Newmark Property Income Fund (APIR Code: YOC0100AU)

Fund Update
31 December 2025

For more than 25 years, the Newmark 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.

86-88 Learmonth Street, Wendouree, VIC

Fund Facts as at 31 December 2025

December Quarter Distribution	Unit Price	Gross Asset Value
1.25 cents per unit (CPU)	$0.8688 exit price (cum distribution)	$202.47m

Gearing Ratio	Liquidity
No direct borrowings/	Daily ~

Ratings / Awards

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Performance as at 31 December 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	1.42	5.85	5.63	5.58	6.86	7.24	7.73
Growth return	(1.40)	(0.23)	(2.14)	(0.56)	(1.95)	(0.65)	(0.52)
Total return	0.02	5.62	3.49	5.02	4.91	6.59	7.21
Benchmark return	0.99	7.87	4.18	4.98	4.87	6.23	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 31 December 2025

Financials

	$m
Gross assets	202.47
Total debt	0.00
Other liabilities^	1.30
Net assets	201.17

^ Other liabilities include a provision for the distribution.

Debt

The Fund has no direct borrowings./

Liquidity

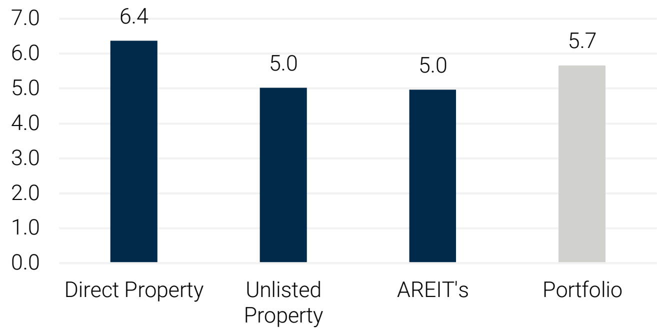
The Fund offers daily liquidity.~

Asset allocation (by value)

Asset class	$m	Portfolio %
Listed A-REITs	81.34	40.17
Direct Property	74.26	36.68
Unlisted Property	38.95	19.24
Cash and other*	7.92	3.91
Total	**202.47**	**100.00**

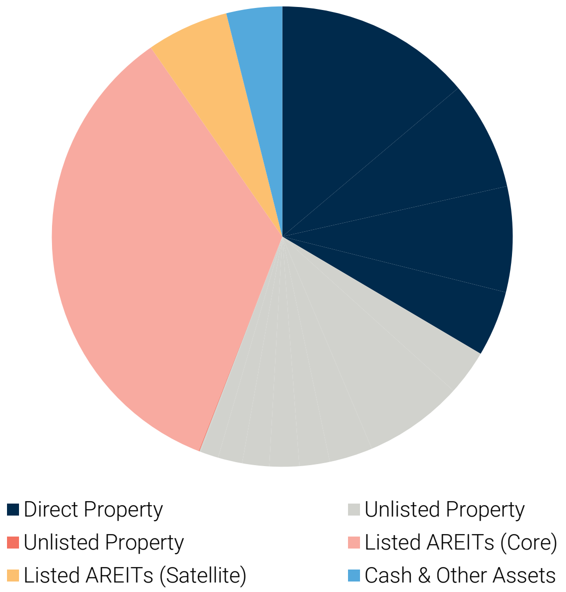
* Includes cash and cash equivalents.

Weighted Average Lease Expiry



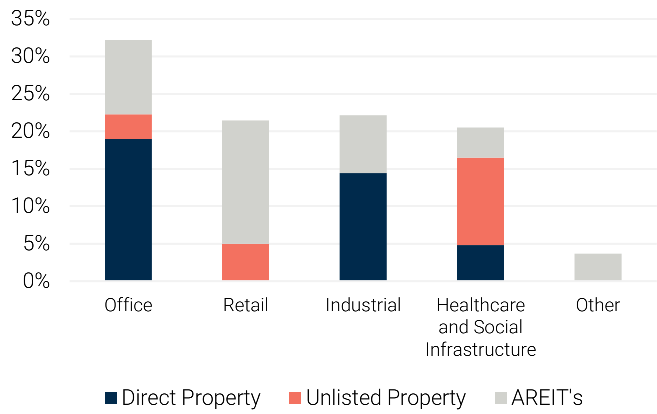
Note: excludes assets under development.

Asset allocation (by value)



Note: Reflects investment allocations by value.

Newmark 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 economic environment at the end of 2025 reflects a transition from inflation containment toward sustainable growth. While inflation remains above the mid-term target range, it has eased significantly from its 2022–24 peaks. The Reserve Bank of Australia (RBA) responded with cumulative rate reductions totaling approximately 75 basis points during 2025, which have begun to ease financial conditions and support activity across broader markets. However, inflation is still higher than the target range and as a result the RBA increased the cash rate to 3.85% on 3 February 2026.

Labour market conditions have softened modestly, with participation and employment growth slowing from earlier cyclical highs. Unemployment remains relatively low, underpinning consumer confidence and household income stability, although wage growth has moderated. Consumption is holding up, particularly in essential services, while discretionary spending continues to normalise after pandemic-era distortions.

