

SA Property Equity Portfolio

September 2026

Key information

Benchmark

- FTSE/JSE All Property Index TR

Annual management fee

- 1.73% (incl. VAT)

Minimum portfolio size

- R1 million

Top 10 Holdings

- Attacq Ltd
- Fairvest Ltd
- Fortress Real Estate Investments Ltd
- Growthpoint Properties Ltd
- Hyprop Investments Ltd
- NEPI Rockcastle N.V
- Redefine Properties Ltd
- Resilient REIT Ltd
- Sirius Real Estate Ltd
- Vukile Property Fund Ltd

*Sorted alphabetically

About the portfolio manager

Adriaan Pask, Chief Investment Officer

- Over 20 years' investment experience
- BCom (Financial Analysis)
- BCom(Hons) (Financial Management)
- MCom (Business Management)
- PhD (Economic and Management Sciences)

About the lead analysts

Marnus Piekaar, Head of Fundamental Research

- 10 years' experience in finance and equity analysis
- BCom(Hons) (Financial Management), CFA

Leigh Natus, Head of Macro and Quantitative Analysis

- Experienced in macroeconomic analysis
- BCom(Hons) (Economics)

Overview

The PSG Wealth House View SA Property Equity Portfolio returned 0.04% for the month, compared with 0.49% for the FTSE/JSE All Property Index. Since inception, portfolio has delivered an annualised return of 2.84%, ahead of the 2.74% achieved by the FTSE/JSE All Property Index.

Philosophy

We apply a disciplined, bottom-up, quality-biased investment philosophy in our stock selection. The central concept underlying quality investing is the pursuit of companies with durable competitive advantages, resilient balance sheets, and the ability to consistently generate high returns on capital. In our view, a company that combines strong fundamentals with long-term growth potential qualifies as an attractive investment. Accordingly, we prefer companies that exhibit sustainable earnings power, sound governance, and proven capital allocation discipline, while remaining cognisant of momentum factors that can drive shorter-term share price performance. We also look for businesses with a strong confidence rating, demonstrating prudent debt management and operational resilience. We ensure that the portfolio is diversified across multiple sectors and regions.

In addition, we integrate macroeconomic analysis and liquidity considerations to support sector and security selection, recognising that opportunities vary with changing environments. Our process can be summarised as a pragmatic approach to investing. Thus, investments are not only chosen on their potential value but also their quality. As such investments are screened for their profitability, the quality of their reported earnings, dividend policies as well as their financial structure. There is no guarantee that all the chosen companies will outperform; a few will more than likely underperform. However, the portfolio displays below-average risk and is fundamentally undervalued. As a group, their future investment returns should, therefore, be satisfactory.

Our process can be summarised as a pragmatic approach to investing, where investment choices are guided by both the inherent quality of the businesses and the broader economic context. Thus, investments are not only chosen based on their valuation but also on their structural quality and sustainability. As such, companies are screened for profitability, the consistency and transparency of their earnings, and their ability to reinvest in growth without compromising financial stability. While not all chosen companies will outperform, the portfolio aims to balance risk prudently while positioning for long-term, sustainable returns.

Investment objective

We strive to buy high-quality assets trading at a discount to our estimation of its intrinsic value. We expect the investment to re-rate to its intrinsic value over the medium term, which if consistently applied, should lead to long-term capital growth. Through this process, we aim to grow wealth while consistently guarding clients against the risk of permanent capital loss.

Market commentary

During September 2026, the MSCI Emerging Markets Index Net TR declined by 0.84% in US dollar (USD) terms but gained approximately 1.05% in rand (ZAR) terms. The ZAR depreciated by 1.91%, boosting returns for ZAR-denominated investors.

