



EXPLANATORY MEMORANDUM and NOTICES OF MEETING

In relation to the proposal from ISPT Pty Ltd (ACN 064 041 283) in its capacity as trustee for the ISPT Retail Australia Property Trust No. 1 to acquire all of the securities in the FSREC Property Fund that it does not already own.



IMPORTANT NOTICE

This document is issued by Equity Trustees Limited (ACN 004 031 298 | AFSL 000 240 975) (“**EQT**” or “**Fund RE**”) in its capacity as responsible entity of:

- Fort Street Real Estate Capital Fund I (ARSN 163 688 346) (“**Fund I**”);
- Fort Street Real Estate Capital Fund II (ARSN 169 190 498) (“**Fund II**”); and
- Fort Street Real Estate Capital Fund III (ARSN 605 335 957) (“**Fund III**”),

(each, a “**Trust**” and collectively the “**FSREC Property Fund**” or “**Fund**”). Each unit in each Trust is stapled to one unit in each of the other Trusts to form a “**Fund Security**”. Holders of Fund Securities are referred to in this Explanatory Memorandum as “**Fund Securityholders**”.

PURPOSE

This Explanatory Memorandum provides you with information about the Proposal by the Acquirer to acquire all of the Fund Securities it does not own by way of concurrent trust schemes, and the Scheme Resolution which requires approval from the Fund Securityholders who are entitled to vote at the Scheme Meetings.

EQT recommends that you read in full this Explanatory Memorandum and the Notices of Meeting and promptly obtain professional or financial advice from a licensed financial adviser before you determine how to exercise your vote on the Scheme Resolution set out in the Notices of Meeting. This Explanatory Memorandum provides information about the objectives of the Proposal and the benefits and risks of the Proposal to Fund Securityholders.

FORWARD-LOOKING STATEMENTS

To the extent that this Explanatory Memorandum contains any statements which may be considered to be forward-looking, those statements reflect the reasonably held and current expectations of EQT or the Acquirer (as the context requires) concerning future results and events as at the date of this Explanatory Memorandum. Forward-looking statements involve subjective judgment and analysis and are subject to uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, EQT or the Acquirer (as the context requires), and their respective officers, employees, agents or associates. Unforeseen or unpredictable events and various risks could affect future results of the Fund following the implementation of the Proposal, causing results to differ from those which are expressed, implied or projected in any forward-looking statements. Any forward-looking statements are provided for information purposes only in order to assist Fund Securityholders who are entitled to vote at the Scheme Meetings to make decisions about whether to vote in favour of the Scheme Resolution set out in the Notices of Meeting. Given these uncertainties, you are cautioned not to place undue reliance on such forward-looking statements.

DISCLAIMER

The information in this Explanatory Memorandum does not take into account your investment objectives, financial situation, tax position or needs. It is important that you read the Explanatory Memorandum before making any voting decision. The audited or reviewed financial results for the half financial year ended 31 December 2024 for the Fund are available from the Investment Manager’s website, www.fsrec.com.au, or by calling the Fund Scheme Securityholder Information Line on 1300 513 794 (within Australia) and +61 2 9066 6150 (outside Australia) between 9.00am and 5.00pm (Sydney time), Monday to Friday (excluding public holidays). In assessing any historical information about the Fund, you should be aware that past performance is no indication of future performance. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of any information, opinion or conclusion contained in this Explanatory Memorandum. To the maximum extent permitted by law, neither EQT nor any of its directors, officers, employees, agents or advisers accepts any liability for any loss arising from the use of this Explanatory Memorandum or its contents or otherwise arising in connection with it. The information in this Explanatory Memorandum remains subject to change. EQT may vary the timetable for implementing the Proposal. EQT will notify you of any material changes in relation to this Explanatory Memorandum on the Investment Manager’s website at www.fsrec.com.au.

The information in this Explanatory Memorandum is current as at 22 August 2025 unless otherwise stated.

PRIVACY

EQT may collect personal information in the process of implementing the Proposal from you directly or the Fund Registry. Such information may include the names, contact details and securityholdings of Fund Securityholders and the names of persons appointed to act as a proxy, corporate representative or attorney at the Scheme Meetings applicable to the Fund. The primary purpose of the collection of personal information is to assist EQT to conduct the Scheme Meetings and implement the Proposal. Personal information of the type described above may be disclosed to the print and mail service providers, authorised securities brokers, Advisers and related bodies corporate of EQT. If personal information about a Fund Securityholder is not collected by EQT, the Fund Securityholder may not receive this Explanatory Memorandum or be able to participate in the Proposal. Fund Securityholders have a right to access their personal information and should contact EQT if they wish to do so. Fund Securityholders who appoint a named person to act as their proxy, corporate representative or attorney must ensure they inform that person of these matters. For further information about how to contact EQT regarding access to, or correction of, your personal information or how to complain about a breach of the Australian Privacy Principles, please visit EQT's privacy policy at <https://www.eqt.com.au/privacy-statement>.

EFFECT OF ROUNDING

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Explanatory Memorandum are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Explanatory Memorandum.

RESPONSIBILITY STATEMENT

Fund RE has been solely responsible for preparing the Fund Provided Information. The Fund Provided Information concerning the Fund and the intentions, views and opinions of Fund RE and the Directors contained in this Explanatory Memorandum has been prepared by Fund RE and the Directors and is the responsibility of Fund RE. Neither the Acquirer nor any of its directors and officers assume any responsibility for the accuracy or completeness of any Fund Provided Information or the Independent Expert's Report (or any information contained therein).

The Acquirer has been solely responsible for preparing the Acquirer Information. The Acquirer Information concerning the Acquirer and the intentions and opinions of the Acquirer Group Members or the directors and officers of any Acquirer Group Member contained in this Explanatory Memorandum has been prepared by the Acquirer and is the responsibility of the Acquirer. Fund RE, its Directors and officers do not assume any responsibility for the accuracy or completeness of any Acquirer Information.

KPMG Corporate Finance has prepared the Independent Expert's Report in relation to the Schemes and takes responsibility for that report. The Independent Expert's Report is contained in Appendix 1.

Boardroom has had no involvement in the preparation of any part of this Explanatory Memorandum other than being named as the Fund Registry. Boardroom has not authorised or caused the issue of and expressly disclaims and takes no responsibility for any part of this Explanatory Memorandum.

ASIC

A copy of this Explanatory Memorandum was provided to ASIC. Neither ASIC nor any of its officers takes any responsibility for the contents of this Explanatory Memorandum.

COURT INVOLVEMENT

The Court provided the First Judicial Advice on 22 August 2025. The Court's provision of the First Judicial Advice is not and should not be treated as an endorsement by the Court of, or any other expression of opinion by the Court on, the proposed Schemes. In particular, the Court's provision of the First Judicial Advice does not mean that the Court has:

- formed any view as to the merits of the Schemes, or as to how Fund Securityholders should vote (on these matters Fund Securityholders must reach their own conclusion); or
- prepared, or is responsible for the content of, this Explanatory Memorandum.

NOTICES OF MEETING

The Notices of Meeting, which set out the resolution to approve the Schemes, are set out in Appendix 2.

FUND SECURITYHOLDERS' RIGHT TO APPEAR AT THE SECOND COURT HEARING

At the Second Court Hearing, the Court will consider whether to approve the Schemes following the vote at the Scheme Meetings.

Any Fund Securityholder may appear at the Second Court Hearing, expected to be held at 9.15am (Sydney time) on Friday, 19 September 2025 at the Supreme Court of New South Wales, Law Courts Building, 184 Phillip Street, Sydney.

Any Fund Securityholder who wishes to oppose approval of the Schemes or granting of the Second Judicial Advice at the Second Court Hearing may do so by filing with the Court and serving on EQT a notice of appearance in the prescribed form together with any affidavit that the Fund Securityholder proposes to rely on.

ADDITIONAL INFORMATION

If after reading this Explanatory Memorandum you have any further questions, please contact the Fund Scheme Securityholder Information Line on 1300 513 794 (within Australia) and +61 2 9066 6150 (outside Australia) between 9.00am and 5.00pm (Sydney time), Monday to Friday (excluding public holidays) or your financial adviser.

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1. WHAT YOU NEED TO KNOW

1.1 KEY DATES

| Event | Date |
|--|--|
| First Court Date | 22 August 2025 |
| Date of this Explanatory Memorandum and Notices of Meeting | 22 August 2025 |
| Explanatory Memorandum and Notices of Meeting despatch or distribution date | 25 August 2025 |
| Last date and time by which proxy forms must be received | 11.00am (AEST) on 15 September 2025 |
| Last date and time for receipt of proxy forms for the Scheme Meetings. | |
| Scheme Meeting Record Date | 5.00pm (AEST) on 15 September 2025 |
| Time and date for determining eligibility to vote at the Scheme Meetings. | |
| All Fund Securityholders who are registered as holders of Fund Securities at the Scheme Meeting Record Date will be entitled to vote at the Scheme Meetings (subject to any applicable voting exclusions). | |
| Scheme Meetings | 11.00am (AEST) on 17 September 2025 |
| If the Scheme Resolution is approved at the Scheme Meetings and all other Conditions Precedent are satisfied or waived (as applicable): | |
| Second Court Date | 19 September 2025 |
| For approval of the Schemes | |
| Effective Date | 22 September 2025 |
| The date on which the Schemes become Effective and are binding on the Fund Securityholders. | |
| If the Schemes are approved by the Court and become Effective: | |
| Record Date | 7.00pm (AEST) on 25 September 2025 |
| All Fund Scheme Securityholders who hold Fund Scheme Securities on the Record Date will be entitled to receive the Scheme Consideration. | |
| Implementation Date | 1 October 2025 |

All dates following the issue date of this Explanatory Memorandum are indicative only and may be subject to change.

EQT will notify Fund Securityholders of any change to this timetable at www.fsrec.com.au.

1.2 WHAT YOU NEED TO DO

READ THIS EXPLANATORY MEMORANDUM IN ITS ENTIRETY

This Explanatory Memorandum has been sent to you because you are a Fund Securityholder and Fund Securityholders are being asked to vote on the Proposal.

This Explanatory Memorandum contains information that is material to your decision whether or not to approve the Proposal by voting in favour of the Scheme Resolution. Accordingly, you should read this Explanatory Memorandum in its entirety before making a decision on how to vote on the Scheme Resolution and if necessary, consult your legal, financial, tax or other professional adviser in relation to voting on the Scheme Resolution.

If you have any questions in relation to this Explanatory Memorandum or the Proposal, please contact the Fund Scheme Securityholder Information Line on 1300 513 794 (within Australia) and +61 2 9066 6150 (outside Australia) between 9.00am and 5.00pm (Sydney time), Monday to Friday (excluding public holidays)

VOTE ON SCHEME RESOLUTION

If you are registered on the Fund Register as a Fund Securityholder at the Scheme Meeting Record Date (being 5.00pm (AEST) on 15 September 2025), then you will be entitled to attend and vote on the Scheme Resolution at the Scheme Meetings, unless otherwise noted in the Notices of Meeting set out in Appendix 2.

