



Pengana High Conviction Property Securities Fund

This report has been prepared for financial advisers only



Favourable

November 2021

INTRODUCTION

Key Principles

SQM Research considers (but is not restricted to) the following key review elements within its assessment:

1. Business profile - product strategies and future direction
2. Marketing strategies and capabilities, market access
3. Executive Management / Oversight of the investment management firm
4. Corporate Governance / fund compliance / risk management
5. Investment team and investment process
6. Fund performance, investment style, market conditions, investment market outlook
7. Recent material portfolio changes
8. Investment liquidity
9. Investment risks
10. Fund/Trust fees and expenses

Currency of Reports

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Star Rating*

Investment products are awarded a star rating out of a possible five stars and placed on the following website:
www.sqmresearch.com.au

Star Rating *	Description	Definition	
4½ stars and above	Outstanding	Highly suitable for inclusion on APLs <i>SQM Research believes the Fund has considerable potential to outperform over the medium-to-long term. Past returns have typically been quite strong. Product disclosure statement (PDS) compliance processes are of a high-calibre. There are no corporate governance concerns. Management is extremely experienced, highly skilled and has access to significant resources.</i>	High Investment grade
4¼ stars	Superior	Suitable for inclusion on most APLs <i>SQM Research considers the Fund has substantial potential to outperform over the medium-to-long term. Past returns have tended to be strong. PDS compliance processes are high-quality. There are no material corporate governance concerns. Management is of a very high calibre.</i>	High Investment grade
4 stars	Superior	Suitable for inclusion on most APLs <i>In SQM Research's view, the Fund has an appreciable potential to outperform over the medium-to-long term. Historical performance has tended to be meaningful. PDS compliance processes are strong. There are very little to no corporate governance concerns. Management is of a high calibre.</i>	High Investment grade
3¾ stars	Favourable	Consider for APL inclusion <i>SQM Research concludes the Fund has a moderate potential to outperform over the medium-to-long term. Past performance has tended to be reasonable. Management is experienced and displays investment-grade quality. There are no corporate governance concerns, or they are of a minor nature.</i>	Approved
3½ stars	Acceptable	Consider for APL inclusion <i>In SQM Research's view, the potential for future outperformance in the medium-to-long term is somewhat uncertain. Historical performance has tended to be modest or patchy. Management is generally experienced and capable. SQM Research has identified weaknesses which need addressing in order to improve confidence in the Manager.</i>	Low Investment grade
3¼ stars	Caution Required	Not suitable for most APLs <i>In SQM Research's opinion, the potential for future outperformance in the medium-to-long term is very uncertain. Historical returns have tended to be disappointing or materially below expectations. PDS compliance processes are potential substandard. There are possible corporate governance concerns. Management quality is not of investment-grade standard.</i>	Unapproved
3 stars	Strong Caution Required	Not suitable for most APLs <i>In SQM Research's opinion, the potential for future outperformance in the medium-to-long term is unlikely. Historical performance has tended to be unacceptable. There may be some material corporate governance concerns. SQM Research has a number of concerns regarding management.</i>	Unapproved
Below 3 stars	Avoid or redeem	Not suitable for most APL inclusion	Unapproved

Event-driven Rating	Definition
Hold	<i>Rating is suspended until SQM Research receives further information. A rating is typically put on hold for a period of two days to four weeks.</i>
Withdrawn	<i>Rating no longer applies. Significant issues have arisen since the last report date. Investors should consider avoiding or redeeming units in the fund.</i>

* The definitions in the table above are not all encompassing and not all individual items mentioned will necessarily be relevant to the rated Fund. Users should read the current rating report for a comprehensive assessment.

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Report Date: 18 November 2021

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SQM Rating ★★★★★

Favourable. Consider for APL inclusion.

Fund Description	
Fund Name	Pengana High Conviction Property Securities Fund
APIR code	PCL8246AU
Asset Class	AREITs
Management and Service Providers	
Fund Manager	Pengana Capital Limited
Responsible Entity	Pengana Capital Limited
Custodian	BNP Paribas
Fund Information	
Fund Inception Date	11 March 2020
Fund Size	\$11.4 million
Return Objective (as per PDS)	To obtain returns greater than the S&P/ASX 300 A-REIT (AUD) TR Index ('Index') over rolling 3 year periods (after fees).
Internal Return Objective	Not Applicable
Risk Level (as per PDS)	Medium
Internal Risk Objective	Not Applicable
Benchmark	S&P/ASX 300 A-REIT TR Index
Number of stocks/positions	10-20
Fund Leverage	None
Turnover	Expected to be Low/Medium (Average 40-50%)
Top 10 Holdings Weight	Approximately 65-75%
Investor Information	
Minimum Application	\$10,000
Redemption Policy	Daily
Distribution Frequency	Quarterly
Investment Horizon (as per PDS)	Three or more years
Currency Hedging Policy	Not Applicable
Management Fee	0.70% p.a.
ICR - latest	0.71% p.a. (30 June 2021)
Buy Spread	0.25%
Sell Spread	0.25%
Performance Fee Rate	15% (refer to the fee section for details)

Fund Summary

Description

The **Pengana High Conviction Property Securities Fund (the "Fund")** is an actively managed listed property securities portfolio that invests principally in Australian Real Estate Investment Trusts (AREITs). The Fund may also invest up to 10% of its assets in listed (or soon to be listed) International property securities (or GREITs). It may also invest in the shares of property developers and other companies associated with the property sector.

The Fund aims to provide capital security, income yield and sustainable growth. It seeks to achieve this by identifying mispriced securities via a strategy built on two pillars – through a high conviction and ESG focused approach – and diversifying into new growth sectors.

The Fund employs an active and **fundamental** approach to research. The process is predominantly bottom-up, with a top-down sectoral/thematic overlay as a starting point. The Fund is **benchmark unaware, concentrated** and has a **small/mid-cap bias** (relative to the index). The Fund's investment objective is to obtain returns greater than the S&P/ASX 300 A-REIT Accumulation TR Index ('Index') over a rolling 3-year period after fees.

The Fund is structured as an open-ended unlisted registered managed investment scheme.

Fund Rating

The Fund has achieved the following rating:

Star Rating	Description	Definition	Investment Grading
3.75 stars	Favourable	Consider for APL inclusion	Approved

Previous Rating: 3.75 stars (Issued November 2020)

SQM Research's Review & Key Observations

1. People and Resources

About the Fund Manager

Pengana Capital Limited ("PCL"; AFSL 226 566 granted 7 May 2003) is a wholly-owned subsidiary of Pengana Capital Group Limited (PCG). Pengana Capital Group ('Pengana') is a diversified Funds Management group. Founded in 2003 and headquartered in Sydney, with offices in Melbourne and Brisbane, Pengana currently manages over \$4 billion across a range of International and Australian strategies.



Pengana's investment products employ active strategies with non-benchmark mandates, giving their investment teams the freedom to invest in their best ideas. Their business model also delivers centralised support from their corporate team so that their fund managers can focus on managing portfolios. Pengana strives to give investors access to global funds management strategies: strategies that will impact portfolio returns. They aim to do this through their in-house investment teams and by partnering with investment managers worldwide.

Pengana is a profitable company and employs about **50** staff members, out of which **17** are investment professionals.

Investment Team

The investment team comprises two experienced AREIT managers, Ms **Amy Pham** (Portfolio Manager and Analyst) and Ms **Jade Ong** (Investment Specialist, Part-time), responsible for stock selection, portfolio construction and portfolio management, and a full time analyst, Sam Craig (*joining the team next month, in December 2021*). The team is based in the Sydney office and employs a flat structure, with all team members involved in idea generation, company analysis and portfolio management. Ms Pham has final responsibility for portfolio management decisions and performance, including analysis, research and fund reporting. Ms Ong assists Ms Pham in strategy, analysis and provides back-up to her. They worked together previously at IAG for 3 years, so there is tenure in their working relationship, which is important for a small team in terms of interaction and collaboration.

The Investment Committee for the Fund is overseen by Mr **Nick Griffiths** (CIO of Pengana Capital), who is responsible for reviewing the investment process, adherence to the mandate and assessing the ESG framework. The Investment Committee meets monthly to review the strategy, portfolio positioning and adherence to mandate.

Amy Pham has a direct profit share in the Property Securities business unit. The direct ownership interest in the separate business entities & the profit share component of the remuneration is a positive for retention & alignment of interests. Capacity limits and performance fees further focus the monetary incentive on Fund performance. She also has a significant personal investment in the Fund.

