

Property Income Fund (APIR Code: YOC0100AU)

Disclosure Notice – ASIC Regulatory Guide 46

Reporting date 30 June 2025

The Australian Securities & Investments Commission (ASIC) requires responsible entities of unlisted property schemes in which retail investors invest to provide a statement addressing six benchmarks and eight disclosure principles. These benchmarks and disclosure principles are contained in *ASIC Regulatory Guide 46: Unlisted property schemes – Improving disclosure for retail investors* (RG46).

This document has been prepared by Newmark RE Limited ABN 18 658 761 561, AFS Licence No 554640 (NREL) as the Responsible Entity of the Newmark Property Income Fund, ARSN 094 220 498 (Fund) to update investors on the information relevant to the benchmark and disclosure principles. This document should be read in conjunction with the latest Annual Report for the Fund, available on our website <https://newmarkcapital.com.au/property-income-fund/>. Alternatively, you can contact us on +61 (03) 9820 3344 or email investor@newmarkcapital.com.au for a free copy.

The financial information in this document is extracted from the Fund's accounting and property management records as at 30 June 2025 and is based on unaudited financial records unless stated otherwise.

The Fund's composition and diversity will change over time as assets are acquired or disposed, developed and tenancies are re-let.

Disclosure Principles and Benchmarks 1-3

Gearing ratio, Interest cover and fund borrowing

Disclosure principles and benchmarks 1 to 3 do not apply as the Fund has no direct borrowings.

Disclosure Principle 4 - Portfolio diversification

The Fund generally invests in direct property assets, unlisted property trusts and listed Australian REITs.

The properties held directly or through unlisted trusts generally include (but are not limited to) the following property sectors:

- Commercial (e.g. office buildings);
- Retail (e.g. shopping centres);
- Industrial (e.g. warehouses); and
- Healthcare and Social Infrastructure (e.g. hospitals, medical centres, childcare, specialist disability accommodation).

The Fund's property portfolio is diversified by geographic location and sector to help reduce risk.

Typically, the Fund invests 40-70% of its assets in direct property and unlisted property investments, 20-50% in listed Australian REITs, with up to 20% held in cash and similar investments.

Asset allocation as at reporting date

Asset class	Value (\$m)	%
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

Unlisted property portfolio	Value (\$m)
Australian Unity Student Accommodation Fund	14.26
Planum Footscray Fund	10.79
Australian Unity Childcare Property Fund	5.25
Australian Unity Specialist Disability Accommodation Fund	4.37
Elanor Warrawong Plaza Syndicate	3.46
Trilogy (Eildon) Caboolture Fund	3.05
ASA Diversified Property Fund	2.60
Elanor Waverley Gardens Syndicate	2.44
Australian Unity Healthcare Property Trust	0.22
Total	46.43

Note: Calculation of \$ value (M) is based on ex distribution mid-price

Key 'Direct Property' portfolio statistics as at the reporting date

This section includes information on the Fund's direct portfolio composition. Further details about each asset is included on page 5.

Geographical allocation (by value)

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

Top 5 Direct Property 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

Property lease expiry profile by income as at reporting date

Year of lease expiry	%
2025	5.46
2026	15.49
2027	6.94
2028	9.30
2029	20.52
2030	3.40
2031	0.00
2032	0.00
2033	0.00
2034+	28.31
Vacant	10.58
Total	100.00

Property development

The Fund at times may seek to enhance its existing properties through selective exposure to property development to improve the rental returns and/or capital value from the developed property. Property development means the construction of a new building, significant increases to the lettable area of a building or significant change to the nature or use of the property.

In managing the Fund's property portfolio, we may refurbish or redevelop properties from time to time as required.

Material property developments will only be undertaken where, in our view, it is in the best interests of investors and the development risk is appropriately mitigated.

There were no active redevelopment projects as at the reporting date.

Benchmark 4 – Valuations

The Responsible Entity maintains and complies with a written valuation policy that requires:

- a valuer to:
 - be registered or licensed in the relevant state, territory, or overseas jurisdiction in which the property is located (where a registration or licensing regime exists), or otherwise be a member of an appropriate professional body in that jurisdiction; and
 - be independent.
- procedures to be followed for dealing with any conflicts of interest;
- rotation and diversity of valuers;
- valuations to be obtained in accordance with a set timetable; and
- for each property, an independent valuation to be obtained:
 - before the property is purchased:
 - o for a development property, on an 'as is' and 'as if complete' basis; and
 - o for all other property, on an 'as is' basis; and
 - within two months after the directors form a view that there is a likelihood that there has been a material change in the value of the property.

