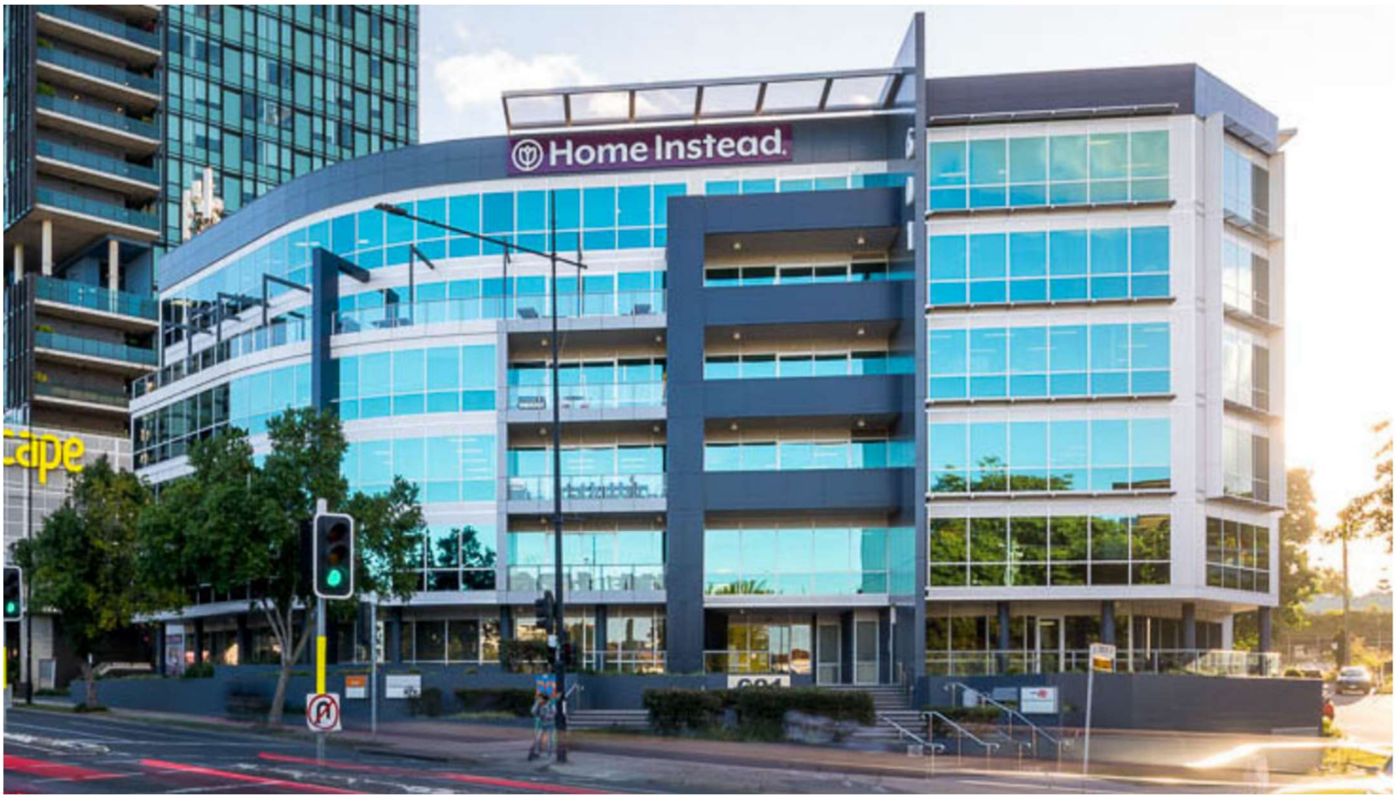
Diversified Property Fund
Investor Update

For the Quarter Ending 31 March 2025



Responsible Entity
One Managed Investment Funds Limited
ACN 117 400 987 | AFS Licence No. 297042

DIVERSIFIED PROPERTY FUND INVESTOR UPDATE

FUND HIGHLIGHTS

- Following confirmation of Benon Technologies' (Jumbo) intention to vacate Level 1 and part Level 2 on or before expiry of its leases on 7 June 2025, the Investment Manager has been actively pursuing new lease opportunities to stabilise the income of the Fund and extend the weighted average lease expiry of the Property. This resulted in a new 5-year lease being signed with Auto & General Holdings Pty Ltd (A&G) for level 2 (1,246 sqm), which is expected to commence in mid-May following the completion of refurbishment works to create a whole floor tenancy from the previous 2 suite configuration. These refurbishment works are being paid for by the Fund as part of A&G's lease incentive.

