Ironbark Paladin Property Securities Fund

BENCHMARK
S&P/ASX 300 A-REIT Accumulation Index

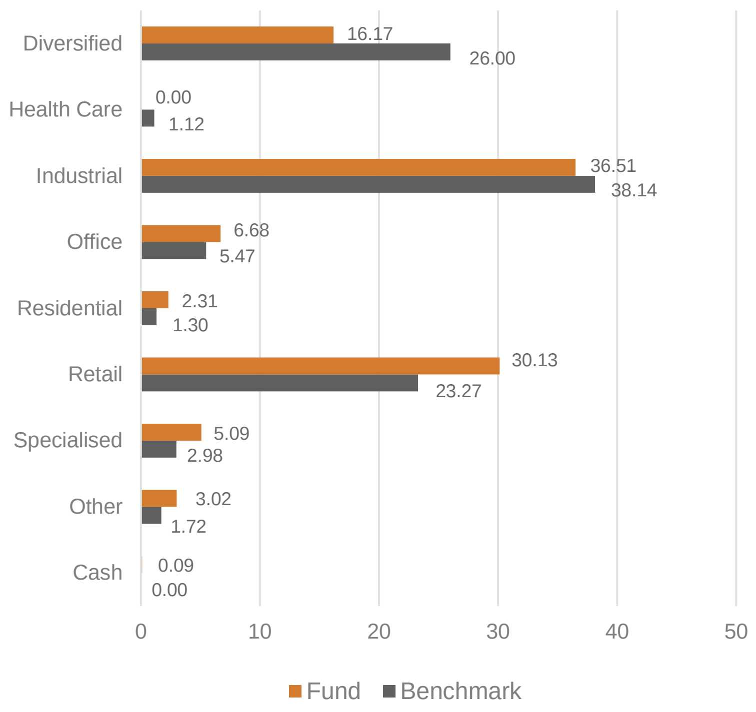
OBJECTIVE
Seeks to outperform its benchmark, after fees, over rolling three-year periods.

APIR	PAL0002AU	**FUND SIZE**	$232.2m
ARSN	087 897 667	**EXIT PRICE**	$1.2477
INCEPTION DATE	28 February 1995		

Net performance (%)

	1 month	3 months	1 year	3 years p.a.	5 years p.a.	7 years p.a.	10 years p.a.	Since inception p.a.
Fund	**-5.00**	**-7.34**	**-8.21**	**1.87**	**12.79**	**7.42**	**7.16**	**7.59**
Benchmark	-4.80	-6.55	-5.37	3.27	13.79	7.41	6.92	7.86
Active	*-0.20*	*-0.79*	*-2.84*	*-1.40*	*-1.00*	*0.01*	*0.24*	*-0.27*

Sector asset allocation (%)[1]



Top 5 holdings (%)[1]

Stock	Fund	Benchmark
Goodman Group	36.51	36.81
Scentre Group	18.13	11.14
Mirvac Group	9.49	5.26
Dexus	6.68	4.85
Region Group	4.39	1.53
Other	24.71	40.40
Cash	0.08	0.00

Past performance is not indicative of future performance. Net performance figures are calculated using exit prices, net of fees and reflect the annual reinvestment of distribution. Returns are rounded to two decimal places. Slight variations to actual calculations may occur. Significant investor activity can impact performance returns in a fund or of a class of a fund.

[1]Totals may not equal due to rounding.

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Market review

The S&P/ASX 300 Property Accumulation Index returned -6.6% for the quarter (in local currency terms), underperforming the broader equity market (as measured by the S&P ASX 300 Index which returned -2.5%).

Broadly speaking, stocks began the new year strongly, logging fresh record highs in February before retreating into quarter end as sentiment soured globally due to uncertainty around US tariffs. As widely expected, the Reserve Bank of Australia cut interest rates for the first time since November 2020, reducing the cash rate by 0.25% to 4.10% in February. The Reserve Bank of Australia's post-meeting statement acknowledged that inflation had eased but remained cautious about the outlook. Despite the Reserve Bank of Australia's first rate cut since 2020, property stocks closed well in the red. Goodman Group's $4.4 billion equity raising to fund data center expansion, the largest in A-REIT history, weighed on the sector as performance softened post the raising in February. In transaction markets, the investment manager saw the largest office transaction since October 2023 with Japanese property house Daiburu's $600m acquisition of 135 King St, Sydney, from Investa. Lastly, earnings season showed strong trends for retail. Office metrics were stable, while industrial was mixed.