As a Fund Securityholder, it is your right to vote on whether the Proposal proceeds. Your vote is important and you are strongly encouraged to vote on the Scheme Resolution. However, voting is not compulsory.

The Scheme Resolution must be approved by 75% of the Fund Securityholders for the Proposal to proceed.

HOW TO PARTICIPATE IN SCHEME MEETINGS (INCLUDING VOTING)

The Notices of Meeting are attached as Appendix 2 to this Explanatory Memorandum. Please refer to the Notices of Meeting for information on how to vote. The Scheme Meeting Record Date for the purposes of determining voting entitlements is 5.00pm (AEST) on 15 September 2025.

Fund Securityholders who are entitled to vote but are unable to join the Scheme Meetings are encouraged to appoint a proxy to participate and vote on your behalf. If you direct your proxy how to vote, your votes will be cast at the meeting in accordance with your directions.

Fund Securityholders who are entitled to vote can cast their vote at the Scheme Meetings or appoint a proxy by following the instructions on the Notices of Meeting. Proxy forms must be submitted by no later than 11.00am (AEST) on 15 September 2025 to be valid.

The Scheme Meetings will comprise three concurrent meetings to vote on the Scheme Resolution and are scheduled to be held at 11.00am (AEST) on 17 September 2025.

You can vote in any of the following ways:

- by attending the Scheme Meetings in person at EQT's offices at Level 1, 575 Bourke Street, Melbourne VIC 3000, Australia scheduled to be held at 11.00am (AEST) on 17 September 2025;
- by attending the Scheme Meetings via the online meeting platform at <https://meetings.lumiconnect.com/300-559-595-883> scheduled to be held at 11.00am (AEST) on 17 September 2025; or
- by appointing a proxy or, if you are a body corporate, a duly appointed corporate representative to attend and vote at the Scheme Meetings on your behalf.

Voting on the Scheme Resolution will be conducted by poll.

Refer to the Notices of Meeting for further information on how to vote and attend the Scheme Meetings.

2. DIRECTOR'S LETTER

Dear Fund Securityholder,

As a director of Fund RE, I am pleased to provide you with a Proposal that involves the Acquirer acquiring all the Fund Securities that it does not own at a price of \$1.85 per Fund Security, which reflects the Fund's unaudited June NTA on a per Fund Security basis. Implementation of the Proposal is conditional on approval of Fund Securityholders who are entitled to vote at the Scheme Meetings, which are scheduled to be held at 11.00am (AEST) on 17 September 2025, and certain other conditions. This Explanatory Memorandum and the annexed Notices of Meeting provide details of the Proposal and its implementation.

BACKGROUND AND PROPOSAL OVERVIEW

On 31 May 2024:

- IRAPT No. 2 increased its ultimate ownership in the Investment Manager of the Fund to 100%; and
- the Acquirer and its Associates therefore increased their ownership in the Fund to 97.99%.

As a consequence of previous withdrawal offers, Fund Securityholders have no right under the Fund Constitutions to vote to wind up the Fund or redeem their Fund Securities. Fund Securityholders may achieve liquidity through direct sales or via broker facilitated secondary market, however liquidity is not guaranteed as there are limited buyers. As a result, investors will have limited opportunity to realise their investment in the Fund should the Proposal not be implemented. Given this, and following the increase in their ownership, the Acquirer has been considering how best to provide Fund Securityholders with liquidity.

The Proposal, if the Conditions Precedent are satisfied or waived (where applicable), provides Fund Scheme Securityholders with liquidity.

On 6 August 2025, Fund RE entered into an implementation deed with the Acquirer in respect of the Proposal.

If the Proposal becomes Effective and is implemented:

- the Acquirer will acquire the Fund Securities it does not own from the Fund Scheme Securityholders;
- Fund Scheme Securityholders will receive Scheme Consideration of \$1.85 per Fund Security, reflecting the value of the Fund's unaudited June NTA on a per Fund Security basis which is the most recent asset valuation of the Fund as at 30 June 2025; and
- Fund Securityholders will continue to receive the economic benefits of ownership including any Permitted Distributions and an Implementation Distribution covering accrued distributions up to the Implementation Date provided such distributions are permitted by, and made in accordance with, applicable laws and accounting standards, including the Corporations Act.

IMPLEMENTATION OF THE PROPOSAL

Implementation of the Proposal is subject to approval by Fund Securityholders, approval by the Court and other customary Conditions Precedent. Details of the voting requirements, including voting restrictions, are set out in the Notices of Meeting that accompany this Explanatory Memorandum.

In addition to the satisfaction or waiver (where applicable) of the other Conditions Precedent, the Proposal will only be implemented if the Scheme Resolution is approved by Fund Securityholders who are entitled to vote at the Scheme Meetings, scheduled to be held at 11.00am (AEST) on 17 September 2025.

If the Proposal becomes Effective and is implemented, Fund Scheme Securityholders will be bound by the Proposal and consideration will be transferred within 5 Business Days of the Implementation Date (expected to be 1 October 2025).

If the Proposal is not approved by Fund Securityholders at the Scheme Meetings or any other Condition Precedent is not satisfied or waived (where applicable), the Fund will continue to be managed in the ordinary course under the existing structure.

INDEPENDENT EXPERT'S REPORT

EQT appointed KPMG Corporate Finance on 9 July 2025 as the Independent Expert to assess the merits of the Proposal. The Independent Expert has concluded that the Schemes are in the best interests of Fund Scheme Securityholders in the absence of a superior proposal.

The Independent Expert also assessed the Schemes to be fair and reasonable. The Scheme Consideration of \$1.85 per Fund Security is at the upper end of the Independent Expert's assessed value range of \$1.61 to \$1.86 per Fund Security on an ex-dividend basis.

A copy of the Independent Expert's Report is contained in Appendix 1.

BACKGROUND TO THE BOARD'S RECOMMENDATION

The Board recommends that you vote in favour of the Schemes, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Schemes are in the best interests of the Fund Scheme Securityholders.

No Director holds or controls any Fund Securities as at the Last Practicable Date.

In recommending the Schemes, the Directors have taken into account the following factors:

- the Proposal provides access to liquidity for Fund Securityholders;
- liquidity is being provided at the unaudited June NTA and will be supplemented with an additional Implementation Distribution provided that it is permitted by, and made in accordance with, applicable laws and accounting standards, including the Corporations Act;
- there is no liquidity mechanism or certainty of liquidity under the Fund Constitutions should the Proposal not be approved;
- limited growth potential for the Fund;
- there are risks related to an ongoing investment in the Fund, including potential for distributions to reduce should additional funding for capital expenditure be required. Key risks are outlined in more detail in Section 7;
- the Independent Expert has concluded that the Proposal is in the best interests of Fund Scheme Securityholders in the absence of a superior proposal; and
- the Proposal is subject to limited conditions.

The reasons you may wish to vote against the Schemes include:

- desire to maintain an investment in the Fund;
- no desire or need for liquidity despite a recognition that future opportunities for liquidity may not be forthcoming;
- disagreement with the Board and the Independent Expert;
- you may be exposed to potential tax consequences depending on your individual tax position; and
- you may consider that there is the potential for a Superior Proposal to emerge.

Further information regarding the reasons you may wish to vote for or against the Schemes is set out in Section 3.

NEXT STEPS

EQT encourages you to carefully read this Explanatory Memorandum (including the Independent Expert's Report) and Notices of Meeting in full and seek your own legal, financial or other professional advice as to what action you should take.

All Fund Securityholders who are registered as holders of Fund Securities at 5.00pm (AEST) on 15 September 2025 will be entitled to vote at the Scheme Meetings (subject to any applicable voting exclusions). Please see the Notices of Meeting for further details on how votes may be cast and timing requirements.

If you have any questions, please contact the Fund Scheme Securityholder Information Line on 1300 513 794 (within Australia) and +61 2 9066 6150 (outside Australia) between 9.00am and 5.00pm (Sydney time), Monday to Friday (excluding public holidays).

Kind regards,

A handwritten signature in dark ink, appearing to read 'Andrew', with a long, horizontal, slightly wavy line extending to the right.

Andrew Godfrey

Director and Executive General Manager

3. CONSIDERATIONS RELEVANT TO YOUR VOTE

3.1 REASONS YOU SHOULD VOTE IN FAVOUR OF THE PROPOSAL

The Board recommends that the Fund Securityholders who are entitled to vote at the Scheme Meetings vote in favour of the Scheme Resolution in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Schemes are in the best interests of the Fund Scheme Securityholders. The Board has formed the view that the Proposal is in the best interests of Fund Scheme Securityholders for the following reasons:

(a) **Provides access to liquidity for Fund Securityholders**

The Proposal provides Fund Securityholders with the ability to sell their Fund Securities for a consideration equal to the unaudited June NTA. As a consequence of previous withdrawal offers, Fund Securityholders have no right under the Fund Constitutions to vote to wind up the Fund or redeem their Fund Securities. In the absence of the Proposal, there is no certainty that Fund Securityholders will be able to access liquidity in the short to medium term.

(b) **Liquidity is being provided at the unaudited June NTA and will be supplemented with an additional Implementation Distribution provided that it is permitted by, and made in accordance with, applicable laws and accounting standards, including the Corporations Act**

The Proposal provides liquidity to Fund Securityholders at the unaudited June NTA. Liquidity has previously been provided via withdrawal offers, that closed in February 2022 and July 2022 at a 3% discount to NTA. The terms of the Proposal are therefore superior to what was historically provided in February 2022 and July 2022, relative to NTA.

Fund RE will declare and determine to pay Fund Securityholders as at the Record Date, the Implementation Distribution for each Fund Security held by the Fund Securityholders provided that it is permitted by, and made in accordance with, applicable laws and accounting standards, including the Corporations Act. Subject to applicable laws and accounting standards, this will give Fund Securityholders the benefit of accrued distributions in the current period.

(c) **There is no liquidity mechanism or certainty of liquidity under the Fund Constitutions should the Proposal not be approved**

The Fund Constitutions do not provide any mechanism for Fund RE to provide liquidity to Fund Securityholders. The Acquirer has been an investor in the Fund since February 2022 and there is no longer an obligation for Fund RE to requisition meetings to consider a wind-up of the Fund or obligation to consider other liquidity mechanisms. Accordingly, if the Proposal is not approved, Fund Securityholders may not have another opportunity to exit their investment in the Fund.

(d) **Limited growth potential for the Fund**

One of the potential benefits of the Acquirer becoming a significant investor in the Fund and IRAPT No. 2's controlling stake in the Investment Manager was to accelerate growth in the Fund. The Fund has not acquired an asset since January 2018 and it is not expected that the Fund will continue to grow and diversify its asset base.

(e) **Risk of ongoing investment**

As set out in Section 7 there are risks to an ongoing investment in the Fund. These include a risk that future distributions could be impacted by funding requirements for capital expenditure.

