

FUND UPDATE

ASA Diversified Property Fund

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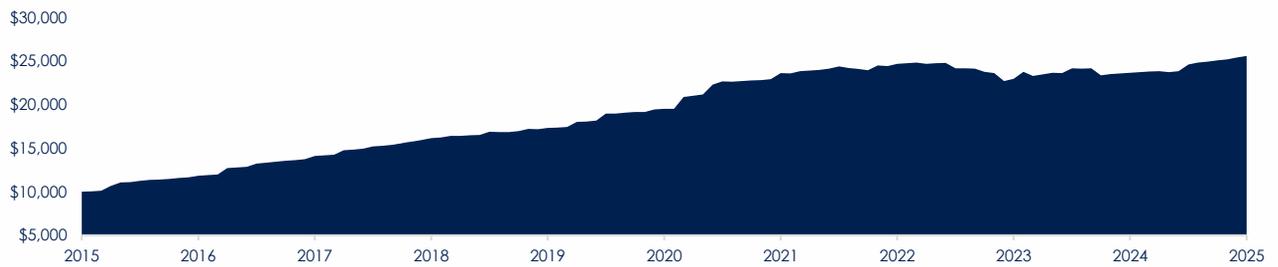
One of Australia's leading and longest continuing commercial real estate funds

Established in August 2006, the ASA Diversified Property Fund (ASADPF) is one of Australia's best performing and longest continuing commercial real estate funds. The Fund is diversified by location and asset type, holding six properties in New South Wales, Victoria and Western Australia. The portfolio has strong income visibility and low capital expenditure requirements, and has never missed a monthly distribution payment since inception in 2006.

The Fund's objective is to generate a stable income stream that is at least 1% p.a. above the average Commonwealth Government 10-year bond yield, and a total return above the MSCI/Mercer Australia Core Wholesale Monthly Property Fund Index. Both objectives have been met since inception, and across 1 year, 3 year, 5 year and 10 year performance assessment periods.

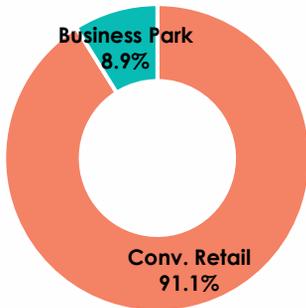
The Fund has delivered a 9.8% total return p.a. to investors over the last 10 years. We are confident of delivering a return in excess of 10% pa over the next five years.

\$10,000 invested in the fund over the past 10 years: 9.8% (annual average)

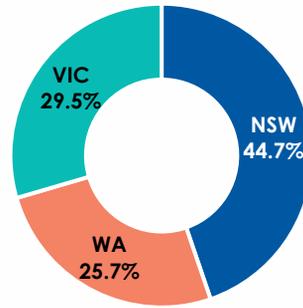


To 31 December 2025 with distributions reinvested. Please note past performance is not necessarily an indicator of future performance.

Sector allocation



Geographic allocation



WEIGHTED AVERAGE
LEASE EXPIRY

9.1 yrs

FY2026
CASH DISTRIBUTION YIELD*

~7.05%

OCCUPANCY
(BY INCOME)

99.5%

TOTAL RETURN OVER THE LAST
10 YEARS

9.8%

LONSEC
RATING



EVERGREEN
RATING



*Based on the Entry Price as at 31 December 2025. Subject to assumptions and not guaranteed.

Fund and portfolio overview



High quality Australian commercial property portfolio

- Six Australian commercial properties
- No listed, overseas, residential, or properties under development
- Capital value underpinned by real assets – bricks and mortar – that we estimate would cost 10 – 20% more to rebuild than what the valuations represent
- ~91% of portfolio is retail – serving Australia's daily needs



Leased to some of Australia's best-known companies

- Ampol, Woolworths, Coles, ALDI
- Strong non-discretionary spending exposure



Strong property portfolio metrics

- Income security: weighted average lease expiry of 9.1 years
- Occupancy: 99.5% by income
- Modern assets: ~80% of the portfolio (by value) redeveloped in past three years



Monthly cash distributions, minimal entry cost (no stamp duty)

