

ASA Diversified Property Fund

FUND UPDATE 31 MARCH 2025 QUARTER

Established in August 2006, the ASA Diversified Property Fund (**ASADPF**) is one of Australia's leading and longest continuing commercial real estate funds. The Fund holds 7 properties in New South Wales, Victoria and Western Australia. ASADPF has strong income visibility, low capital expenditure requirements, and pays a cash monthly distribution.

The objective of the Fund is to generate a stable income stream that is at least 1.0% 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 for 1 year, 3 year, 5 year and 10 year performance assessment periods.



Blackburn Square Shopping Centre

FUND FACTS AS AT 31 MARCH 2025

Gross Asset Value	Unit Price	March Quarter Distributions
\$528.8m (\$528.1m as at 31 December 2024)	\$0.9935 Exit Price	1.8 cents per unit (CPU) (1.8 CPU December 2024 Quarter)
Gearing Ratio	Portfolio Occupancy	Weighted Average Lease Expiry (WALE)
50.7% (50.6% as at 31 December 2024)	99.9% (by Income)	9.5 years (by income)

RATINGS / AWARDS



Fund and portfolio overview

ONE OF AUSTRALIA'S LEADING AND LONGEST CONTINUING COMMERCIAL REAL ESTATE FUNDS



Australian commercial property portfolio

- Seven Australian commercial properties – geographically diverse
- No listed, overseas, residential, or properties under development
- Capital value underpinned by real assets 'bricks and mortar' that we estimate would cost 15 – 20% more to rebuild than what the valuations represent
- ~87% of portfolio is retail – serving Australia's daily needs



Leased to some of Australia's best-known companies

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



Strong property portfolio metrics

- Income security: weighted average lease expiry of ~9.5 years
- Occupancy: 99.9% by income
- Modern assets: ~77% of the portfolio (by value) redeveloped in past three years



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

- 7.2% pa based on 31 March 2025 unit price
- FY25 estimated tax deferred distribution percentage of ~40% (assuming the settlement of Balcatta in FY25)
- Buy / sell spread 0.50% (no material stamp duty entry costs)



Independently reviewed and researched

- 'Recommended' Lonsec rating



Investment performance track record

- 10.04% pa total return over the 10 years to 31 March 2025
- Outperformed the benchmark returns since inception, and for 1 year, 3 year, 5 year and 10 year performance assessment periods



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 balance sheet preservation



Active, professional manager: ASA Real Estate Partners

- Specialised and experienced investment manager (former executives of APN Property Group (ASX:APD) and Dexu Group (ASX:DXS))
- Well-resourced and experienced team (over 90 years' experience)
- 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.

PERFORMANCE AS AT 31 MARCH 2025

	3 mths %	1 yr %	Annualised				
			3 yrs %	5 yrs %	7 yrs %	10 yrs %	Since Inception %
Distribution return (cash)	1.80	6.40	5.74	6.89	6.94	7.41	7.77
Growth return	(1.03)	(4.88)	(5.89)	(1.14)	0.12	2.63	(0.07)
Total return	0.77	1.52	(0.15)	5.75	7.06	10.04	7.70
Benchmark total return	1.16	(3.66)	(2.86)	0.74	2.13	5.07	6.12
Total return over / (under) performance	(0.40)	5.17	2.71	5.01	4.93	4.97	1.58
Fund Cash Yield Benchmark	0.95	3.65	3.25	3.15	3.31	3.63	4.89
Fund Cash Yield Benchmark met?	YES	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.

CONTRIBUTION SUMMARY AS AT 31 MARCH 2025

The relative contribution of major variables on growth returns over the last quarter and year is as follows. The negative growth return (-1.03%) for the 3 months is driven by derivative revaluations relating to interest rate swaps, which provide certainty for interest expense however accounting practices require these to be 'marked to market' daily (note: these are non-cash movements).

Contributor	3 mths %	1 yr %
Property revaluations	0.02	(1.48)
Interest Rate Swaps (realised and unrealised marked to market movements)	(1.07)	(1.86)
Performance fees	0.00	0.00
Other	0.02	(1.54)
Growth return (total)	(1.03)	(4.88)

Return calculations are based on actual distributions reinvested, which may vary slightly to the performance table illustrated above. Past performance is not a reliable indicator of future performance. Property revaluations are calculated in accordance with accounting standards and includes capital expenditure, lease incentives and/or commissions (both of which are amortised), this represents the increase/decrease from the property book value immediately prior to valuation. 'Other' may include: retained earnings during the period, swap break costs, estimated gains distributed, realised gains/losses on property, distributions from prior period retained earnings, realised gains/losses from unlisted property trusts and non-material movements.