(f) **The Independent Expert has concluded that the Proposal is in the best interests of Fund Scheme Securityholders in the absence of a superior proposal**

EQT appointed KPMG Corporate Finance to prepare an Independent Expert's Report, including an opinion as to whether the Schemes are in the best interests of the Fund Scheme Securityholders. The Independent Expert has concluded that the Schemes are in the best interests of Fund Scheme Securityholders in the absence of a superior proposal.

The Independent Expert has considered the Proposal in detail and has assessed the value of the Fund Securities to be in the range of \$1.61 to \$1.86 on an ex-dividend basis. The Scheme Consideration is at the upper end of the Independent Expert's assessed value range for the Fund Securities.

EQT encourages you to read the Independent Expert's Report which is set out in Appendix 1, before deciding whether or not to vote in favour of the Schemes.

(g) **The Proposal is subject to limited conditions**

The Proposal is not subject to any financing, further due diligence or material adverse change conditions.

The Proposal is subject to a limited number of customary Conditions Precedent, including:

- ASIC issuing or providing such consents, waivers and approvals or doing such other acts that are necessary to implement the Schemes and none of those consents, waivers or approvals is withdrawn, revoked or adversely amended before 8.00am on the Second Court Date;
- Fund Securityholder approval;
- the Independent Expert concluding that the Proposal is in the best interests of Fund Scheme Securityholders and the Independent Expert not changing its conclusion or withdrawing the Independent Expert's Report by notice in writing to Fund RE before 8:00am on the Second Court Date;
- no applicable law is enacted and no temporary, preliminary or final restraining order, injunction or other order made by a court of competent jurisdiction or Governmental Agency is in effect that would prevent, make illegal or prohibit the implementation of the Schemes at 8.00am on the Second Court Date; and
- the Court granting the Judicial Advice.

Further information on these conditions is set out in Section 4.2 of this Explanatory Memorandum.

3.2 REASONS YOU MIGHT VOTE AGAINST THE PROPOSAL

Some factors which may lead you to consider voting against the Proposal include the following:

(a) **Desire to maintain an investment in the Fund**

Fund Scheme Securityholders may wish to participate in the future financial performance of the Fund and you may believe it is in your best interests to maintain your current investment and risk profile despite there being no requirement of Fund RE under the Fund Constitutions to provide liquidity and no certainty as to future liquidity. Risk factors associated with an ongoing investment in the Fund are set out in Section 7.

(b) **No desire or need for liquidity despite a recognition that future opportunities for liquidity may not be forthcoming**

Fund Scheme Securityholders who remain on the Fund Register have chosen not to fully take up previous withdrawal offers and may be happy investing in a fund where they have no further rights to liquidity and be prepared to wait indefinitely or until an exit opportunity is voluntarily offered by Fund RE in its absolute discretion. There is no assurance that any future offer will be forthcoming.

(c) **Disagreement with the Board and the Independent Expert**

Notwithstanding the recommendation of the Board and the opinion of the Independent Expert, you may believe that the Proposal is not in your best interests or the best interests of Fund Scheme Securityholders.

(d) **You may be exposed to potential tax consequences depending on your individual tax position**

The tax consequences of the Schemes will depend on your own individual tax and financial circumstances. General Australian tax considerations of the Schemes are discussed in Section 9. However, you should obtain advice from your own independent taxation adviser on the tax implications for you if the Schemes are implemented.

Further information is provided in Section 9.

(e) **You may consider that there is the potential for a Superior Proposal to emerge**

You may believe that there is potential for a Superior Proposal to emerge in the future which would deliver greater benefits to Fund Securityholders or total value in excess of the Scheme Consideration. However, as at the date of this Explanatory Memorandum, no Superior Proposal has emerged and the Directors are not aware of any Superior Proposal that is likely to emerge.

3.3 BOARD RECOMMENDATION

The Board considers the Proposal to be in the best interests of the Fund Scheme Securityholders. Accordingly, the Board recommends that the Fund Securityholders vote in favour of the Scheme Resolution in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Schemes are in the best interests of the Fund Scheme Securityholders.

In forming its recommendation, the Board has had regard to the benefits and potential disadvantages of the Proposal as well as the opinion of the Independent Expert.

4. PROPOSAL OVERVIEW

4.1 BACKGROUND TO PROPOSAL

(a) Background

The Fund was formed in December 2020 by the merger of the individual funds in the FSREC Fund Series to create a single stapled fund. The rationale for the merger was to enable the Fund to execute a number of strategic initiatives, including:

- restructuring of the Fund's debt facilities into a single facility, resulting in a reduction in the cost of debt for investors;
- selling the Fund's only commercial asset, allowing the group to focus on its portfolio of high-quality convenience-based retail assets;
- providing improved liquidity to Fund Securityholders, which included a withdrawal offer of \$95 million undertaken in June 2021 following the sale of 241 O'Riordan St, Mascot; and
- improved access to capital and corresponding improvement in the ability of the Fund to take advantage of growth opportunities.

In February 2022, the Acquirer invested \$320 million in the Fund and IRAPT No. 2 acquired a 75% interest in the Investment Manager. The Acquirer's investment in the Fund and the Investment Manager provided Fund Securityholders with significant liquidity. A further withdrawal offer of \$96 million was made in June 2022 and closed in July 2022. One consequence of the Fund making these two withdrawal offers was the removal of the requirement for the Fund to hold a meeting to vote on the winding up of the Fund and any obligation to provide future opportunities for Fund Securityholders to redeem their Fund Securities.

In May 2024, IRAPT No. 2 increased its ultimate ownership of the Investment Manager to 100% and the Acquirer therefore increased its investment in the Fund to 97.63% of all Fund Securities on issue. The Acquirer has been an investor in the Fund since February 2022 and, given its investment horizon might not match all Fund Securityholders, has been considering how best to provide Fund Securityholders with liquidity.

(b) Historical price per Fund Security

No Fund Securities have been sold in the six months prior to the date of this Explanatory Memorandum.

The below table sets out the number of Fund Securities that have been bought by the Acquirer or its Associates in the 3 calendar years prior to the date of this Explanatory Memorandum and the price paid per Fund Security.

| Date | Number of Fund Securities | Price paid per Fund Security |
|------------------|---------------------------|------------------------------|
| 18 February 2022 | 187,134,502.92 | \$1.71 |
| 20 July 2022 | 48,045,278.61 | \$1.84 |
| 31 May 2024 | 5,847,953.22 | \$1.78 |

The table above does not include Fund Securities indirectly acquired by the Acquirer or its Associates via the acquisition by IRAPT No. 2 of the Investment Manager in February 2022 and May 2024.

(c) Proposal

To facilitate liquidity, the Acquirer has submitted a Proposal which would result in the Acquirer acquiring all Fund Securities that it does not already own by concurrent trust schemes under which all of the Fund Scheme Securities held by the Fund Scheme Securityholders will be transferred to the Acquirer, facilitated by an amendment to the Fund Constitutions as set out in the Supplemental Deeds.

The key terms of the Proposal are:

- the Acquirer will acquire the Fund Securities it does not own from the Fund Scheme Securityholders;
- Fund Scheme Securityholders will receive cash consideration of \$1.85 per Fund Security, reflecting the value of the unaudited June NTA which is the most recent asset valuation of the Fund as at 30 June 2025; and
- Fund Scheme Securityholders will continue to receive any Permitted Distributions up to the Implementation Date and receive an Implementation Distribution provided that such distributions are permitted by, and made in accordance with, applicable laws and accounting standards, including the Corporations Act.

For the Schemes to proceed, the requisite majorities of Fund Securityholders who are entitled to vote at the Scheme Meetings must vote in favour of the proposed amendments to the Fund Constitutions to give effect to the Proposal. The Scheme Meetings are scheduled to be held at 11.00am (AEST) on 17 September 2025. Full details of the Scheme Resolution and voting instructions are contained in the Notices of Meeting.

The Schemes are also subject to the satisfaction or waiver (where applicable) of the Conditions Precedent described in Section 4.2.

As part of the Proposal, the Acquirer will reimburse the Fund Group Parties for all Covered Costs in connection with the implementation and facilitation of the Schemes.

4.2 OVERVIEW OF THE SCHEMES AND CONDITIONS

On 6 August 2025, Fund RE entered into the Implementation Deed with the Acquirer pursuant to which the Acquirer proposes to acquire all of the Fund Securities it does not own. A summary of the key terms of the Implementation Deed is set out below and in Section 8.2. If the Proposal is approved by the requisite majorities of Fund Securityholders who are entitled to vote at the Scheme Meetings, and if all the Conditions Precedent are satisfied or waived:

- Fund Scheme Securityholders will receive the Scheme Consideration; and
- the Fund will be 100% owned by the Acquirer.

If the Proposal is not approved by the requisite majorities of Fund Securityholders who are entitled to vote at the Scheme Meetings, or any other Conditions Precedent are not satisfied or waived (where applicable), Fund Securityholders will not receive the Scheme Consideration and the Fund will continue to operate in its existing structure.

Implementation of the Proposal is subject to the following Conditions Precedent:

(a) **ASIC relief**

ASIC issues or provides such consents, waivers and approvals or does such other acts that are necessary to implement the Schemes and none of those consents, waivers or approvals has been withdrawn, revoked or adversely amended before 8.00am on the Second Court Date.

(b) **Fund Securityholders approval**

The Fund Securityholders approve the Scheme Resolution outlined in the Notices of Meeting by the requisite majorities under section 601GC(1) of the Corporations Act at the Scheme Meetings.

This resolution must be approved by a special resolution which requires approval by at least 75% of the votes cast on the resolution at the Scheme Meetings by the Fund Securityholders entitled to vote on that resolution.

The Scheme Meetings are scheduled to be held at 11.00am (AEST) on 17 September 2025. Instructions on how to vote are set out in the Notices of Meeting in Appendix 2.

(c) **Independent Expert's Report**

The Independent Expert provides the Independent Expert's Report to Fund RE, stating that in its opinion the Schemes are in the best interests of the Fund Scheme Securityholders, and the Independent Expert does not change its conclusion or withdraw the Independent Expert's Report by notice in writing to Fund RE before 8:00am on the Second Court Date.

(d) **No restraints**

No applicable law shall have been enacted and no temporary, preliminary or final restraining order, injunction or other order made by a court of competent jurisdiction or Governmental Agency is in effect that would prevent, make illegal or prohibit the implementation of the Schemes at 8.00am on the Second Court Date.

(e) **Court Approval**

If the Scheme Resolution is approved by the requisite majorities of Fund Securityholders who are entitled to vote at the Scheme Meetings and all other Conditions Precedent have been satisfied or waived (if applicable), Fund RE will apply to the Court for the Second Judicial Advice in respect of the Schemes.

The Court hearing for the Second Judicial Advice is scheduled for 19 September 2025.

