ABELL SLATTERY + AYLWARD

Real Estate Partners

FUND UPDATE

ASA Diversified Property Fund

Quarter Ending
June 2026

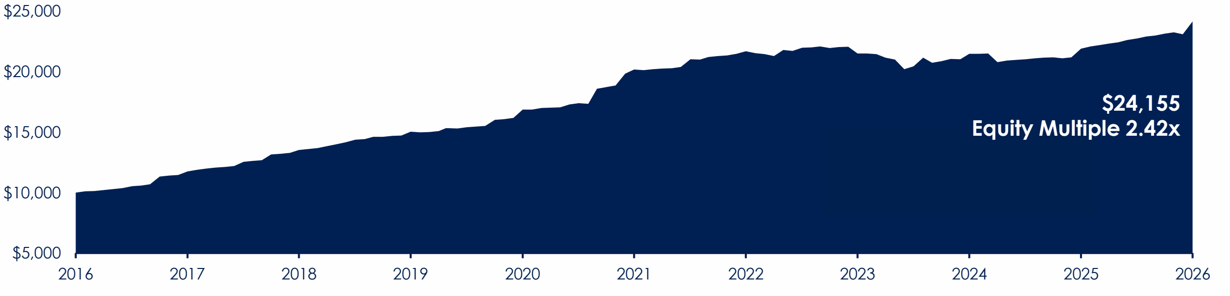
One of Australia's leading and longest continuing commercial real estate funds

Established in August 2006, the ASA Diversified Property Fund (ASADPF) is one of Australia's best performing and longest continuing commercial real estate funds. The Fund is diversified by location and asset type, holding six properties in New South Wales, Victoria and Western Australia. The portfolio has strong income visibility and low capital expenditure requirements, and has never missed a monthly distribution payment since inception in 2006.

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 3 month, 1 year, 3 year, 5 year and 10 year performance assessment periods.

The Fund has delivered a 10.3% total return over the last 12 months and a 9.2% total return pa over the last 10 years. The Fund is targeting a return in excess of 10% pa over the next five years.

$10,000 invested in the fund over the past 10 years: 9.2% (annual average return)



To 30 June 2026 with distributions reinvested. Please note past performance is not necessarily an indicator of future performance.

TOTAL RETURN OVER THE LAST 12 MONTHS	**10.3%**	**12 MONTH OUTPERFORMANCE AGAINST PEER AVERAGE**	**3.2%**
FY2027 CASH DISTRIBUTION YIELD[1]	**6.9%**	**TOTAL RETURN OVER THE LAST 10 YEARS**	**9.2%**
OCCUPANCY (BY INCOME)	**96.5%**	**WEIGHTED AVERAGE LEASE EXPIRY**	**8.3 yrs**
LONSEC RATING	Recommended Lonsec Research	**EVERGREEN RATING**	COMMENDED evergreenratings

Note: 1. Based on Entry Price as at 30 June 2026. Subject to assumptions and not guaranteed.

Fund and portfolio overview

High quality 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 at least 10 – 20% more to rebuild than carrying value
- 72% of portfolio is retail and 84% of tenants are non-discretionary – 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 8.3 years
- Occupancy: 96.5% by income
- Modern assets: 81.3% of the portfolio (by value) redeveloped in past four years

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

- 6.9% pa based on 30 June 2026 unit price
- Forecast 90% tax deferred distribution in FY27
- No material stamp duty entry costs (buy / sell spread 0.50%/0.50%)

Investment performance track record

- 10.3% 12 month and 9.2% pa 10 year total return (to 30 June 2026)
- 3.2% average 12 month outperformance against peer funds

Long established fund, conservatively positioned and actively managed

- 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 and outstanding alignment

- $20 million co-investment from ASA Real Estate Partners (and associates)
- Specialised and experienced investment manager (former executives of APN Property Group (ASX:APD)
- 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.

