PANGEN CAPITAL

YOUR **GENERATIONAL** INVESTMENT MANAGER

AUSTRALIAN **REAL ESTATE** FUND

Quarterly report to 31 December 2025

Overview

The PanGen Australian Real Estate Fund (PAREF) provides wholesale investors a timely opportunity to earn attractive risk-adjusted returns by providing efficient access to a diversified portfolio of institutional grade 'blue chip' real estate securities. **Short to medium term outlook to exceed 10% per annum.**

Why PAREF stands out

- Exposure to prime, high-quality 'blue chip' properties
- Attractive pricing
- Favourable long-term property fundamentals
- Conservative borrowing levels
- Minimal transaction costs
- Experienced investment management team
- Portfolio diversification benefits
- Innovative open-ended structure

Investment Objective and Strategy

To generate a medium to long-term total return of 8% – 10% per annum by investing in a range of property related investment strategies, including unlisted property funds and listed property. The investment manager will seek to create a high-quality, institutional grade, Australian-focused, diversified property securities portfolio with a primary focus on unlisted markets.

APIR	ORS2353AU
Inception Date	1 August 2025
Unit pricing	Monthly
Distributions	Quarterly
Management fee	0.60% p.a.
Buy/Sell spread	Nil
Open for investment	Yes (monthly applications)
Access	Direct, HUB24

Performance as at 31 December 2025

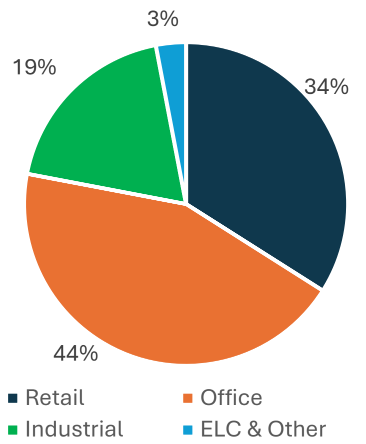
PAREF's positive performance for the quarter was derived from income, growth from rising underlying net income across all property sectors, slightly offset by market movements. Since inception performance benefited from these factors and favourable investment entry pricing.

	Unit price	1M	3M	Inception
PAREF	$1.0404	0.78%	1.73%	4.34%

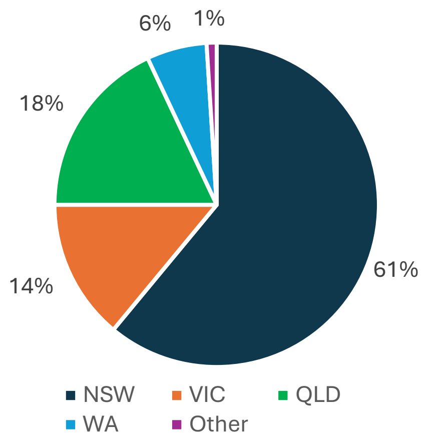
PAREF will pay a quarterly distribution of 1.133777 cents per unit on or about 30 January 2026. Past performance is not a reliable indicator of future performance. Returns are calculated after fees & costs. Visit our website for historical unit prices and distributions.

Portfolio

Sector



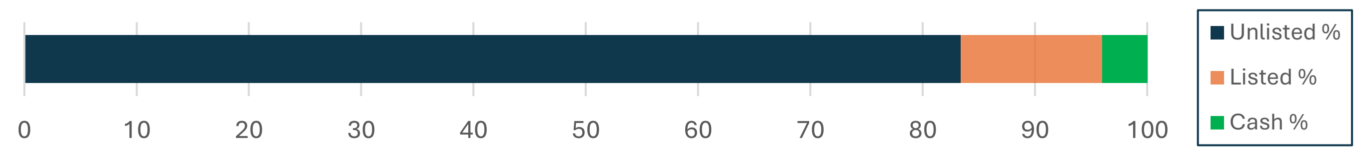
Region



Metrics

Underlying properties Unlisted (total)	40 (>1600)
Weighted average capitalisation rate	5.7%
Gearing (look-through)	25%
Occupancy	96%
WALE	5.0 years

