

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 leading and longest continuing commercial real estate funds. The Fund holds six properties in New South Wales, Victoria and Western Australia. ASADPF has strong income visibility and low capital expenditure requirements with cash distributions paid monthly.

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.

Performance Forecast

The fund has delivered a 10.1% total return p.a. to investors over the last 10 year period. We are confident of delivering a return at least in line with this performance over the next 5 years.

WEIGHTED AVERAGE
LEASE EXPIRY

9.4
years

FORECAST FY 2025
CASH DISTRIBUTION YIELD*

~7.1%

OCCUPANCY
(BY INCOME)

99.9%

LONSEC
RATING



*Based on the Entry Price as at 30 September 2025. Subject to assumptions and not guaranteed.



Blackburn Square SC

The Fund's outlook and positioning for FY2026 and beyond

One of Australia's longest running funds

Established in August 2006, the ASA Diversified Property Fund is one of Australia's leading and longest continuing commercial real estate funds. The Fund holds six properties in New South Wales, Victoria and Western Australia, and has strong income visibility and low capital expenditure requirements.

Consistency of regular cash distributions

Distributions are paid monthly to investors and no payments have ever been missed since inception in 2006. ASA recognises the importance of regular cash distributions to the Fund's investors and places a high degree of importance in ensuring the Fund will continue to pay these distributions.

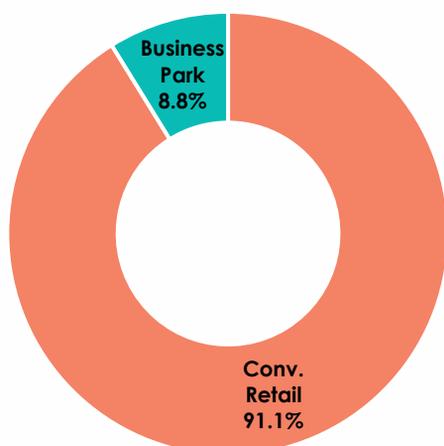
Continuing achievement of performance objectives

The objective of the Fund 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.

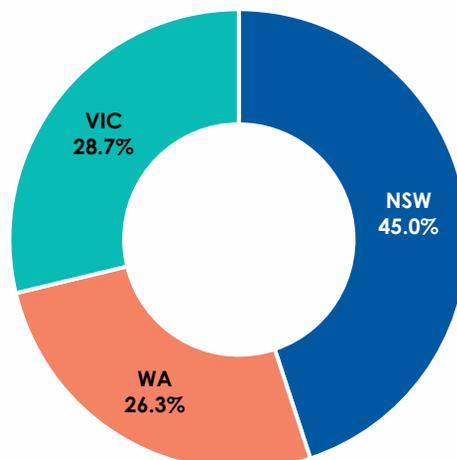
Target returns outlook

The Fund has delivered a 10.1% total return p.a. to investors over the last 10-year period. While we do not guarantee returns and there are relevant risks and assumptions, with a flexible investment mandate ASA is confident of delivering a total return at least in line with this performance over the next five years.

Sector allocation



Geographic allocation



Fund and portfolio overview



Simple 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 9.4 years
- Occupancy: 99.9% by income
- Modern assets: ~80% of the portfolio (by value) redeveloped in past three years



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

- ~7.1% pa based on 30 September 2025 unit price
- FY26 estimated tax deferred distribution percentage of 100%
- No material stamp duty entry costs (buy / sell spread 0.50%)



Investment performance track record

- 10.1% pa total return over the 10 years to September 2025
- Significantly better performance than many comparable funds over the 12 months ending 31 May 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.

Portfolio and asset management

Our active approach to driving higher performance from the retail assets has resulted in 17 new tenants going into the portfolio since 1 July 2025. We have summarised the changes and progress below:

