Global Property Fund

► Focused. Transparent. Quality.

NEDGROUP INVESTMENTS

May 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 -0.9% for the month ended 31 May 2026. Investors largely looked through geopolitical volatility in the Middle East, with AI-led momentum continuing to support broader market sentiment.

The listed real estate sector also benefited from a more supportive interest rate backdrop, particularly in Europe and the UK, where yields moved lower as easing energy prices helped moderate inflation concerns.

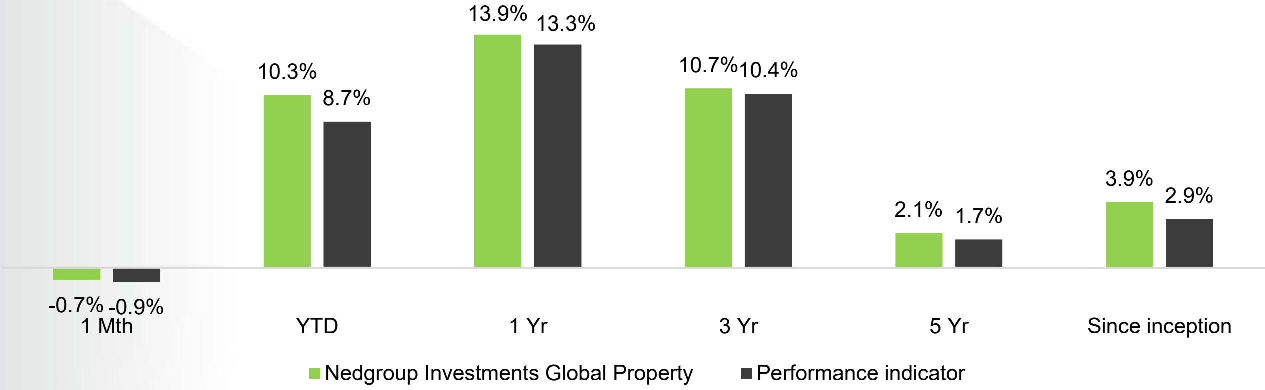
Australia was the strongest-performing market, returning 3.0% in local currency terms, supported by the strong performance of data centre-oriented platforms Goodman Group (GMG) and NextDC (NXT). Japan was the weakest market, returning -7.8% in local currency terms, with Japanese developers correcting sharply after FY25 results amid cautious FY26 EPS outlooks due to rising Japanese government bond yields.

At the sector level, performance was mixed in May. Industrial was the top-performing sector, returning 2.0% in local currency terms. Recent commentary pointed to resilient occupier demand, declining new supply and improving capital market liquidity. The sector also benefited from continued interest in data-centre adjacency, with investors increasingly valuing platforms that have scarce land, power access and infrastructure that could support future data centre development.

Healthcare was one of the underperforming sectors, returning -2.4% in local currency terms. The sector's largest names had rallied into mid-May on strong first-quarter results and guidance upgrades, before giving back some gains as investors rotated toward more cyclical real estate sectors.

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 August 2016. Performance indicator: FTSE EPRA Nareit Developed NR USD. Source: Morningstar, Nedgroup Investments.

Key return drivers

Month to date

The fund outperformed the Index by 20 basis points for the month ending 31 May 2026.

Contributors	Detractors
• OW Vornado Realty Trust – US office • OW Federal Realty Investment Trust – US retail • OW Healthcare Realty Trust – US healthcare • Nil Mitsubishi Estate – JPN office • OW Goodman Group – AU industrial	• OW Sumitomo Realty & Dev – JPN diversified • OW Chartwell Retirement Residences – CA healthcare • OW Big Yellow Group – UK self-storage • OW Mitsui Fudosan – JPN diversified • Nil Healthpeak Properties – US healthcare

OW – Overweight; UW – Underweight; Nil – zero exposure

Portfolio comments

U.S. residential REITs AvalonBay and Equity Residential announced an all-stock merger of equals, expected to close in the second half of 2026. AvalonBay shareholders will receive 2.79 Equity Residential shares for each AvalonBay share and will own approximately 51% of the combined company, with Equity Residential shareholders owning around 49%. The merger will create one of the largest residential platforms globally and the ninth-largest U.S. REIT, with significant geographic overlap across high-barrier coastal markets and a credible synergy opportunity. The key question is whether the enlarged platform can translate greater scale into improved operating efficiency and more durable cash flow growth over time.