- ~7.05% pa based on 31 December 2025 unit price
- Forecast 100% tax deferred distribution in FY26
- No material stamp duty entry costs (buy / sell spread 0.50%)



Investment performance track record

- 9.8% pa total return over the 10 years to December 2025
- Significantly better performance than many comparable funds over the 12 months ending 31 December 2025



Long established fund, 35-45% target gearing range

- 2006 inception date
- Supported by thousands of SMSF, private, and high net worth investors and their advisors
- Investment strategy focused on income generation and growth over the long term



Experienced investment manager with strong governance

- Specialised and experienced investment manager (former executives of APN Property Group (ASX:APD) and Dexus Group (ASX:DXS))
- Well-resourced and experienced team
- Independent responsible entity board

Note: Distributions and performance are not guaranteed, and past performance is not necessarily an indicator of future performance. Longer term performance assumes distributions reinvested. Distributions may include a capital component. Refer Important Information page.

Our hands-on asset management strategy continues to translate into improved operating performance across the portfolio, with 17 new leases completed this financial year.

- **Busselton** – The December quarter marked the most active leasing period since completion of the recent redevelopment. In the lead-up to Christmas, Lotterywest Kiosk, Jamaica Blue, Elite Supplements, Just Cuts and Preso Tea commenced trading. The mix is weighted toward essential and convenience-based retail, which underpinned robust sales outcomes through the peak trading period.
- **Blackburn** – The Centre has returned to full occupancy following the opening of Nene Chicken and Wong’s Asia Dining ahead of Christmas. Customer traffic and retailer turnover continue to accelerate, with both metrics recording approximately 10% annual growth. The asset benefits from a differentiated triple-supermarket configuration, supporting total MAT sales of \$157 million. Completion of the solar array expansion in November 2025 increased capacity from 99kW to 475kW, enhancing energy resilience while generating incremental net income.
- **Dog Swamp** – Woolworths continues to materially outperform both local and national benchmarks, with MAT growth of 7.9% year-on-year. Seven of eight FY26 lease renewals have now been finalised at an average uplift of 7.4% to passing rents, driving meaningful income growth and reinforcing the asset’s long-term value and the Fund’s cash flow profile.
- **Wyong Twin Service Centres** – Visitation levels remain elevated, with Ampol progressing plans to commission EV charging infrastructure in early 2026.
- **Williamstown Defence and Aerospace Centre** – the property remains fully leased, with several 2026 expiries already renewed at an average increase of 6.5% to passing rents. Leasing momentum remains positive and continues to support income durability.



Jamaica Blue,
Busselton



Wongs & Nene Chicken,
Blackburn Square

Australia's economic momentum improved through late 2025, with growth prospects strengthening as the country enters 2026. Household consumption continued to lead the recovery, underpinned by a rebound in housing investment and early signs of an upturn in business spending.

Although inflation stabilised within the RBA's 2 – 3% target earlier in the year, a recent pick-up suggests the economy is running closer to full capacity than previously expected. Inflation indicators, combined with recent growth signals and tighter labour market conditions resulted in the RBA increasing the cash target rate to 3.85% in early February 2026.

Across commercial property markets, the recent upward movement in interest rates, which directly affects the cost of capital for asset-intensive sectors such as real estate, may place pressure on transaction volumes and temper near-term valuation growth. A rising rate environment often also results in outperformance of assets that have stable income profiles backed by high quality tenants with embedded rental growth and modern lower capex requirements; or assets that are in markets demonstrating strong rental growth. Approximately 35% of the DPF portfolio has annual rent reviews linked to CPI (or CPI + 1%), and 99% of the specialty tenant leases include contracted annual rental increases – aspects that generate growth in the income profile and underpin valuations.

Retail Property Market

Leasing conditions have remained constructive, supported by population growth, elevated household formation, and the essential nature of many retail uses. Occupancy levels across the majority of shopping centre types – neighbourhood, sub-regional, regional and super-regional – are generally strong, although investors and retailers alike are increasingly attracted to either “everyday needs” or “destination” retail assets.