FY26 Key Achievements

- **Strong performance** – Total return of 10.3% delivered (subject to final audit), materially outperforming the benchmark.
- **Growing portfolio value** – Independent June 2026 valuations increased the portfolio value by $23.3 million (4.2%), taking total portfolio value to $575.5 million.
- **Asset recycling** – Sold Busselton Central Shopping Centre (WA) for $76.4 million and acquired 54 Wellington Street, Collingwood (VIC) for $108 million. Both settled in mid-May 2026, recycling capital from a lower-yielding retail asset into a higher-yielding, green-rated and 88% leased office investment whilst enhancing portfolio diversification.
- **Product enhancements implemented** – improved liquidity settings (including full quarterly liquidity for deceased estates and the introduction of a 5-yearly term liquidity event for December 2030), reduced base management fees, and a revised performance fee framework under which the 10% IRR performance hurdle is now measured over a 5-year period.
- **Significant Manager co-investment** – A new $20 million co-investment was made into the Fund by ASA Real Estate Partners (and associated entities), reinforcing strong alignment with unitholders.
- **Liquidity recommencement** – Following several capital management initiatives and strong equity inflows, the quarterly capped withdrawal facility recommenced in May 2026.

Portfolio and Asset Management Commentary

Our hands-on asset management strategy continues to translate into improved operating performance across the portfolio.

- **Blackburn** – Supplementary income initiatives continue to drive growth, with a Development Approval received for a new Optus telco mast on site, agreement reached with an EV Charging operator to install a facility in the car park and adding a CBA ATM in the mall. A physiotherapist will replace part of the former CBA branch and we have significant enquiry over the balance. Moving Annual Turnover for sales is $164 million and traffic 4.65 million customers – up 9% and 4% respectively.
- **Dog Swamp** – FY26 has seen a strong year for lease renewals with 5% spreads achieved across eight deals. A new car wash is planned for the car park and ASA is working through the costs and commercial terms. Moving Annual Turnover for sales for the centre is $94 million – 4.7% annual growth.
- **Wyong Twin Service Centres** – the inflation spike attributable to the Middle East conflict flowed through to Ampol's CPI-linked rent review, with rent increasing by 5.4% as of 1 July 2026 – underpinning the value of inflation-linked income streams. Ampol are currently undertaking works to deploy sixteen EV chargers at the centres which are expected to be live by November 2026.
- **Williamtown Defence and Aerospace Centre** – This asset remains a top performer. FY26 lease renewals completed at average uplift of 11%. Further growth is anticipated in FY27 with limited alternative accommodation options in the precinct.
- **54 Wellington Street –** The acquisition completed on 8 May 2026. Early leasing activity to fill the remaining vacant space across Levels 8 and 9 (12% of the building) has been encouraging with eight inspections held in the first seven weeks. Terms currently being negotiated on the part of the Level 8 vacant space. We are also improving tenant experiences and strengthening landlord/tenant relationships.

54 Wellington Street

Economic and market commentary

The Middle East conflict persisted through the quarter, but its economic impact has eased. The earlier spike in oil, diesel and jet fuel prices has subsided with Brent Crude falling from a peak of $140 to $85 per barrel at the time of writing. Whilst that initial energy shock pushed inflation higher, it has eased in recent months with domestic economic growth moderating, and both consumer and business sentiment being weak.

The May Federal Budget included the most significant tax overhaul in more than two decades and included the removal of the 50% CGT discount that will be replaced by cost-base indexation and a 30% minimum tax for all assets from 1 July 2027 (note: SMSF's retain their existing 33.3% CGT discount). Whilst details of the legislation are still being finalised, for the Fund and investors the implications are more favourable than the headlines suggest as the new regime structurally favours long-held, income-producing assets – such as those in ASA DPF – over high-growth (and often riskier) investments; the negative-gearing changes apply only to residential property; and the concessional 15% withholding tax on foreign capital into Australian commercial real estate was retained (removing a potential need for foreigners to rapidly exit the market).

Longer-term interest rates have retraced to almost where they were prior to the outbreak of the war, with the 10-year Australian Government bond trading at 4.9% (down from a peak of 5.1%). At the June meeting the RBA held the cash rate at 4.35% and whilst there is a variety of opinions from commentators on where interest rates will go from here, money markets are pricing in 50% chance of a 25bps interest rate hike by the end of 2027.

Development sites and secondary assets remain challenged – as typically they are in need of significant capital expenditure to develop or upgrade, and those costs have inflated by approximately 40% over the past 5 years. Often these assets have been financed with private credit over recent years and we expect impairments in future periods as losses are realised.

For the commercial real estate market generally, relatively higher interest rates with elevated construction costs, combined with population growth, will result in a period of constrained new supply meeting steadily growing demand — a dynamic that supports rising occupancy and rental growth across existing, well-located assets, and ultimately underpins the value of existing, income-producing real estate over new developments at this point in the cycle.

