Ironbark Investment Solutions

Ironbark Paladin Property Securities Fund

Quarterly Report / As at 30 June 2026

Fund facts

Objective:
Seeks to outperform its Benchmark, after fees, over rolling three-year periods.

Benchmark:
S&P/ASX 300 A-REIT Accumulation Index

APIR:
PAL0002AU

ARSN:
087 897 667

Inception date:
28 February 1995

Fund size:
$172.1m

Exit price:
$1.1909

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	**1.13**	**14.52**	**0.09**	**11.33**	**5.04**	**5.46**	**6.41**	**7.68**
Benchmark	1.72	13.55	-1.78	11.42	5.71	4.94	5.98	7.91
Active	*-0.59*	*0.97*	*1.87*	*-0.09*	*-0.67*	*0.52*	*0.43*	*-0.23*

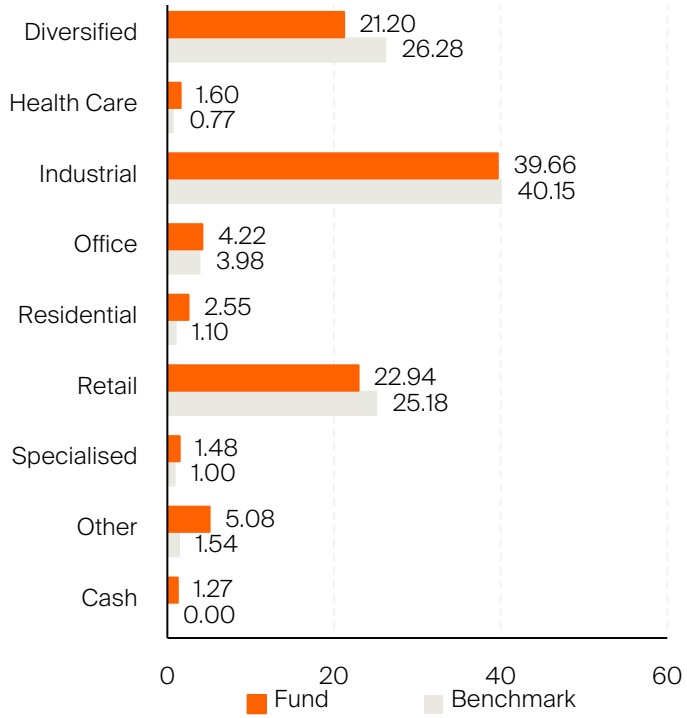
Top 5 holdings[1]

Stock	Fund	Benchmark
Goodman Group	39.66	38.80
Scentre Group	16.31	12.29
Charter Hall Group	7.27	6.59
Stockland	6.15	6.05
Mirvac Group	4.41	4.14
Other	24.94	32.13
Cash	1.27	0.00

[1] Totals may not equal due to rounding.

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.

Sector asset allocation (%)[2]



[2] Totals may not equal due to rounding.

Investment manager commentary

Market review

The S&P/ASX 300 Property Accumulation Index returned 13.6% for the quarter (in local currency terms), outperforming the broader equity market (as measured by the S&P ASX 300 Index which returned 4.2%). Australian equities delivered a modest recovery in the second quarter but lagged regional peers, as RBA tightening, commodity volatility and limited exposure to the AI boom weighed on relative performance. Property stocks caught a bid as falling bond yields, and undemanding valuations supported a strong recovery from March lows. Performance was led by data centres, and high-quality large-cap names, while more rate-sensitive and policy-exposed segments particularly residential lagged amid ongoing uncertainty around the domestic outlook and federal budget changes.

Performance review

The Ironbark Paladin Property Securities Fund (the 'Fund') returned 14.52% net for the quarter, an outperformance of 0.97% when compared to the S&P/ASX 300 Property Accumulation Index's return of 13.55%.

Holdings that were major contributors to performance include the average overweight positions to outperforming Goodman Group and Nextdc Limited, and the average underweight to underperforming Stockland. The major detractors from performance were the average overweight positions to underperforming Dexus, Gemlife Communities Group and Arena REIT.

