

Property Income Fund (APIR Code: YOC0100AU)

Fund Update 30 June 2025

For more than 20 years, the Property Income Fund (Fund) has blended direct properties and unlisted property trusts with listed A-REITs and cash to provide investors with relatively consistent income distributions and the potential for capital growth over the medium to long term.



Edith Cavell Building, Herston, QLD

Fund Facts as at 30 June 2025

June Quarter Distribution	Unit Price	Gross Asset Value
1.25 cents per unit (CPU)	\$0.8756 exit price (cum distribution)	\$227.42 m
Gearing Ratio	Liquidity	
The Fund has no direct borrowings/	The Fund offers daily liquidity. ~	

Ratings / Awards



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Performance as at 30 June 2025

	3 mths %	1 yr %	3 yrs % p.a.	5 yrs % p.a.	7 yrs % p.a.	10 yrs % p.a.	Since inception % p.a.
Distribution return	1.66	5.78	5.59	5.65	6.90	7.27	7.77
Growth return	1.46	(0.68)	(2.05)	0.66	(1.34)	(0.29)	(0.50)
Total return	3.12	5.10	3.54	6.31	5.56	6.98	7.27
Benchmark return	5.50	6.65	3.87	5.98	4.72	6.56	7.72

Inception date for performance calculations is 31 May 1999.

Returns are calculated after fees and expenses and assume the reinvestment of distributions. Past performance is not a reliable indicator of future performance.

The benchmark return is a composite index currently comprising: 60% MSCI/Mercer Australian Core Wholesale Property Fund Index, 35% S&P/ASX 200 A-REIT Accumulation Index, 5% Bloomberg AusBond Bank Bill Index.

Key Portfolio statistics as at 30 June 2025

Asset allocation (by value)

Asset class	\$m	Portfolio %
Listed A-REITs	89.23	39.24
Direct Property	77.47	34.07
Unlisted Property	46.43	20.42
Cash and other	14.28	6.28
Total	227.42	100.00

* Includes cash and cash equivalents.

Exposure to A-REITs

Holding	\$m
Australian Unity A-REIT Fund	77.61
Carindale Property Trust (ASX: CDP)	2.44
GDI Property Group (ASX: GDI)	1.97
Australian Unity Office Fund (ASX: AOF)	1.81
Elanor Commercial Property Fund (ASX: ECF)	1.77
HealthCo Healthcare & Wellness REIT (ASX: HCW)	1.67
RAM Essential Services Property Fund (ASX: REP)	1.41
Qualitas Real Estate Income Fund (ASX: QRI)	0.56
Total	89.23

Unlisted property portfolio

Holding	\$m
AU Student Accommodation	14.26
Planum Footscray	10.79
AU Childcare Property Fund	5.25
AU Specialist Disability Accommodation	4.37
Warrawong Plaza	3.46
Eildon Caboolture	3.05
ASA Diversified Property Fund	2.60
Waverley Gardens	2.44
AU Healthcare Property Trust	0.22
Total	46.43

Financials

	\$m
Gross assets	227.42
Total debt	0.00
Other liabilities*	2.56
Net assets	224.86

* Other liabilities include a provision for the distribution.