If the Scheme Resolution is approved by the requisite majorities and the other Conditions Precedent are satisfied or waived (where applicable), the Proposal will proceed even if some Fund Securityholders have not voted in favour of it. If the Proposal proceeds, all Fund Scheme Securityholders will receive the Scheme Consideration.

If the Scheme Resolution is not approved, or any other Conditions Precedent are not satisfied or waived (where applicable), no Fund Securityholder will receive the Scheme Consideration and the Fund Securityholders will retain their existing holding(s) in the Fund.

4.3 FUND SECURITYHOLDERS' APPROVAL AND REQUISITE VOTING MAJORITIES

Fund Securityholders must approve a special resolution to approve the amendments to the Fund Constitutions (for the purpose of giving effect to the Proposal) as set out in the Supplemental Deeds and to authorise Fund RE to execute and lodge with ASIC the Supplemental Deeds. This resolution must be approved by a special resolution, which requires approval by at least 75% of the votes cast on the resolution at the Scheme Meetings by Fund Securityholders entitled to vote on that resolution.

4.4 DETERMINATION OF PERSONS ENTITLED TO SCHEME CONSIDERATION

For the purpose of establishing the persons who are Fund Scheme Securityholders and the number of Fund Scheme Securities held by them, Fund RE will only recognise dealings in Fund Securities provided that registrable transfers or transmission applications in respect of those dealings are received by the Fund Registry by 5.00pm on the day which is the Record Date (in which case Fund RE must register, or procure that the Fund Registry registers, such transfers or transmission applications before 11.00am on the Business Day following the Record Date).

Fund RE will not accept for registration, nor recognise for the purpose of establishing the persons who are Fund Scheme Securityholders, any transfer or transmission application in respect of Fund Securities received after that time (other than as contemplated by the Schemes in relation to the transfer of the Fund Scheme Securities to the Acquirer), or received prior to that time but not in registrable form.

4.5 OVERVIEW OF PROCESS

If the Conditions Precedent outlined in Section 4.2 are satisfied:

- Fund RE will take all steps reasonably necessary to implement the Schemes in accordance with the Implementation Deed; and
- the Acquirer will accept the transfer to it of each Fund Scheme Security and pay or procure the payment of the Scheme Consideration to each Fund Scheme Securityholder.

If the Conditions Precedent are satisfied or waived (where applicable), consideration will be transferred to Fund Scheme Securityholders within 5 Business Days of the Implementation Date (expected to be on 1 October 2025).

5. INFORMATION ABOUT THE FUND, FUND RE AND INVESTMENT MANAGER

5.1 BUSINESS OVERVIEW AND HISTORY

The Fund is a stapled group of unlisted managed investment schemes comprising:

- Fort Street Real Estate Capital Fund I (ARSN 163 688 346);
- Fort Street Real Estate Capital Fund II (ARSN 169 190 498); and
- Fort Street Real Estate Capital Fund III (ARSN 605 335 957).

The Fund invests in Australian commercial properties for the purposes of deriving rental income and capital growth. Section 4.1 sets out the history of the Fund.

5.2 PORTFOLIO STRATEGY

The Fund's investment strategy is focused on acquiring core and core plus retail centres within well-located markets with strong underlying fundamentals, providing the potential for strong cashflows and long-term capital growth. The geographic focus is on major metropolitan areas and strong regional centres, predominantly across the east coast of Australia and South Australia.

5.3 PORTFOLIO COMPOSITION

The Fund holds a portfolio of 12 high-quality convenience-based shopping centres across the east coast of Australia and South Australia, with total value of over \$721 million. Further information about the Fund's portfolio is available here: <https://www.fsrec.com.au/portfolio>

5.4 HISTORICAL FINANCIAL INFORMATION

The Fund's consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income for the financial years ended 30 June 2023, 30 June 2024 and 30 June 2025 are presented below.

As at the Last Practicable Date, audited financial statements for the financial year ended 30 June 2025 are not yet available and, accordingly, the unaudited statement of financial position and statement of profit or loss and other comprehensive income for the financial year ended 30 June 2025 are presented below which have been prepared on the basis of the accounting policies normally adopted by the Investment Manager.

The historical financial information of the Fund presented in this Explanatory Memorandum is in an abbreviated form and does not contain all the disclosures, presentations, statements or comparatives that are usually provided in an annual report prepared in accordance with the Corporations Act. The Investment Manager considers that, for the purposes of this Explanatory Memorandum, the historical financial information is in a form sufficient to inform Fund Securityholders of the recent past financial performance of the Fund, which is available in full in the Fund's annual financial reports on the investor portal at: <https://www.fsrec.com.au/log-in>. The historical financial information of the Fund has been prepared in accordance with the recognition and measurement principles contained in the Australian Accounting Standards. The historical financial information in this Explanatory Memorandum is presented on an as is basis and accordingly does not reflect any impact of the Proposal.

(a) **Consolidated statement of financial position**

| Period in thousands (\$'000) unless otherwise stated | 30 June 2023 Audited | 30 June 2024 Audited | 30 June 2025 Unaudited |
|--|-------------------------|-------------------------|---------------------------|
| Assets | | | |
| Cash and cash equivalents | 8,698 | 9,984 | 11,534 |
| Trade and other receivables | 5,023 | 1,882 | 2,125 |
| Derivative financial instruments | 3,777 | 2,082 | - |
| Prepayments | 1,345 | 1,469 | 1,288 |
| Total current assets | 18,843 | 15,417 | 14,947 |
| Investment properties | 698,000 | 704,100 | 721,050 |
| Derivative financial instruments | 2,291 | 790 | - |
| Total non-current assets | 700,291 | 704,890 | 721,050 |
| Total Assets | 719,134 | 720,307 | 735,997 |
| Liabilities | | | |
| Trade and other payables | 10,950 | 8,284 | 810,085 |
| Borrowings | - | 262,050 | - |
| Derivative financial instruments | - | 143 | 896 |
| Distribution payable | 4,575 | 4,567 | 4,567 |
| Total current liabilities | 15,525 | 275,044 | 15,548 |
| Borrowings | 258,322 | - | 263,523 |
| Derivative financial instruments | - | 259 | 861 |
| Total non-current liabilities | 258,322 | 259 | 264,384 |
| Total liabilities | 273,847 | 275,303 | 279,932 |
| Net assets - Equity | 445,287 | 445,004 | 456,065 |
| Metrics | | | |
| Closing Fund Securities on issue ¹ | 246,872,662 | 246,872,662 | 246,872,662 |
| NTA per Fund Security (\$) (calculated as the net assets per Fund Security on issue) | 1.80 | 1.80 | 1.85 |
| Gearing (calculated as total drawn debt divided by total investment properties) | 37.2% | 37.3% | 36.6% |

¹ The audited financial statements for the years ended 30 June 2023 and 30 June 2024 and unaudited financial statements for the year ended 30 June 2025 each round down the number of Fund Securities on issue to 246,872,662 Fund Securities (from 246,872.662.75 Fund Securities).

(b) Consolidated statement of profit or loss and other comprehensive income

| Period | 30 June 2023 | 30 June 2024 | 30 June 2025 |
|---|-----------------|-----------------|-----------------|
| in thousands (\$'000) unless otherwise stated | Audited | Audited | Unaudited |
| Revenue | | | |
| Rental income | 48,103 | 49,571 | 49,515 |
| Other property income | 11,820 | 12,325 | 12,003 |
| Finance income | 107 | 180 | 221 |
| Fair value movement of investment properties | (10,841) | 3,457 | 17,127 |
| Total income | 49,189 | 65,533 | 78,866 |
| Expenses | | | |
| Finance expenses | (9,518) | (12,175) | (13,807) |
| Investment property expenses | (23,740) | (24,944) | (25,576) |
| Responsible entity and trustee fees | (972) | (200) | (190) |
| Management fees | (5,722) | (5,764) | (5,875) |
| Accounting and audit fees | (444) | (485) | (483) |
| Other expenses | (883) | (295) | (238) |
| Total expenses | (41,279) | (43,863) | (46,169) |
| Profit before tax | 7,910 | 21,670 | 32,697 |
| Income tax expense | - | - | - |
| Profit after tax | 7,910 | 21,670 | 32,697 |
| <i>Other comprehensive income</i> | | | |
| Effective portion of changes in fair value of cash flow hedges | (554) | (3,662) | (3,367) |
| Total comprehensive income for the period | 7,356 | 18,008 | 29,330 |
| FFO Adjustments | | | |
| Profit after tax | 7,910 | 21,670 | 32,697 |
| Fair value movement of investment properties | 10,841 | (3,457) | (17,127) |
| Fair value movement of derivative financial instruments | - | 27 | 291 |
| Straight-line of rental revenue and incentive amortisation | 2,778 | 3,110 | 3,583 |
| Other items and amortisation of capitalised lease costs | 1,402 | 1,383 | 1,026 |
| FFO | 22,931 | 22,733 | 20,470 |
| Metrics | | | |
| Closing Fund Securities on issue ² | 246,872,662 | 246,872,662 | 246,872,662 |
| Distributions to Fund Securityholders | 18,268 | 18,268 | 18,268 |
| Payout ratio (FFO basis) (calculated as total distributions to Fund Securityholders as a percentage of total FFO) | 79.7% | 80.4% | 89.2% |
| Cash distributions per Fund Security (cents) | 7.4 | 7.4 | 7.4 |
| FFO per Fund Security (cents) | 9.3 | 9.2 | 8.3 |

Further information on the Fund's financial profile is available here: <https://www.fsrec.com.au/investor-centre/key-documents>.

² The audited financial statements for the years ended 30 June 2023 and 30 June 2024 and unaudited financial statements for the year ended 30 June 2025 each round down the number of Fund Securities on issue to 246,872,662 Fund Securities (from 246,872.662.75 Fund Securities).

5.5 CAPITAL STRUCTURE

As at the Last Practicable Date, the Fund has 246,872,662.75³ Fund Securities on issue.

5.6 MATERIAL CHANGES TO THE FUND'S FINANCIAL POSITION SINCE LAST ACCOUNTS PUBLISHED

Other than as disclosed in this Explanatory Memorandum, within the knowledge of the Board, the financial position of the Fund has not materially changed since 31 December 2024, being the date of the statement of financial position for the 6 months ending 31 December 2024.

5.7 FUND SECURITYHOLDINGS

IRAPT No. 1 and the Investment Manager hold the following Fund Securities as at the Last Practicable Date.

| Fund Securityholder | Number of Fund Securities | Fund Securities (%) | Relevant Interest (%) | Voting Power (%) |
|---------------------|---------------------------|---------------------|-----------------------|------------------|
| IRAPT No. 1 | 241,027,734.75 | 97.63 | 97.63 | 97.63 |
| Investment Manager | 873,842.00 | 0.35 | 0.35 | 0.35 |

5.8 DIRECTORS' INTENTIONS FOR THE FUND

If the Schemes are implemented, the Acquirer will own and control all of the Fund Securities. Fund RE Directors have been advised that the intentions of the Acquirer are as set out in Section 6.5.