Key contributers over the quarter (%)

Stock	ASX Code	Index Return	Average weight	Attribution Impact	Explanation
Stockland	SGP	-1.66	3.42	0.71	The underweight contributed as residential and land lease communities remained under pressure amid ongoing affordability concerns and uncertainty surrounding housing policy and federal budget measures.
Goodman Group	GMG	22.46	42.31	0.51	Benefited from a re-rating of data centre-related real estate, supported by earnings upgrades, development pipeline growth and positive operational updates.
Nextdc Limited[3]	NXT	34.83	1.85	0.44	Outperformed on strong demand for AI and cloud infrastructure, with capital raising activity and funding initiatives reinforcing confidence in its long-term growth outlook.
GPT Group	GPT	10.38	1.77	0.16	Despite posting double digit gain, GPT underperformed large cap and AI/data centre cohort on the quarter.
Region Group	RGN	5.75	-	0.13	Generated positive returns but lagged stronger-performing areas of the property market as capital rotated toward higher growth names. Limited catalysts in the second quarter.

[3] Denotes off benchmark position, portfolio return shown

Key detractors over the quarter (%)

Stock	ASX Code	Index Return	Average weight	Attribution Impact	Explanation
Dexus	DXS	-5.86	6.11	-0.49	Dexus underperformed following governance issues related to its Melbourne Airport investment, alongside ongoing earnings headwinds.
Gemlife Communities Group[4]	GLF	3.73	2.74	-0.32	GemLife delivered modest gains but underperformed amid the challenging backdrop for residential-linked property stocks.
Arena REIT	ARF	-3.46	1.73	-0.17	Elevated bond yields and investor preference for growth-oriented property sectors weighed on defensive property assets such as Arena (childcare).
Charter Hall Group	CHC	24.08	4.88	-0.10	Supported by improving real estate sentiment, earnings upgrades, strong capital inflows and continued growth in funds under management.
Mirvac Group	MGR	-0.18	4.60	-0.10	Mirvac modestly lagged as residential market uncertainty and affordability concerns offset the benefits from improving sentiment toward commercial property.

[4] Denotes off benchmark position, portfolio return shown

Outlook and Strategy

Australian REITs have materially underperformed both global REITs and the broader domestic equity market. Despite higher interest rates, underlying fundamentals are improving. Tight supply, resilient demand and strong population growth should support earnings growth well above long-run averages. Australia also appears relatively advanced in the interest-rate cycle compared with many other developed markets, which should provide a more supportive backdrop as rate expectations stabilise.

Retail: Retail remains one of the healthiest subsectors in 2026, supported by high occupancies, population growth and limited new supply. Operational metrics continue to indicate strong landlord pricing power and persistently low vacancy rates.

Residential: House prices are elevated; but will moderate given three successive rate increases and proposed new federal government.

Industrial: Industrial values should be underpinned by constrained supply, with rental growth anticipated to resume. In 2025, higher vacancy and a more conservative tenant market weakened effective rents (face rents held while incentives increased). Industrial supply fell by 20% in 2025 and is forecast to decline further in 2026. This tightening pipeline should stabilise prime vacancy and support rental growth. While global trade dynamics remain a risk, domestic-facing logistics demand offers stability.

Office: The office sector continues to face structural challenges. Shifts in work patterns and backfill risk in non-prime assets remain a drag, so the investment manager maintains a focus on core, well-let properties. Recovery is uneven, with Sydney and Brisbane showing firmer trends, while Melbourne remains challenged. The investment manager expects stabilisation rather than a sharp rebound.

Data Centres: Australia's data centre market is entering a transformative phase, characterised by an increase in mega-campus developments and strategic partnerships. The sector is maturing, with global capital inflows and more sophisticated financing structures driving scale. In 2026, the investment manager anticipates consolidation and accelerated growth, underpinned by AI and hyperscale workloads.

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 portfolio is positioned in REITs with high quality balance sheets, experienced management teams and high-quality assets.

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