach to build a diversified portfolio of Australian listed property shares.
Investment objective	To deliver outperformance relative to the benchmark after fees over a rolling three year period.
Benchmark	S&P/ASX 300 A-REIT (Sector) (TR)
Number of stocks	8 - 15 (13 as at 31 May 2025)
Sector limits	Australian Property 90 - 98%, Cash 2 - 10%
Dividend yield	3.14% [#]

Top 10 holdings

Code	Name	Weight
GMG	Goodman Group	37.70%
SCG	Scentre Group	14.01%
SGP	Stockland	9.88%
CHC	Charter Hall Group	7.60%
GPT	GPT Group	6.80%
VCX	Vicinity Centres	5.09%
DXS	Dexus	3.64%
MGR	Mirvac Group	3.05%
HDN	HomeCo Daily Needs REIT	2.78%
WPR	Waypoint REIT Ltd.	2.47%

Source: Pendal as at 31 May 2025.

Top 5 overweights versus S&P/ASX 300 A-REIT

Code	Name	Weight
SCG	Scentre Group	3.09%
CHC	Charter Hall Group	2.68%
SGP	Stockland	2.43%
GPT	GPT Group	1.54%
HDN	HomeCo Daily Needs REIT	1.47%

Source: Pendal as at 31 May 2025.

Top 5 underweights versus S&P/ASX 300 A-REIT

Code	Name	Weight
MGR	Mirvac Group	-2.16%
NSR	National Storage REIT (not held)	-1.82%
RGN	Region Group (not held)	-1.58%
CLW	Charter Hall Long WALE REIT (not held)	-1.54%
BWP	BWP Trust (not held)	-1.13%

Source: Pendal as at 31 May 2025.

[#] The Portfolio's dividend yield represents the weighted average 12-month forward-looking dividend yield of the Portfolio's holdings (excluding cash), as at the date of this factsheet. Each individual security's dividend yield is calculated using market consensus forecast data, collated by Pendal, for dividend per share (DPS) before tax and franking credits, and divided by the closing market price of the security as at the date of this factsheet. The Portfolio dividend yield is therefore only an estimate and predictive in nature. It does not reflect the actual dividend yield of the Portfolio which will be affected by market movements in the price of the individual securities, the returns on other assets such as cash holdings and variances of an individual security's actual dividends from the forecasted DPS.

Performance

	1 month	3 month	6 month	1 year	3 year (p.a.)	5 year (p.a.)	Since inception (p.a.)*
Pendal Australian LPT	4.59%	6.53%	-0.90%	13.77%	11.05%	13.12%	8.89%
S&P/ASX 300 A-REIT (Sector) (TR)	4.93%	6.18%	-1.86%	12.13%	10.08%	11.82%	7.76%
Active return	-0.33%	0.35%	0.96%	1.63%	0.97%	1.30%	1.12%

Source: Pendal as at 31 May 2025.

*Since Inception - 17 March 2015.

Performance returns track the value of a notional portfolio and are calculated pre-fee. The performance information shown may differ from the performance of an individual investor's portfolio due to differences in portfolio construction or fees. Investors should contact their platform provider for applicable fee rates. Past performance is not a reliable indicator of future performance.

Top 5 contributors - monthly

Code	Name	Value Added
<i>DXS</i>	<i>Dexus</i>	0.09%
<i>NSR</i>	<i>National Storage REIT (not held)</i>	0.09%
<i>MGR</i>	<i>Mirvac Group</i>	0.08%
<i>BWP</i>	<i>BWP Trust (not held)</i>	0.07%
CHC	Charter Hall Group	0.07%

Source: Pendal as at 31 May 2025.

Underweight positions are in *italics*.

Top 5 contributors - 1 year

Code	Name	Value Added
CHC	Charter Hall Group	0.83%
SGP	Stockland	0.50%
<i>GMG</i>	<i>Goodman Group</i>	0.43%
<i>DXS</i>	<i>Dexus</i>	0.28%
SCG	Scentre Group	0.19%

Source: Pendal as at 31 May 2025.

Underweight positions are in *italics*.

Top 5 detractors - monthly

Code	Name	Value Added
SGP	Stockland	-0.16%
<i>DGT</i>	<i>Digico Infrastructure REIT (not held)</i>	-0.14%
<i>GMG</i>	<i>Goodman Group</i>	-0.11%
SCG	Scentre Group	-0.11%
WPR	Waypoint REIT Ltd.	-0.05%

Source: Pendal as at 31 May 2025.

Underweight positions are in *italics*.

Top 5 detractors - 1 year

Code	Name	Value Added
<i>MGR</i>	<i>Mirvac Group</i>	-0.25%
<i>CLW</i>	<i>Charter Hall Long WALE REIT (not held)</i>	-0.22%
<i>INA</i>	<i>Ingenia Communities Group</i>	-0.16%
<i>RGN</i>	<i>Region Group (not held)</i>	-0.09%
<i>ASK</i>	<i>Abacus Storage King (not held)</i>	-0.09%

Source: Pendal as at 31 May 2025.

Underweight positions are in *italics*.

Strategy performance and outlook

The Portfolio model underperformed the index for the month. The largest detractions came from the overweight in Stockland Group and underweights in Digico Infrastructure REIT and Goodman Group. Underweights in Dexus, National Storage REIT and Mirvac were beneficial.

The AREIT sector is priced at an FY25 dividend yield of 3.4%, an 86bp discount to 10year bonds and forward PE of 18.3x. 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 FY25, 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.

New stocks added and/or stocks sold to zero during the month

No new stocks added or sold to zero during the month.

For more information contact your
key account manager or visit pendalgroup.com

PENDAL

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Performance figures are shown gross of fees and are calculated by tracking the value of the notional portfolio. Past performance is not a reliable indicator of future performance.

The portfolio composition for any individual investor may vary and the performance information shown may differ from the performance of an individual investor's portfolio. This may occur due to factors such as differences in the buy and sell spreads of investments compared to the notional portfolio, fees, income elections and any personal investment preferences of the investor which may result in portfolio composition differences between the investor's portfolio and the notional portfolio.

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