- To facilitate the A&G lease, the Investment Manager negotiated an early surrender of Jumbo's level 2 tenancy and payment by Jumbo of a fee in lieu of its obligation to complete make-good work under both its leases. The fee paid by Jumbo is sufficient to fund the refurbishment of Level 2 as part of A&G's lease incentive.

- In addition, the Investment Manager negotiated 2 lease transactions;

    - a new 5-year lease for suite 1A1 (277 sqm) with Boston Scientific Pty Ltd, the Australian subsidiary of medical technology company Boston Scientific Corporation; and,

    - a lease extension with additional option periods with existing tenant, Trust Autonomous Systems Ltd (previously known as Defence CRC TAS Ltd) in respect of suite 1B2 (190 sqm).

- Plans and budgets are being developed for a refurbishment of Level 1 with the aim of attracting new tenants to the Property following expiry of Jumbo's remaining lease in June 2025.

- The Investment Manager commenced a process of developing a capital works program to underpin the Property's competitive position in the leasing market, its ability to generate strong and reliable income and ultimately its longer-term capital value. This includes a strategy to re-gain a 5-star NABERS rating, which was down-graded to 4-stars in 2024. Further details will be provided in subsequent quarterly Investor Updates.

- The Responsible Entity paid a further $375,000 to ING during the quarter in compliance with the Fund's debt amortisation program, this being in addition to the $1.875m paid to ING in 2024. Repayment of $2.25m in aggregate has reduced the Fund's gearing and equates to an annualised saving in interest costs of $148,500 at 6.6%pa.

- The Responsible Entity continues to defend the legal proceedings commenced by Raptis Properties Pty Ltd and to pursue its Statement of Cross Claim against Capital Property Funds Pty Ltd and Mr Kerr and its Statement of Cross Claim against HFW (refer Investor Update dated 20 November 2024).

Fund Profile

The Fund is an unlisted property fund designed to provide Investors with stable income returns and the potential for capital growth by investing in a diversified property portfolio. The Fund's strategy has been to acquire direct property and additional asset classes such as listed and unlisted property funds, property backed mortgages, cash and cash like products which are intended to diversify the asset base.

The Fund is currently closed to new investment and distributions have been suspended. Surplus cashflow is instead being used to reduce the Fund's debt facility with ING and to fund new lease incentives, agents fees and make good works referrable to the 601 Coronation Driver property (*Property*).

Periodic Limited Withdrawals

The Responsible Entity has determined it will not offer a withdrawal window for 31 March 2025. This decision has been made with regard to the ongoing dispute with the vendor of 63 Pirie Street and the Fund's other cashflow obligations.

Existing and New Investors

The Fund is currently closed to new investment. If the Fund's operations can be normalised, it is expected new Units will be issued on a monthly basis based on the NAV for the Fund at the end of each month.

LEASING UPDATE

Leasing

Two new leases were signed during the quarter, both with new tenants and for a combined NLA of 1,523 sqm. A lease extension was also negotiated with an existing tenant for 177 sqm of NLA.

The Investment Manager continues to work with the joint lease agents to identify prospective tenants and negotiate new lease transactions.

Occupancy

Following recent leasing transactions, securing a tenant for Level 1 following the expiry of Jumbo's remaining lease in June 2025 will be key to improving the Property's occupancy. It is expected this will require the Fund to invest in refurbishment works and fund new lease incentives and agents' commissions for that space (1,286 sqm). Plans and budgets are being prepared for this.

Weighted Average Lease Expiry

The weighted average lease expiry (WALE) of the Property by income at 31 March 2025 was 3.88.

Tenant Diversity

The tenant mix at 31 March 2024 is unchanged from the previous quarter, being:

Top 4 Tenants by Income

Benon Technologies (Jumbo)	33%
Home Instead	20%
Queensland College of Teachers	19%
Cash Converters	12%

Note, the Jumbo leases will expire or be surrendered during the next quarter ending 30 June 2025 and the new Auto & General lease is scheduled to commence, both of which will result in a change to the tenant mix.