Transaction volumes for 2025 were close to the highest on record, reflecting continued strong demand for retail assets as investors shifted capital allocation mandates towards the sector. This has resulted in clear evidence of higher values, particularly through yield compression in prime convenience-led neighbourhood centres, as well as select high-quality regional centres with strong catchment fundamentals.

Office Property Market

Asset quality and ESG considerations are increasingly intertwined in Australia's office market, with stronger ESG credentials typically indicative of newer, higher-quality buildings. Investors continue to favour premium, ESG-aligned assets that meet evolving occupier requirements, a trend reinforced by CBRE data showing that occupiers — particularly those leasing more than 5,000 sqm — are accelerating commitments to net-zero and all-electric buildings. This demand is emerging despite a constrained supply of assets that meet these criteria. Across the Sydney and Melbourne CBDs, all-electric office stock totals just 373,000 sqm, or approximately 4% of total stock, highlighting the scarcity of compliant, future-ready office assets.

These supply constraints are directly influencing leasing dynamics, which continue to be driven by an occupier upgrade cycle as tenants actively migrate toward higher-quality buildings. Net absorption in prime CBD offices remains positive, lifting occupancy in premium assets, even as the rental premium for upgrades has moderated to 6.0% in 2025 from 10.4% in 2023. In contrast, B and C grade buildings are increasingly disadvantaged, experiencing weaker demand and extended vacancy periods. With construction and upgrade costs remaining elevated, these assets are unlikely to compete effectively in the near term, reinforcing the structural bifurcation between premium and secondary office stock.

Industrial and Logistics Property Market

Australia's industrial market softened modestly in late 2025, with national vacancy edging up to 3.2% in 2H25. Total gross take-up (leasing) for 2025 reached approximately 3 million sqm, exceeding 2024 levels by just over 10%, despite Q4 recording the weakest quarterly take-up of the year. Melbourne and Sydney led leasing activity, accounting for 33% and 32% of national take-up respectively, while Brisbane captured 16%.

Supply increased materially, with around 2.2 million sqm delivered in 2025—about 15% above the 10-year long-run average. Sydney (30%), Brisbane (27%) and Melbourne (26%) accounted for most completions, with approximately 70% delivered on a speculative basis. While the forward pipeline remains elevated, risk is moderated by close to 50% of 2026 supply already being pre-committed.

Rental conditions weakened as rising incentives pushed net effective rent growth into negative territory. National super prime net face rents increased marginally (+0.5% q-o-q), but effective rents declined by around 0.5% over the year for super prime assets and by approximately 1.3% for secondary stock. Investment activity remained solid, with industrial sales above AUD 10 million totalling roughly AUD 6 billion in 2025, led by Sydney (35%) and Brisbane (30%), while super prime yields compressed by around 6 bps nationally to 5.66%, with Brisbane (5.52%) now pricing sharper than Melbourne (5.89%).



The Fund's underlying assets are 'best in class' as evidenced by the **99.5% occupancy rate**, and **WALE of 9.1 years**.

Notes: The economic and market commentary has been prepared with reference to insights and data from CBRE Research, JLL, and other relevant market sources.

Balance sheet and valuations

- As at 31 December 2025, the property portfolio value increased to \$518.5m reflecting a \$3.5m uplift (0.7%) from the prior carrying value.
- With approximately 80% of the portfolio having been redeveloped in the last three years; the fund has minimal near-term capex and lease incentive obligations that otherwise drag on free cash flow or increase debt.
- We continue to see positive momentum in equity inflows and December 2025 saw an entity associated with the Fund's investment manager, ASA Real Estate Partners, complete a new \$20m investment into DPF – demonstrating conviction on the future performance and strong alignment between the Fund Manager and investors.
- The Fund's drawn debt balance is \$220.0m (reduced from \$252.0m as at 30 June 2025).
- The above initiatives have reduced the gearing (ratio of borrowings to assets) to ~41.9% (31 December 2025), which sits within the target band of 35 – 45%.
- The remaining undrawn facility will be sufficient to meet the fund's requirements under the current operational and capital expenditure settings.
- The Fund Manager is considering a series of capital recycling opportunities to drive value under the Fund's diversified mandate.
- For the product change details, please refer to the announcements published on the Fund's website www.asarep.com/dpf