Sun Communities announced the sale of its UK hotels and holiday parks to Aermont Capital for US$1.03 billion, marking a full exit from the UK and a further simplification of the business toward North American manufactured housing and RV communities. Following the transaction, approximately 95% of property income will be derived from North America. While the deal is expected to be dilutive to FFO in the near term, proceeds provide capital allocation flexibility, including debt reduction, reinvestment into core assets and potential share repurchases.

U.S. mall landlord Macerich announced an equity raise of 19.2 million shares at $21 per share, representing a 3% discount to the last closing price. The US$460 million raised will be used to repay borrowings and fund the acquisition of Annapolis Mall in Maryland. The purchase price reflects an attractive initial yield, with further upside expected as leasing capital is deployed. The transaction is anticipated to be accretive to earnings over time.

In Australia, the NSW Supreme Court ruled that Dexus committed a material breach of the APAC shareholder agreement, raising the risk that it may be required to sell its 27% stake in APAC at fair market value. APAC owns Melbourne and Launceston Airports, and this stake is a meaningful contributor to Dexus' funds management platform. Dexus has 28 days to appeal the ruling.

Portfolio positioning

Sector breakdown	Weight
Healthcare	20.0%
Retail	17.9%
Data Centres	13.7%
Residential	12.0%
Industrial	11.9%
Diversified	11.7%
Self Storage	5.2%
Office	4.3%
Cash	2.8%
Hotel	0.6%
Other	0.0%

Regional breakdown	Weight
US	63.1%
Europe	9.6%
UK	7.1%
Australia & NZ	6.8%
Japan	4.2%
Hong Kong	3.4%
Cash	2.8%
Canada	2.6%
Singapore	0.2%
Other	0.0%

Top Holdings	Sector	Weight
Welltower Inc.	Health Care	8.9%
Equinix, Inc.	Data Centres	8.1%
Federal Realty Investment Trust	Retail	4.9%
Ventas, Inc.	Health Care	4.5%
Digital Realty Trust, Inc.	Data Centres	4.4%
Vornado Realty Trust	Office	4.0%
Prologis, Inc.	Industrial	3.9%
Goodman Group	Industrial	3.7%
Unibail-Rodamco-Westfield SE	Retail	3.7%
Healthcare Realty Trust Inc	Health Care	3.6%
Total		**49.7%**

Portfolio attributes	
Number of Securities	43
Implied Cap Rate	5.6%
Portfolio Occupancy	91.7%
Dividend Yield	3.3%
Forward FFO Multiple	20.9x
Net Debt/EBITDA Multiple	5.7x
Rental Income as a % of EBITDA	90.2%

As at 31st May 2026. Source: Resolution Capital, Nedgroup Investments.

Stock spotlight: Ventas, Inc.

- Ventas owns and invests in healthcare properties, including seniors housing, medical office buildings, research facilities, hospitals and rehabilitation centres. It acts as a landlord to healthcare operators, leasing these assets to companies that provide care and related services.
- The company is positioned within a real estate area supported by highly resilient, necessity-based demand driven by ageing demographics and increasing care needs. Seniors housing, in particular, stands out as a key structural growth area, supported by improving occupancy, rising care intensity and favourable long-term demographic trends that are largely insulated from broader economic volatility.
- Growth is underpinned by a multi-year recovery in seniors housing demand, alongside a constrained supply backdrop. Limited new development, due to higher construction costs, financing constraints and tighter lending conditions, supports existing well-capitalised operators like Ventas and reduces the risk of oversupply.
- Healthcare real estate is also relatively insulated from more cyclical property sectors, as demand is driven by necessity rather than discretionary spending. This supports stronger earnings visibility as existing leases continue to flow through over time.
- Overall, Ventas is positioned as a high-quality healthcare platform, benefiting from structural demand, constrained supply and a multi-year earnings recovery.

Performance, contribution data and positioning information as of 31 May 2026. Some differences may exist due to rounding. Source: Resolution Capital, Nedgroup Investments.

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The price of shares may go down or up depending on fluctuations in financial markets outside of the control of the Investment Manager meaning an investor may not get back the amount invested.
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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