Other Investments

Other than cash, the Fund does not currently hold nor is it considering making any other investments.

VALUATION

An independent valuation of the Property was completed by Colliers in July 2024 as part of negotiations with ING for an extension of its senior debt facilities.

Valuation Amount	$46,500,000
Valuation Date	17 July 2024
Valuer	Colliers Valuation & Advisory Services
Equivalent Market Yield	7.7%
Direct Comparison Rate	$6,411 / sqm of NLA

At $46.5m, this represented a reduction of $6.5m or 12% from its previous valuation of $53.0m in June 2023 and initially resulted in a loan-to-value ratio (*LVR*) of 61.3%, which exceeded ING's loan covenant of 55.0%. A debt reduction plan was therefore agreed with the Fund repaying $1.50m in Oct-24, $375,000 in Dec-24 and a further $375,000 in Mar-25 ($2.25m in total). The Fund is required to repay an additional $750,000 over the next 6 months to reduce the LVR to below 55.0% by expiry of the facilities on 30 September 2025.

DEBT

The Fund's senior secured debt facilities with ING at 31 March 2024 are:

Facility Limit	Drawn Amount	Undrawn Amount	Expiry Date	Interest Rate [1]
Tranche 1 - $24.43m	$24.43m	$0.00m	30 Sept 2025	Approx. 6.5% pa
Tranche 2 - $1.81m	$1.81m	$0.00m	30 Sept 2025	Approx. 6.5% pa
Total	**$26.24m**	**$0.00m**		

[1] Floating rate of BBSY Bid Rate + 2.15% margin.

Tranche 2 was used for ACP remediation capital expenditure at the Property.

Following repayment of $2.25m, the LVR has fallen from 61.3% to 56.4% at 31 March 2025.

Discussions with ING regarding an extension of the Fund's debt facilities will commence during the current quarter. It is expected this will require an up-dated valuation of the Property.

DISTRIBUTIONS

While the Fund's general practice has been to pay regular distributions, the Responsible Entity has determined that the Fund will not pay a distribution for the period to 31 March 2025.

Cash reserves and net lease income is instead being applied to meet the Fund's debt repayment obligations with ING ($750,000) and to fund new lease incentives, agents' commissions and capital works referrable to the Property.

Quarter Ending	Mar -24	Jun-24	Sep-24	Dec-24	Mar-25
Distributions - Cents Per Unit	0.00	1.60	0.00	0.00	0.00
NTA - $	0.79	0.41	0.41	0.42	0.42
Distribution Yield (annualised)	0.00%	15.70%	0.00%	0.00%	0.00%

FUND PERFORMANCE

Performance Analysis as at 31 March 2025

	Net Capital Growth	Income Distribution	Total Return
Rolling 12 months (1 Year)	-46.32%	2.03%	-44.30%
2 years annualised	-36.23%	2.69%	-33.54%
3 years annualised	-25.68%	4.40%	-21.28%
4 years annualised	-16.86%	6.09%	-10.76%
5 years annualised	-13.59%	6.73%	-6.86%
Inception annualised	-7.52%	8.22%	0.70%

[1] Performance is shown for informational purposes only. Past performance is not a reliable indicator of future performance. Annualised total return figures are the sum of the annualised income distribution and the annualised unrealised capital growth (each calculated on a standalone basis).

[2] Inception date is 12 August 2016.

NET TANGIBLE ASSETS

The Fund's net tangible assets (NTA) show the value of the Fund's NTA on a per Unit basis. This amount can be used as an approximate measure of what an Investor could expect to receive per Unit held (before selling costs). The NTA is calculated as follows:

$$\text{NTA} = \frac{\text{(Net assets- intangible assets +/- other adjustments)}}{\text{(Number of Units on issue)}}$$

$$\text{NTA per Unit} = \frac{\$12{,}267{,}304}{28{,}964{,}501} = \$0.42 \text{ per unit}$$

The NTA at 31 March 2025 is $0.42. Depending on the outcome of negotiations with the vendor of 63 Pirie Street, the NTA per unit may be impacted either positively or negatively.

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