

# Property Income Fund (APIR Code: YOC0100AU)

## Fund Update

30 September 2025

For more than 25 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.



70 Light Square, Adelaide, SA

## Fund Facts as at 30 September 2025

September Quarter Distribution	Unit Price	Gross Asset Value
1.25 cents per unit (CPU)	\$0.8811 exit price (cum distribution)	\$226.29m
Gearing Ratio	Liquidity	
No direct borrowings/	Daily ~	

## Ratings / Awards



## Contact us

+61 3 9820 3344

[Newmarkcapital.com.au](http://Newmarkcapital.com.au)

[investor@newmarkcapital.com.au](mailto:investor@newmarkcapital.com.au)

## Performance as at 30 September 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.
<b>Distribution return</b>	1.42	5.65	5.68	5.64	6.88	7.27	7.75
<b>Growth return</b>	0.63	(3.32)	(0.91)	0.71	(1.59)	(0.23)	(0.47)
<b>Total return</b>	2.05	2.33	4.76	6.35	5.29	7.04	7.28
<b>Benchmark return</b>	2.89	4.86	5.21	6.01	4.86	6.59	7.76

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 September 2025

### Financials

	\$m
Gross assets	226.29
Total debt	0.00
Other liabilities <sup>^</sup>	1.49
Net assets	224.80

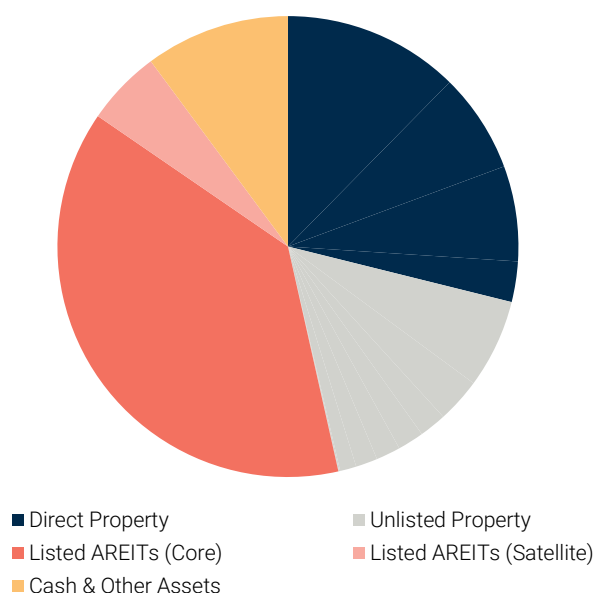
<sup>^</sup> Other liabilities include a provision for the distribution.

### Asset allocation (by value)

Asset class	\$m	Portfolio %
Listed A-REITs	98.15	43.37
Direct Property	65.35	28.88
Unlisted Property	39.84	17.61
Cash and other	22.95	10.14
<b>Total</b>	<b>226.29</b>	<b>100.00</b>

\* Includes cash and cash equivalents.

### Asset allocation (by value)



Note: Reflects investment allocations by value.

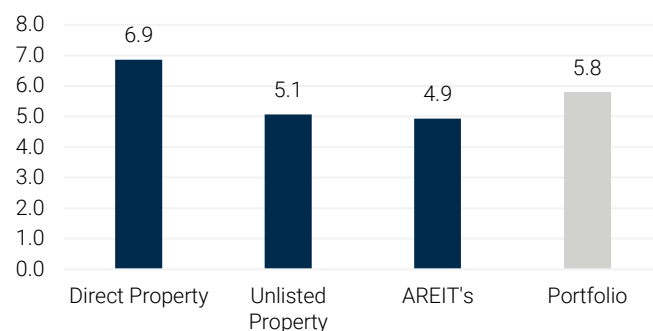
### Debt

The Fund has no direct borrowings./

### Liquidity

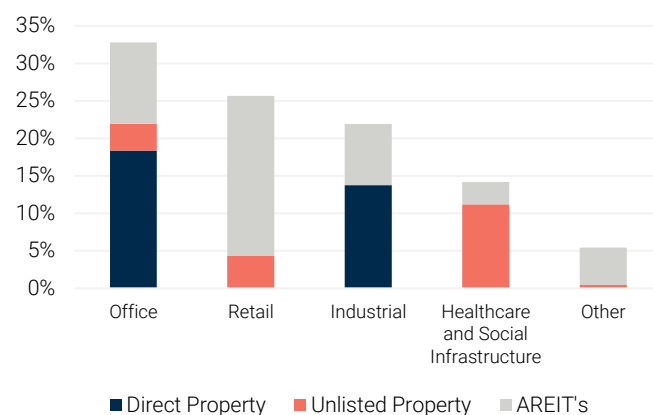
The Fund offers daily liquidity.~

### 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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+61 3 9820 3344

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[investor@newmarkcapital.com.au](mailto:investor@newmarkcapital.com.au)

## Market commentary

During the September quarter, the Australian economy recorded modest growth amid a backdrop of mixed economic indicators. Following a 25-basis point interest rate cut in August 2025, the Reserve Bank of Australia (RBA) maintained the cash rate at 3.60% during its September meeting, as it continues to assess inflationary pressures. Despite this, labour market conditions have begun to soften, with the national unemployment rate rising to 4.5% in September, marking its highest level in four years.