*In last year's report, SQM Research noted "that Jade Ong is a **contractor** (rather than a direct Pengana employee). Also, since she is working part-time only, from a workload/coverage point of view, SQM Research*

believes that as the Fund grows and builds a track record, it would be preferable if her role becomes full-time or the team is expanded. It is Pengana's intention to offer her a full-time role with profit share once the Fund reaches break-even (\$80 million to \$100 million) and to consider expanding the team further to include a junior analyst at that stage". SQM Research has recently been advised by Pengana (subsequent to the Fund review meeting) that they have hired a full-time Analyst, Sam Craig, who will join the team next month (in December 2021). Mr Craig has five years experience and was most recently a Senior Research Analyst at Charter Hall. SQM Research considers that to be a positive development.

As a general note on employment arrangements: Several PMs of the broader Pengana Equities team are contractors (rather than direct Pengana employees). These PMs are employed by a separate business entity in which they are an Equity holder along with Pengana. This is a relatively less common business model for Funds Management firms operating Managed Funds under their own brand name. However, some boutique firms do use a similar type of business model/employment arrangement. That said, the direct ownership interest in the separate business entities & the profit share component of the remuneration (for those Pengana PMs) may be a positive for retention & alignment of interests (at least for some staff members).

Considering this is a relatively new Fund, the investment process, the size of the AREITs universe and the size of the team, SQM Research is of the opinion that the Key Person risk (in Amy Pham) is elevated and rated "medium".

2. Investment Philosophy and Process

Investable Universe

Investments are selected from listed real estate securities, or about to be listed, on the Australian Stock Exchange, which includes A-REITs and real estate managers and developers. They screen out securities with a market capitalisation of <\$50m and for poor corporate governance. The Fund is not confined to securities in the S&P/ASX 300 A-REIT Index. Pengana focuses on diversifying into new growth sectors driven by secular trends such as childcare, seniors living, healthcare, data centres, transport and agriculture, all of which provide defensive sustainable growth and diversification from core real estate sectors (i.e. office, retail and industrial).

The result is a universe of approximately 50 Australian securities. The Fund can also invest a small portion of the Fund (up to 10%) in global REITs and global listed real estate managers and developers. The Fund can invest in cash and cash equivalents (up to 20%).

Process / Philosophy / Style

The Fund employs an active and **fundamental** approach to research. The process is predominantly bottom-up, with a top-down sectoral/thematic overlay as a starting point. The Fund is **benchmark unaware, concentrated** and has a **small/mid-cap bias** (relative to the index).

Ideas are generated and assessed through the following means:

- Pengana's broader research team/equities specialists provide a forum for understanding macro movements and sharing research ideas whilst allowing fund managers the flexibility to make investments decisions appropriate for their strategy.
- As an integral part of the idea generation, company valuation, and portfolio maintenance processes, Amy Pham and Jade Ong attend all company management meetings and property tours within their universe.
- Access to external research is considered a valuable resource in supplementing idea generation, understanding industries and facilitating access to company management. Long term relationships with the major banks and boutique investment banks assist in this regard.

In addition to the above, the inputs to their research include:

- Financial modelling - including the analysis of income statements, balance sheets and cash flow statements.
- Discussions with all market participants: asset owners, operators, developers, investors and leaseholders.
- An ESG questionnaire.

Both qualitative and quantitative factors are incorporated into the **valuation ranking model**. The model calculates the forecast **Total Return (TR)** based on the 1-year forecast yield and 3-year forecast EPS growth and weights this with respect to 9 factors to generate a relative valuation rank. The primary focus of the valuation process relates to the company's ability to generate sustainable free cash flow and a strong balance sheet to support future growth. The TR is weighted based on Quantitative & Qualitative factors in a 55:45 ratio. Price/5 Yr NPV is used for rent collectors, and an average of Price/5 Yr NPV and SOTP is used for Real Estate Fund Managers and Developers.

In the team's opinion, **ESG** issues can have a measurable effect on a company's value and reputation. They invest in quality companies that generate sustainable

SUMMARY

returns by incorporating ESG factors as part of their risk analysis process.

The decision to buy would be based on:

- ✓ Fundamental quality first, then the valuation
- ✓ Non-fundamental factors (appetite for risk, M&A, behavioural investing, technical, indexation, register)
- ✓ Risk/reward assessment, no matter how compelling

Allocations (weights in the portfolio) to the individual stocks are based on conviction and sector diversification. For index stocks, individual stocks weights are between **0%-20%**. For non-index stocks, they are between **2%-5%**. In addition, the Fund can also allocate up to **10%** of the portfolio to GREITS and real estate related companies. It is the objective to be near fully invested at all times. The cash allocation is a function of the bottom-up investment process, with cash increasing when suitable equity investment opportunities cannot be identified. The maximum cash holding is **20%** (and the long term expected cash level, on average, is expected to be around **0%-5%**).

Risk Management

The Risk Management process (and constraints) include the following:

- Risk, including volatility, is managed at the individual stock level and the overall portfolio level.
- Monitoring of risk limits is performed daily by a Risk Analyst independent from the portfolio management team. The Analyst generates risk reports reviewed daily by the CIO or Performance and Risk Manager and monthly by a Risk Committee that includes the CIO, COO, and Head of Operations.

Other details of the process are discussed later in the report.

3. Portfolio Characteristics

Portfolio Turnover

Portfolio turnover is not applicable/relevant yet, as this is a relatively new Fund. Considering the Fund's strategy/style, Pengana expects the turnover to be low/medium (average around **40%-50%** per annum). Over the last 1-year, it has been about 46%.

Liquidity

The liquidity of the securities is a consideration in the investment process. Portfolio liquidity is monitored daily.

Leverage

This Fund does not employ direct leverage (through borrowing by the Fund) **or** economic leverage (through the use of derivatives).

4. Performance & Risk

Return Objective & Performance

The investment/return objective stated in the PDS is: "The Fund aims to "obtain returns greater than the S&P/ASX 300 A-REIT (AUD) TR Index ('Index') over rolling 3 year periods after fees".

As stated in the PDS, the Fund's benchmark is the "**S&P/ASX 300 A-REIT (AUD) TR Index**".

Over the **year to Oct-2021**, the Fund returned 25.93% (after fees) compared to 31.85% for the benchmark. This is an underperformance of -5.91%.

Length of Track Record

The **Pengana High Conviction Property Securities Fund** has a very short history of **1.6 years** (inception **11 March 2020**). Any observations and analysis of returns will have very little statistical meaning. SQM Research notes that returns, volatility and other risk measures can be "noisy" and less reliable when quantified using a small sample size of observations.

Risk Objective

The Fund's PDS states that the Fund's risk level is "**Medium** when an investment in the Fund is held for at least 3 years". The PDS also states that "The risk of loss over the shorter term is **high** when compared to managed investment schemes that invest in asset classes such as cash or fixed interest securities".

The Fund's **volatility** (standard deviation of monthly returns) over the **year to Oct-2021** was 13.62% compared to a peer average of 16.36% and 16.39% for the benchmark.

5. Other Features

Fees and Costs	Fund	Peer Avg
Management Fee (% p.a.)	0.70%	0.78%
Expense Recovery (% p.a.)	–	–
Performance Fee (%)	15.00%	15.00%
Indirect Cost Ratio ICR (% p.a.)	0.71%	0.81%
Buy Spread (%)	0.25%	0.18%
Sell Spread (%)	0.25%	0.18%

Management fee

- Expressed as a percentage rate per annum of the Fund's Net Asset Value ("NAV")
- Including GST and impact of RITC (Reduced Input Tax Credit)

Performance fee:

There is a performance fee charged as follows:

- 15%** of the amount by which the Fund's investment returns (after base management fees have been deducted) exceed the returns of the Benchmark (S&P/ASX 300 AREIT Accumulation Index).
- Including GST and the impact of RITC (Reduced Input Tax Credit).
- The fee is accrued daily and (if applicable) paid to the Manager half-yearly.
- The fee is adjusted for any prior accumulated negative performance fee. Underperformance in a previous performance period must be made up for before a performance fee is payable. This creates a permanent high-water mark.

Governance

Pengana Capital Limited (PCL) is the Responsible Entity (RE) and the Fund Manager of the Fund.

The **Board of Directors** of the Responsible Entity (Pengana Capital Limited) consists of **3** directors, **none** of whom are independent. SQM Research prefers the inclusion of independent members on the Board of Directors – it is a meaningful way to enhance governance and oversight. Board members have an average of **30** years of industry experience.

The Responsible Entity's **Compliance Committee** is composed of **3** members, **2** of whom are independent. The Chair is independent. The minutes of Compliance Committee meetings are reported in full to the Pengana Capital Group Board. SQM Research views independence in a RE oversight body such as the Compliance Committee as a strong and favourable factor in Fund governance. Compliance Committee members have an average of **35** years of industry experience.

FUM (Funds under Management)

The Fund is approximately \$11.4 million in size as of **Oct-2021**. SQM has discussed the current investor pipeline with Pengana and understand that there are a number of prospective investors currently doing due diligence on the Fund, and that it has recently been accepted on to Macquarie wrap with \$10m of commitments.