- **Busselton** – Final refinements to the centre’s tenancy mix are nearing completion, including the addition of new tenants that will drive greater footfall, sales and rent. Just Cuts, Elite Supplements, Jamaica Blue and Pavlos Greek are currently fitting out new shops, with Preso Tea and Lottery West to commence fitting out their kiosks shortly; and Tesla have installed ten charging stations in the Kent Street car park. The centre continues to trade well, with year-on-year retail (Moving Annual Turnover – MAT) sales growth of 4.9% - and we expect this to continue as the retail offering adapts.
- **Blackburn** – Strong performance has been maintained with MAT up 14.5% year-on-year. Woolworths and Coles are achieving impressive MAT growth of 5.7% and 7.3%; and two retailers are currently being replaced – which will drive higher sales and higher rents – with Fat Jak’s being replaced by Nene Chicken and Prouds replaced by Wongs Asian Dining.
- **Dog Swamp** – Woolworths is significantly outperforming, with MAT up 10.7% year-on-year – considerably higher than their portfolio average of 3.1% (FY25). As the centre is fully leased, we are seeking to create more lettable area by scoping a small expansion with an established food and beverage operator to satisfy tenant demand.
- **Wyong Twin Service Centres** – Visitation remains exceptionally strong, and Ampol expect to be opening the EV charging facilities in early 2026.
- **Williamstown Defence and Aerospace Centre** – The property remains 100% leased with good progress already made on FY26 renewals. Future expansion plans for the site are currently under active consideration.

Busselton Central is undergoing an intensive period of tenancy delivery, with six new tenancies scheduled for delivery prior to Christmas.



Australia's economy is set for moderate growth in 2025, driven by a gradual recovery in household spending and a tight labour market. Unemployment rose slightly to 4.5% in September but remains low by historical standards. Inflation has moderated into the Reserve Bank of Australia's (RBA) target range, with the latest trimmed mean CPI at 2.6% and headline inflation at 3.0% in the 12 months to August 2025.

The RBA held the cash rate steady at 3.60% in October 2025, citing stronger-than-expected growth but persistent inflation risks. The risk now seems to be tilted toward rates remaining on hold longer. For commercial property investors, this approach suggests a prolonged plateau in interest rates, supporting pricing stability in the near term.

JLL's 3Q25 data reflects a continuation of recent trends across commercial property, with office markets improving, retail remaining broadly stable, and industrial beginning to soften.

Retail Property Market

In the retail sector, market rents remained stable overall, and the forecast supply pipeline for 2026–2027 has been revised upward to approximately 2.1% per annum. Institutional interest continues to shift toward non-discretionary convenience retail, where income resilience is strong. With limited new development and relatively attractive yields, investor appetite remains healthy for well-leased daily-needs retail properties – as evidenced by recent sales outcomes achieved where assets have traded on yields around 5% on a fully let basis.

Office Property Market

Demand in the office market remains bifurcated, with institutional appetite focused on premium, ESG-compliant assets, while commoditised secondary and B-grade buildings continue to face structural headwinds. Upgrades or repositioning remain capital-intensive, and incentives are elevated, particularly in Melbourne precincts such as Docklands and St Kilda Road. CBRE's Q2 2025 data show CBD office vacancy nationally rising to 14.3% in Q2 2025, up from 13.7% in H1, as supply outstripped demand. Australian CBD prime effective rents climbed 1.2% quarter on quarter and 5.1% year on year in Q2 2025 while prime yields were stable in Q2 2025 across most Australian CBD markets.

Amid stabilising interest rate expectations, sentiment in the office middle market has improved. Colliers reported \$4.1 billion in transactions for assets between \$10–150 million over the year to July 2025, with transaction volumes focused in the second half of 2024. Private capital and developers continue to be active buyers in this segment.

Despite the improvement in fundamentals, the sector faces longer-term structural challenges. Return-to-office rates remain below pre-COVID levels, averaging 73% in Q2 2025, and continue to be dragged down by low Friday attendance. Emerging workplace trends — including increased remote work, policy uncertainty, and the adoption of AI in desk-based roles — are likely to alter space requirements over the medium term, further complicating recovery for lower-grade assets.

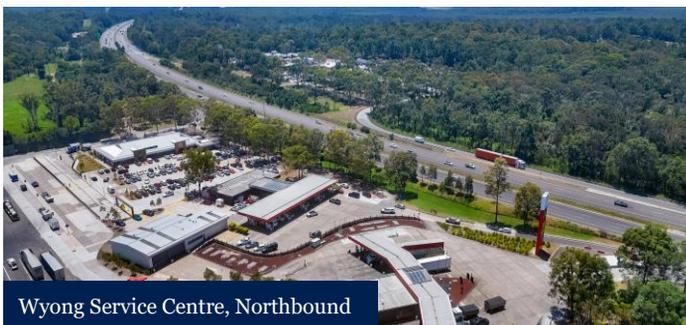
Industrial and Logistics Property Market

JLL's 3Q25 commercial property report confirmed continued softening in the industrial sector. While face rental growth remained positive, particularly in Sydney and Adelaide, increased incentives across most cities have reduced net effective rental growth, with Melbourne seeing a 2% QoQ decline. Vacancy has increased in Melbourne and Brisbane as new supply comes online, despite healthy net absorption. The 2026–2027 supply pipeline is projected to grow at approximately 2.1% p.a., raising the prospect of further pressure on occupancy and rent dynamics.