Throughout 2025, the Australian real estate market has shown signs of recovery, supported by three interest rate cuts in February, May, and August. Sentiment has improved, particularly within the office property sector, which now appears to be at or near its cyclical low point. In general, office property yields appear to be stabilising, and office values are showing signs of having bottomed. Encouragingly, prime office rents are experiencing growth, and all four major CBD office markets have recorded positive net absorption over the past 12 months, indicating that demand for office space is outpacing vacancy levels.

The retail property sector continues to benefit from stable income returns and favourable supply-side dynamics. Elevated construction costs and restrictive planning controls have constrained new shopping centre development, creating a structurally supportive environment for retail landlords. In this context, rental levels have responded positively. Robust consumer spending and resilient retail sales have further underpinned a positive outlook for rental growth, contributing to improved investor sentiment toward the retail property sector.

In contrast to other major property sectors, industrial real estate continues to experience significant new supply, driven by strong tenant demand in recent years. The industrial supply pipeline for 2025 is expected to exceed the 10-year average. While rental growth has begun to moderate from previously elevated levels, and leasing incentives have begun to rise. Nevertheless, the national industrial vacancy rate remains exceptionally low at 2.8% (CBRE), one of the lowest globally, helping to maintain balance in the industrial property sector.

Overall, the investment outlook for commercial property has improved significantly through 2025. Buoyed by recent interest rate cuts, investor sentiment towards commercial property allocations appears to have notably improved. Early signs of positive valuation growth across some sectors is beginning to emerge. Strong population growth continues driving demand across various real estate sectors, coupled with a limited supply response, a favourable environment looks to be developing for commercial property investors. For the quarter ending 30 September 2025, the Australian listed property sector, as measured by the S&P/ASX 200 A-REIT Accumulation Index (A-REIT Index), returned positive 4.6% marginally underperforming the broader equities market as measured by the S&P/ASX 200 Accumulation Index which returned positive 4.7%. Performance was driven by strong August reporting season for the listed property sector as encouraging commentary around asset value stabilisation, improving earnings outlooks and supportive macroeconomic indicators resonating with investors, albeit volatility and sensitivity to such indicators remain.

Over the quarter, positive performance within the listed property sector was widespread with only two securities reflecting negative returns for the period. Strong returns were notable for fund manager Centuria Capital (CNI), which returned 31.2% for the September quarter while retail property sector focused securities also performed well with Scentre Group (SCG) returning 17.3% for the period. The laggards for the period included the Index's largest contributor, Goodman Group (GMG), returning -4.3%, along with Digico Infrastructure REIT (DGT) which returned -21.1% for the period, with the latter weighed down by

uncertainty over future earnings levels.

## Fund performance

The Fund provided a total return of positive 2.05% (after fees) for the September 2025 quarter. Performance was positively influenced by ongoing strong returns from the Fund's listed A-REIT exposures together with valuation uplift secured for the Fund's King Street, Newcastle asset following terms being agreed for its divestment. Such performance was partially offset by negative valuation impacts on two of the Fund's underlying unlisted investments; Waverley Gardens and Planum Footscray.

During the period the Fund partially reduced its holding in the Australian Unity Childcare Fund as part of a withdrawal offer made to investors.

As of 30 September 2025, the A-REIT sector (A-REIT Index) is trading at a c.3.1% FY26 estimated dividend per share yield and a c.4.5% 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

### Change in Fund & Responsible Entity Names

Following the transfer of management rights for the Australian Unity Property Income Fund to Newmark in June 2025, Management is pleased to announce that the Fund will now be known as the Newmark Property Income Fund.

In addition, the Responsible Entity (RE) for the Fund has changed its name from Australian Unity Investments Limited (AUIL) to Newmark RE Limited. Other changes include the appointment of new Directors to the Board and establishment of a new Compliance Committee. There is no change to the Responsible Entity's ACN, ABN or AFSL number.

Importantly, the Fund's features, characteristics, and risk profile remain unchanged as a result of the change in ownership. The Investment Team, comprising Damian Diamantopoulos and Andrew McLeod, has successfully transitioned to Newmark which has ensured continuity in investment management. The Newmark specialised property team are now supporting the Investment Team.

### Leasing Activity

#### *70 Light Square, Adelaide SA*

Following the recent completion of the new fitted-out office suite strategy across levels 1 and 2 at 70 Light Square, Adelaide the Fund is pleased to announce that it has successfully secured two new tenants.

Silver Wolf Projects have leased a suite on Level 1 for a new 5-year term while BCA Concepts have leased a suite on a 4-year agreement, providing strong support for the active asset management approach taken to drive occupancy.

As a result of these leasing deals, the asset's weighted average lease term has increased from circa 1.7 years (as at 30 June 2025) to 1.8 years (as at 30 September 2025) while occupancy has risen from 76.1% to 83.0% over the same period.