In response to a varying interest rate outlook the Australian 10-year government bond retraced from an October 2025 low of 4.09% to finish the quarter at 4.73%. The stabilisation of this metric over 2025 had been a key signal for capital markets, helping to anchor investor expectations for commercial real estate pricing and returns. As such, market participants will continue to monitor this position and monitor whether this recent elevation is temporary.

Overall, the Australian economy is positioned for moderate but stable expansion, with improved financial conditions supporting consumption and investment without stoking renewed overheating.

Australian office and retail property markets enter 2026 on firmer footing following a period of repricing and stabilisation through 2024 and 2025. The interest rate cuts delivered during 2025 supported a recovery in transaction activity and buyer confidence, while valuations across both sectors have largely stabilised.

While the office property sector embarks on a phase of measured recovery, retail property remains well supported, underpinned by resilient consumer spending, population growth and constrained new supply. Investor demand for retail assets increased materially through 2025, supported by attractive income yields relative to other asset classes and improving operating fundamentals. While discretionary spending remains sensitive to interest rate expectations, essential retail formats are well positioned to deliver stable cash flows in 2026.

Led by Sydney and Melbourne, industrial property demand levels continue to remain steady with 3 million sqm of gross take up recorded nationally across 2025 (CBRE), up c.10% on 2024 levels. The development supply response to such demand has continued trends of recent years with 2025 seeing total new floorspace of 2.2 million sqm added nationally over 2025, 15% above the long-term development supply average.

Development supply of industrial property is expected to continue in 2026, which despite robust tenant demand, is likely to support recent moderation in rental growth moderate and support incentive levels. Despite this, national vacancy levels remain low and CBRE forecast that close to 50% of the 2026 supply is pre-committed while return pressures may see some development deferred that will support existing assets.

The Australian commercial property sector has transitioned into a more stable and investable phase of the cycle. While elevated bond yields temper expectations of rapid capital growth, improving fundamentals and renewed confidence provide a solid platform for income-led returns in 2026 and beyond. For long-term investors, well-located, high-quality real estate assets continue to offer attractive risk-adjusted outcomes in an increasingly selective market environment.

For the quarter ending 31 December 2025, the Australian listed property sector, as measured by the S&P/ASX 200 A-REIT Accumulation Index (A-REIT Index), returned negative 1.4% underperforming the broader equities market as measured by the S&P/ASX 200 Accumulation Index which returned negative 1.0%. Sector performance was impacted following key domestic macro-economic data releases over the quarter, driving market revisions to cash rate expectations as consensus forecasts were revised upwards.

Retail related property stocks fared best of the A-REIT subsectors led by Bunnings Warehouse Property Trust (BWP), which returned 8.5% over the quarter following positive revaluation activity. Elsewhere Charter Hall Group (CHC) performed strongly returning 8.6% for the period while National Storage REIT (NSR) returned 18.7% for the December 2025 quarter following takeover interest from Brookfield and GIC. Laggards for the period included Mirvac Group (MGR) and Arena REIT (ARF), which returned -7.8% and -7.0% for the period respectively, while the Index's largest contributor, Goodman Group (GMG), returned -5.0%.

Despite a soft end to the year, listed A-REIT market performance over 2025 has been broad based with the A-REIT Index excluding Goodman Group (GMG), which accounts for c.37% of the index. producing a total return of positive 23.6% (UBS), substantially outperforming the broader equities market (S&P/ASX 200 Accumulation Index) which returned 9.2% over the 12 months to 31 Dec 2025.

Fund performance

The Fund provided a total return of positive 0.02% (after fees) for the December 2025 quarter. Performance was positively influenced by ongoing distribution returns, however this was offset by negative market movements within the Fund's listed A-REIT exposures in response to a changing interest rate outlook. Additionally, while the Fund's direct asset revaluations were broadly flat, the underlying exposure in the externally managed unlisted Planum Footscray Fund was impacted by negative revaluation movement after the sudden unexpected departure of a significant tenant.

As of 31 December 2025, the A-REIT sector (A-REIT Index) is trading at a c.3.1% FY26 estimated dividend per share yield and a c.3.3% 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

Asset Acquisition

We are delighted to announce that on 12 December 2025 the Newmark Property Income Fund (Fund) acquired 86-88 Learmonth Road, Wendouree, VIC for $8.975 million.

Located in the northern Ballarat suburb of Wendouree, approximately 4km from the CBD, the asset is situated within Wendouree's key retail and commercial district and included within the Wendouree Station Precinct urban renewal area.

The property is leased to VicRoads, a key Government essential service, with a weighted unexpired lease expiry of c.4.5 years. On site services include vehicle testing, inspections and licensing while other client relations are also conducted on site.

The asset is comprised of a 1,706sqm freestanding building with low site coverage and excellent on-site parking provisions with 111 bays. The property has recently been extensively refurbished to provide modern, conventional and adaptable accommodation. The property displays a 4-star Energy Rating and offers an initial passing yield of 7.00%.