If the Schemes are not implemented, EQT intends to continue to operate the Fund in the ordinary course of business.

5.9 OVERVIEW OF FUND RE

EQT is the responsible entity of the Fund. EQT is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), which is a public company listed on the Australian Securities Exchange (ASX: EQT). EQT was established by a special act of the Victorian Parliament in 1888 and is now one of Australia's largest providers of independent responsible entity and trustee services. Its proactive approach and embedded expertise ensure a breadth and quality of products and services which continue to grow. EQT is a sophisticated financial services provider, offering a broad range of products and services to a diverse client base.

5.10 DIRECTORS OF FUND RE

The Board of Fund RE is as follows:

- **Michael (Mick) J. O'Brien (Managing Director – FIAA, CFA, GAICD)**

Mr O'Brien was admitted as a Fellow of the Institute of Actuaries of Australia in 1989 and holds the Chartered Financial Analyst designation. He was formerly CEO and Director of Invesco Australia Limited, Director of Alliance Capital Management Australia and Chief Investment Officer of AXA Australia and New Zealand, where he was also a Director of AXA's Responsible Entities and RSE Licensees.

With a career spanning 37 years in both retail and institutional markets, Mr O'Brien brings to the Board wealth management experience in superannuation, investment management, insurance and advice. He is a Director on a number of EQT's subsidiaries.

Mr O'Brien is a member of the Board Risk Committee.

³ The audited financial statements for the year ended 30 June 2024 rounded down the number of Fund Securities on issue to 246,872,662 Fund Securities.

- **Johanna Platt (Chief Financial Officer – CPA, MBA, B.Eng (Chem))**

Ms Platt is an experienced executive with over 20 years' experience in senior Finance roles across a range of industries including Financial Services, Logistics and FMCG. Her experience spans commercial analysis, technology, transformation, operations and accounting.

Ms Platt is a Graduate of the Australian Institute of Company Directors, a Certified Practising Accountant, and holds a Master of Business Administration from Melbourne Business School and a Bachelor of Engineering (Chem) from the University of Sydney. Ms Platt is a Board Member of Mazda Foundation and Experimenta.

- **Andrew Godfrey (Executive General Manager, Corporate and Superannuation Trustee Services – B.Ed)**

Mr Godfrey has over 30 years of experience in financial services, including leadership roles across superannuation, wealth, financial advice and insurance. His experience has spanned operations, technology, master trusts and administration, client delivery, transformation and change and risk. He has spent significant periods of his career with Mercer where he was COO prior to joining EQT.

Mr Godfrey leads the Corporate and Superannuation Trustee Services business.

- **Russell Beasley (Advisor, Corporate and Superannuation Trustee Services – Dip Fin Markets, SA Fin)**

Mr Beasley works in a senior advisory capacity within the Corporate & Super Trustee Services business. He joined EQT as Senior Relationship and Product Manager in February 2005. Subsequent appointments within EQT have included National Manager, Corporate Fiduciary Services, Head of Fund Services Australia and Executive General Manager, Fund Services. Mr Beasley also acted in the capacity of Chief Risk Officer for EQT for a period of 9 months to February 2019.

Mr Beasley has more than 45 years' experience in the financial services industry, holding senior positions within funds management and retail banking.

- **David Warren (General Manager, Clients and Strategic Planning – B.Com, Dip Fin Planning, GAICD)**

Mr Warren joined EQT in 2019 within the Superannuation Trustee Services business. He is currently the General Manager, Clients and Strategic Planning with responsibility for the management of client accounts, the implementation of new business and oversight of disclosure activities.

Mr Warren has over 32 years of financial services experience across superannuation, insurance and investment management including roles at AXA Australia and AMP. His background includes roles in product management, actuarial and strategy.

Mr Warren was admitted as a Fellow of the Institute of Actuaries of Australia in 1995 and a Graduate of the Australian Institute of Company Directors.

5.11 OVERVIEW OF INVESTMENT MANAGER

Fort Street Real Estate Capital Pty Ltd (ACN 164 101 731) is the investment manager of the Fund. The Investment Manager is owned in equal proportions by IRAPT No. 2 and Fort Street Capital Pty Ltd (ACN 164 101 704). Fort Street Capital Pty Ltd is wholly owned by IRAPT No. 2. IRAPT No. 2 is stapled to IRAPT No.1, being the IRAPT Fund.

The Investment Manager provides customary investment services, including financial, risk and capital management services and provides advice in relation to commercial matters regarding the Fund.

For the year ended 30 June 2024, the Investment Manager received the following fees (exclusive of GST) as the Fund's investment manager:

- **Investment Manager fee:** 0.54% per annum calculated on gross assets of the Fund;
- **Performance fee:** 10% of the Fund's performance against an 8% cumulative, non-compounded annual return, subject to a high watermark;

- **Acquisition Fee:** 1.25% of the value of the property for acquisitions; and
- **Disposal fee:** 1% of the sale value of the property for disposals, provided the net proceeds exceed the aggregate of the acquisitions costs and capital costs of the relevant asset.

The Investment Manager also received a property manager fee for the year ended 30 June 2024 of 3% (exclusive of GST) of the gross income of the trusts of the Fund.

The following related parties of the Investment Manager also received the following fees (exclusive of GST) from the Fund during the year ended 30 June 2024:

- **Fort Street Real Estate Development Pty Ltd:** development manager fee of 5% of the total development costs incurred in connection with a development; and
- **Fort Street Real Estate Leasing Pty Ltd:** leasing services fee of 15% of the gross rent on new retail leases and a fee of 7.5% of the gross rent on existing retail leases.

Further information on the fees paid to the Investment Manager and related parties of the Investment Manager for the year ended 30 June 2024 are in the Fund's annual report for the year ended 30 June 2024 available at: <https://www.fsrec.com.au/investor-centre/key-documents>.

6. INFORMATION ABOUT THE ACQUIRER

The information contained in this Section 6 has been prepared by the Acquirer. The information concerning the Acquirer and the intentions, views and opinions contained in this Section 6 is the responsibility of the Acquirer.

6.1 OVERVIEW OF ISPT

ISPT is one of Australia's largest unlisted property fund managers, with \$21 billion in funds under management. With a focus on delivering sustainable, long-term returns, ISPT manages a diverse portfolio of property assets across various sectors, including retail, office, industrial, healthcare and education. The company's market-leading approach to environmental, social and governance (ESG) ensures responsible and sustainable practices across its portfolio. As of December 2024, ISPT is a wholly owned subsidiary of IFM Investors.

6.2 ISPT BOARD AND MANAGEMENT

The ISPT board has many years of proven experience in real estate, infrastructure and investment management. A broad and multi-dimensional approach, together with significant investment experience ensures the ISPT board has the necessary skills in mitigating risk and protecting capital.

As at the Last Practicable Date, the ISPT board is as follows:

| Board member | Role |
|-------------------------|------------------|
| Catharine Bowtell | Director (Chair) |
| Grant Dempsey | Director |
| John Denton AO | Director |
| Carol Gray | Director |
| Deborah Kiers | Director |
| Ming Long AM | Director |
| The Hon. Lindsay Tanner | Director |
| Eltje Bos | Director |
| Theresa Whitmarsh | Director |

6.3 OVERVIEW OF THE ACQUIRER

The IRAPT Fund, comprising IRAPT No.1 and IRAPT No. 2, has a property portfolio valued at \$2.3 billion as at 30 June 2024. ISPT acts as trustee for IRAPT No. 1 and as trustee for IRAPT No. 2.

IRAPT No. 1 is a fund established by ISPT in May 2013 and has an established portfolio of retail neighbourhood and town centre properties across Australia, with a strong focus on the metropolitan eastern seaboard. Focusing on non-discretionary retail, the centres are anchored by supermarkets and supported by fresh food, casual dining, health and locally relevant services.

IRAPT No. 1 owns an established portfolio of 36 retail neighbourhood and town centre assets. IRAPT No.1 is ultimately investing on behalf of working Australians through the industry super funds, so they strive to take a long-term, stable approach to investing. IRAPT No. 1 seeks to establish centres in areas positioned for growth or gentrification, and to tailor its retail offering to the needs of the community.

ISPT's strategy for the IRAPT Fund seeks to solidify the fund as the highest quality wholesale non-discretionary retail property fund in Australia. ISPT aims for the IRAPT Fund to have a high proportion of assets that are stable in nature and deliver strong and reliable total returns. Under this strategy, exposure to development and accretive investment initiatives are intended to increase to 10%-20% of the IRAPT Fund's value to generate stronger investment returns.

6.4 RATIONALE FOR THE PROPOSAL

As at the Last Practicable Date, the Acquirer has an interest in 97.99% of all Fund Securities, comprising a direct interest of 97.63% and an indirect interest in 0.35%, held via the Investment Manager. The Investment Manager is a wholly-owned subsidiary of the Acquirer.

The Acquirer does not intend to grow the Fund and has no requirement for additional capital. Together with its significant interest in the Fund and long-term investment outlook, the Acquirer therefore seeks to consolidate its holding to become the sole holder of Fund Securities given this will enable the Fund to de-register as a managed investment scheme in due course. If the Schemes proceed and the Fund is ultimately de-registered as a managed investment scheme, the Acquirer expects that this will allow the Acquirer to maintain its exposure to the Fund on a more cost efficient basis. Accordingly, the Proposal is being undertaken because it will allow the Acquirer to realise cost efficiencies that would only be available if the Acquirer became the sole holder of Fund Securities, and that would not otherwise be present if any Fund Scheme Securityholders continue to hold Fund Securities.

Given the Acquirer's investment outlook referred to above, whereby the Acquirer has no intentions of raising further capital for the Fund or procuring that the Fund dispose of any of its assets, the interests held by Fund Securityholders in the Fund will remain illiquid and unmarketable. Accordingly, without the Proposal, Fund Securityholders will not otherwise have an opportunity to realise the value of their investment in the Fund for the foreseeable future. By providing a liquidity opportunity that would not otherwise exist, the Proposal provides a mechanism for the Acquirer to achieve its objectives since the Acquirer will become the sole holder of Fund Securities if the Scheme Resolution is passed and the Proposal is implemented.

6.5 ACQUIRER'S INTENTIONS FOR THE FUND

This Section sets out the Acquirer's present intentions in relation to the continuation of the operations of the Fund Group, any major changes to be made to the operations of Fund Group, including the management of assets of the Fund Group, and any plans to remove the current responsible entity and appoint a new responsible entity if the Schemes are implemented.

The intentions set out in this Section are statements of current intention only and are based on facts and circumstances that are known to the Acquirer as at the date of this Explanatory Memorandum either from publicly available sources or from information the Acquirer has obtained from the Fund as a Fund Securityholder. Accordingly, the intentions in this Section may change as new information becomes available or circumstances change.