Retail Property Market

Consumer spending remained subdued over the June quarter, with households continuing to prioritise everyday essentials over discretionary purchases. CBA's June Household Spending Insights showed spending rose just 0.3% in the month, with end-of-financial-year sales failing to deliver the usual lift in household goods, and older, largely debt-free households driving growth (over-65's +10.1% year-on-year).

The Westpac–Melbourne Institute Consumer Sentiment Index rose 4.1% in July to 83.9 as petrol prices fell to around $1.60 per litre, whilst NAB's June survey recorded a 9-point lift in business confidence and retail prices falling for the first time in seven years as inflation moderated (4.0% in the year to May). This backdrop continues to favour non-discretionary, daily-needs formats – where the Fund's retail exposure is concentrated (84% by income at 30 June 2026).

The data continues to support investor demand for convenience-based centres. MSCI recorded 32 retail transactions above $5 million ($1.67b in total) in the March quarter, the most recent data, with retail the only sector recording valuation gains.

Economic and Market Commentary

Office Property Market

We continue to hold the view that office markets will remain bifurcated – with high quality assets in excellent locations likely to materially outperform. Whilst material downgrades in value occurred from 2023 to 2025, sale volumes are low and the market appetite for secondary assets has not been tested. We expect larger volumes of secondary assets to come to market later in 2026 and into 2027 and anticipate transactions below carrying valuations. Asset quality, location, and occupancy levels will all be factors that drive outcomes.

Recent analysis completed of 30 central Sydney premium office towers shows that the top quartile shed only 4.5% of value from the peak, while the bottom quartile has declined 24.1%. The Fund's recent acquisition of 54 Wellington Street, Collingwood, reflected a discount from peak valuation of approximately 30%, and an 8.0% cap rate, for a premium building that was 3.5 years old and 88% occupied in an outstanding location.

According to CBRE, Australian CBD prime effective rents climbed 1.8% quarter-on-quarter and 6.6% year-on-year to the end of Q1 2026, the fastest annual growth since early 2019. Prime yields were stable at an average of 6.67% for Australian CBDs.

JLL's 1Q26 forecasts point to net effective rent growth of 8.4% per annum in Perth, 7.3% in Sydney, 6.7% in Brisbane and 5.1% in Melbourne over the three calendar years to 2028, with capital value growth of around 7% to 8% CAGR expected in Sydney and Brisbane.

Beyond the cyclical recovery, artificial intelligence is expected to reshape the composition of office demand rather than compromise it. Previous technological shifts have seen an alteration of the mix of industries driving demand while expanding overall employment, positioning AI as augmentative rather than a substitute for labour. For office markets, this points to a widening divergence between prime and secondary stock and stronger demand from smaller occupiers seeking adaptable floorplates.

Industrial and Logistics Property Market

Industrial and logistics demand has moderated from prior peaks, with national vacancy now 3.2% - up from the COVID lows of 0.6%. Gross take-up in the first quarter of 2026 was approximately 680,000 sqm, slightly below the 12-month quarterly average of 800,000 sqm. Leasing activity is expected to build through the balance of 2026 as occupiers look to take advantage of landlords offering favourable lease terms to attract new tenants.

Face rents were broadly stable across the Eastern seaboard, but incentives continued to rise in Sydney and Brisbane, weighing on effective rent growth. Year on year effective rents were up just +0.6% in Melbourne and fell 1.4% in Sydney.

From our discussions directly with various stakeholders in the market, there are pockets of strength but the weaker economy is making conditions difficult for tenants and hence the rental weakness across the markets. We expect if anything the data being reported is not yet picking up some very challenging conditions, and tenants are taking advantage of the higher levels of vacancy to be more selective at attractive prices to recalibrate their footprints for the future. New supply also creates additional risks in certain sub markets – as it could result in elevated vacancy for an extended period – and at this stage ASA has not found an industrial opportunity with sufficient conviction to pursue.