Performance review

The Ironbark Paladin Property Securities Fund (the 'Fund') returned -7.34% net for the quarter, an underperformance of -0.79% when compared to the S&P/ASX 300 Property Accumulation Index's return of -6.55%.

Holdings that were major contributors to performance include the average overweights to outperforming Mirvac Group, Scentre Group, and Unibail-Rodamco-Westfield SE. The major detractors from performance were the average overweight position to underperforming Nextdc Limited, and the average underweights to outperforming Stockland and GPT Group.

Key contributors over the quarter (%)

Stock	ASX code	Index return	Average weight	Attribution impact	Explanation
Mirvac Group	MGR	11.47	8.56	0.55	Mirvac rallied in February from its lows in January on the back of more buoyant outlook and potential rate cuts, with Financial Year 2025 to be a low point in the earnings cycle.
Scentre Group	SCG	0.29	17.68	0.54	Scentre Group continues to deliver operational earnings momentum with further upside from repurchase of subordinated notes improving Scentre Group's cost of capital
Unibail-Rodamco-Westfield SE*	URW FP	11.00	3.22	0.41	Unibal in February announced a significant increase of dividend above market expectations along with continued strong operational performance and higher property values
Dexus	DXS	6.31	7.05	0.33	Having been heavily impacted in the fourthquarter of 2024 by MISC index reduction Dexus was trading at cheap earnings multiple and discount to asset value with no value being ascribed the Funds management platform. Additionally, Dexus reported at Half Year of 2025 results that office incentives are coming down, improving cashflow. Value investors subsequently bought the name resulting outperformance.
Goodman Group	GMG	-20.23	38.79	0.26	Goodman announced an unexpected $4bn equity raise along with their data center strategy taking longer than expected and subdued logistics demand.

Key detractors over the quarter (%)

Stock	Code	Index return	Average weight	Attribution impact	Explanation
Nextdc Limited*	NXT	-24.93	3.52	-0.63	Announcement of Deep Seek, surprise equity raise from Goodman Group for data centers and Microsoft pulling back data centre demand cause NextDC to fall.
Stockland	SGP	2.08	3.14	-0.42	Whilst Stockland outperformed, whilst Half Year of 2025 earnings came below expectations yet still found support on rate cuts. Outperformance was more muted when compared to Mirvac.
GPT Group	GPT	-0.23	0.24	-0.38	GPTs performance over the quarter on absolute basis was more muted slightly falling. Some support was found in the better-than-expected Financial Year 2025 earnings guidance outlook if it hits top end of range provided. If company hits lower end of guidance, it will post anaemic earnings growth 0.1% on Financial Year 2025.

HMC Capital Limited*	HMC	-36.41	0.86	-0.38	HMC Capital has been significantly impacted by their interest in debt laden Healthscope with investors questioning their ability to successfully manage conflicts between tenant (HMC Capital managed Healthco (HCW.AX) and HMC's desire to take over operating control of Healthscope.
Vicinity Centres	VCX	7.63	3.20	-0.31	Vicinity at Half Year of 2025 results announcement the company upgraded its comparable property income guidance to 3.5-4.0% (from 3.0-3.5%). Leasing spreads remain positive at up 3.5% (stronger than Financial Year 2024 at up1.1%). The company has also already exceeded its A$250mm asset recycling target for Financial Year 2025 in the first half.

**Denotes off benchmark position, portfolio return shown*

Market outlook

With higher conviction the market prices in successive interest rate cuts in 2025, at the same time as the investment manager approaches the bottom of the asset valuation cycle and an inflection in sector earnings as debt cost headwinds fade. The investment manager expects the AREITs will perform well in this environment, buoyed by a turn in the interest rate cycle and the potential for accretive acquisitions.

Going forward, the rate of positive rent reversion in industrial is likely to slow given the direct impact of a tariff war should be most felt by industrial. The primary risk is if China or the US experience a sharp downturn, which would reduce demand for Australian exports. In office the investment manager is coming off trough demand and thus the investment manager expects less extreme discounting of the equity in these names. In retail the investment manager continues to prefer convenience, non-discretionary retailers as they are likely to hold up better than those with larger concentrations of discretionary spending. Transaction markets are gradually thawing, and the investment managers are observing an increasing level of transactional activity from a low base.

Whilst macro drivers and sector preferences are a part of the Fund's positioning, the investment manager is mainly driven by stock level relative value and upside opportunities. The investment managers are positioned in REITs with high quality balance sheets, experienced management teams and high-quality assets.