Global Property Fund

► Focused. Transparent. Quality.

NEDGROUP INVESTMENTS

September 2026 update | ISIN for Class C USD: IE00BD9Y5201

MARKETING COMMUNICATION

MONTHLY PORTFOLIO UPDATE

Our investment approach

- We allocate capital actively across countries, sectors and companies.
- We conduct intense scrutiny of the underlying real estate held by each company.
- We recognise that real estate is cyclical and capital intensive and believe that management skill is critical.
- The portfolio is constructed in an approach that is high conviction and agnostic.

Portfolio management team



Andrew Parsons

30+ years experience



Marco Colantonio

30+ years experience



Robert Promisel

30+ years experience



Julian Campbell-Wood

21 years experience

In this monthly note, we share the Fund's return drivers over recent periods, current portfolio positioning and put the spotlight on a stock in the portfolio.

Performance and markets

The FTSE EPRA/NAREIT Developed Index (USD) produced a total return of -5.6% for the month ended 30 September 2026. Returns were impacted by rising long-term bond yields, driven by increased concerns around inflation and fiscal deficits, particularly in the U.S.

All regions within the real estate universe posted negative returns during the month amid inflationary pressures and weakness in bond markets.

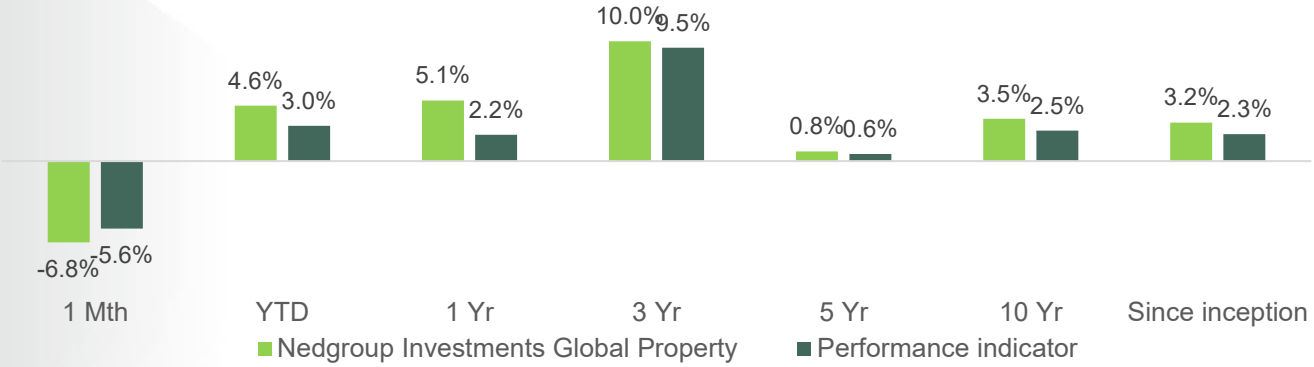
Canada was the strongest-performing market, returning -2.1% in local currency terms. Local mall landlord Primaris (PMZ.UN) generated a total return of 3.8% for the month after the group raised C$320m in equity and acquired Upper Canada Mall for C$411m. Europe was the worst-performing market, declining 7.4% in local currency terms. European REITs generally have higher financial leverage and now face significant earnings headwinds from higher interest costs.

Healthcare was the best performing sector, generating a -3.4% total return in local currency terms. The sector benefited from continued operating strength, supported by a supply/demand imbalance. Given these underlying structural tailwinds, movements in interest rates typically have a lower impact on the sector.

Residential was the weakest performing sector, declining 7.4% in local currency terms. German residential was particularly weak due to high financial leverage and heightened concerns around the regulatory environment.

Fund performance

Past performance is not indicative of future performance and does not predict future returns



Fund returns are US$ based on Class C (accumulation) since Aug 2016. Performance indicator: FTSE EPRA Nareit Developed NR USD. Source: Morningstar, Nedgroup Investments.

Key return drivers

Month to date

The fund underperformed the Index by 115 basis points for the month ending 30 September 2026.

Contributors	Detractors
• Cash and cash equivalents	• OW NextDC – AU data centres
• OW Equinix – US data centres	• OW TAG Immobilien – European residential
• Nil Realty Income Corporation – US retail	• OW Vornado Realty Trust – US office
• Nil Vonovia – European residential	• OW Unibail-Rodamco-Westfield – European retail
• OW Chartwell Retirement Residences – CA healthcare	• OW Land Securities Group – UK diversified

OW – Overweight; UW – Underweight; Nil – zero exposure; CA – Canadian, JPN – Japan, HK – Hong Kong.