The Fund meets this benchmark and complies with the Fund's Valuation Policy. For further information or to obtain a copy of the Valuation Policy please contact us.

Regular valuation of underlying property assets is an important aspect of managing the Fund in the best interests of investors.

In addition to the above requirements, the Valuation Policy also requires that:

- independent external valuations for new properties must be completed no more than three months prior to exchange of contracts;
- independent external valuations for existing properties must generally be conducted once every 18 months if the property is in construction phase and otherwise, at least once in a financial year unless exceptional circumstances exist in which case independent external valuations may be more frequent;
- where there are multiple properties in a portfolio, the valuations are to be staggered through the year; and
- where a property has been contracted for sale, the contracted sale price may be adopted instead of the independent external valuation.

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.

Benchmark 5 – Related party transactions

The Responsible Entity maintains and complies with a written policy on related party transactions, including the assessment and approval processes for such transactions and arrangements to manage conflicts of interest.

The Fund meets this benchmark and complies with its Conflicts of Interest Policy.

Related party transactions carry a risk that they could be assessed and reviewed less rigorously than transactions with other non-related parties.

We maintain and comply with a written Conflicts of Interest Policy to manage the risk of any actual or perceived conflict of interest consequently of a related party transaction. Related party transactions are reviewed, approved, and monitored by senior management with clearly identified governance policies and guidelines. Decisions in relation to conflicts of interest and related party transactions are documented.

As appropriate, we provide ongoing updates of material service engagements and financial benefits that are paid to related parties through the Continuous Disclosure Notice. The value of related party payments is reported yearly as part of the Fund's Annual Report.

For further information about the Conflicts of Interest Policy please contact us. The latest Fund Update and Annual Report can be found on our website <https://newmarkcapital.com.au/property-income-fund/>. Alternatively, we can send you a free copy if you contact us on +61 (03) 9820 3344 or email investor@newmarkcapital.com.au.

Disclosure Principle 5 - Related party transactions

Transfer of management of the Property Income Fund to Newmark

The transfer of management of the Fund from Australian Unity to Newmark was completed on 27 June 2025.

A Supplementary Product Disclosure Statement (SPDS) to reflect the change of ownership of RE and update contact details has been issued and is available on the website at <https://newmarkcapital.com.au/property-income-fund>.

Property management services

Prior to the change of management to Newmark on 27 June 2025, AUIL had appointed Australian Unity Property Management Pty Ltd (AUPM) ABN 76 073 590 600 (a related party) to provide some property management services to the Fund, from time to time.

AUIL and NREL were wholly owned subsidiaries of Australian Unity Limited ABN 23 087 648 888 (AUL) and members of the Australian Unity Group until 27 June 2025. These arrangements adhered to the Conflicts of Interest Policy.

Upon the transfer of management rights to Newmark, Newmark Property Funds Management Pty Limited (NPFM) ABN 30 152 323 629 (a related party of NREL) assumed AUPM's role to provide some property management services to the Fund, from time to time.

NREL and NPFM are wholly owned subsidiaries of Newmark Property Group Pty Ltd ABN 15 152 310 980 (NPG) and are members of the Newmark Group of companies. These arrangements adhere to the Conflicts of Interest Policy.

Property Management

NPFM (and up to 27 June 2025, AUPM) is a property management business that may, under a written arrangement, provide some of the following services to the Fund as nominated from time to time:

- strategic advice on property acquisitions and sales or arranging the sale or acquisition of property assets;
- management of premises;
- debt arranging, debt structure advice, debt facility negotiation and debt management;
- valuation services;
- leasing services;
- development services; and
- property and asset management and project supervision.

The appointment of NPFM (and up to 27 June 2025, AUPM) for these services is not exclusive and NREL may, in its discretion, engage external service providers to undertake the same or similar services.

The amount paid to AUPM and NPFM for services is as follows for the listed period:

Services Provided Range	Value paid to date (\$m)
AUPM (1 July 2024 to 27 June 2025)	0.075
NPFM (27 June 2025 – 30 June 2025)	nil

Other related party service providers

NREL may appoint other related parties from time to time. Please refer to our website <https://newmarkcapital.com.au/property-income-fund/> for updates.

Investments

NREL and its subsidiaries (related parties) may invest in the Fund and the Fund may invest in related parties from time to time. Details of related party investments will be included in the Fund's Annual Report. Investor approval is not required as the transactions are made on commercial terms and conditions and on an arm's length basis.

As at the reporting date there were not any related party held interests in the Fund. The Fund may invest in related parties. As at the reporting date the Fund did not hold any investments in related parties. Prior to 27 June 2025 the Fund held interests in a range of Australian Unity related parties. Details of the previously related party interests are included in the Fund's Annual Report available on the website at <https://newmarkcapital.com.au/property-income-fund/>.