Should the Fund Securityholders approve the Schemes, the Acquirer intends to:

- continue to maintain its interest in the Fund Securities, consistent with the Acquirer's strategy to grow its portfolio of retail neighbourhood and town centre properties across Australia with a strong focus on the metropolitan eastern seaboard;
- retain Fund RE in its current role as responsible entity of the Fund pending deregistration of each Trust as a managed investment scheme; and
- de-register the Fund as a managed investment scheme in due course, as the Fund will be a wholly owned fund which will no longer be required to be registered with ASIC.

6.6 FUNDING ARRANGEMENTS FOR THE SCHEME CONSIDERATION

If the Schemes become Effective and are implemented, the consideration payable to Fund Scheme Securityholders under the Schemes will be satisfied by the payment of cash consideration. The amount of cash consideration the Acquirer will be required to pay to Fund Scheme Securityholders under the Schemes is approximately \$10.81 million.

The Schemes are not subject to any financing condition precedent.

Pursuant to the Implementation Deed and Deed Poll, the Acquirer has undertaken in favour of each Fund Scheme Securityholder to provide Scheme Consideration to each Fund Scheme Securityholder subject to the Schemes becoming Effective.

The Acquirer will fund the Scheme Consideration from its cash reserves.

On the basis of the Acquirer's cash reserves, the Acquirer is of the opinion that it has a reasonable basis for holding the view, and holds the view, that it will be able to satisfy the funding obligations in respect of the Scheme Consideration.

6.7 OTHER INFORMATION

(a) **Interests in Fund Securities**

As at the date of this Explanatory Memorandum, the Acquirer and its Associates have a 97.99% Relevant Interest and voting power in the Fund Securities.

On implementation of the Schemes, the Acquirer's voting power in the Fund will be 100%.

(b) **No dealings in Fund Securities in previous four months**

Neither the Acquirer nor any of the Acquirer's Associates have provided, or agreed to provide, consideration for Fund Securities under a purchase or agreement during the period of four months before the date of this Explanatory Memorandum, except for the Scheme Consideration which the Acquirer has agreed to provide to all Fund Scheme Securityholders under the Schemes.

(c) **No pre-transaction benefits in previous four months**

Neither the Acquirer nor any of the Acquirer's Associates gave, or offered to give or agreed to give, during the period of four months before the date of this Explanatory Memorandum, a benefit to another person which was likely to:

- induce that other person to vote in favour of the Schemes; or
- dispose of any Fund Scheme Securities,

except for the Scheme Consideration which the Acquirer has agreed to provide to all Fund Scheme Securityholders under the Schemes.

(d) **No other agreements or inducements/arrangements**

Except as disclosed in this Explanatory Memorandum, neither the Acquirer nor any of its Associates have made any agreement or arrangement with a Director, Fund RE or a Fund Scheme Securityholder in connection with or conditional on the outcome of the Schemes.

7. KEY RISKS

7.1 OVERVIEW

This Section 7 describes the key risks related to the Proposal. It is general in nature only and has been prepared without reference to the individual investment objectives, financial and tax situation or particular needs of any Fund Securityholder or any other person. It does not purport to be an exhaustive list of every risk faced by Fund Securityholders, either now or in the future. Many of these risks, or the consequences of them, are outside the control of the Fund. If one or more of these risks eventuates, then the future operating performance of the Fund and the value of your investment in the Fund may be significantly affected. You should carefully consider the risk factors discussed in this Section 7, as well as other information contained in this Explanatory Memorandum before voting on the Schemes.

7.2 ECONOMIC AND MARKET CONDITIONS

There is the general risk that changes in economic and market conditions may affect asset returns and values and may decrease the value of the Fund Securities. The overall performance of the Fund Securities may be affected by changing economic or property market conditions. These may include movements in interest rates, exchange rates, securities markets, inflation, consumer spending, employment and the performance of individual local, state, national and international economies. A general economic downturn may have a significant negative impact on the value of the Fund Securities.

7.3 IMPLEMENTATION RISK

The implementation of the Proposal is conditional on the satisfaction or waiver (as applicable) of each Condition Precedent. This includes the requisite majorities of Fund Securityholders who are entitled to vote at the Scheme Meetings approving the Scheme Resolution, and each other Condition Precedent being satisfied or waived (as applicable). There is also a risk that some or all of the aspects of the Judicial Advice process required for the Schemes to be implemented may be delayed by any requests by the Court, the nature of the Court's orders (for example the Court requires certain steps to be taken) or the timing for provision of the orders.

It is possible that these Conditions Precedent may not be satisfied or waived (where applicable) and that the Schemes may not be implemented. If one or more Conditions Precedent has not been satisfied or waived (where applicable) by the End Date or becomes incapable of being satisfied by the End Date, either party may serve a notice on the other party and the parties must then consult in good faith to determine whether to proceed with the Schemes by way of alternative means or methods, extend the relevant time or date for satisfaction of a Condition Precedent or change the date of the application to be made to the Court for the granting of the Judicial Advice or adjourn such application (as applicable) to another agreed date, or extend the End Date. If, within five Business Days after the delivery of the notice by one party to the other party or any shorter period ending at 5.00pm on the day before the Second Court Date, the Acquirer and Fund RE are unable to reach agreement, either party may terminate the Implementation Deed with notice in writing provided that the Condition Precedent to which the notice relates is for the benefit of that party and there is no failure by that party to comply with its obligations under the Implementation Deed.

Further information on approval of the Scheme Resolution is set out in Section 4.3.

7.4 BUSINESS RISK

The Fund invests in a portfolio of convenience-based shopping centres. Whilst the portfolio has performed well over the last few years, the long term performance is impacted by many factors including household consumption, growth in real income, interest rates, employment levels and general economic conditions. Adverse changes in economic conditions and other factors can have negative impacts on the performance and valuation of the Fund's assets.

7.5 DISPUTES AND LITIGATION

There is a general risk of the Fund being involved in litigation and disputes which may arise from time to time in the ordinary course of business, which may adversely affect the operational and financial results of the Fund.

7.6 CHANGES IN LAWS, REGULATIONS AND POLICY

There is a general risk that changes in laws, regulations and government policy may affect the Fund's activities, including accounting and financial reporting standards which may have an adverse effect on the Fund's financial performance and financial position as reported in its financial statements.

7.7 VALUATIONS AND IMPACT ON NTA PER FUND SECURITY

The valuation of the Fund's assets may change. Any change in valuation will impact the NTA per Fund Security resulting in an increase or decrease in the value of an investment in the Fund.

7.8 FUNDING RISK

The Fund currently has a bank debt facility that matures in July 2026. There is no certainty that this loan will be refinanced on the same terms. The Fund is exposed to movements in interest rates and, whilst the Fund currently hedges part of its interest rate exposure, a portion of the debt is unhedged and the cost of debt subject to interest rate fluctuations.

The Fund currently has bank debt which contains certain financial covenants. Any breach of these covenants could result in early repayment of debt. Such repayment could incur capital losses if assets need to be sold in a short period or Fund Securityholders may be diluted if equity needs to be raised.

7.9 LIQUIDITY RISK

Fund Securityholders have no rights to withdraw from the Fund unless Fund RE makes a withdrawal offer under the Corporations Act. Even through these mechanisms, liquidity is not guaranteed and there is no obligation for Fund RE to make withdrawal offers.

Fund Securityholders may achieve liquidity through direct sales or via broker facilitated secondary market, however liquidity is not guaranteed as there are limited buyers.

The Fund does not have a fixed term. Fund Securityholders have limited rights to exit the Fund, and to receive the proceeds of redemption or a return of capital, at any time.

As a result, Fund Securityholders will have limited opportunity to realise their investment in the Fund should the Proposal not be implemented.

7.10 MAINTAINABILITY OF DISTRIBUTIONS

The Investment Manager may need to consider the ongoing level of distributions in light of potential capital expenditure requirements. The current ownership structure limits the ability of the Fund to raise new equity, and it is possible that future distributions could be impacted by the need to fund capital expenditure or other items such as lease incentives.

7.11 UNKNOWN RISKS

Additional risks and uncertainties not currently known to Fund RE may also have a material adverse effect on the financial and operational performance of the Fund. The information set out in this Section 7 does not purport to be, nor should it be construed as representing, an exhaustive list of all the risks affecting Fund Securityholders.

7.12 TAX CONSEQUENCES FOR FUND SCHEME SECURITYHOLDERS

If the Schemes are implemented, there may be tax consequences for Fund Scheme Securityholders. General Australian tax considerations of the Schemes are discussed in Section 9. Fund Scheme Securityholders should seek their own professional advice regarding the individual tax consequences of the Schemes applicable to them.

8. IMPLEMENTATION OF PROPOSAL AND ADDITIONAL INFORMATION

8.1 SCHEME IMPLEMENTATION DEED

On 6 August 2025, Fund RE and Acquirer entered into the Implementation Deed pursuant to which the Acquirer proposes to acquire all of the Fund Securities it does not own. The implementation of the Proposal is subject to several Conditions Precedent summarised in Section 4.2. The Proposal will not proceed unless all of these Conditions Precedent are satisfied or waived (if applicable) in accordance with the Implementation Deed.

8.2 SUMMARY OF IMPLEMENTATION DEED

On 6 August 2025, Fund RE entered into the Implementation Deed with the Acquirer under which the Acquirer agreed to acquire all of the Fund Securities it does not own, which are held by the Fund Scheme Securityholders, pursuant to the terms of the Implementation Deed.

A summary of the key terms of the Implementation Deed is set out in this Section 8.2.

(a) Conditions Precedent

A summary of the Conditions Precedent is set out in Section 4.2. Implementation of the Schemes is subject to the satisfaction or waiver (where applicable) of the Conditions Precedent in accordance with the Implementation Deed.

Fund RE and the Acquirer have agreed to use their respective best endeavours to satisfy or procure the satisfaction of the Conditions Precedent.

(b) Permitted Distributions

Fund RE may (in its discretion) declare and determine to pay to Fund Securityholders one or more Permitted Distributions. If Fund RE declares or determines to pay one or more Permitted Distributions:

- (i) any such Permitted Distribution will be paid in cash;
- (ii) any such Permitted Distribution will be announced no later than the Implementation Date;
- (iii) the record date of any such Permitted Distribution will be a date on or before the Record Date; and
- (iv) any such Permitted Distribution must be permitted by, and made in accordance with, applicable laws and accounting standards including the Corporations Act.

(c) Implementation Distribution

Fund RE will declare and determine to pay Fund Securityholders as at the Record Date, the Implementation Distribution for each Fund Security held by the Fund Securityholders.

The Implementation Distribution for each Fund Security will be calculated as follows:

$$\text{Implementation Distribution} = 1.85 \text{ cents} \times \frac{\text{Days in Distribution Period}}{92}$$

where “Days in Distribution Period” is the number of days between the last record date of any Permitted Distribution and the Implementation Date. If there are no Permitted Distributions, the Days in Distribution Period will be equal to the number of dates between the last Fund distribution before the date of the Implementation Deed and the Implementation Date.

