PSG Wealth

SA Property Equity Portfolio

October 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 2.89% for the month, compared with 2.26% for the FTSE/JSE All Property Index. Since inception, the portfolio has delivered an annualised return of 3.08%, compared with 2.93% 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, which means they demonstrate 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 rerate 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

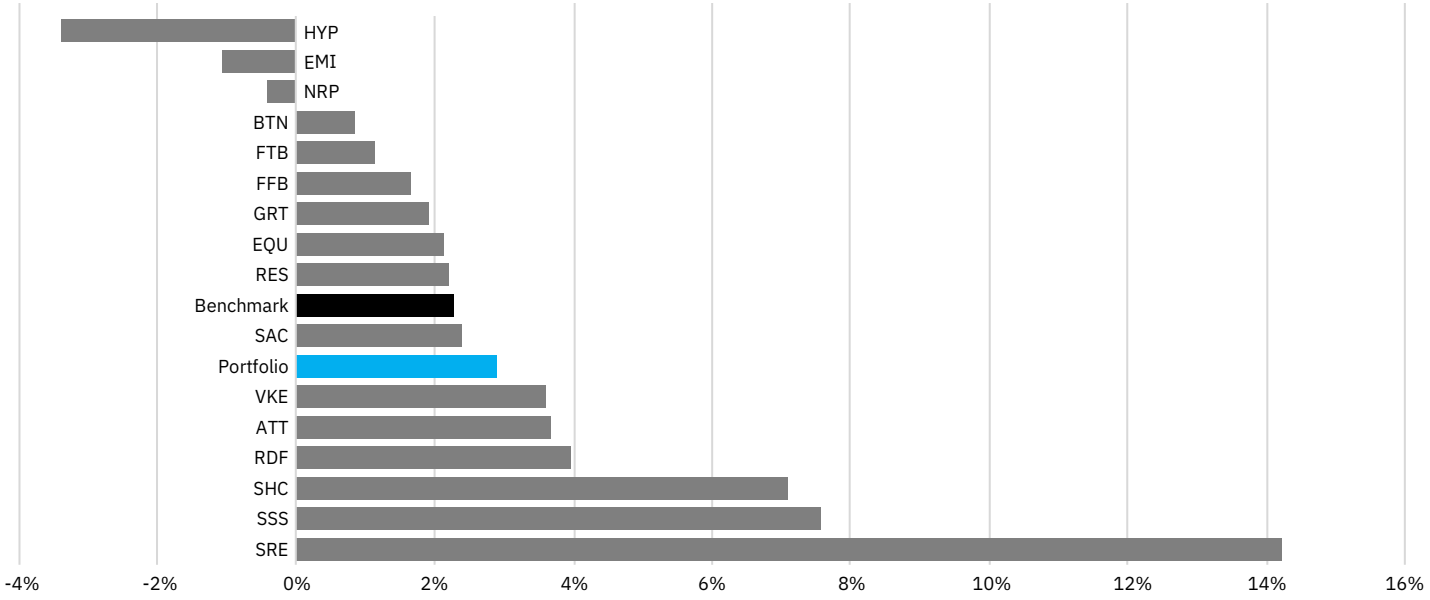
Emerging market equities declined during October 2026, with the MSCI EM Index falling 8.11% in USD terms and 7.21% in rand terms as a stronger US dollar and weaker risk sentiment weighed on performance.

South African listed property faced a less supportive macro environment in 3Q26. The SA 10-year government bond yield rose from about 8.45% at end-June to around 8.96% at end-September. Meanwhile the SARB held the repo rate steady 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 contributing to the SARB's near-term inflation outlook. For listed property, the impact is driven primarily by inflation, interest rates and bond yields. Prolonged fuel-price pressure can also constrain household spending and raise tenant operating costs.

Despite these headwinds, operating performance remained relatively resilient across several counters. Stock selection therefore remains key, favouring companies offering 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

Sirius Real Estate: SRE rose 14.22% in October 2026 following a strong half-year trading update. Total rent roll increased by 11.30% year-on-year, while like-for-like rent roll growth reached 5.10%. The group also invested approximately €150 million into acquisitions, supporting confidence in continued growth across its German and UK portfolios.