#### *296 St. Vincent Street, Port Adelaide SA*

The Fund is pleased to announce that it has agreed a lease renewal of 5 years with incumbent, long term tenant, South Australian Housing Trust (SAHT), for its existing c.791sqm tenancy at the property known as 296 St Vincent Street, Port Adelaide, SA.

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+61 3 9820 3344

[Newmarkcapital.com.au](https://newmarkcapital.com.au)

[investor@newmarkcapital.com.au](mailto:investor@newmarkcapital.com.au)



As a result of this leasing transaction, the asset's weighted average lease term has increased from circa 2.9 years (as at 30 June 2025) to 3.6 years (as at 30 September 2025) and remains fully occupied.

#### Asset Divestment

On 22 August 2025, the Fund entered into a contract of sale for the property located at 134 King Street, Newcastle, NSW, at an agreed sale price of \$7.15 million. This reflects a 2.1% premium to the property's most recent independent valuation, conducted on 30 June 2024.

As part of the transaction, the Fund simultaneously entered into a lease agreement with an associate of the purchaser, effective until settlement of the property, but no later than 30 June 2027. A non-refundable deposit of 10% was received upon execution of the sale contract.

A strategic decision was made to discontinue the previously planned redevelopment of the Newcastle asset, in favour of reallocating capital towards income-producing opportunities, which—given current market conditions—are yielding higher than at the time of the Newcastle acquisition. In line with this revision, the Newcastle property has been contracted for sale with a deferred settlement in place. The asset is now fully leased and generating income as we await settlement.

The Fund is currently actively pursuing acquisition opportunities.

#### Distribution

We are pleased to announce a distribution for the month of September 2025 of 0.4167 cpu. This takes the total distribution paid for the quarter ending 30 September 2025 to 1.25 cpu.

#### 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 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.



296 St. Vincent Street, Port Adelaide, SA



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



134 King Street, Newcastle, NSW

#### Contact us

+61 3 9820 3344

[Newmarkcapital.com.au](https://newmarkcapital.com.au)

[investor@newmarkcapital.com.au](mailto:investor@newmarkcapital.com.au)

## Key 'Direct Property' statistics as at 30 September 2025

### Geographical allocation (by value)

State	No. of assets	%
SA	2	47.31
VIC	1	42.84
NSW	1	9.85
<b>Total</b>	<b>4</b>	<b>100.00</b>

### Sector allocation (by value)

Sector	No. of assets	%
Office	3	57.16
Industrial	1	42.84
<b>Total</b>	<b>4</b>	<b>100.00</b>

### Property data

Number of properties	4
Total number of tenants	13
WALE (by income)*	6.9 yrs
Occupancy rate (by income)	94.43%

\* Excludes assets held for/under development

### Top 5 tenants (by income)

Tenant	%
Flavour Makers Australia	32.21
Flinders Ports	19.36
Minister for Infrastructure & Transport (SA)	10.67
Efex	10.03
King Perkins	8.03
<b>Total</b>	<b>80.30</b>

### Valuations

Valuations during the quarter	0
Change in total direct property book value	0.37%
Change in book value of the properties revalued	n/a

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

## Direct Property Assets as at 30 September 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)
<b>Office</b>										
70 Light Square, Adelaide, SA	-	3,176	efex (formally Logic Plus)	8	83.0	1.8	15.70	Jun-25	6.50	15.79
296 Vincent St., Port Adelaide, SA	-	3,537	Flinders Ports	3	100.0	3.6	15.00	Jun-25	6.50	15.12
134 King Street, Newcastle, NSW	5	1,880	King Perkins	1	100.0	1.8	7.00	Jun-24	7.00	6.44
<b>Sub total</b>				<b>12</b>			<b>37.70</b>			<b>37.35</b>
<b>Industrial</b>										
223-227 Governor Road, Braeside, VIC	-	10,573	Flavour Makers Australia	1	100.0	15.9	28.00	Jun-25	5.50	28.00
<b>Sub total</b>				<b>1</b>			<b>28.00</b>			<b>28.00</b>
<b>Total (T) / Weighted Average (A)</b>				<b>13 (T)</b>	<b>94.4 (A)</b>	<b>6.9 (A)</b>	<b>65.7 (T)</b>		<b>6.13 (A)</b>	<b>65.4 (T)</b>

### 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.
- Asset held for sale. Contract price reflects \$7.15m with non-refundable deposit of \$715,000 received and held as cash.

## Contact us

+61 3 9820 3344

[Newmarkcapital.com.au](http://Newmarkcapital.com.au)

[investor@newmarkcapital.com.au](mailto:investor@newmarkcapital.com.au)



## Newmark RE Limited

Level 17, 644 Chapel Street  
South Yarra VIC 3141

03 9820 3344

info@newmarkcapital.com.au

newmarkcapital.com.au

## Investors & Advisors

For all Property Income Fund related enquiries and opportunities please contact:

### Adam Kirk

Head of Sales & Business Development  
0403 515 401  
akirk@newmarkcapital.com.au

### George Deligiannis

Head of Distribution  
0412 554 467  
gdeligiannis@newmarkcapital.com.au

### Nathan Wares

Head of Wholesale  
0419 542 646  
nwares@newmarkcapital.com.au

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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.