The Implementation Distribution must be:

- (i) paid in cash within 5 Business Days of the Implementation Date; and

- (ii) permitted by, and made in accordance with, applicable laws and accounting standards including the Corporations Act.

The Implementation Distribution will be paid to all Fund Securityholders that hold Fund Securities as at the Record Date.

(d) **Obligation to recommend the Schemes**

- (i) Fund RE must use reasonable endeavours to procure that:
 - (A) the Explanatory Memorandum includes (on the basis of written statements or resolutions made by the Board) a statement that the Board recommends that Fund Securityholders to vote in favour of the Schemes at the Scheme Meetings and all resolutions necessary to implement the Schemes, in the absence of a Superior Proposal and subject to the Independent Expert concluding that the Schemes are in the best interests of Fund Scheme Securityholders (the "**Recommendation**"); and
 - (B) the Directors do not change or withdraw their Recommendation,
- (ii) in each case, except:
 - (A) if the Independent Expert opines in the Independent Expert's Report (or any update of, or any revision, amendment or supplement to, the Independent Expert's Report) that the Schemes are not in the best interests of Fund Scheme Securityholders;
 - (B) if Fund RE receives a Competing Proposal and has complied with its obligations described in Section 8.2(e) below, where the Board has determined after consultation with its legal and financial advisors, that the Competing Proposal is or could reasonably be expected to become a Superior Proposal; or
 - (C) in respect of the Recommendation of any Director:
 - 1 if a Court, ASIC or other Governmental Agency requires or requests that Director to change, withdraw, qualify or modify, or abstain from making, his or her Recommendation; or
 - 2 Fund RE reasonably determines that the relevant Director has an interest in the Schemes that renders it inappropriate for him or her to make or maintain such Recommendation and provided the Court would be unlikely to grant the Judicial Advice as a result of such interest in circumstances where the Recommendation is made or maintained in respect of the relevant Director.

(e) **Competing Proposal**

For the period from the date of the Implementation Deed to 8.00am on the Second Court Date, Fund RE must as soon as reasonably practicable (and in any event within 48 hours) notify the Acquirer in writing if it, any of its Representatives, becomes aware of any:

- (i) negotiations, discussions or other communications, or any other contact or approach, in relation to an actual or potential Competing Proposal;
- (ii) approach or proposal made to, or received by, Fund RE or any of its Representatives, in connection with, or in respect of any, exploration or completion of, an actual or potential Competing Proposal; or
- (iii) provision by Fund RE or any of its Representatives of any material non-public information concerning the business or operations of Fund or Fund Group to any Third Party (other than a Governmental Agency) in connection with an actual or potential Competing Proposal, whether direct or indirect, solicited or unsolicited, and in writing or otherwise.

The notice must include all material details of the Competing Proposal (including the price (or if not cash, implied value), funding, form of consideration, proposed deal protection provisions, conditions, timing, break fee provisions and other key terms of any Competing Proposal and the identity of the proponent(s) of any such proposal), in each case to the extent known by Fund RE or provided in writing to any of its Representatives.

(f) **Termination**

(i) **(Termination by either party)**

Either party (“**terminating party**”) may terminate the Implementation Deed by notice to the other:

(A) in certain circumstances where:

- 1 there is a breach or non-fulfillment of a Condition Precedent which is not waived in accordance with the Implementation Deed by the time or date specified in the Implementation Deed for the satisfaction of the relevant Condition Precedent; or
- 2 there is an act, failure to act or occurrence that would prevent a Condition Precedent being satisfied by the time and date specified in the Implementation Deed for the satisfaction of that Condition Precedent; or
- 3 one or more of the Conditions Precedent has not been satisfied or waived by the End Date or becomes incapable of being satisfied by the End Date, and

after consulting in good faith, the Fund RE and Acquirer are unable to reach an agreement within five Business Days after the delivery of the notice by one party to the other party or any shorter period ending at 5.00pm on the day before the Second Court Date to implement the Schemes by alternative means, extend the relevant time for satisfaction of the Conditions Precedent, change the date of the application to be made to the Court for the granting of the Court orders in connection with the Schemes or the Judicial Advice or to adjourn such application (as applicable) to another agreed date, or to extend the End Date, provided that the Condition Precedent to which the notice relates is for the benefit of that party and there is no failure by that party to comply with its obligations under the Implementation Deed;

- (B) if at any time before 8.00am on the Second Court Date, the other party is in material breach of any clause of the Implementation Deed (other than a breach of a Fund RE Representation and Warranty or an Acquirer Representation and Warranty), provided that the terminating party has given notice to the other party setting out the relevant circumstances and stating an intention to terminate the Implementation Deed, and the relevant circumstances have continued to exist for 5 Business Days (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date) from the time such notice is given;
- (C) if the Schemes have not become Effective on or before the End Date; or
- (D) if the Scheme Resolution is not approved by the requisite majorities at the Scheme Meetings.

(ii) **(Termination for breach of representations and warranties)**

- (A) The Acquirer may, at any time prior to 8.00am on the Second Court Date, terminate the Implementation Deed for breach of a Fund RE Representation and Warranty only if:

- 1 the Acquirer has given written notice to Fund RE setting out the relevant circumstances and stating an intention to terminate or to allow the Schemes to lapse;
- 2 the relevant breach continues to exist 5 Business Days (or any shorter period

- ending at 5.00pm on the Business Day before the Second Court Date) after the date on which the notice is given; and
- 3 the loss that would reasonably be expected to follow from such a breach is material in the context of the Schemes taken as a whole.
- (B) Fund RE may, at any time before 8.00am on the Second Court Date, terminate the Implementation Deed for breach of an Acquirer Representation and Warranty only if:
- 1 Fund RE has given written notice to the Acquirer setting out the relevant circumstances and stating an intention to terminate or to allow the Schemes to lapse;
 - 2 the relevant breach continues to exist 5 Business Days (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date) after the date on which the notice is given; and
 - 3 the loss that would reasonably be expected to follow from such a breach is material in the context of the Schemes taken as a whole.
- (iii) **(termination by the Acquirer)** The Acquirer may terminate the Implementation Deed by written notice to Fund RE before 8.00am on the Second Court Date if:
- (A) a majority of the Directors have changed, withdrawn or adversely modified their Recommendation or made a public statement supporting or endorsing a Competing Proposal; or
- (B) Fund RE enters into an agreement to implement a Competing Proposal.
- (iv) **(termination by Fund RE)** Fund RE may terminate the Implementation Deed at any time before 8.00am on the Second Court Date by notice in writing to the Acquirer, if Fund RE has complied with its obligations described in Section 8.2(e), a majority of the Directors have withdrawn their Recommendation or made a public statement supporting or endorsing a Competing Proposal.
- (g) **Costs**
- The Acquirer will pay or reimburse the Fund Group Parties for all Covered Costs in connection with the implementation and facilitation of the Schemes.
- Where the Implementation Deed is terminated, the Acquirer must, to the extent permitted by law, pay or reimburse the Fund Group Parties for all Covered Costs incurred up to the date of termination.
- The Acquirer will pay its own Costs in connection with the implementation of the Implementation Deed.
- (h) **Representations and warranties**
- The Acquirer has given customary representations and warranties for an agreement of this kind of the Implementation Deed, including in respect of its corporate status, capacity and solvency, the Acquirer Information, availability of funding and compliance with laws.
- Fund RE has given customary representations and warranties in respect of its corporate status, capacity and solvency, Fund Scheme Securities, material licenses and authorisations, no litigation and no enforcement actions.

8.3 REGULATORY RELIEF

The following applications for relief have been submitted to ASIC, and ASIC has granted relief from the operation of the following provisions of the Corporations Act:

- (a) **(Unsolicited offers)** Division 5A of Part 7.9 – relief from the prohibition on unsolicited off-market offers to acquire financial products in connection with the proposed offer to acquire Fund Securities under the Schemes; and

- (b) **(Financial services guide)** Division 2 of Part 7.7 – relief from the requirement to provide a financial services guide to Fund Securityholders who are retail clients in connection with this Explanatory Memorandum.

8.4 DEED POLL

On 19 August 2025, the Acquirer executed the Deed Poll, pursuant to which the Acquirer covenants in favour of the Fund Scheme Securityholders that it will observe and perform the obligations contemplated of it to give effect to the Proposal, including the obligation to provide Scheme Consideration to each Fund Scheme Securityholder, subject to the Schemes becoming Effective.

A copy of the Deed Poll is set out in Appendix 6.

8.5 EFFECTIVE DATE

The Schemes will, subject to the Scheme Resolution being approved at the Scheme Meetings and receipt of the Second Judicial Advice, become Effective on the Effective Date.

8.6 DETERMINATION OF PERSONS ENTITLED TO THE SCHEME CONSIDERATION

- (a) **Record Date**

The Fund Scheme Securityholders on the Fund Register on the Record Date will be entitled to the Scheme Consideration in respect of the Fund Securities they hold at that time in accordance with the Schemes.

- (b) **Dealings on or prior to the Record Date**

A summary in respect of dealings in Fund Securities on or prior to the Record Date is set out in Section 4.4.

- (c) **Dealings after the Record Date**

For the purposes of determining entitlement to the Scheme Consideration, on and from the Effective Date, Fund RE will, until the Scheme Consideration has been provided and the name and address of the Acquirer has been entered into the relevant sections of the Fund Register as the holder of all of the Fund Scheme Securities, respectively, maintain, or procure the maintenance of, the Fund Register and the Fund Register in this form and the terms of the Implementation Deed and Fund Constitutions will solely determine entitlements to the Scheme Consideration.

From the Record Date, each entry in the Fund Register as at the Record Date relating to Fund Scheme Securities will cease to have any effect other than as evidence of the entitlements of Fund Scheme Securityholders to the Scheme Consideration in respect of those Fund Scheme Securities.

8.7 FRACTIONAL ENTITLEMENTS AND ROUNDING

If the number of Fund Scheme Securities held by a Fund Scheme Securityholder as at the Record Date is such that the aggregate entitlement of the Fund Scheme Securityholder to Scheme Consideration includes a fractional entitlement to a cent, then the entitlement of that Fund Scheme Securityholder must be rounded up or down, with any such fractional entitlement of less than 0.5 being rounded down to the nearest whole number of cents, and any such fractional entitlement of 0.5 or more being rounded up to the nearest whole number of cents (as applicable).

8.8 SCHEME CONSIDERATION

Subject to Section 8.7, Fund Scheme Securityholders will receive Scheme Consideration of \$1.85 per Fund Security.