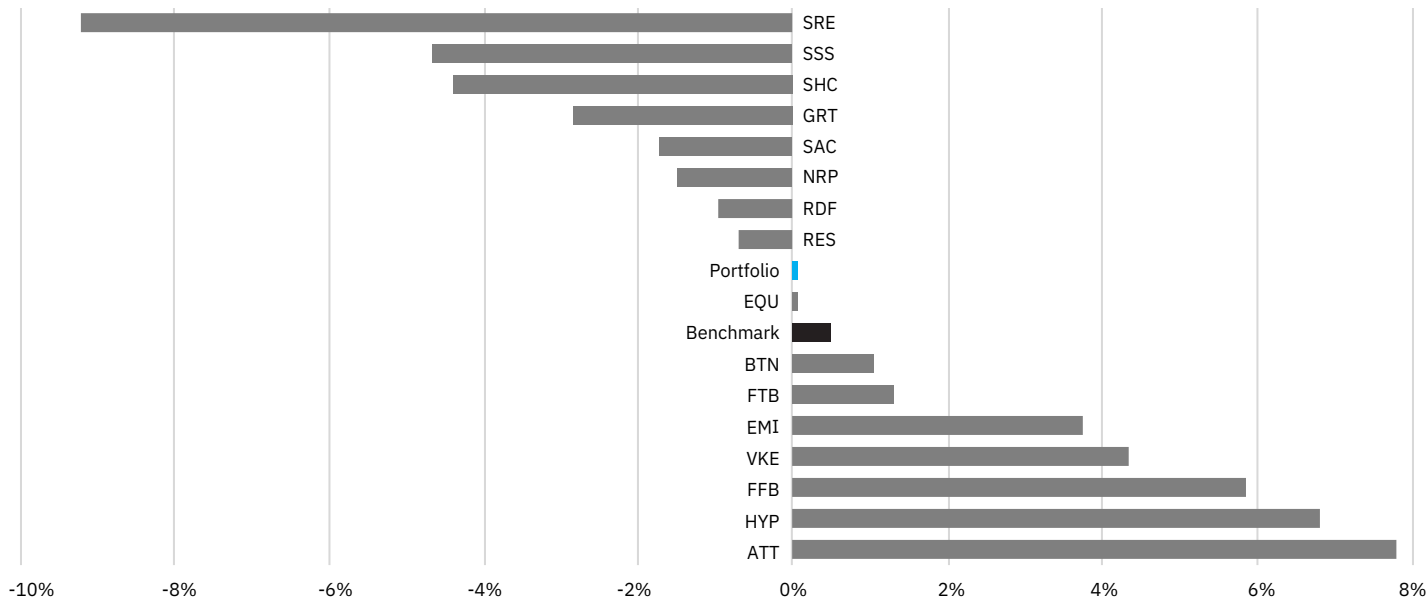
South African listed property faced a less supportive macro environment in 3Q26. The SA 10-year government bond yield rose roughly 8.45% at end-June to around 8.96% at end-September, while the South African Reserve Bank (SARB) held the repo rate at 7% in July before raising it by 25 basis points (bps) to 7.25% in September. Higher bond yields and rates increased required returns and funding costs, limiting scope for a sector re-rating.

Fuel-price increases also added to inflation pressure, with higher petrol and diesel costs feeding into the SARB's near-term inflation outlook. For listed property, the impact is mainly through inflation, interest rates and bond yields, while sustained fuel-price pressure can also constrain household spending and raise tenant operating costs.

Despite this, operating performance remained relatively resilient at several counters. Stock selection therefore remains key, with a preference for visible earnings and distribution growth, strong balance sheets, well-hedged debt, and manageable refinancing risk across domestic and offshore exposure.



Performance attribution



Significant contributors and detractors

Attacq: ATT rose 7.81% in September after reporting strong FY2026 results, with normalised distributable income per share (DIPS) up 15.50%, the full-year dividend up 17.20% and gearing improving to 25%. Management also guided to FY2027 DIPS growth of 6%–9%, supporting confidence in the group’s earnings outlook and Waterfall City development pipeline.

Hyprop Investments: HYP gained 6.82% after reporting strong FY2026 results, with DIPS up 11.70%, the full-year dividend up 14.40% and loan-to-value (LTV) improving to 28.50% from 33.60%. Positive operating trends across its retail portfolio and FY2027 DIPS growth guidance of 7%–9% further supported sentiment.