CBRE's 3Q25 Industrial and Logistics report paints a similar picture, with gross take-up in Q3 at the lowest in 12 months. While CY2025 is projected to surpass last year's take-up level, the supply pipeline for 2025 is forecast to be 27% above the 10-year long-run average of 1.9 million sqm. Looking ahead, just over one-third of the 2026–2027 pipeline is pre-committed, with speculative developments accounting for roughly 60%. This elevated speculative activity is expected to exert pressure on vacancy rates and incentives, particularly as incentive levels remain high and net effective rent growth has turned negative.



Blackburn Square SC



Wyong Service Centre, Northbound

The underlying assets are 'best in class' as evidenced by the **99.9% occupancy rate**, and **WALE of 9.4 years**.

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

Balance sheet, valuations and liquidity

- As at 30 September 2025, the total property value was \$516.1 m. This reflects the latest revaluation of \$515.0 million conducted in June 2025, along with subsequent capital expenditure.
- ASA has secured a new \$15.0 m of investment into ASA DPF, which is expected to be provided \$1.25 m per month throughout FY26 (subject to certain conditions). This is a significant commitment that in isolation reduces the Fund's gearing by approximately 3%.
- The Fund's drawn debt balance is \$247.3 m (reduced from \$252.0 m as at 30 June 2025).
- The remaining undrawn facility will be sufficient to meet the fund's requirements in the current operational and capital expenditure settings.
- Approximately 80% of the portfolio was redeveloped in the last three years; as a result, there are minimal capex or lease incentive obligations that could otherwise drag on free cash flow or the balance sheet.
- The above initiatives are anticipated to reduce the gearing (ratio of borrowings to assets) from ~47.5% (30 September 2025) to within the target band of 35 – 45% by mid 2026
- It is anticipated the suspension of the Capped Withdrawal Facility (CWF) will be able to be lifted at that time, and any changes in the CWF in the meantime will be provided on the Fund's website www.asarep.com/dpf

Performance as at 30 September 2025

	Annualised					
	3 mths %	1 yr %	3 yrs %	5 yrs %	10 yrs %	Since inception %
Distribution return (cash)	1.8	7.4	5.6	6.6	7.4	7.8
Growth return	0.1	(0.0)	(4.0)	(1.1)	2.7	0.0
Total return	1.9	7.4	1.6	5.6	10.1	7.8
Benchmark total return	2.0	4.9	(3.2)	2.1	4.7	6.1
Total return over / (under) performance	(0.1)	2.5	4.8	3.4	5.3	1.7
Fund Cash Yield Benchmark	1.0	4.0	3.5	3.2	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	521.2	Gearing (RG 46 ASIC definition)	47.5%
Less: Total debt	247.3	Loan-to-Value Ratio (LVR) (Financier's definition)	48.0%
Less: Other liabilities	3.3	Loan-to-Value Ratio Covenant (LVR) (Financier's definition)	60.0%
Net assets	270.6	Interest Cover Ratio (ICR) (RG 46 ASIC definition)	2.1 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)	93.0%

Portfolio summary as at 30 September 2025

Property Details	Tenancy Details					Valuation Details			
	Lettable Area (\$qm)	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	7.5	148.0	Jun-25	5.63	148.4
Busselton Central SC, WA	13,313	Coles	44	100.0	5.7	77.0	Jun-25	6.25	77.5
Dog Swamp SC, WA	8,110	Woolworths	40	99.2	5.2	58.5	Jun-25	6.12	58.5
Sub total			147			283.5			284.5
CONVENIENCE									
Wyong Service Centres (M1), Wyong, NSW	4,286	Ampol	2	100.0	18.8	186.0	Jun-25	5.50	186.0
BUSINESS PARK									
Williamtown Aerospace Centre, NSW	7,556	Boeing	21	100.0	2.5	45.5	Jun-25	8.38	45.7
CASH AND OTHER ASSETS									
Total (T) / Weighted Average (A)			170	99.9 (A)	9.4 (A)	515.0 (T)		5.97 (A)	521.2 (T)

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 (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 30 June 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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