Liquidity and redemptions

- For investors looking to access liquidity there are several available options to consider.
- A series of product changes were approved at Unitholders' Meeting held in December 2025. Enhancements include a new 5 yearly term liquidity facility, which is intended to enable investors access to a significantly larger amount of liquidity than the Quarterly Capped Withdrawal Facility.
- The Quarterly Capped Withdrawal Facility is next scheduled to operate in May 2026. This will operate at the Exit Price for the Fund at the time. Investors should note that if there are over-subscriptions it is possible that not all redemption requests will be satisfied in full. Should you wish to redeem through this facility the relevant redemption form will be available on the website from 1 May 2026 (www.asarep.com/dpf)
- You are free to sell your units to another investor at any time under the Fund's Constitution. ASA is regularly contacted by potential purchasers to acquire units at nominated acquisition prices. Since 1 July 2024, more than \$10 million in unit sales have been completed, with unitholders selling units to other investors. Many investors have sold the number of units they wish to sell (including many who wish to having sold 100% of their unitholdings). These sales have been undertaken at the price nominated by the selling unitholder. To pursue this option you need to return a signed Fund Transfer Form at your nominated selling price. The Fund's Exit Price is published on the website daily which may assist you in selecting your sale price. Agreement on price and terms is entirely a matter for the buyer and seller. The Fund and its responsible entity do not operate a market for units and do not provide pricing guidance, negotiation support or liquidity. Our role is strictly limited to the administrative processing and recording of the transfer once it has been completed. If you wish to pursue this option, please contact our in-house Investor Services Team directly on 1300 553 122 or at investorservices@asarep.com.

Performance as at 31 December 2025

	Annualised					
	3 mths %	1 yr %	3 yrs %	5 yrs %	10 yrs %	Since inception %
Distribution return (cash)	1.8	7.5	5.8	6.7	7.3	7.8
Growth return	0.2	0.7	(4.6)	(1.2)	2.5	0.0
Total return	2.0	8.2	1.2	5.5	9.8	7.8
Benchmark total return	2.4	7.0	(2.4)	2.1	4.6	6.2
Total return over / (under) performance	(0.4)	1.3	3.6	3.4	5.2	1.6
Fund Cash Yield Benchmark	1.1	4.1	3.6	3.3	3.6	4.9
Fund Cash Yield Benchmark Met?	YES	YES	YES	YES	YES	YES

Inception date for performance calculations is 22 August 2006. Returns are calculated after fees and expenses and assume the reinvestment of distributions. Past performance is not a reliable indicator of future performance. The Fund's Benchmark distribution return is 1% p.a. above the average Commonwealth Government 10-year bond yield calculated on a rolling basis over the previous five-year period. The Fund's Benchmark total return is the MSCI/Mercer Australia Core Wholesale Monthly Property Fund Index.

Financials and debt overview

Financials (\$m)	Debt		
Gross assets	524.6	Gearing (RG 46 ASIC definition)	41.9%
Less: Total debt	220.0	Loan-to-Value Ratio (LVR) (Financier's definition)	42.7%
Less: Other liabilities	3.3	Loan-to-Value Ratio Covenant (LVR) (Financier's definition)	60.0%
Net assets	301.3	Interest Cover Ratio (ICR) (RG 46 ASIC definition)	2.0 x
		Interest Cover Ratio (ICR) (Financier's definition)	2.1 x
		Interest Cover Ratio (ICR) Covenant (Financier's definition)	1.5 x
		Hedging (% of debt hedged)	90.9%