Fortress Real Estate Investments: FFB rose 5.87% following FY2026 results, with distributable earnings increasing 14.20%, the full-year dividend rising 10.10% and LTV improving to 34% from 39.10%. Fortress also raised FY2027 distributable earnings guidance to R2.46 billion, supporting expectations for continued earnings and distribution growth.

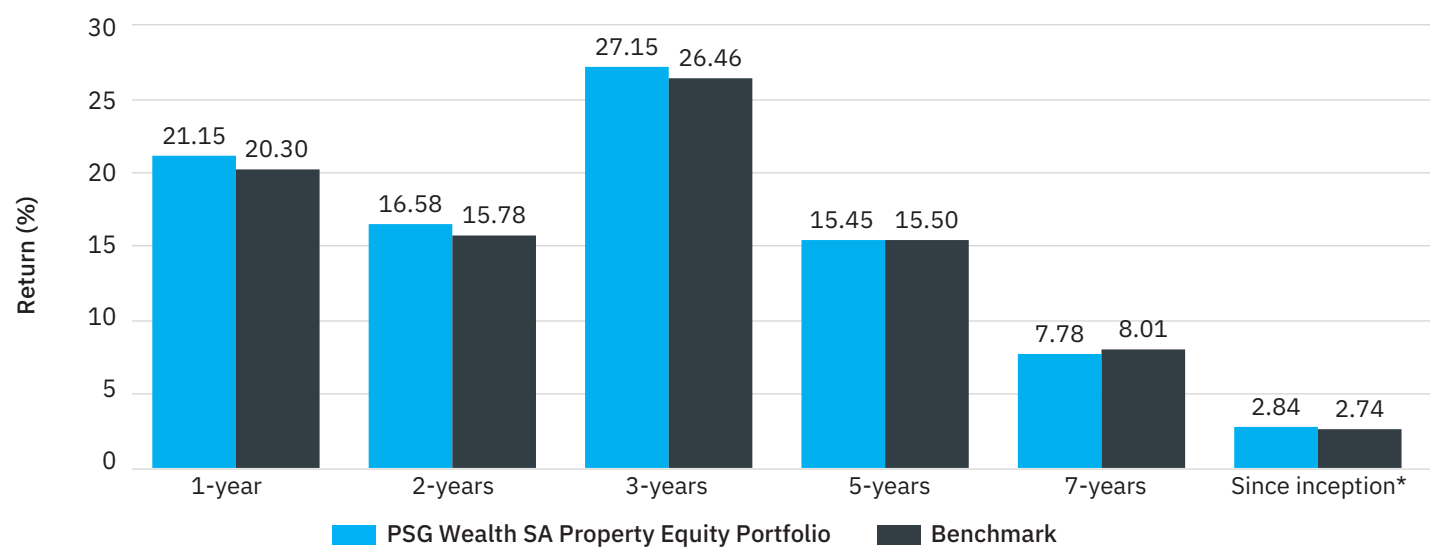
Shaftesbury Capital: SHC declined 4.41% in September, despite no material negative company-specific operating announcement during the month. The weakness was likely driven by pressure on UK property valuations as the 10-year gilt yield reached its highest level since 2007. This increased market discount rates and funding-cost concerns for rate-sensitive real estate.

Stor-Age Property REIT: SSS fell 4.66% during September, with no material negative operating update released during the month. The weakness therefore appears more consistent with valuation and market pressure, with sharply higher UK bond yields likely weighing on sentiment towards listed real estate and Stor-Age’s UK exposure.

Sirius Real Estate: SRE declined 9.22% in September, with higher UK bond yields likely weighing on listed real-estate valuations. Selling pressure may also have been exacerbated by the Public Investment Corporation reducing its holding from 7.22% to 6.65% during the month.



Annualised return percentage



*Inception Date: 14 November 2015
Please note that the returns are before fees

Mandatory disclosure

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