Asset Allocation



Fund update

PAREF holds 6 property securities comprising one unlisted fund and 5 listed property securities. PAREF's key unlisted investment is the $13.1 billion Dexus Wholesale Property Fund (DWPF), one of Australia's largest institutional-grade property funds with a long track record of outperformance. DWPF holds a highly diversified portfolio of 40 predominantly prime Australian properties, including iconic premium grade Sydney CBD office towers such as Gateway Tower and Quay Quarter Tower, dominant shopping malls such as Westfield Miranda, and super-prime industrial properties.

> Equity market valuations were "over the long-term averages" and while "equities may continue to do well … as valuations rise, we need to be mindful that there may be a period of weaker returns. This is exactly why we have a diversified investment portfolio where our unlisted assets provide a level of stability to returns."
>
> ***Philippa Kelly*** *– Independent Director of AustralianSuper and Chair of the Investment Committee Chair, Australian Financial Review, 21 November 2025*

PAREF's listed property holdings complement the portfolio with targeted rental-focused securities exposed to sectors such as early learning centres, convenience retail, large format retail, logistics and diversified long WALE.

We plan further unlisted investments targeting sector specific funds in the retail, industrial and office property sub-sectors. In line with PAREF's investment strategy, we remain focused on building out an institutional-grade, diversified Australian "core" property portfolio. **We believe this strategy will deliver fund investors attractive long-term returns, stable and growing income with relatively low risk given the conservative gearing, blue-chip underlying properties and quality managers**.

Property market insights

CBRE estimates that Australian institutional real estate is worth **+$1,400 billion**, comprising

- $1,000 billion in the traditional sectors of retail, office, and industrial
- $200 billion in select alternatives including hotels, hospitals, childcare and data centres
- $210 billion in the living sector, largely in senior living.

With our focus on some of the highest quality properties in the retail, office and industrial sectors, we maintain a positive outlook for Australian institutional real estate, driven by two key themes:

- **Favourable Australian real estate market conditions with above-trend rental growth expected** driven by solid tenant demand for prime-grade assets coupled with a constrained supply outlook.
- **Current market pricing is attractive** as property values are now rising following a sustained period of negative repricing driven by sharply rising interest rates and the COVID-19 pandemic. Capitalisation rates (yields) for commercial property have risen around +1.0% since June 2022 to September 2025, including +1.4% in the office & industrial sectors and +0.5% for retail.

Below are our high-level thoughts of the traditional property sectors.

Retail Our favoured retail property sector is high-quality discretionary retail focused on dominant and highly productive shopping centres. Effectively fully occupied, these malls continue to benefit from strong space demand as retailers look to secure space, especially given the low supply outlook: we understand mall owners are taking advantage of these conditions to secure improved lease terms, which may include stronger rental growth and longer tenure. Longer term, these assets are strategically located in population centres with good transport links, and as such most have embedded upside potential via retail space expansion along with additional categories such as healthcare, office and living. We also like well-located convenience and large-format retail properties, particularly with strong catchment growth and manageable competition.

Office Office is a highly cyclical sector and can present significant opportunities (and risks) at different periods. We currently favour Sydney and Brisbane CBD prime grade office towers located in gateway locations such as Sydney's Circular Quay financial district and Brisbane's 'golden' triangle. These properties are likely to continue to deliver above-average rental growth in the short to medium-term underpinned by robust tenant demand and supply to remain constrained, given assets value are typically significantly below replacement cost (in some cases 30%+). The Melbourne market is taking longer to recover, noting that the 'Paris' end of Collins Steet remains more resilient.