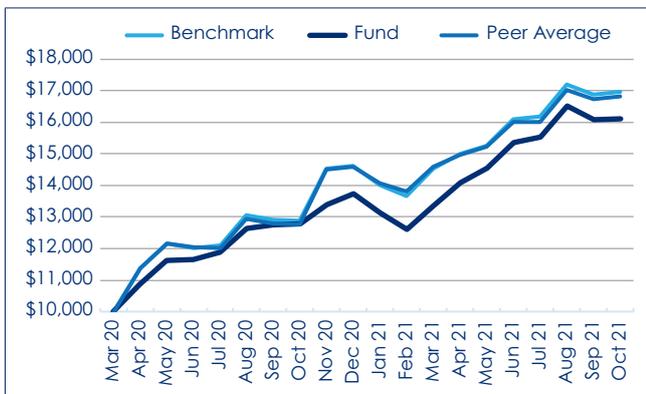
Fund Performance to 31 October 2021 (% p.a.)							
Total Return	1-Month	3-Month	6-Month	1-Year	3-Year	5-Year	Inception
Fund	0.11	3.60	14.32	25.93	.	.	35.12
Benchmark	0.60	4.94	13.27	31.85	.	.	39.68
Peer Average	0.51	5.00	12.40	31.66	.	.	38.83
Alpha	-0.50	-1.34	1.06	-5.91	.	.	-4.56

With dividends reinvested. Returns beyond one year are annualised. Return history starts Apr-2020

Benchmark: S&P/ASX 300 A-REIT TR

SQM Research notes that whilst the Fund's inception date was 11 March 2020, it was not fully invested until the end of March, and therefore the performance tables in this report will use returns starting April 2020.

Growth of \$10,000



Strengths of the Fund

- Pengana has built up a long track record (18 years) of managing money across various Funds, specialising in Australian & International Equities. Pengana currently manages about \$4 billion in FUM and has over 50 employees.
- The Fund's investment team is experienced and knowledgeable. Ms Amy Pham and Ms Jade Ong have 26 years & 18 years of industry experience, respectively, and Nick Griffiths (CIO) has 28 years of industry experience. Additionally, the broader Pengana investment team is large and experienced.
- The investment/research process is robust and has been consistently applied by the Portfolio Manager Amy Pham to build high conviction portfolios for many years.
- The Fund has a relatively high Active Share and a significantly high allocation to non-index stocks. This provides it with the additional ability to generate alpha and also improves the diversification of the portfolio by avoiding the high concentration risk of the index and investing in 'Alternative' property sectors driven by secular trends.

Weaknesses of the Fund

- Compared to some of the other Funds Management firms, Pengana does not have any prior experience in managing an AREITs Fund, although it has managed property funds in the past. This is largely mitigated by the AREITs experience of this new Portfolio Management team (as noted above) and the AREITs experience of the broader Australian Equities team.

- The Fund's Portfolio Management team is smaller than peer group Funds. Jade Ong (Investment Specialist) is working part-time only. That said, SQM Research notes the recent hire of a full-time Analyst, who is due to start soon.

Other Considerations

- The Fund has a very short track record, reducing the ability to conduct meaningful quantitative analysis. Whilst the Fund is very new, SQM Research has met Ms Amy Pham (PM of the Fund) a few times over the years, as she was one of the PMs of the Charter Hall (ex Folkestone) A-REITs Fund, which SQM Research has rated for several years.
- The Fund has a capital preservation focus and a higher Cash holding (on average). Therefore, in bullish/strong market conditions, the Fund may slightly underperform (on a relative basis). Conversely, the Fund is more likely to outperform in negative or mildly positive market conditions.
- The Fund is a high conviction, benchmark unaware Fund and displays a small/mid-cap bias relative to the index.
- The ESG component of the investment process is a key differentiator. In addition to the fundamental bottom-up research, the screening process uses an 'ethical' filter, by which securities that have >10% of their income from 'unethical' sectors (gaming, tobacco & alcohol), as per the definition adopted by Pengana, are marked down, and securities with poor corporate governance are excluded. *SQM Research has discussed the value add/contribution of the ESG/Ethical filters later in the report.*
- Some of the Key Metrics of the Fund include (*whilst noting the short track record*): The Fund's Active Share has averaged about 60%, Dividend Yield of the portfolio holdings is 3.0%, and allocation to non-index stocks is material / high (has averaged about 15-20%). *Other metrics, including asset allocation, are listed at the end of the report.*

Key Changes since the Last Review

- No material changes to the investment process since the previous review.

Investment Process Diagram



Process Description

Universe

Investable Universe Investments are selected from listed real estate securities, or about to be listed, on the Australian Stock Exchange, which includes A-REITs and real estate managers and developers. They screen out securities with a market capitalisation of <\$50m and for poor corporate governance. The Fund is not confined to securities in the S&P/ASX 300 A-REIT Index. Pengana focuses on diversifying into new growth sectors driven by secular trends such as childcare, seniors living, healthcare, data centres, transport and agriculture, all of which provide defensive sustainable growth and diversification from core real estate sectors (i.e. office, retail and industrial).

The result is a universe of approximately **50** Australian securities. The Fund can also invest a small portion of the Fund (up to **10%**) in global REITs and global listed real estate managers and developers. However, the target allocation is currently zero.

The Fund can invest in cash and cash equivalents (up to **20%**).

Investment Process

Top-down or bottom-up The Fund is predominantly bottom-up, with a top-down sectoral/thematic overlay as a starting point.

Top-down

- The top-down part of the process aims to pick the best core sub-sectors with a 2-3 year growth horizon and identify new growth sectors driven by secular trends. It combines macro-economic factors with real estate sub-sector analysis in order to identify different points in the property cycle.

Investment Process

Top-down or bottom-up

...continued

Bottom-up

- The bottom-up research uses a range of quantitative and qualitative factors to identify the A-REITs that are best of breed and likely to outperform over the next one to three years.
- The proprietary Valuation Ranking Model proportionally increases or decreases the total return (TR) based on a variety of quantitative (5) and qualitative (4) factors. This forms a starting point for discussion amongst team members for stock selection, portfolio weights and portfolio monitoring.
- A key differentiator is the incorporation of **ESG** into the valuation process. The approach is qualitative in that the team engage with companies to rank them in terms of "E", "S", and "G", similar to how they rank the quality of management, using an in-house questionnaire.
- The team formally models key financial metrics for smaller capitalisation or non-benchmark stocks, which are not as widely covered. For larger, more widely covered stocks, the team utilises the best external research analyst models for the particular stock (not consensus).

Research and Portfolio Construction Process

Idea Generation and Screening

Ideas are generated and assessed through the following means:

- Pengana's broader research team/equities specialists provide a forum for understanding macro movements and sharing research ideas whilst allowing fund managers the flexibility to make investments decisions appropriate for their strategy.
- Amy Pham and Jade Ong attend all company management meetings and property tours within their universe as an integral part of the idea generation, company valuation and portfolio maintenance processes.
- Access to external research is considered a valuable resource in supplementing idea generation, understanding industries and facilitating access to company management. Long term relationships with the major banks and boutique investment banks assist in this regard.

They screen out securities with a market capitalisation of <\$50m or securities that have for poor corporate governance.

Research and Stock Selection

In addition to the above, the inputs to their research include:

- Financial modelling - including the analysis of income statements, balance sheets and cash flow statements.
- Discussions with all market participants: asset owners, operators, developers, investors and leaseholders.
- An ESG questionnaire.

Investment Process

Research and Portfolio Construction Process

...continued

Both qualitative and quantitative factors (at **50%** weighting each) are incorporated into the **valuation ranking model**. The model calculates the forecast Total Return (TR) for each security based on the 1-year forecast yield and 3-year forecast eps growth and weighs this with respect to **9** factors to generate a relative valuation rank. The primary focus of the valuation process relates to the company's ability to generate sustainable free cash flow and a strong balance sheet to support future growth.

Special Focus:

- Research interpretation; risk vs. reward
- Changes in industry & company dynamics
- Asset quality and the security of income
- Weighted Average Lease Expiry (WALE)
- Cash-flow and financial flexibility
- High-quality stocks out of favour with the market, potential mispricing

In the team's opinion, **ESG** issues can have a measurable effect on a company's value and reputation. They invest in quality companies that generate sustainable returns by incorporating ESG factors as part of their risk analysis process. Their approach is qualitative in that they engage with companies to rank them in terms of "E", "S", and "G". For example, under "E" (Environment), they track how a company is progressing in achieving its sustainability and energy efficiency targets. This is important as it lowers tenants' operating costs and leads to lower vacancy rates, longer leases (WALEs) and higher rents. The team has compiled its own ESG questionnaire to rank each company, similar to how they rank the quality of management. Securities that have **>10%** of their income from '**unethical**' sectors (gaming, tobacco & alcohol), as per the definition adopted by Pengana, **are marked down** in the investment process.