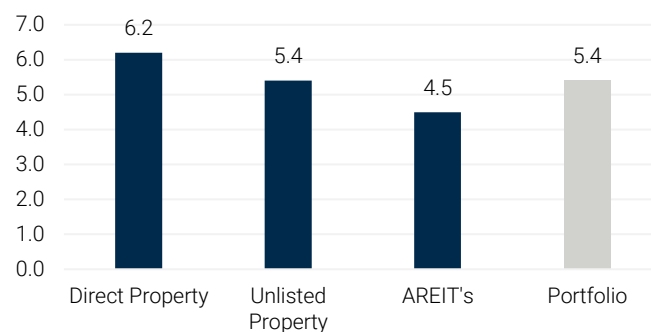
Debt

The Fund has no direct borrowings./

Liquidity

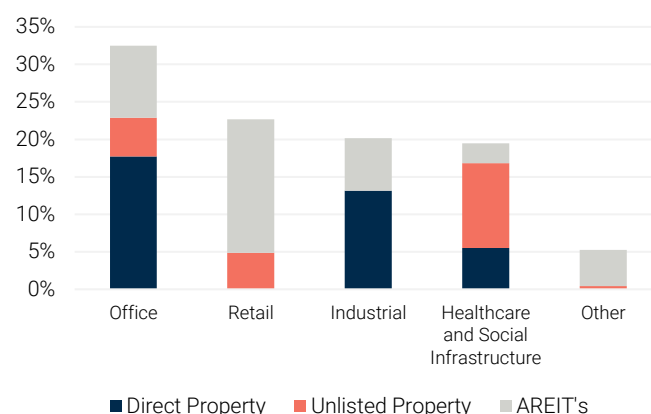
The Fund offers daily liquidity.~

Weighted Average Lease Expiry



Note: excludes assets under development.

Property Income Fund -Sector Exposure (excluding cash)



Note: "Other" includes residential developers, self-storage and other listed investments. Sector weights are on an equity accounting basis.

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Market commentary

Australia's Q2 2025 economy was characterised by disinflation, continued monetary easing, subdued consumer activity, and growing external risks. In response to these trends, the Reserve Bank of Australia (RBA) continued cutting interest rates, lowering the cash rate by 25 basis points in May citing weaker inflation and soft consumer demand. Following quarter end, further action was taken by the RBA at its August meeting, delivering a third interest rate cut for 2025 to reduce the cash rate to 3.60%. Markets are continuing to price further rate cuts with consensus expectations that the cash rate will fall below 3.5% by the end of the year (Bloomberg).

Consumer demand remained fragile, with household spending rising just 0.1% in April, despite easing prices. This highlights ongoing consumer caution and limited confidence. At the same time, global trade and geopolitical risks intensified. Rising trade tensions between the US and China, along with new tariffs, added further downside risks to Australia's export outlook.

In a surprise move, the RBA defied expectations and kept rates on pause in the July 2025 meeting. In the Minutes, the RBA reiterated that "labour market conditions were tight" (with Governor Michelle Bullock noting later in the week that concern over the rise in unemployment to 4.3% was overdone); and highlighted the problematic topic of the present – productivity. Most interestingly, the RBA acknowledged that its forecasts for productivity – which it highlighted 'materially influences the medium-term outlook for growth in the economy's supply capacity, incomes and demand' – continue to assume a notable pick up "despite no rise in productivity since 2016". In response to the above, combined with Gov. Bullock also noting that core inflation could take longer than expected to return to target, weary markets pushed rates higher and scaled back the total number of basis points of cuts expected to be delivered over the coming year. Such tempering of expectations appears to have been somewhat short-lived with the RBA subsequently deciding to lower the cash rate at its August 2025 meeting.

Within the real estate sector, the continuing interest rate cutting cycle has provided capital market participants with increased confidence that valuations have reached a cyclical low. Transaction volumes have continued to rise, establishing baseline prices that will help unlock further investment activity. As a result, a wide range of investor groups are now looking to deploy capital in the near term and take advantage of attractive entry pricing.

Following a period of softening, yield levels appear to be stabilising for retail, industrial and prime office assets across most Australian markets. This has been supported by recent interest rate cuts, improving borrowing conditions and boosting investor sentiment. With the widespread expectation for further reductions in debt costs forecast, real estate markets are likely to be supported by a continuing improvement in sentiment and gradual reductions in both funding costs and return hurdle rates, while stubbornly high construction costs are likely to limit new supply response for most asset classes.