Industrial The industrial/logistics property sector has enjoyed a 'super cycle' of above-trend rental growth over the past 5 to 10 years, which is now moderating to more normal levels. Our focus is on funds that own well-located, high-quality logistics & industrial properties with strong transport linkages close to population centres. In the medium to longer term, we believe these assets will continue to benefit from solid tenant demand, and some enjoy embedded 'adjacent' opportunities, such as data centres, increased densification and urban renewal. We seek to minimise exposure to properties in secondary locations with elevated risks of 'locational obsolescence'.

Risk & return are two sides of the investment coin

Risk and return go hand in hand. As shown below, we believe **PAREF will deliver more stable total returns and materially lower downside risk than typical property syndicates**, thanks to its higher-quality diverse portfolio and lower gearing.

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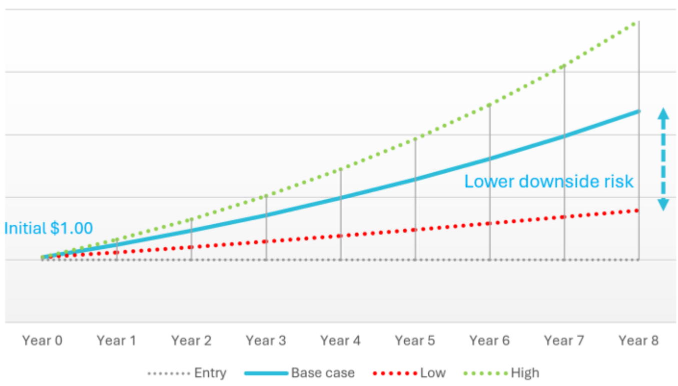
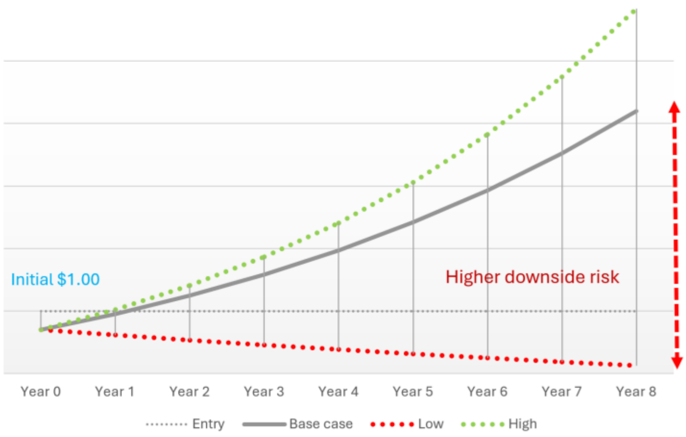


'Typical' property syndicate



Charts assume distributions are reinvested

Additionally, **PAREF investor equity is fully asset-backed from the start due to its efficient structure**, whereas investors in typical property syndicates face reduced initial equity due to acquisition costs such as stamp duty & manager fees, further amplified by higher leverage.

Outlook

We believe that **PAREF is well placed to deliver a total return exceeding 10% per annum over the short to medium-term**, net of base management fees and fund costs, with returns to be underpinned by stable and growing income and the prospect for capital growth driven by underlying market rental growth. We believe this **target return is highly attractive from a risk adjusted perspective** on an absolute basis and relative to major asset classes such as equities, fixed interest, infrastructure, private credit and cash. We further believe that adding PAREF to portfolios can improve diversification.

Our upgraded short to medium-term outlook assumes market rental growth exceeding 4.0% per annum and capitalisation rate compression (yield tightening) of around 20bps for both current and target investments. On balance, we believe risks are skewed towards the upside given the superior quality of the underlying property portfolio and increasing transactional activity.

We continue to see **highly favourable market conditions for Australian prime-grade 'core' commercial real estate given the constrained supply outlook and solid tenant demand for prime grade properties**. PAREF offers one of the few pathways for non-institutional investors to efficiently tap into this calibre of assets.