SQM Research comment: As a general comment on some of the ESG/Ethical Processes and Funds in the broader space (not just this Strategy), Advisers and Investors should be aware that Sustainable/ESG/Ethical concepts are subjective and therefore dependent on individual opinions.

SQM Research has discussed the value add/attribution of the ESG/Ethical filters later in the report.

Portfolio Construction

Following the screening process outlined above, an understanding of the fundamentals and outlooks for those opportunities (stocks) is developed using financial statements, journals, transcripts, company meetings and external research. In the normal course of events, trades that require allocating (e.g. allocations from a broker, including IPOs) will be allocated proportionally. Mandates with different risk limits, mandate rules or exposures are taken into account.

Investment Process

Research and Portfolio Construction Process

...continued

Buy decisions would be based on:

- ✓ Fundamental quality first, then the valuation
- ✓ Non-fundamental factors (appetite for risk, M&A, behavioural investing, technical, indexation, register)
- ✓ Risk/reward assessment, no matter how compelling

Portfolio construction incorporates both the results from “bottom-up” security analysis and “top-down” research. This is combined with the investment team’s judgment and experience, particularly with regard to the assessment of management quality and ESG factors.

Allocations (weights in the portfolio) to the stocks are based on conviction and sector diversification. For index stocks, holdings/weights are between **0%-20%**. For non-index stocks, holdings are between **2%-5%**. In addition, the Fund can also allocate up to **10%** of the portfolio to GREITS and real estate related companies.

It is the objective to be near fully invested at all times. The cash allocation is a function of the bottom-up investment process, with cash increasing when suitable equity investment opportunities cannot be identified. The maximum cash holding is **20%** (the long term expected cash, on average, is expected to be around 0 to 5%).

Portfolio Turnover

Portfolio turnover is not applicable/relevant yet, as this is a relatively new Fund. Considering the Fund’s strategy/style, Pengana expects the turnover to be low/medium (average around **40%-50%** per annum). Over the last 1-year, it has been about 46%.

Liquidity

The liquidity of the securities is a consideration in the investment process. Portfolio liquidity is monitored daily.

Sell Discipline

The decision to Sell would consider factors like:

- ✓ If either qualitative or valuation criteria have been compromised or misjudged,
- ✓ Fully valued with better risk-return reward elsewhere in the universe,
- ✓ Change in view on thematic or fundamental change of the security’s characteristics – change in strategy, management or ownership.

Risk Management

The Risk Management process (and constraints) include the following:

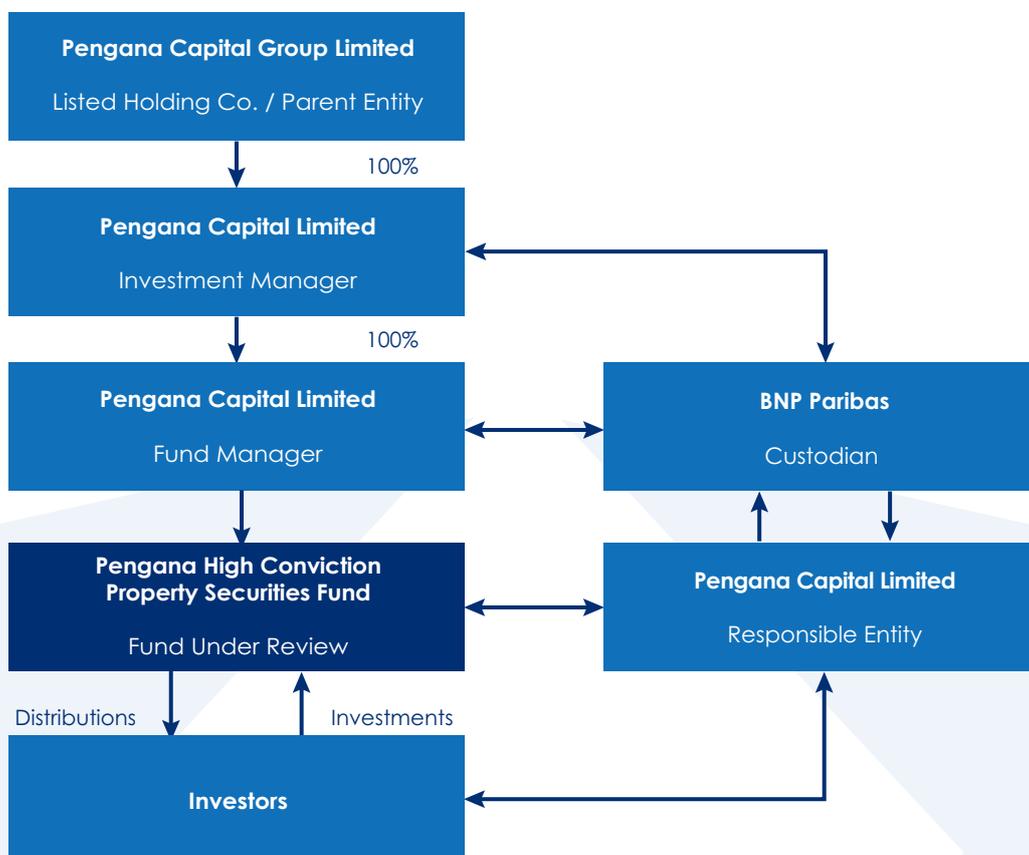
- Risk, including volatility, is managed at the individual stock level and the overall portfolio level.
- Monitoring of risk limits is performed daily by a Risk Analyst independent from the portfolio management team. The Analyst generates risk reports reviewed daily by the CIO or Performance and Risk Manager and monthly by a Risk Committee that includes the CIO, COO, and Head of Operations.

Investment Process**Research
and Portfolio
Construction
Process***...continued*

- Tracking error is not targeted due to the benchmark unaware nature of the Fund. More relevant are volatility and drawdown. However, a numerical risk target is not targeted.
- Stop-losses and trade review triggers are not used.
- The Firm has an internal breach reporting and escalation process.
- Currency risk: The Fund does not hold GREITs yet. Any holdings in GREITs would not be hedged.
- Leverage: not utilised.
- Derivatives: not utilised, however, they may be used for risk management purposes.
- Short Positions: not allowed.
- Operational Risk: monitored independently by the operations team. The independent risk management team monitors counterparty risks.
- The team uses the risk modules in Bloomberg Portfolio and Risk Analytics (PORT) for performance and risk analysis.

Portfolio risk constraints/details are listed at the end of the report.

Key Counterparties



Parent Company

Pengana Capital Group ('Pengana') is a diversified Funds Management group with investment strategies that aim to deliver superior long-term risk-adjusted returns to investors, focusing on capital preservation. Founded in 2003 and headquartered in Sydney, with offices in Melbourne and Brisbane, Pengana currently manages over \$4 billion across a range of International and Australian strategies.

Pengana's premium investment products employ active strategies with non-benchmark mandates, giving their investment teams the freedom to invest in their best ideas. Their business model also delivers centralised support from their corporate team so that their fund managers can focus on managing portfolios. Pengana strives to give investors access to superior global funds management strategies: strategies that will impact portfolio returns. They aim to do this through their in-house investment teams and by partnering with investment managers worldwide.

Pengana is a profitable company and employs about **50** staff members, out of which **17** are investment professionals.

Investment Manager / Fund Manager

Pengana Capital Limited ("PCL"; AFSL 226 566 granted 7 May 2003) is a wholly-owned subsidiary of Pengana Capital Group Limited ('PCG').

Responsible Entity

Pengana Capital Limited (PCL) is also the Responsible Entity (RE) of the Fund.

The **Board of Directors of the Responsible Entity (Pengana Capital Limited)** consists of **3** directors, **none** of whom are independent. SQM Research prefers the inclusion of independent members on the Board of Directors – it is a meaningful way to enhance governance and oversight. Board members have an average of **30** years of industry experience.

The Responsible Entity's **Compliance Committee** is composed of **3** members, **2** of whom are independent. The Chair is independent. The minutes of Compliance Committee meetings are reported in full to the Pengana Capital Group Board. SQM Research views independence in a RE oversight body such as the Compliance Committee as a strong and favourable factor in Fund governance. Compliance Committee members have an average of **35** years of industry experience.