Leasing Activity

70 Light Square, Adelaide SA

We are pleased to announce further leasing success at 70 Light Square, Adelaide, with the final remaining Level 1 fitted-out office suite. Epic Environmental, a leading environmental consultancy with offices across Australia, have leased a c.104sqm suite on a 3-year lease term providing strong support for the active asset management approach taken to drive occupancy.

As a result, occupancy within the property as at 31 December 2025 totals 87.2% (by income), with the recently fitted-out office suite on Level 2 totaling c.395sqm reflecting the only current vacancy within the property.

Valuations

Three of the Fund's directly held property assets were independently valued as at 31 December 2025, with a cumulative net book value decrease of $0.5 million or 0.8% from the properties' book value immediately prior to valuation recorded.

223-227 Governor Road, Braeside VIC – The updated December 2025 valuation was unchanged from both the book value immediately prior to valuation as well as the prior independent valuation (June 2025). Despite a softening in the adopted capitalisation rate from 5.50% to 5.6750%, the valuation is unaffected, with this being offset by an increase in the adopted market rental value at the property following the annual rental escalation. As a result, the adopted market valuation remains unchanged at $28.0 million.

296 Vincent Street, Port Adelaide SA – The property's value decreased marginally by $0.13 million or 0.8% from the book value prior to valuation to reflect a current valuation of $15.00 million, unchanged from the prior June 2025 independent valuation. The adopted capitalisation rate remains unchanged from that of the prior valuation at 6.50%.

70 Light Square, Adelaide SA – Independently valued at $15.5m, the property's value decreased by $0.37 million or 2.3% from the book value prior to valuation. The value decrease is primarily due to additional cost allowances reflected for impending lease expiries, following notification of the buildings largest tenant that they will be vacating upon expiry in April 2026. The adopted capitalisation rate remains unchanged from that of the prior valuation at 6.50%.

Recommended Zenith Investment Partners Research Rating Retained

The Fund is pleased to report that, following its annual review in December 2025, Zenith Investment Partners have maintained their 'Recommended' independent product assessment rating of the Newmark Property Income Fund. This rating level is defined as where "Zenith believes that the Fund (or Product) has a high probability of meeting its stated investment objectives. In a relative context, the Fund (or Product) scores highly across most of Zenith's key areas of assessment."

Distribution

We are pleased to announce a distribution for the month of December 2025 of 0.4167 cpu. This takes the total distribution paid for the quarter to 1.25 cpu and 2.50 cpu for the 6 months ending 31 December 2025.

Outlook

Through its well diversified, actively managed portfolio, we believe the Newmark 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.

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296 St. Vincent Street, Port Adelaide, SA

223-227 Governor Road, Braeside, VIC

70 Light Square, Adelaide, SA

Key 'Direct Property' statistics as at 31 December 2025

Geographical allocation (by value)

State	No. of assets	%
SA	2	41.44
VIC	2	49.95
NSW	1	8.61
Total	**5**	**100.00**

Sector allocation (by value)

Sector	No. of assets	%
Office	3	50.05
Industrial	1	37.47
Social Infrastructure	1	12.48
Total	**5**	**100.00**

Property data

Number of properties	5
Total number of tenants	15
WALE (by income)#	6.4 yrs
Occupancy rate (by income)	96.27%

Excludes assets held for/under development

Top 5 tenants (by income)

Tenant	%
Flavour Makers Australia	28.44
Flinders Ports	17.09
VicRoads	11.53
Minister for Infrastructure & Transport (SA)	9.43
Efex	9.08
Total	**75.57**

Valuations

Valuations during the quarter	3
Change in total direct property book value	-0.64%
Change in book value of the properties revalued	-0.71%

* Change in book value over the quarter includes revaluation impacts along with capital expenditure and other minor variations but excludes acquisitions and disposals. No. of valuations excludes acquisitions.

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Direct Property Assets as at 31 December 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	-	3,176	efex (formally Logic Plus)	9	87.2	1.7	15.50	Dec-25	6.50	15.50
296 Vincent St., Port Adelaide, SA	-	3,537	Flinders Ports	3	100.0	3.4	15.00	Dec-25	6.50	15.00
134 King Street, Newcastle, NSW	5	1,880	King Perkins	1	100.0	1.5	7.00	Jun-24	7.00	6.44
Sub total				13			37.50			**36.94**
Industrial										
223-227 Governor Road, Braeside, VIC	-	10,573	Flavour Makers Australia	1	100.0	15.7	28.00	Dec-25	5.63	28.00
Sub total				1			28.00			**28.00**
Social Infrastructure										
86-88 Learmonth Road, Wendouree, VIC	-	1,706	VicRoads	1	100.0	4.3	8.98	Nov-25	7.00	9.32
Sub total				1			8.98			**9.32**
Total (T) / Weighted Average (A)				**15 (T)**	**96.3 (A)**	**6.4 (A)**	**74.5 (T)**		**6.28 (A)**	**74.26 (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 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.

2 Weighted Average Lease Expiry (WALE) by base 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.

4 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.

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

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