About PanGen Capital

We aim to create high quality real estate investments for our clients to hold long term ... and be able to pass on to the next generation. Given its strong management expertise and experience, PanGen Capital is well placed to execute the Fund's investment strategy to deliver attractive, long-term risk adjusted returns to investors.

Please visit www.pangencapital.com for further information.

Thank you for your support. Please contact us if you have questions.

> "The Australian prime commercial real estate landscape is entering a period of significant tailwinds. We see a compelling entry point driven by attractive valuations, a fundamental supply-demand imbalance, robust population growth, and a stabilising interest rate environment."
>
> ***Ryan Bass** – Managing Director, PanGen Capital, January 2026*

Property showcase

Below we highlight some of PAREF's underlying properties that showcase the quality of its real estate exposure.

Office

Gateway is one of Sydney's most prestigious business addresses at the entrance to the core financial district. This premium tower offers 38 levels of office space, 3 levels of prime retail and 4 levels of secure basement parking. Each level offers flexible and efficient floorplates, while the mid to high-rise levels enjoy beautiful panoramic views across Sydney Harbour.

Quay Quarter Tower (QQT) comprises 49 levels including of premium grade office space in Sydney CBD, with world-class restaurants, cafes and bars. QQT is a vertical village with many world-first features, boasting an integrated technology ecosystem and intelligent design to promote collaboration and drive business success. QQT benefits from a revitalised office precinct and exceptional connectivity.

Waterfront Brisbane - The $2.5 billion transformation of the Eagle Street Pier and Waterfront Place will deliver a global-standard business & tourist destination that aims to maximise its prime location with open spaces, amenity and a waterfront dining hub. The project comprises two new office towers, a riverfront retail precinct and expanded public space. Waterfront Brisbane will welcome Deloitte, DLA Piper, Allens, Minter Ellison, Gadens and Colliers to its first tower.

Retail

Westfield Miranda is a five level super regional shopping centre approximately 25 kilometres south of the Sydney CBD, attracting over 15 million annual shopper visits. The centre features David Jones, Myer, Aldi, Coles, Woolworths, Kmart and Big W, along with international mini major retailers, over 300 speciality retailers, an artisan fresh food market, a significant entertainment precinct with Event cinemas and a large food court.

Westfield Warringah Mall in Brookvale Sydney, is a super-regional shopping and dominant lifestyle centre. It offers three levels indoor and outdoor retail, anchored by David Jones, Myer, Big-W, Kmart, Woolworths, Coles, Hoyts cinema and Bunnings Warehouse, along with approximately 350 mini-major and speciality stores.

Westfield Booragoon is a regional shopping centre located in an affluent catchment area of Perth. This dominant lifestyle centre. The centre is anchored by David Jones, Myer, Kmart, Woolworths and Coles supermarkets, along with approximately 150 speciality retailers and a Hoyts Cinema complex.

Industrial

Horizon 3023 is a large 127-hectare site located in the core West Melbourne industrial precinct and enjoys superior access to a major arterial road and the Western Freeway. Comprising 14 facilities, of which 10 are operational and 4 under construction, the estate is set to benefit in the medium to long term from its proximity to the Western Intermodal Freight Terminal. Selected tenants include Nike, Amazon, HelloFresh, Elders, Myer and Mitre10.

Regents Park Industrial Estate is a substantial 33-hectare estate incorporating 20 detached warehouse and office buildings. Located in an established Sydney Inner West industrial precinct approximately 20km southwest of the Sydney CBD, the estate provides access to major roads such as the Hume Highway, Parramatta Road, and the M4 and M5 Motorways. The asset enjoys high occupancy from a range of quality tenants.

Crossroads Logistics Centre, Casula, located just south of Liverpool, is an 18-hectare premium industrial complex comprising six separate high clearance units, each providing high quality warehouse and office facilities. The property offers unparalleled proximity to major arterial roads, situated at the intersection of the M5, M7 and the Hume Highway. Selected tenants include Electrolux, Harvey Norman and Westrac.