Tenancy arrangements

Australian Unity Group Services Pty Ltd (AUGS) was a related party of the Fund for the period up to 27 June 2025 and was during this period a tenant of the Fund pursuant to an arm's length commercial lease of premises at the Edith Cavell building, Herston. The total amount of rent paid by AUGS to the Fund for the financial year to 27 June 2025 was \$935,645.

Basis of related party appointments and investment terms

Investor approval is not required for the arrangements between the related party entities described in this document. This is because they have been made on commercial terms and conditions and on an arm's length basis.

The related party arrangements described in this document adhere to the Conflicts of Interest Policy.

Benchmark 6 - Distribution practices

The Scheme will only pay distributions from its cash from operations (excluding borrowings) available for distribution.

The Fund does not meet this benchmark.

The Fund aims to source all distributions from funds from operations ('FFO'). However, it is permitted to fund distribution payments from other sources, such as working capital, if we consider it to be in the interests of investors (for example if rental income is suddenly reduced unexpectedly) and where payment from that source is expected to be sustainable given the circumstances.

Disclosure Principle 6 – Distribution practices

FFO is a key determinant for the Fund when calculating and deciding the level of distribution to pay. To reconcile net profit to FFO and distributions the Fund may make adjustments to net profit for changes in investment properties, non-cash impairment of goodwill, non-cash fair value adjustments to financial instruments, amortisation on incentives, rental straight-line adjustments, and other unrealised one-off items.

For the year ending 30 June 2025, the distribution rate declared was set in line with the prior financial year. The Fund continues to curate its investment holdings, with Edith Cavell Building, Herston QLD contracted to sell as at the reporting date. 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 of the sale occurred on 30 July 2025.

A reconciliation of the net profit to FFO and distributions is set out in the table below, in accordance with the PCA and PFA RG46 Voluntary Practice Note, for the year ended 30 June 2025.

Asset Class	Actual (\$m)
Net profit	6.94
Valuation changes	4.79
Capital gains/(loss)	4.52
Interest rate derivative changes	-
Other	1.56
Fund from operations	17.81
Distribution declared	15.19

Note: Valuation changes include direct property revaluations, listed/unlisted property trusts unrealised/realised valuation changes and rental straight-line adjustments. Due to rounding, the sum of rounded numbers may not add up to 100%

The Distribution Policy is aligned to the ongoing earning capacity of the Fund. We anticipate the current source of distributions to be sustainable over the period to 30 June 2026.

Where the Fund makes distributions from capital, this will have the effect of reducing investor equity. Where this occurs and the Fund has borrowings, the reduction in investors' equity will have the effect of increasing the gearing ratio and gearing related risks. Where the Fund is close to its gearing related covenants, the risk of breaching these covenants is increased.

At the reporting date the Fund had no direct borrowings.

Disclosure Principle 7 - Withdrawal rights

The Fund is currently a liquid scheme for the purposes of the Corporations Act. This is because the Responsible Entity expects to be able to realise at least 80% of its assets at market value within the timeframe stipulated in the Constitution (180 days).

Withdrawals from the Fund are available daily.

We normally endeavour to meet a withdrawal request within five business days however the Fund's Constitution permits up to 180 days for withdrawals to be met. If the Fund's assets cannot be sold in a timely manner, the payment of withdrawals may be extended further than the 180 days permitted under the Constitution.

Further information about the Fund's withdrawal arrangements is contained in the Fund's current PDS; please refer to the 'Risks relevant to the Fund' for further information, which can be found on our website <https://newmarkcapital.com.au/property-income-fund/>.

Disclosure principle 8 - Net tangible assets

The Fund is an open-ended property scheme and as such this disclosure principle is not applicable. However, the current unit price for the Fund is available on our website <https://newmarkcapital.com.au/property-income-fund/>.

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							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.

Important Information

Units in the Newmark Property Income Fund (ARSN 094 220 498) are issued by Newmark RE Limited (ABN 18 658 761 561, AFS Licence No. 554640). Information provided here is general information only and current at the time of publication. It does not take into account your objectives, financial situation or needs. Accordingly, you should consider the appropriateness of such information having regard to your objectives, financial situation and needs. In deciding whether to acquire, hold or dispose of Fund units you should obtain a copy of the Product Disclosure Statement (PDS) and seek appropriate professional financial and taxation advice before making any such decision. The PDS and Target Market Determination for the Fund is available at <https://newmarkcapital.com.au/property-income-fund/> or by calling our Investor Services team on (03) 9820 3344. Past performance is not a reliable indicator of future performance. This information is intended for recipients in Australia only.

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