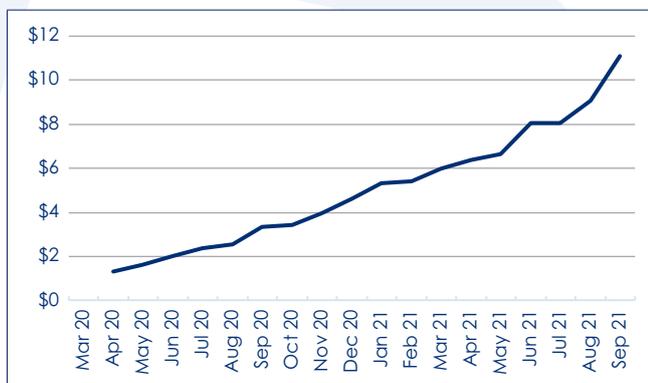
Management Risk

Funds management businesses rely on the operational capabilities of key counterparties. A critical element is the ability of the Responsible Entity to monitor operational performance and to meet the regulatory and statutory responsibilities required. For any investment fund, there is a risk that a weak financial position or management performance deterioration of key counterparties could temporarily or permanently compromise their performance and competency. This can adversely affect financial or regulatory outcomes for the Fund or associated entities.

Based on the materials reviewed, SQM Research believes that Pengana Capital Limited and the associated key counterparties are appropriately qualified to carry out their assigned responsibilities. Management risk is rated as 'low/modest'.

Funds under Management (FUM)

The Fund is approximately \$11.4 million in size as of **Oct-2021**. SQM has discussed the current investor pipeline with Pengana and understand that there are a number of prospective investors currently doing due diligence on the Fund, and that it has recently been accepted on to Macquarie wrap with \$10m of commitments.



Distributions

The Fund aims to pay distributions quarterly, subject to the availability of distributable income. As a general rule, in a scenario where the Fund's realised losses and expenses exceed income in a distribution period, the Fund may elect not to make a distribution during that time. The distributions may contain a capital return component.

Being a relatively new Fund (launched in **March 2020**), the distribution payments have **not** been made **quarterly**.

A General Note on Distributions for Managed Funds

The Responsible Entity of a Managed Fund will provide for a regular schedule of distributions, such as monthly/quarterly/semi-annual or annual. This is subject to the Fund having sufficient distributable income. The official total distributable income available to pay to investors is determined for the period of that Fund's financial year. By distributing the net taxable income of the Fund to investors each year, a Fund itself should not be liable for tax on its net earnings.

If a Fund makes distributions more frequently than once over the financial year, those distributions will be based on estimates of the distributable income for that distribution period. The final total amount of distributable income available for passing on to investors can only be calculated after the close of the financial year, based on the Funds taxable income for that year.

If the total distributions a Fund pays out exceeds total taxable income for that particular financial year, the excess amount may be treated as a return of capital rather than income. This will possibly have tax implications for the investor.

Due to the considerations outlined above, there may be periods in which no distributions are made, or a Fund may make additional distributions

A Fund's ability to distribute income is determined by the performance of the Fund and general market conditions. Accordingly, there is no guarantee a Fund will make a distribution in any distribution period.

Name	Responsibility / Position	Location	Years at Firm	Years in Industry
Nick Griffiths	CIO/Executive Director/Investment Committee	Sydney	17.0	28.0
Amy Pham	Portfolio Manager & Investment Analyst	Sydney	1.5	26.0
Jade Ong	Investment Specialist (Contracting, Part-time)	Sydney	1.5	18.0
Average			6.7	24.0

Investment Team

The investment team comprises two experienced AREIT managers, Ms **Amy Pham** (Portfolio Manager and Analyst) and Ms **Jade Ong** (Investment Specialist, Part-time), responsible for stock selection, portfolio construction and portfolio management, and a full time analyst, Sam Craig (*joining the team next month, in December 2021*). The team is based in the Sydney office and employs a flat structure, with all team members involved in idea generation, company analysis and portfolio management. Ms Pham has final responsibility for portfolio management decisions and performance, including analysis, research and fund reporting. Ms Ong assists Ms Pham in strategy, analysis and provides back-up to her. They worked together previously at IAG for 3 years, so there is tenure in their working relationship, which is important for a small team in terms of interaction and collaboration.

The Investment Committee for the Fund is overseen by Mr **Nick Griffiths** (CIO of Pengana Capital), who is responsible for reviewing the investment process, adherence to the mandate and assessing the ESG framework. The Investment Committee meets monthly to review the strategy, portfolio positioning and adherence to mandate.

Amy Pham has a direct profit share in the Property Securities business unit. The direct ownership interest in the separate business entities & the profit share component of the remuneration is a positive for retention & alignment of interests. Capacity limits and performance fees further focus the monetary incentive on Fund performance. She also has a significant personal investment in the Fund.

In last year's report, SQM Research noted "that Jade Ong is a contractor (rather than a direct Pengana employee). Also, since she is working part-time only, from a workload/coverage point of view, SQM Research believes that as the Fund grows and builds a track record, it would be preferable if her role becomes full-time or the team is expanded. It is Pengana's intention to offer her a full-time role with profit share once the Fund reaches break-even (\$80 million to \$100 million) and to consider expanding the team further to include a junior analyst at that stage". SQM Research has recently been advised by Pengana (subsequent to the Fund review meeting) that they have hired a full-time Analyst, Sam Craig, who will join the team next month (in December 2021). Mr Craig has five years experience and was most recently a Senior Research Analyst at Charter Hall. SQM Research considers that to be a positive development.

As a general note on employment arrangements: Several PMs of the broader Pengana Equities team are contractors (rather than direct Pengana employees). These PMs are employed by a separate business entity in which they are an Equity holder along with Pengana. This is a relatively less common business model for Funds Management firms operating Managed Funds under their own brand name. However, some boutique firms do use a similar type of business model/employment arrangements. That said, the direct ownership interest in the separate business entities & the profit share component of the remuneration (for those Pengana PMs) may be a positive for retention & alignment of interests (at least for some staff members).

Meeting Schedule

The table below shows regular meetings that form an essential part of the overall process.

Meeting	Purpose	Frequency	Participants
Securities Research	Where new opportunities/ ideas are in the markets, investment process, Q&A and research findings	Daily	Investment Team
Portfolio Construction	To monitor and discuss portfolio management and overall portfolio holdings & weights and any potential issues.	Weekly	Investment Team
Investment Strategy	To discuss investment process, mandate compliance, risk and ESG issues	Monthly	Risk & Investment Team

SQM Research believes the practice of constant communication and the broad-based inclusion of team members in decision-making is a vital ingredient to the success of the process. Interactive peer review and collaboration across a tightly knit group of experienced investors will likely make the best use of their combined intellectual property and shared history.

Staffing Changes

Being a relatively new Fund, there has not been any staff turnover since the launch in March 2020.

As noted above, SQM Research has recently been advised by Pengana (subsequent to the Fund review meeting) that they have hired a full-time Analyst, Sam Craig, who will join the team next month (in December 2021). Mr Craig has five years experience and was most recently a Senior Research Analyst at Charter Hall. SQM Research considers that to be a positive development.

Remuneration and Incentives

Base salaries are based on industry comparators and reviewed annually. Senior investment professionals have (direct) profit shares in their business units and are rewarded for Fund performance and Assets under Management (AUM). Capacity limits and performance fees focus the monetary incentive more tightly on Fund performance.

The Portfolio Manager of the Fund also has a personal investment in the Fund.

SQM Research believes remuneration in the form of firm equity and client-focused performance bonuses act as strong incentives for optimising staff engagement, retention and productivity. The intention (and SQM believes, the effect) is to align staff performance with client and shareholder objectives. It focuses on the customers' needs and medium to long-term results.

Fees and Costs	Fund	Peer Avg
Management Fee (% p.a.)	0.70%	0.78%
Expense Recovery (% p.a.)	–	–
Performance Fee (%)	15.00%	15.00%
Indirect Cost Ratio ICR (% p.a.)*	0.71%	0.81%
Buy Spread (%)	0.25%	0.18%
Sell Spread (%)	0.25%	0.18%
Other Features	Fund	
Redemptions	Daily	
Distributions	Quarterly	
Minimum Investment	\$10,000	

* ICR Date: 30-Jun-21

Management Fees

The management fee includes GST and is net of any applicable Reduced Input Tax Credits (RITC).

Performance Fees

There is a performance fee charged as follows:

- **15%** of the amount by which the Fund's investment returns (after base management fees have been deducted) exceed the returns of the Benchmark (S&P/ASX 300 AREIT Accumulation Index).
- Including GST and the impact of RITC (Reduced Input Tax Credit).
- The fee is accrued daily and (if applicable) paid to the Manager half-yearly.
- The fee is adjusted for any prior accumulated negative performance fee. Underperformance in a previous performance period must be made up for before a performance fee is payable. This creates a permanent high-water mark.