FINANCIALS AND DEBT OVERVIEW

Financials (\$m)	Debt
Gross assets	528.8
Total debt	268.0
Other liabilities	3.4
Net assets	257.3
	Gearing (RG 46 ASIC definition)
	50.7%
	Loan-to-Value Ratio (LVR) (Financier's definition)
	51.4%
	Loan-to-Value Ratio Covenant (LVR) (Financier's definition)
	60.0%
	Interest Cover Ratio (ICR) (RG 46 ASIC definition)
	2.06 x
	Interest Cover Ratio (ICR) (Financier's definition)
	2.10 x
	Interest Cover Ratio (ICR) Covenant (Financier's definition)
	1.50 x
	Hedging (% of debt hedged)
	67.2%

ECONOMIC AND MARKET COMMENTARY

Tariffs announced by the US Government on 2 April 2025 have led to significant market volatility and raised doubts over the global economic growth forecast. Uncertainty is likely to continue given the US reciprocal tariff increases are on a 90-day pause and further sector specific tariff changes expected. For Australia, whilst the direct impact of the 10% tariffs are expected to be limited, the key risks exist in indirect impacts via a decrease in Chinese demand for Australian exports and lower commodity prices globally. The Australian economy is now projected to experience lower growth in line with a weaker global growth forecast while lower interest rates can offset impacts of global trade tensions on the domestic economy.

The RBA lowered interest rates by 25bps in February, bringing down the cash rate to 4.10%. Inflation has moderated in recent quarters although it is yet to come within the RBA's target range of 2–3% p.a. In the latest Statement of Monetary Policy (February 2025), the RBA assumed the policy rate will have reached 3.6% by December 2025; however, market participants' policy rate expectations now point to more rate cuts during this calendar year, such as NAB Economics' forecast cut by 50 bps in May followed by 25 bps in July, August, November, reaching 2.85% by the end of year.

Consumer spending remains steady, supported by sustained wage growth, albeit at a lower rate, and government cost-of-living measures. February 2025 saw a 0.2% in household spending month-on-month increase seasonally (3.3% rise compared with February 2024). CBRE Research retail data show that food related spending (up by 0.6%) continued to drive retail turnover growth in February while non-food sectors showed mixed results, with a notable decline in other retailing (-1.0%) and household goods retailing by 0.3%. The moderation in household goods was attributed to lower discretionary spending. Spending on big ticket household items is projected to improve once the rate cutting cycle is underway.

Retail Property Market

The retail sector continues to demonstrate resilience, particularly in non-discretionary assets like grocery-anchored centres. These centres benefit from favourable fundamentals, including limited new supply and sustained consumer spending, leading to tight vacancies and rising rents. Savills Research data show that investment activity in Q4 2024 gained momentum in transactions over \$10 million. Regional Centres accounted for 50% of the investment transactions during the period, followed by Sub-Regional and Neighbourhood Centres.

The outlook for retail remains positive, bolstered by population growth and the potential for more accommodating interest rate settings, which are expected to enhance consumer confidence and investor demand.

Industrial Property Market

CBRE Research data show that Australia's industrial property sector remains robust, with a national vacancy rate averaging 2.5% as at H2 2024, one of the lowest globally. Gross take-up in Q1 2025 was 22% higher than in Q1 2024, with Melbourne contributing the highest share of leased floorspace. The 2025 supply pipeline is projected to be 18% above the long-run average, with around 50% of the new supply currently pre-committed.

Businesses are delaying decisions over expansion to new facilities or relocation while reassessing their warehouse requirements. Combined with increased supply, this dynamic often leads to higher vacancy.

Office Property Market

The office property market continues to face challenges, especially in major CBDs. Property Council of Australia data show that Melbourne's CBD office vacancy rate remains the highest among Australia's major cities at 18.0% compared to the national average of 13.7% as of January 2025. In Sydney, the CBD office vacancy rate increased from 11.6% to 12.8% over the six months to January 2025, driven by the addition of 164,552 sqm of new supply that is well above the historical average.

PORTFOLIO AND ASSET MANAGEMENT

We are very pleased to report that portfolio occupancy now sits at 99.9%. Specific leasing and active asset management initiatives undertaken throughout the quarter included:

Busselton Central

The Centre is now 100% leased with Busselton Mezze & Taverna agreeing terms to occupy the final vacant shop in the Dining Precinct. January sales were up 21% year-on-year with food catering and Readings Cinema performing strongly. Coles continue to perform well with Moving Annual Turnover (MAT) (i.e. the last year's sales) up 3.8%.