Portfolio comments

There were several notable REIT transactions and equity raises during the month.

European logistics platform Warehouses De Pauw (WDP) raised €400m of equity to fund acquisitions in Germany, Italy, Benelux and Romania, as well as land site purchases, mainly in Western Europe.

U.S. grocery-anchored retail landlord Brixmor Property (BRX) acquired 23 grocery-anchored centres from Slate Grocery REIT (SGR.UN) for CAD$636m. The pricing represents a mid-to-high 6% cash cap rate. The deal increases Brixmor's Sunbelt exposure.

UK REIT Landsec (LAND) announced the sale of an office building, 123 Victoria, in London. Immediately after month-end, LAND launched a £500m equity raise to fund the acquisition of Metrocentre (Newcastle, UK) and increase its investment stakes across various UK assets. Metrocentre is a top 10 UK retail asset, acquired at a 7.9% net yield.

Australian data centre developer NextDC (NXT) issued an A$1.1bn, five-year convertible note due in 2031. As with other capital issuances by NextDC, the proceeds are to be used to fund the group's Australian data centre development pipeline.

Portfolio positioning

Sector breakdown	Weight
Healthcare	21.4%
Data Centres	15.1%
Retail	14.1%
Diversified	13.0%
Residential	12.5%
Industrial	9.2%
Office	5.1%
Self-Storage	5.0%
Cash	4.1%
Hotel	0.4%
Other	0.0%

Regional breakdown	Weight
US	67.1%
UK	8.5%
Europe	6.9%
Japan	4.8%
Cash	4.1%
Australia & NZ	3.8%
Canada	2.5%
Hong Kong	2.1%
Singapore	0.3%
Other	0.0%

Top Holdings	Sector	Weight
Welltower Inc.	Health Care	9.2%
Equinix, Inc.	Data Centres	8.5%
Vivmark Residential	Residential	5.0%
Digital Realty Trust, Inc.	Data Centres	4.6%
Prologis, Inc.	Industrial	3.9%
Essex Property Trust, Inc.	Residential	3.9%
Vornado Realty Trust	Office	3.9%
Federal Realty Inv Trust	Retail	3.6%
Extra Space Storage Inc.	Self-Storage	3.1%
Simon Property Group, Inc.	Retail	2.9%
Total		**48.6%**

Portfolio attributes	
Number of Securities	44
Implied Cap Rate	5.9%
Dividend Yield	3.5%
Forward FFO Multiple	20.0x
Net Debt/EBITDA Multiple	5.9x
Portfolio Occupancy	91.1%
Rental Income as a % of EBITDA	91.6%

As at 30 September 2026. Source: Resolution Capital, Nedgroup Investments.

Land Securities Group

- Landsec is a UK diversified REIT that owns office and retail assets. The metrics are very undemanding, trading at around 11–12x earnings, with earnings expected to grow by at least 5% over the next three to four years and a dividend yield of about 6.5%.
- The balance sheet is reasonable, with a 38% loan-to-value ratio. Importantly, Landsec has an eight-year debt maturity, meaning there are no significant debt refinancing issues expected for the foreseeable future.
- The stock was bought at a 40–50% discount over the last 12–18 months and is still trading at around a 25% discount.
- Operating fundamentals are improving. Office occupancy is at more than a 10-year high, while retail occupancy is at more than a 20-year high. The portfolio is also experiencing its highest rent growth for quite some time, with that momentum continuing.
- Landsec is the largest landlord in London's Victoria submarket, where its buildings are 99% occupied. Its portfolio also includes Piccadilly Lights, Liverpool ONE and Bluewater.
- Liverpool ONE was developed for more than £900 million, while Landsec acquired it for less than £500 million around 18 months to two years ago. The asset is performing strongly.

Performance, contribution data and positioning information as of 30 Sep 2026. Some differences may exist due to rounding. Source: Resolution Capital, Nedgroup Investments.

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Past performance is not indicative of future performance and does not predict future returns.
Risks and fees are outlined in the relevant Sub-Fund supplement.
Prices are published on the Investment Manager's website.

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