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

Balance sheet, valuations and liquidity

- As at 30 June 2026, the property portfolio value increased to $575.5m, representing a $23.3m uplift (4.2%) from the prior assessment. The Fund's weighted average capitalisation rate is 6.20%, with retail assets carried at 5.48% and office and business park assets at 8.14%.
- The June 2026 revaluation cycle demonstrates the quality and resilience of the Fund's real estate portfolio. Capitalisation rates across the portfolio have tightened primarily due to strong bidding for neighbourhood retail properties whilst yields on the Fund's office and business park assets remained steady, which in ASA's view offers a further potential capital growth opportunity for investors (as well as an attractive yield).
- We continue to see positive momentum in equity inflows and are particularly pleased to have seen $57.6m of new equity raised over the past 12 months.
- The Fund's drawn debt balance increased to $255.2m, up from $221.3m as at 30 March 2026, with the movement primarily driven by the settlement of the 54 Wellington Street acquisition in May.
- The current gearing (ratio of borrowings to assets) sits at 43.7% (30 June 2026), within the target band of 35 – 45%.
- With new equity inflows and implementation of several capital management initiatives to bring the funds gearing back into the 35-45% target range, quarterly capped liquidity facility recommenced in May. Unitholders interested in understanding the Fund's liquidity options are invited to contact ASA's in house Investor Services Team for further information.

Outlook

ASA continues to have a strong level of confidence in the Fund's ability to meet its income and total return objectives.

We remain confident in the sustainability of the Fund's monthly cash distributions.

The Fund's property portfolio is modern, well located and comprises a very strong tenancy base with occupancy sitting at over 96% and a long average lease expiry of over eight years. The portfolio is also well diversified over more than 140 tenants and six properties.

The portfolio has excellent cash collections and very little rental arrears highlighting the quality of the underlying businesses which are the Fund's tenants and the exposure to non-discretionary (everyday essential) retail property such as groceries and fuel.

The Fund is one of Australia's longest running commercial property funds and will celebrate its 20th year of operation on 22 August 2026 having met each and every regular cash distribution over its life.

The consistency of the Fund's returns and distributions, its ability to provide a hedge against rising costs and inflation and its backing in real, physical Australian commercial property continue to position it strongly to deliver on its performance objectives for unitholders in a range of economic conditions.

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

Performance as at 30 June 2026

	Annualised				
	1 yr %	3 yrs %	5 yrs %	10 yrs %	Since inception %
Distribution return (cash)	7.6	6.4	6.1	7.2	7.8
Growth return	2.7	(2.4)	(2.5)	2.0	0.2
Total return	10.3	4.0	3.7	9.2	7.9
Benchmark total return	9.0	(0.0)	1.0	4.6	6.3
Total return over / (under) performance	**1.3**	**4.0**	**2.7**	**4.6**	**1.7**
Fund Cash Yield Benchmark	4.4	3.8	3.5	3.6	4.9
Fund Cash Yield Benchmark Met?	YES	YES	YES	YES	YES

Note: 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)	
Gross assets	584.3
Less: Total debt	255.2
Less: Other liabilities	5.0
Net assets	324.1

Debt	
Gearing (RG 46 ASIC definition)	43.7%
Loan-to-Value Ratio (LVR) (Financier's definition)	44.3%
Loan-to-Value Ratio Covenant (LVR) (Financier's definition)	60.0%
Interest Cover Ratio (ICR) (RG 46 ASIC definition)	2.1 x
Interest Cover Ratio (ICR) (Financier's definition)	2.3 x
Interest Cover Ratio (ICR) Covenant (Financier's definition)	1.5 x
Hedging (% of debt hedged)	78.4%

54 Wellington Street

Wyong Service Centre

The Fund's underlying assets are 'best in class', underpinned by blue chip tenants, 96.5% occupancy rate, and WALE of 8.3 years.

Portfolio summary as at 30 June 2026

Property Details	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)
			Tenancy Details				Valuation Details		
RETAIL									
Blackburn Square SC, VIC	17,585	Coles, ALDI, Woolworths	63	100.0	7.1	160.0	Jun-26	5.25	160.0
Dog Swamp SC, WA	8,101	Woolworths	40	99.2	5.2	61.5	Jun-26	6.00	61.5
Sub total			**103**			**221.5**			**221.5**
CONVENIENCE									
Wyong Service Centres (M1), Wyong, NSW	4,286	Ampol	2	100.0	18.0	195.0	Jun-26	5.50	195.0
BUSINESS PARK									
Williamtown Aerospace Centre, NSW	7,552	Boeing	21	100.0	1.8	46.0	Jun-26	8.50	46.0
OFFICE									
54 Wellington Street, Collingwood, VIC	15,345	Bank Australia, The Commons	13	87.0	4.4	113.0	Jun-26	8.00	113.0
CASH AND OTHER ASSETS									
Total (T) / Weighted Average (A)	**52,869 (T)**		**139**	**96.5 (A)**	**8.3 (A)**	**575.5 (T)**		**6.2 (A)**	**575.5 (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 24-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 gross 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.

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/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.

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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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