For the quarter ending 30 June 2025, the Australian listed property sector, as measured by the S&P/ASX 200 A-REIT Accumulation Index (A-REIT Index), returned positive 13.7% outperforming the broader equities market as measured by the S&P/ASX 200 Accumulation Index which returned positive 11.9% buoyed by increasing support for interest cuts at both the short and long term ends of the interest rate curve. Over the 12 months to 30 June 2025, A-REITs have marginally outperformed the A-REIT Index returning positive 14.0% compared to the S&P/ASX 200 Accumulation Index market return of positive 13.8% with share markets continuing to find investor support.

Despite peaking in mid-May 2025 at 4.53%, the Australian 10-year

government bond finished the quarter lower at 4.16%, providing support for asset valuations with several listed A-REITs reporting a flattening or slight increase in values. Over the quarter, positive performance of the A-REIT sector was widespread with notable gains across several larger cap stocks including Goodman Group (GMG), Charter Hall Group (CHC) and GPT Group (GPT), which returned positive 21.0%, 20.1% and 13.8% respectively.

Outside of the Index, Abacus Storage King (ASK) provided a total return of positive 33.3% for the June 2025 quarter as it was the subject of takeover interest from US-listed Public Storage and Ki Corporation. The laggard for the period was Dexxus (DXS), being the sole A-REIT Index included stock to provide a negative return for the 3 months to June 2025 (negative 3.5%) as it was impacted by news regarding the potential loss of funds it manages due to investor activism.

Fund performance

The Fund provided a total return of positive 3.12% (after fees) for the June 2025 quarter. Performance was predominantly influenced by positive returns from the Fund's listed A-REIT exposures together with a strong divestment value secured for the Fund's Edith Cavell, Herston asset.

Indicative of the long term, consistent nature of investment performance, the Fund continues to outperform its benchmark comprising the MSCI/Mercer Australian Core Wholesale Property Fund Index (60%), S&P/ASX 200 A-REIT Accumulation Index (35%) and the Bloomberg AusBond Bank Bill Index (5%) over the last, 5-, 7- and 10-year time horizons.

As of 30 June 2025, the A-REIT sector (A-REIT Index) is trading at a c.5.1% FY25 estimated dividend per share yield and a c.0.2% premium to last stated Net Tangible Assets (NTA) which excludes Charter Hall Group, Centuria Capital Group and Goodman Group from the equation as these have a large portion of non-rental earnings/assets (i.e. development and funds management businesses) and their market pricing can deviate substantially from NTA backing.

Portfolio activity for this quarter

Transfer of management rights of the Australian Unity Property Income Fund to Newmark Capital

Further to the announcement on 22 May 2025, we are pleased to advise that the transfer of management of the Australian Unity Property Income Fund (Fund) to Newmark was completed on 27 June 2025.

Australian Unity Investments Limited (AUIL) remains the Responsible Entity (RE) of the Fund although a new board of Directors and compliance committee have been appointed.

The Fund continues to be managed by Damian Diamantopoulos and Andrew McLeod, who are now employed by Newmark. They will be supported in their ongoing management responsibilities by Newmark's team of highly experienced real estate professionals.

Following the transfer, both Zenith and Lonsec Rating firms continue to maintain their respective Recommended ratings for the Property Income Fund.

A Supplementary Product Disclosure Statement (SPDS) to reflect the change of ownership of RE and update contact details has been issued. The Fund features, benefits and risks have not changed as a result of the change of ownership of the RE. The Fund name and RE name will be changed in due course.

Newmark Capital is an Australian specialist property fund manager,

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offering investors access to premium commercial real estate investment opportunities while creating long-term value and consistent returns through a carefully curated portfolio of assets.

Property Valuations

Three of the Fund's directly held property assets were independently valued as at 30 June 2025, with a cumulative net book value decrease of \$0.9 million or 1.55% from the properties' book value immediately prior to valuation recorded.