SQM Research observes that:

- *The Fund management fee is 0.70% p.a., which is 8 basis points lower than the peer group average of 0.78% p.a.*
- *The ICR (or TCR) is 0.71% p.a., which is 10 basis points lower than the peer group average of 0.81% p.a.*
- *The performance fee accrues at any return above the benchmark (subject to the returns being positive).*
- *The performance fee, at 15%, is similar to the average of peers that charge a performance fee. Most of the peers do not charge a performance fee.*
- *The performance fee includes a permanent high-water mark.*

Risk/Return Data to 31 October 2021							
Total Return	1-Month	3-Month	6-Month	1-Year	3-Year	5-Year	Inception
Fund	0.11	3.60	14.32	25.93	.	.	35.12
Benchmark	0.60	4.94	13.27	31.85	.	.	39.68
Peer Average	0.51	5.00	12.40	31.66	.	.	38.83
Alpha	-0.50	-1.34	1.06	-5.91	.	.	-4.56
Metrics				1-Year	3-Year	5-Year	Inception
Tracking Error (% p.a.) - Fund				9.29	.	.	8.76
Tracking Error (% p.a.) - Peer Average				2.62	.	.	3.05
Information Ratio - Fund				-0.64	.	.	-0.52
Information Ratio - Peer Average				-0.32	.	.	-0.28
Sharpe Ratio - Fund				1.90	.	.	2.67
Sharpe Ratio - Peer Average				1.94	.	.	2.23
Volatility - Fund (% p.a.)				13.62	.	.	13.12
Volatility - Peer Average (% p.a.)				16.36	.	.	17.56
Volatility - Benchmark (% p.a.)				16.39	.	.	17.45
Beta based on stated Benchmark				0.68	.	.	0.66

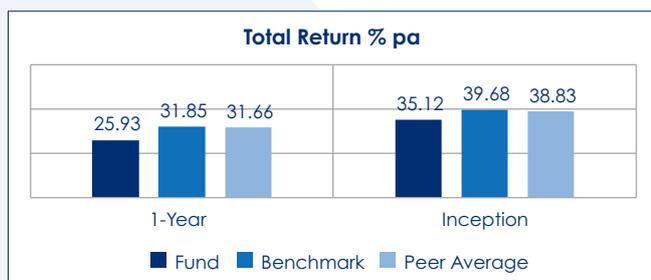
Dividends reinvested. Returns beyond one year are annualised. Return history starts Apr-2020
 Benchmark: S&P/ASX 300 A-REIT TR

SQM Research notes that whilst the Fund's inception date was 11 March 2020, it was not fully invested until the end of March, and therefore the performance tables in this report will use returns starting April 2020.

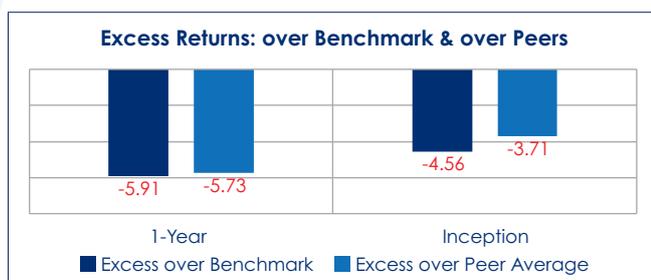
Quantitative Insight¹

Note: Unless otherwise stated, all return and risk data reported in this section are **after-fees** and for **periods ending Oct-2021**.

Returns



Excess Returns (Alpha)



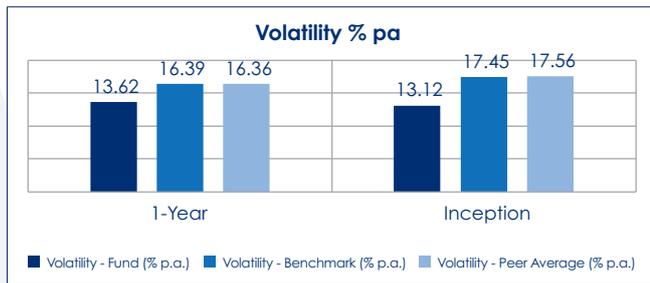
Whilst the figures above (from Apr.2020) suggest that the Fund has displayed relatively weak performance compared with the benchmark and the peers, **SQM Research is cognisant of the fact that these figures do not fully reflect the Fund's performance.** That is based on the timing of the Fund's inception in the midst of the **Covid-19 market dislocation in March 2020**, and the subsequent defensive stance adopted by the Fund (by continuing to hold extra Cash). If the first month is included in the analysis, the Fund has outperformed the benchmark and the peers. Therefore, SQM Research has considered these factors as part of our ratings process.

SQM Research notes: Over the 12 month period to Aug 2021 the Fund returned +30.83%, -0.9% relative the ASX300 A-REITs +31.75%. Stock selection in Diversified REITs contributed +1.55%, driven by the strong performance of Centuria Capital and APN Property, amongst others. The largest detractor was the Fund's -6.5% allocation to cash, costing -2.6% as the index experienced relatively strong performance across all sectors. Other detractors included Mirvac, NextDC and GPT.

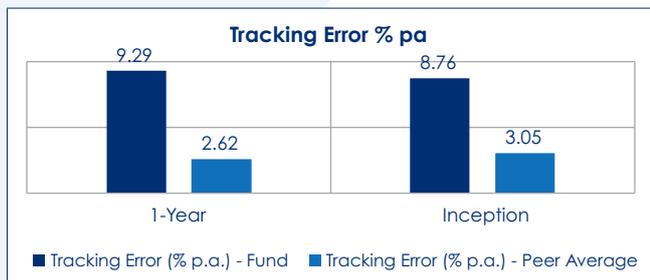
¹ Note: Sharpe and Information Ratios are not reliable comparison tools in periods where both the Fund and its peers/benchmark record a negative result

The Pengana team has advised that their ESG/Ethical filter has added value to the performance. 8 stocks were excluded (including 1 that was screened out for 'Governance'), from which 6 underperformed and 2 outperformed the Fund. 1 of the 8 excluded stocks - Charter Hall Long WALE REIT (CLW) hurt performance materially, as it was one of the top 5 detractors. SQM Research will continue to review the value add/ attribution of the ESG/Ethical filters in future reviews.

Risk



The Fund's **volatility** (standard deviation of monthly returns) has tended to be materially lower than the benchmark and the peers.



The Fund's **tracking error** (standard deviation of monthly excess returns) has tended to be significantly higher than the peers.

SQM Research observes that the materially lower levels of volatility and significantly higher tracking error can be largely attributed to a few factors, including the higher Active Share (which has averaged about 50-60% over the last year), higher allocation to non-index stocks, and higher allocation to Cash (especially in the first few months after inception).

The **risk outcomes** as described above regarding volatility and tracking error are consistent with the PDS statements about risk and are in line with SQM's expectations for this Fund.

Drawdowns

Drawdown Summary			
Drawdown Size (peak-to-trough)			
	Fund	Bench	Peers
Average	-5.39%	-2.76%	-2.41%
Number	2	4	5
Smallest	-2.62%	-1.22%	-1.21%
Largest	-8.16%	-6.45%	-5.40%

Drawdowns have, **on average**, been worse than the benchmark and worse than the peer average (whilst noting the very short track record).

Snail Trail

The snail trail chart and tables below show the combination of the Fund's rolling **1-year** excess returns and rolling **1-year** excess volatility. There are **8** observations in total.

The two tables below display the distribution of these observations and their overall frequency across the risk/return quadrants.

Snail Trail Distribution			
Frequency	Lo-Vol	Hi-Vol	Total
Hi-Return	0	0	0
Lo-Return	8	0	8
Total	8	0	8

8 rolling 1-year observations			
% of Total	Lo-Vol	Hi-Vol	Total
Hi-Return	0.0%	0.0%	0.0%
Lo-Return	100.0%	0.0%	100.0%
Total	100.0%	0.0%	100.0%

In assessing a snail trail it is important to note the following:

Q1 upper left-hand quadrant - higher return than the Fund's market index with lower volatility (less risk). This is the optimal position.

Q2 upper right-hand quadrant - higher return than the Fund's market index with higher volatility (more risk). This can often be a desirable position depending on the attractiveness of the Sharpe ratios produced in this zone. It is important to note that in the case of inflation or cash-style benchmarks, the Q1 top left-hand quadrant is unachievable as it is not possible to deliver lower volatility than what is virtually zero for the benchmark. In such cases, the Q2 zone is the optimal position.