Portfolio summary as at 31 December 2025

Property Details	Tenancy Details					Valuation Details			
	Leasable Area (\$sqm)	Major Tenant	Number of Tenants	Occupancy Rate (% by Income)	WALE (Years by Income)	Current Valuation (\$m)	Valuation Date	Capitalisation Rate (%)	Book Value (\$m)
RETAIL									
Blackburn Square SC, VIC	17,619	Coles, ALDI, Woolworths	63	100.0	7.3	153.0	Dec-25	5.50	153.0
Busselton Central SC, WA	13,313	Coles	44	97.6	5.2	74.5	Dec-25	6.50	74.5
Dog Swamp SC, WA	8,110	Woolworths	40	99.2	5.0	59.0	Dec-25	6.13	59.0
Sub total			147			286.5			286.5
CONVENIENCE									
Wyong Service Centres (M1), Wyong, NSW	4,286	Ampol	2	100.0	18.5	186.0	Dec-25	5.50	186.0
BUSINESS PARK									
Williamstown Aerospace Centre, NSW	7,556	Boeing	21	100.0	2.2	46.0	Dec-25	8.38	46.0
CASH AND OTHER ASSETS									
Total (T) / Weighted Average (A)	50,894 (T)		170	99.5 (A)	9.1 (A)	518.5 (T)		5.97 (A)	524.6 (T)

Notes:

1. Valuation Policy - Regular valuation of underlying property assets is an important aspect of managing the Fund. Valuations are conducted by qualified independent valuers in accordance with industry standards. We also have a policy of generally obtaining independent valuations on Fund direct properties each year and, for assets under development, within an 24-month period. Additionally, as part of our active management approach, we may test asset values on market. At times we may enter arrangements at arm's length with third parties which may impact the value of assets within the portfolio including, but not limited to, put and call options in respect of all or part of an asset within the portfolio. If the value of an asset is impacted in this way, the value may replace the last independent valuation obtained.
2. Weighted Average Lease Expiry (WALE) by gross rental income. Vacancies are valued at market income. Assets under development excluded.
3. A market capitalisation rate is the rate, expressed as a percentage, that reflects the likely yield a property will generate over the medium term. It has regard to a property's unique characteristics and is a measure of the property's risk/return profile with higher rates reflecting higher risk and its function is to convert a property's income into value. The market capitalisation rate is assessed by the independent valuer by dividing the stabilised net property income of the property or a portfolio of properties by the assessed valuation of the property or portfolio, excluding costs of acquisitions and fees.

Important information:

Units in the ASA Diversified Property Fund ARSN 106 724 038 (Fund) are issued by ASA Funds Management Limited ABN 58 079 538 499 (ASAFM), AFS Licence No 234455 as responsible entity which has prepared this document. ASAFM's financial services guide (FSG) is available at www.asarep.com/dpf or by calling us on the number below for a hard copy. You should read the FSG before deciding whether to obtain any financial services (including by investing in the fund) from us.

Information in this document is current as at 31 December 2025 (unless otherwise indicated) and is for general purposes only. Nothing in this document should be taken as general or specific financial advice, and this document has been prepared without taking account of any person's individual investment objectives, financial situation or particular needs.

Any investment, including an investment in the Fund, is subject to risk. If a risk eventuates, it may result in reduced distributions and/or a loss of some or all of the capital value of your investment. See the Product Disclosure Statement (PDS) for examples of key risks. Past performance is not a reliable indicator of future performance. Forward-looking statements in this flyer are provided as a general guide only. Capital growth, distributions and tax consequences cannot be guaranteed. Forward-looking statements and the performance of the Fund are subject to the risks and assumptions set out in the PDS. Distributions may include a capital component.

The information in this document does not purport to contain all information necessary for making an investment decision. In deciding whether to acquire, hold or dispose of units in the Fund you should obtain a copy of the current PDS and Target Market Determination (TMD) and consider whether the product is appropriate for you having regard to your objectives, financial situation and needs and seek appropriate professional financial and taxation advice before making any such decision. The PDS and TMD for the Fund are available at www.asarep.com/dpf or by calling us on 1300 553 112 or +613 9034 1373 if calling from overseas. Past performance is not a reliable indicator of future performance. Investment decisions should not be made upon the basis of the Fund's past performance or distribution rate (if any), or any ratings given by a rating agency, since each of these can vary. In addition, ratings need to be understood in the context of the full report issued by the rating agency itself. This document is current at the time of publishing. This information is intended for recipients in Australia only. Not to be reproduced without permission.

Returns after all fees and expenses. Assumes distributions are reinvested. Investors' tax rates are not taken into account when calculating returns. Returns and values may rise and fall from one period to another. Past performance is not an indicator of future performance. Fund's inception date used to determine return: 22 August 2006.

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