- *223-227 Governor Road, Braeside VIC* – The updated June 2025 valuation was unchanged from both the book value immediately prior to valuation as well as the prior independent valuation. Despite a softening in the adopted capitalisation rate from 5.375% to 5.50%, the valuation is unchanged following support from the value derived utilising the Discounted Cash Flow (DCF) approach. As a result, the adopted market valuation remains unchanged at \$28.0 million.
- *296 Vincent Street, Port Adelaide SA* – The property's value increased by \$0.07 million or 0.5% from the book value prior to valuation to reflect a current valuation of \$15.00 million. The valuation increase was driven by a marginal increase in the assessed market rental level for the property while the adopted capitalisation rate remains unchanged from that of the prior valuation at 6.50%.
- *70 Light Square, Adelaide SA* – Independently valued at \$15.7m, the property's value decreased by \$1.00 million or 6.0% from the book value prior to valuation. The value decrease is primarily due to a decrease in the valuer adopted net market income following an increase in assumed outgoing expenditure. The adopted capitalisation rate remains unchanged from that of the prior valuation at 6.50%.

Asset Divestment

On 28 May 2025, the Fund entered a contract of sale for the premises known as Edith Cavell Building, Herston, QLD. The agreed sale price was \$11.75m which reflects a 6.8% premium to the property's most recent independent valuation conducted on 31 December 2024 and represents a peak value for the asset since acquisition.

Settlement for the sale occurred on 30 July 2025. Book value for the asset as at 30 June 2025 was marked in line with the contract of sale price.

Leasing Activity

70 Light Square, Adelaide SA

The Fund is pleased to announce that it has secured a lease renewal of 5 years with incumbent, long term tenant Collison & Co, for its existing c.392sqm tenancy at the property known as 70 Light Square, Adelaide, SA.

As a result of this leasing transaction, the asset's weighted average lease term has increased from c.1.2 years to 1.7 years (as at 30 June 2025) while maintaining current occupancy.

Distribution

We are pleased to announce a distribution for the month of June 2025 of 0.4167 cpu. This takes the total distribution paid for the quarter ending 30 June 2025 to 1.25 cpu and 5.00 cpu for the 2025 financial year.

Outlook

Through its well diversified, actively managed portfolio, we believe the Property Income Fund is well positioned to provide regular income to investors, as the market transitions through the current macro-economic environment.

The Fund continues to display its resilience due to its overall diversification across various property and tenant types.

The Fund's property sector weightings are skewed to industrial, retail, healthcare and social infrastructure property, with revenue exposed to a mix of listed and other corporates, while the Fund's office exposure is weighted towards a mix of metropolitan office properties and repriced listed office property stocks.

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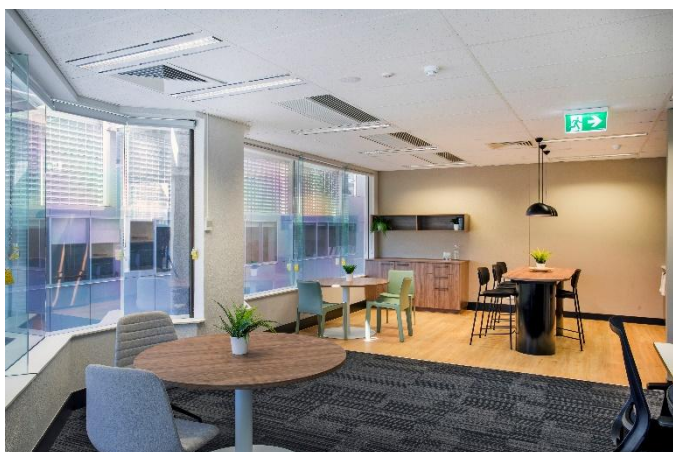
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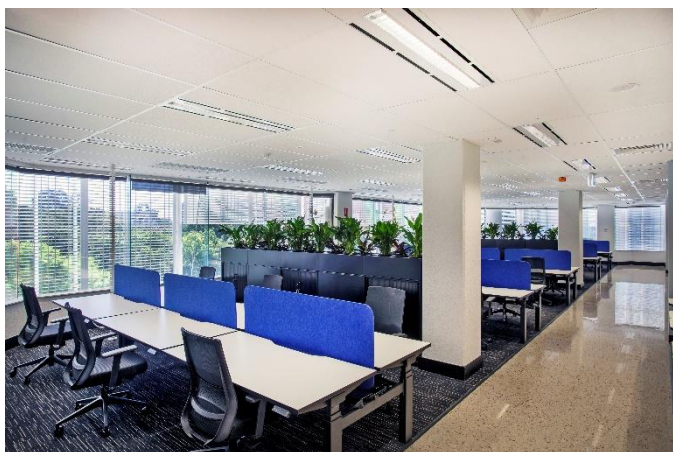
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70 Light Square, Adelaide, SA