Stor-Age Property REIT: SSS gained 7.57% in October, recovering strongly from its weakness in September. In the absence of a material operating update, the share-price recovery appears largely technical, while a weaker rand against sterling provided additional support through the group's UK exposure.

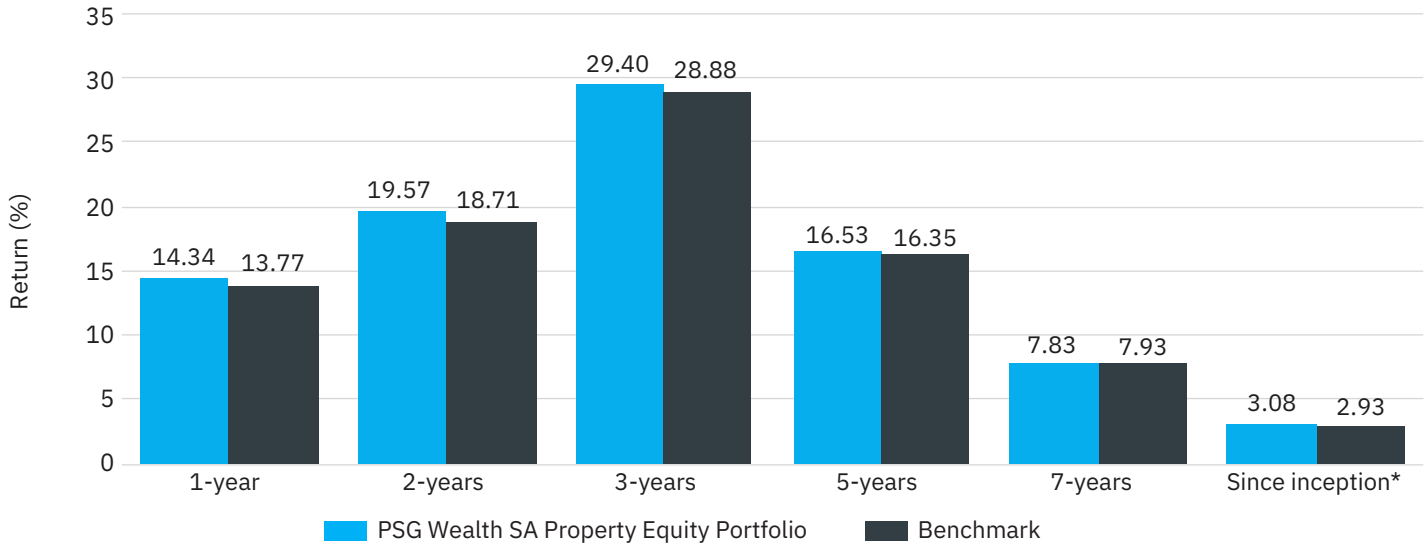
Shaftesbury Capital: SHC rose 7.08% in October despite no material company-specific trading update during the month. The gain reflected a recovery in its London-listed share price, with rand weakness against sterling providing further support to the JSE price of the dual-listed company.

NEPI Rockcastle: NRP declined 0.42% in October, with no material negative operating announcements during the month. The marginal decline appears to reflect some consolidation following previous gains, despite the group outlining its longer-term growth strategy at its Capital Markets Day on 21 October and continuing to expand its presence across Central and Eastern Europe and Spain.

Emira Property Fund: EMI fell 1.08% during the month, with no material new operating updates released. The modest decline appears largely technical, following the late-September pre-close update, which indicated that the group remained on track to achieve its FY2027 objectives despite its loan-to-value ratio increasing to approximately 31.30%.

Hyprop Investments: HYP declined 3.39% on a share-price basis, largely reflecting the share trading ex-dividend on 7 October, following its final distribution of 232.90 cents per share.

Annualised return percentage



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

Mandatory disclosure

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