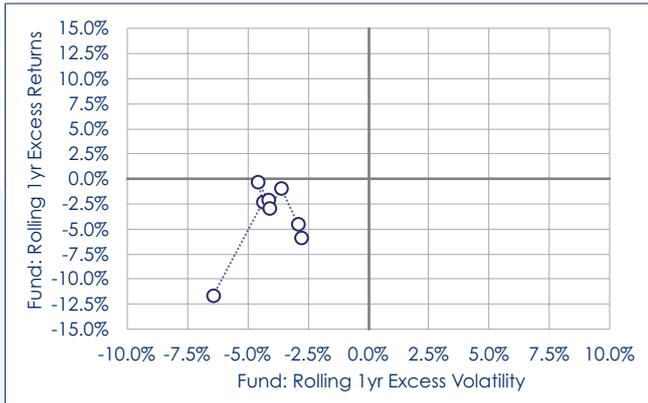
Q3 lower left-hand quadrant - lower return than the Fund's market index with lower volatility (less risk). Less than ideal, and Sharpe ratios can assist in assessing the risk/return trade-off in this zone.

Q4 lower right-hand quadrant - lower return than the Fund's market index with higher volatility (more risk). The least desirable outcome.

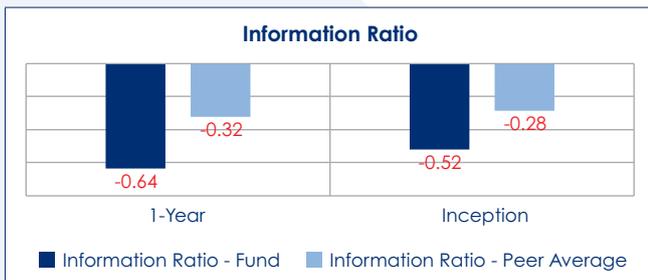
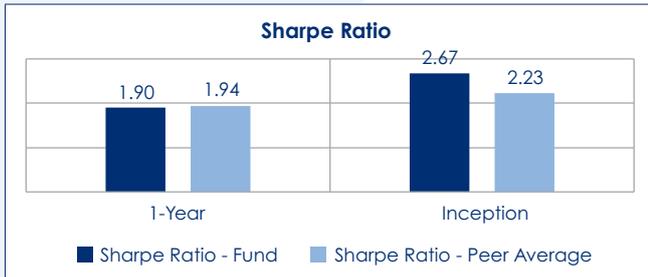
QUANTITATIVE ANALYSIS

Consistency

The more "bunched together" the cluster of dots, the more consistent is the performance. A second indicator of consistency is the trail's nomadic nature. Trails that roam across multiple quadrants over time are indicating **low consistency** in the Fund's risk-return profile. The quadrant that **contains the bulk** of the Fund's snail trail is likely to be more representative of the Fund's risk/return characteristics and identity.



Risk-Adjusted Returns



The Fund's risk-adjusted returns (as measured by Sharpe and Information Ratios) have been mixed. Sharpe Ratio has been *better* than the peer average on a since inception basis. Information Ratios have been negative and therefore of lesser statistical relevance. *Readers should also refer to the returns commentary outlined earlier (regarding the Fund's inception in March 2020).*

Correlation of Fund to Asset Classes

Index	Market	3 Years	Inception
Bloomberg AusBond Composite 0+Y TR	Aust Bonds	.	+46.4%
S&P/ASX 300 TR	Aust Stocks	.	+62.2%
BBGBarc Global Aggregate TR Hdq AUD	Global Bonds	.	+48.1%
MSCI World Ex Australia NR AUD	Global Stocks	.	+67.6%

There is a *moderate* correlation of the Fund's returns with the S&P ASX300 index and a moderate correlation to Global Equities on a since inception basis.

Tail Risk

*(The analysis in the table below looks at the **tail risk performance relationship of the Fund to the ASX300**, a practice that SQM has set as common across asset classes in Fund reviews. This approach recognises that for the large bulk of financial planner clients, their key traditional asset class **risk** regarding **size** and **volatility** is to Australian equities. Exploring that relationship is useful regardless of the asset class of the Fund itself, as it is helpful to understand how a Fund has acted in times of Australian equity market stress in terms softening or exaggerating the negative performance experienced at such times.)*

The table below details the **largest negative monthly returns** for the ASX 300 **since the inception of the Fund**. This is compared to the Fund's performance over the same months.

Extreme Market Returns vs Fund Return Same Month

Index: S&P/ASX 300 TR From: Apr-20 to Oct-21

Rank	Date	Market	Fund	Difference
1	Sep-20	-3.59%	+0.97%	+4.57%
2	Sep-21	-1.89%	-2.62%	-0.74%
TOTALS		-5.48%	-1.65%	+3.83%

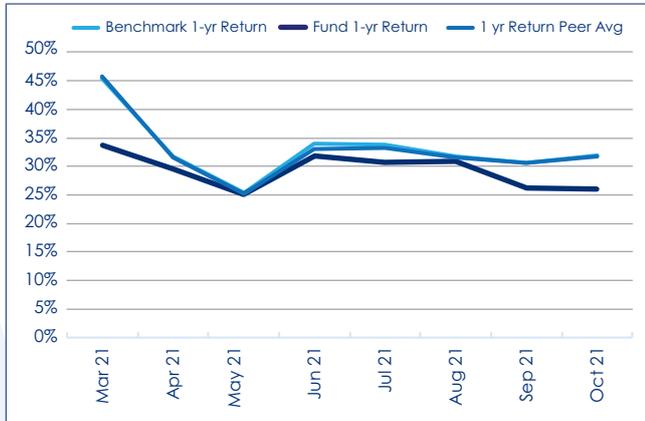
		No. of Months
Correlation	-100.0%	Positive Return 1
Capture	+30.1%	Outperform 1

Tail Risk Observations:

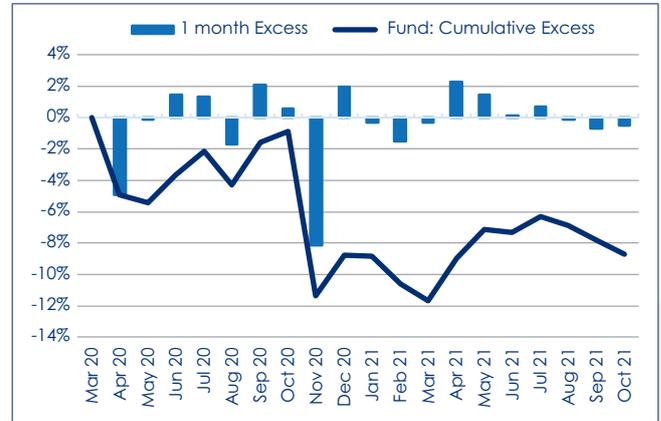
Based on the Fund's short track record, the data in the table above is insufficient to make any observations.