Blackburn Square

The Centre is now 100% leased with the final vacancy currently being fitted out by Waterman Workspaces and scheduled to open in early-May 2025. The Centre's Foot traffic is up 19% year-on-year 4.35m visitations. Sales remain very strong, with MAT Supermarket sales of c.\$118m. We are currently undertaking a solar expansion tender to increase the rooftop PV cells from 99kw to 475kw. The project will have significant sustainability and income benefits for the Fund.

Williamstown Aerospace Centre

All four FY25 lease renewals have now been agreed at significant rental increases – approximately 13% higher.

Dog Swamp

All shops in the Centre are now leased with Boba Boba (Bubble Tea) currently fitting out their new premises in the external dining precinct and scheduled to commence trade in early May 2025. Centre sales remain buoyant, with total sales of \$89m and Woolworths reporting 11.7% growth for the last year.

Balcatta

The sale of the asset is unconditional with settlement scheduled to occur on 6 May 2025.



Progress on the Waterman Workspaces fit-out at Blackburn Square Shopping Centre.



The sale of 6-8 Geddes Street and 5 Kenhelm Street at Balcatta is scheduled for settlement on 6 May 2025.



Boba Boba's fit-out concept at Dog Swamp Shopping Centre.

BALANCE SHEET AND VALUATIONS

- In the March quarter, the fund exchanged an unconditional contract for the sale of 6-8 Geddes Street and 5 Kenhelm Street, Balcatta, WA. The sale price of \$18.0 million (before transaction costs) is in line with the book value as of 31 December 2024. Settlement is scheduled to occur on 6 May 2025 with proceeds utilised to pay down fund borrowings. Upon settlement, the fund's gearing is anticipated to reduce to ~49.0%. This sale aligns with the fund's strategy of strengthening the balance sheet and optimising the composition of the investment portfolio.
- In February 2025, the fund entered two interest rate SWAP transactions to extend the fund's hedging profile. Weighted average expiry of hedge has been increased to 2.13 years from 0.71 years as of 31 December 2024. Borrowings are now ~80% hedged out at ~3.3% (weighted average hedge rate) until June 2027 which provides greater certainty around the fund's cost of debt in volatile times.
- As at 31 March 2025, the gearing level (ratio of borrowings to assets) is 50.7%, which remains beyond the upper end of the 35 – 45% target gearing range (as outlined in the Product Disclosure Statement for the Fund). Whilst we are taking active, measured steps (such as the disposal of Balcatta which will reduce gearing to ~49.0%) to reset the Fund's gearing to a more appropriate level the funds Capped Withdrawal Facility (CWF) remains temporarily suspended.
- Providing investors liquidity remains a priority and any further changes to the CWF will be provided on the Fund's website www.asarep.com/dpf



Blackburn Square, Blackburn VIC



Williamtown Aerospace Centre, Williamtown NSW



Dog Swamp Shopping Centre, Perth WA

PORTFOLIO SUMMARY AS AT 31 MARCH 2025

Property Details		Tenancy Details				Valuation Details			
	Lettable 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)
Industrial									
6-8 Geddes Street, Balcatta, WA*	9,992	IGA Distribution	2	100.0	1.7	17.5	Dec-24	6.0	17.5
Sub total			2			17.5			17.5
Retail									
Blackburn Square Shopping Centre, VIC	17,577	Coles & Woolworths	61	100.0	7.9	147.0	Dec-24	5.5	147.3
Busselton Central Shopping Centre, WA	13,338	Coles	35	100.0	6.0	77.0	Aug-24	6.3	77.9
Dog Swamp Shopping Centre, WA	8,076	Woolworths	34	100.0	5.2	56.0	Dec-24	6.3	56.3
Sub total			130			280.0			281.4
Convenience									
Wyong Service Centres, Wyong, NSW	4,286	Ampol	2	100.0	19.3	176.0	Jun-24	5.5	176.1
Sub total			2			176.0			176.1
Office									
1 and 2 Technology Place, Williamstown, NSW	7,557	Boeing	21	99.2	2.2	47.5	Dec-24	8.0	47.5
Sub total			21			47.5			47.5
Other									
Cash and other assets									6.2
Total Cash and other assets									6.2
Total (T) / Weighted Average (A)				99.9 (A)	9.5 (A)	521.0 (T)		5.9 (A)	528.8 (T)

*The fund has exchanged an unconditional contract for the sale of 6-8 Geddes Street and 5 Kenhelm Street, Balcatta, WA. The sale price of \$18.0 million (before transaction costs) is in line with the book value as of 31 December 2024.

Notes

- 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 18-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.
- Weighted Average Lease Expiry (WALE) by gross rental income. Vacancies are valued at market income. Assets under development excluded.
- 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 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.

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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 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 Product Disclosure Statement (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 553 122 or +613 9909 9909 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.

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