Spec Suite Level 1 – 70 Light Square, Adelaide, SA



Spec Suite Level 2 - 70 Light Square, Adelaide, SA

Key direct property statistics as at 30 June 2025

Geographical allocation (by value)

State	No. of assets	%
SA	2	39.63
VIC	1	36.14
QLD	1	15.17
NSW	1	9.06
Total	5	100.00

Sector allocation (by value)

Sector	No. of assets	%
Office	3	48.69
Industrial	1	36.14
Healthcare & Social	1	15.17
Total	5	100.00

Property data

Number of properties	5
Total number of tenants	12
WALE (by income) [#]	6.2 yrs
Occupancy rate (by income)	89.42%

[#] Excludes assets held for/under development

Top 5 tenants (by income)

Tenant	%
Flavour Makers Australia	28.31
Flinders Ports	17.04
The University of Queensland	9.30
Efex	9.05
Australian Unity	5.61
Total	68.92

Valuations

Valuations during the quarter	3
Change in total direct property book value	0.07%
Change in book value of the properties revalued	(1.17%)

* Change in book value over the quarter includes revaluation impacts along with capital expenditure and other minor variations but excludes acquisitions and disposals

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Direct Property Assets as at 30 June 2025

Property Details			Tenancy Details				Valuation Details			
Address	Note	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)
Office										
70 Light Square, Adelaide, SA	-	3,172	efex (formally Logic Plus)	6	76.1	1.7	15.70	Jun-25	6.50	15.70
296 Vincent St., Port Adelaide, SA	-	3,537	Flinders Ports	3	100.0	2.9	15.00	Jun-25	6.50	15.00
134 King Street, Newcastle, NSW	5	1,880	N/A	0	-	-	7.00	Jun-24	N/A	7.02
Sub total				9			37.70			37.72
Industrial										
223-227 Governor Road, Braeside, VIC	-	10,573	Flavour Makers Australia	1	100.0	16.2	28.00	Jun-25	5.50	28.00
Sub total				1			28.00			28.00
Healthcare and social infrastructure										
Edith Cavell Building, Herston, QLD	-	1,585	The University of Queensland	2	80.7	2.2	11.00	Dec-24	7.00	11.75
Sub total				2			11.00			11.75
Total (T) / Weighted Average (A)				12 (T)	89.4 (A)	6.2 (A)	76.7 (T)		6.16 (A)	77.47 (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 base 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.
- Total number of tenants represents unique tenants. The sum of all individual property tenant numbers may differ to the total, as some tenants have multiple properties, and these are not double counted in the total.
- Property held for redevelopment.

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/The Fund's underlying investments may borrow to finance new and existing assets, to develop and maintain those assets, and to provide liquidity for operating purposes and managing working capital. Refer to the PDS for more information regarding the costs involved with Fund's underlying investments' borrowings.

~The Fund is open for daily withdrawals, which will normally be paid within five business days. In times of abnormal operating or market conditions, or periods of excessive withdrawals, the Fund may take up to 180 days to pay withdrawals. During these times the responsible entity may offer alternative withdrawal arrangements if these are deemed to be in the best interest of investors. Refer to the PDS for more information regarding withdrawals.