Return and Risk

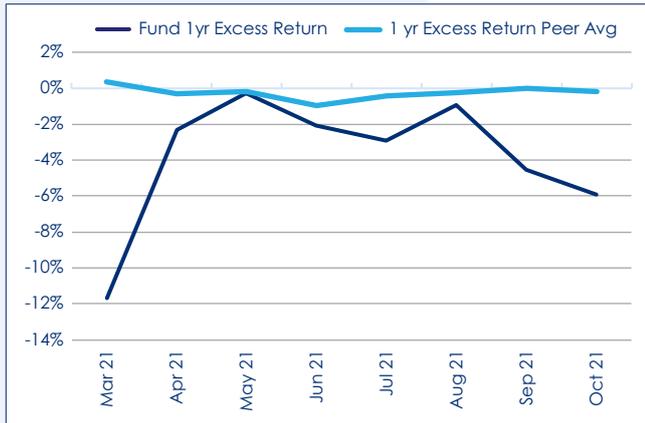
Rolling Returns



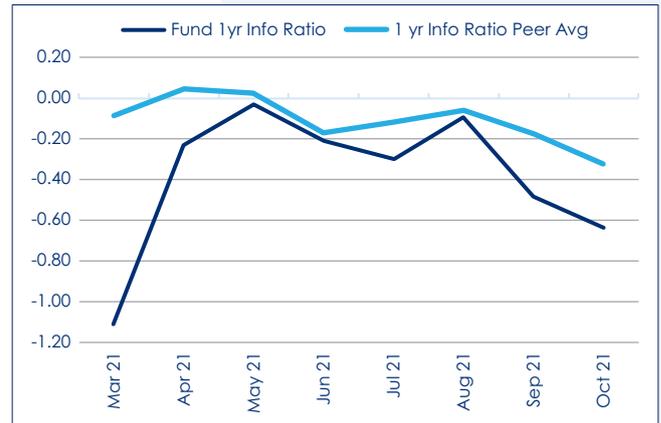
Cumulative Excess Returns



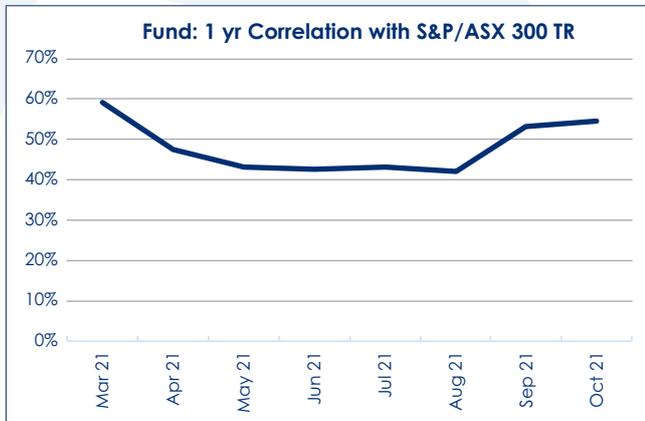
Rolling Excess Returns



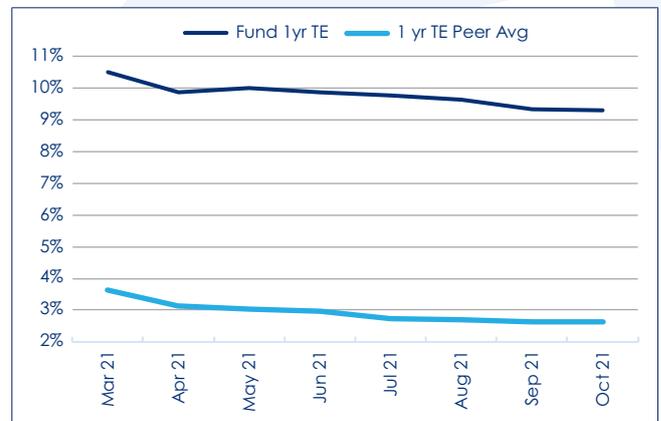
Rolling Information Ratio



Rolling Correlation



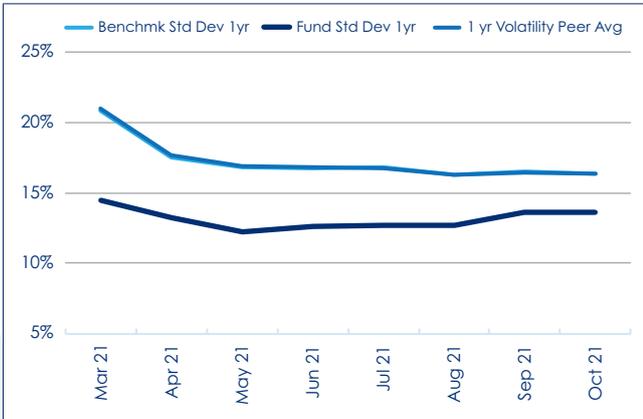
Rolling Tracking Error



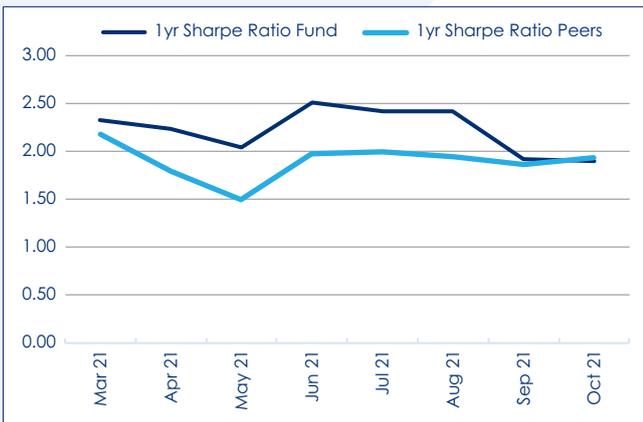
QUANTITATIVE ANALYSIS

Return and Risk

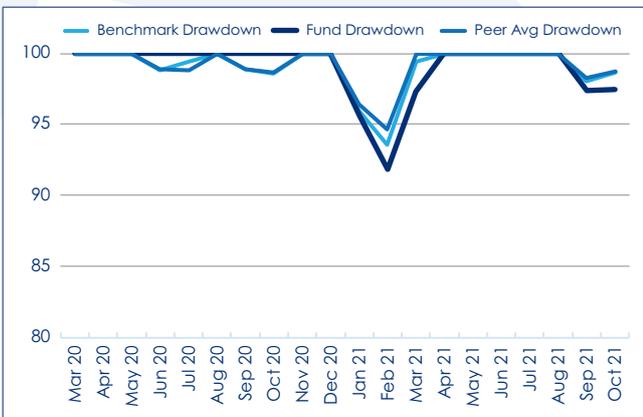
Rolling Volatility



Rolling Sharpe Ratio



Drawdowns



The table below outlines the limits on the Fund's asset allocation and other risk parameters:

Fund Constraints and Risk Limits	Permitted Range or Limit
Maximum number of securities 20	20
Australian listed property securities	70-100%
International listed property securities	0-10%
Cash and cash equivalents	0-20%
Other Constraints	
Maximum position size in Index securities	20.00%
Maximum position size in non-index securities	5.00%
Minimum market capitalisation	A\$ 50 million
Limit for Holdings Not in Benchmark	No limit

The Fund's history of asset allocation, sector and other portfolio metrics are detailed below:

Fund Allocations Mar-2020 to Aug-2021

Equity Sector	Average Weight	Max Weight	Min Weight	as at Aug-21
Office	10.6%	17.8%	5.7%	9.4%
Retail	6.9%	18.5%	0.0%	3.8%
Industrial	19.4%	22.8%	15.1%	22.2%
Diversified	29.9%	38.8%	19.6%	32.7%
Residential	6.0%	9.4%	3.9%	3.9%
Mortgage	0.0%	0.0%	0.0%	0.0%
Specialised	6.5%	9.5%	0.0%	9.5%
Development	7.6%	14.1%	2.8%	10.3%
Commercial	0.0%	0.0%	0.0%	0.0%
Cash	9.7%	22.1%	2.6%	3.4%
Health Care REITs	0.0%	0.0%	0.0%	0.0%
Internet Services & Infrastructure	3.4%	6.7%	0.0%	4.8%

Top 5 Holdings			
Name	% of Fund	% of Index	GICS Sector
GOODMAN GROUP	18.61%	26.21%	Industrial REITs
CHARTER HALL GROUP	10.82%	5.61%	Diversified REITs
MIRVAC GROUP	10.21%	8.28%	Diversified REITs
DEXUS/AU	9.38%	7.71%	Office REITs
CENTURIA CAPITAL GROUP	4.93%	1.33%	Diversified REITs

Key Investment Staff

Nick Griffiths – CIO & Executive Director

Mr Griffiths is the Chief Investment Officer of Pengana Capital and has particular responsibility for performance monitoring and risk management. He joined Pengana in 2003 and has over 28 years of experience in actuarial and investment consulting, manager research and risk management. He has worked for institutional investment firms in the UK and Australia and prior to joining Pengana was Head of Investment Research within Aon's Investment Consulting Practice in Sydney. There he managed the Australian based research team which actively encouraged a focus on alternative assets and hedge funds, and was the regional representative within Aon's global investment group, the Global Research Unit.

Mr Griffiths graduated from the University of Durham, England, in 1992 with a Joint Honours degree in Law and Economics, qualified as an actuary in 1997 and completed the Chartered Financial Analyst Exams in 2002.

Amy Pham - Portfolio Manager & Investment Analyst

Ms Pham has over 26 years of property funds management and finance experience. Prior to joining Pengana, she worked at Charter Hall/Folkestone for 6 years, managing a high conviction AREIT strategy. This team won several industry awards including Financial Standards Property Fund Manager of the Year 2019, Money Management/Lonsec Australian Property Securities Fund Manager of the Year 2018, and Financial Standard's Property Fund Manager of the Year 2017. Ms Pham has held several senior positions including head of property securities at IAG and portfolio manager at Deutsche Asset Management and Perpetual Funds Management. She began her career as a quantitative analyst at Legal & General in 1994.

Ms Pham holds a bachelors and honours degree in Economics from the University of New England and the University of California Davis.

Jade Ong - Investment Specialist

Ms Ong has over 18 years of property funds management and corporate finance experience. Previously she was a senior member of Macquarie Capital's real estate corporate advisory team in London and Sydney for 9 years. During this time, she worked closely with AREIT clients, advising on mergers & acquisitions, direct asset sales and private capital transactions involving establishing and raising capital for wholesale real estate investment funds. Prior to Macquarie, she was an assistant portfolio manager of IAG's property securities fund, working alongside Amy.

Ms Ong holds a Bachelor of Law and a Bachelor of Commerce degree, graduating with honours from the University of Sydney.

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SQM
RESEARCH

Address:

Level 16, 275 Alfred Street
North Sydney, New South Wales, 2060

Contacts:

Louis Christopher 02 9220 4666
Rob da Silva 02 9220 4606

Analyst:

Chetan Trehan

Central Contacts:

Phone: 1800 766 651
Email: info@sqmresearch.com.au
Web: www.sqmresearch.com.au