8.9 PAYMENT OF SCHEME CONSIDERATION

If the Schemes become Effective and are implemented:

- (a) the Acquirer must pay, on or prior to the Business Day before the Implementation Date, the aggregate amount of the Scheme Consideration payable to Fund Scheme Securityholders into the trust account

nominated by Fund RE;

- (b) subject to the Acquirer having provided the Scheme Consideration as set out above, Fund RE must procure that:
- the amount received from the Acquirer in Section 8.9(a) is held on trust for the Fund Scheme Securityholders, except that any interest on the amount will be for the account of the Acquirer; and
 - subject to the approach to joint Fund Scheme Securityholders (set out below), within five Business Days after the Implementation Date, the Scheme Consideration is drawn to pay to each applicable Fund Scheme Securityholder such amount as that Fund Scheme Securityholder is entitled to receive as Scheme Consideration, either by:
 - electronic funds transfer to an account nominated by the Fund Scheme Securityholder for the purpose of payment of distributions or the Scheme Consideration; or
 - cheque sent by pre-paid post to their Registered Address.

In the case of Fund Scheme Securityholders that hold Fund Scheme Securities in joint names:

- (a) any document required to be sent under the Schemes (including any cheque), will be forwarded to either, at the sole discretion of Fund RE, the Fund Scheme Securityholder whose name appears first in the Register as at the Record Date or to the joint Fund Scheme Securityholders; and
- (b) any Scheme Consideration paid to any one of joint Fund Scheme Securityholders will discharge Fund RE in respect of the payment.

8.10 DIRECTORS' INTERESTS IN FUND SECURITIES

As at the Last Practicable Date, the Directors hold the following Relevant Interests in Fund Securities:

| Director | Position | Relevant Interest (%) |
|-----------------|-------------------|-----------------------|
| Michael O'Brien | Managing Director | 0 |
| Russell Beasley | Director | 0 |
| David Warren | Director | 0 |
| Andrew Godfrey | Director | 0 |
| Johanna Platt | Director | 0 |

8.11 OTHER RIGHTS OR INTERESTS

- (a) **No payments or benefits to be made to any Fund RE director, secretary or senior manager**
There are no payments or other benefits proposed to be made or given to any director, secretary or senior manager of Fund RE in connection with the Schemes.
- (b) **No agreements or arrangements between a Fund RE director or EQT and another person in connection with or conditional on the outcome of the Schemes**
Other than as contained or referred to in this Explanatory Memorandum, there are no agreements or arrangements between a Fund RE Director or EQT and another person in connection with or conditional on the outcome of the Schemes.
- (c) **No contracts or arrangements between a Fund RE director or EQT and the Acquirer**
Other than as contained or referred to in this Explanatory Memorandum, no Fund RE director nor EQT

have any contracts or arrangements with the Acquirer.

8.12 NO PRE-TRANSACTION BENEFITS

(a) Benefits in connection with retirement from office

Except as disclosed below and elsewhere in this Explanatory Memorandum, no payment or other benefit is proposed to be made or given to any director, company secretary or senior manager of EQT (or its Related Bodies Corporate) or to Fund RE as compensation for any retirement of Fund RE which may arise in connection with the Proposal following implementation.

EQT pays premiums in respect of a directors and officers insurance policy for the benefit of the Directors and executive officers.

(b) Directors' interests in agreements or arrangements relating to the Proposal

Except as disclosed in this Explanatory Memorandum:

- no Director has any other interest in a contract entered into by the Acquirer;
- there are no contracts or arrangements between a Director and any person in connection with or conditional upon the outcome of the Schemes; and
- no Director has a material interest in relation to the Schemes.

8.13 WARRANTIES BY FUND SCHEME SECURITYHOLDERS

Under clause 36.10 of each Fund Constitution (as proposed to be amended by the respective Supplemental Deed Poll), each Fund Scheme Securityholder will be deemed to have warranted to Fund RE in its own right and on behalf of the Acquirer, that:

- (a) all their Fund Scheme Securities (including any rights, entitlements and obligations attaching to those Fund Scheme Securities) which are transferred to the Acquirer will, at the time of the transfer of them to the Acquirer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests and other interests of third parties of any kind, whether legal or otherwise and restrictions on transfer of any kind not referred to in the Fund Constitutions; and
- (b) they have full power and capacity to sell and to transfer their Fund Scheme Securities to the Acquirer pursuant to the Schemes.

8.14 CONSENTS AND DISCLOSURES

- (a) The following parties have given, and have not withdrawn before the date of this Explanatory Memorandum, their consent to be named in this Explanatory Memorandum in the form and context in which they are named:
 - Denison Partners as financial adviser to the Fund Group;
 - Boardroom as the Fund Registry; and
 - Allens as Australian legal and taxation adviser to the Fund Group in relation to the Schemes.
- (b) The Independent Expert has given and has not withdrawn its consent to be named in this Explanatory Memorandum and to the inclusion of the Independent Expert's Report in Appendix 1 and to the references to the Independent Expert's Report in this Explanatory Memorandum being made in the form and context in which each such reference is included.
- (c) The Acquirer has given, and has not withdrawn, its consent to be named in this Explanatory Memorandum and in relation to the inclusion of the Acquirer Information in this Explanatory

Memorandum in the form and context in which that information is included.

(d) Each person named in this Section 8.14:

- has not authorised or caused the issue of this Explanatory Memorandum;
- does not make, or purport to make, any statement in this Explanatory Memorandum or any statement on which a statement in this Explanatory Memorandum is based, other than as specified in this Section 8.14; and
- to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Explanatory Memorandum, other than a reference to its name and the statement (if any) included in this Explanatory Memorandum with the consent of that party as specified in this Section 8.14.

8.15 NO OTHER INFORMATION MATERIAL TO THE MAKING OF A DECISION IN RELATION TO THE SCHEMES

Otherwise than as contained or referred to in this Explanatory Memorandum, including the Independent Expert's Report and the information that is contained as an Appendix to this Explanatory Memorandum, there is no other information that is material to the making of a decision by a Fund Securityholder whether or not to vote in favour of the Scheme Resolution to approve the Schemes, being information that is known to any Director and which has not previously been disclosed to Fund Securityholders.

8.16 SUPPLEMENTARY INFORMATION

If Fund RE becomes aware of any of the following between the date of this Explanatory Memorandum and the date of the Scheme Meetings:

- (a) a material statement in this Explanatory Memorandum is false or misleading;
- (b) a material omission from this Explanatory Memorandum;
- (c) a significant change affecting a matter in this Explanatory Memorandum; or
- (d) a significant new matter has arisen and it would have been required to be included in this Explanatory Memorandum if Fund RE had known about it at the date of this Explanatory Memorandum,

depending on the nature and timing of the changed circumstances, and subject to obtaining any relevant approvals, Fund RE may circulate and publish any supplementary document by:

- (e) placing an advertisement in a prominently published newspaper which is circulated generally throughout Australia;
- (f) posting the supplementary document to Fund Securityholders at their registered address as shown in the Fund Register or by email if Fund Securityholders have elected to receive communications electronically; or
- (g) posting a statement on the Investment Manager's website,

as Fund RE in its absolute discretion considers appropriate.

8.17 TRANSACTION COSTS

The Fund Group Parties have incurred and will incur external transaction costs in connection with the Schemes. Under the terms of the Implementation Deed, the Acquirer must pay or reimburse the Fund Group Parties for the Covered Costs.

9. TAX IMPLICATIONS

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20 August 2025

The Directors
Equity Trustees Limited
Level 1
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Dear Directors

Project Finio – Australian Tax Report

We have been requested to prepare a summary of the Australian income tax, stamp duty and goods and services tax (**GST**) consequences for Australian resident and non-resident Fund Scheme Securityholders of the implementation of the Proposal to be included in the Explanatory Memorandum.

This summary is general in nature only, should be read in conjunction with the rest of the Explanatory Memorandum, and is not intended to be an authoritative or complete analysis of the tax consequences arising from the Schemes. The information provided below is not applicable to all Fund Scheme Securityholders. See part 2 below.

This summary is based on the provisions of the *Income Tax Assessment Act 1936* (Cth) (**ITAA 1936**) and the *Income Tax Assessment Act 1997* (Cth) (**ITAA 1997**) as at the date of this Explanatory Memorandum. The laws are complex and subject to change periodically, as is their interpretation by the courts and the tax authorities.

Defined terms used in this letter take their meaning from the Explanatory Memorandum, unless context requires otherwise.

1 Executive summary

Subject to our more detailed comments below, the key tax consequences of the Proposal are as follows:

- Any Permitted Distributions and the Implementation Distribution should not form part of the capital proceeds received from the disposal of Fund Scheme Securities. The tax treatment of these distributions should be consistent with past ordinary distributions.
- Fund Scheme Securities are CGT assets and their disposal under the Schemes will have CGT consequences.
- Australian resident Fund Scheme Securityholders will need to calculate whether they make a capital gain or capital loss based on the total Scheme Consideration received. See part 3.2 below for further details.
- Non-Australian resident Fund Scheme Securityholders should not have Australian CGT consequences unless their Fund Scheme Securities are 'taxable Australian property'. See part 3.3 below for further details.

2 Application

This tax summary applies to Australian tax resident and non-resident Fund Scheme Securityholders who hold their Fund Securities on capital account. This summary will not apply to Fund Scheme Securityholders who:

- hold their Fund Scheme Securities on 'revenue account' (such as share trading entities) or as 'trading stock';
- hold their Fund Scheme Securities under an employee share scheme offered by EQT or otherwise hold employee share scheme rights that will vest if the Schemes become effective where those securities or rights remain subject to deferred taxation under Division 83A of the ITAA 1997;
- may be subject to special tax rules, such as partnerships, tax exempt entities, insurance companies, dealers in securities or shareholders who change their tax residency while holding their Fund Scheme Securities;
- have a functional currency for Australian tax purposes other than an Australian functional currency; and/or
- are subject to the 'taxation of financial arrangements' rules in Division 230 of the ITAA 1997 in relation to gains and losses on their Fund Scheme Securities.

Fund Scheme Securityholders are advised to seek their own professional tax advice in relation to their particular circumstances. Fund Scheme Securityholders who are not resident in Australia should obtain advice on the taxation implications arising from the Proposal in their local jurisdiction.

3 Income tax consequences

3.1 Permitted Distributions and the Implementation Distribution

A Permitted Distribution is a distribution declared or determined to be paid by the Board to Fund Securityholders in the ordinary course and consistent with past practice on a quarterly basis.

Fund Securityholders will also receive an Implementation Distribution covering accrued distributions up to the Implementation Date provided the distribution is permitted by, and made in accordance with, applicable laws and accounting standards, including the Corporations Act.

Consistent with the Australian Taxation Office's views in Taxation Ruling TR 2010/4, neither a Permitted Distribution nor an Implementation Distribution should form part of, and should not reduce, the Scheme Consideration, because, in either case, the distribution will be a distribution of profits that have accrued prior to the Schemes and should not be characterised as a payment 'in respect of' the disposal of the Fund Scheme Securities under the Schemes. Fund Securityholders will be provided with a distribution statement outlining the tax components of the distribution in due course.

3.2 Disposal of Fund Scheme Securities – Australian resident Fund Scheme Securityholders

(a) Capital gains tax (CGT)

Each Fund Scheme Security consists of three separate CGT Assets: a unit in Fund I (***Fund I Unit***), a unit in Fund II (***Fund II Unit***) and a unit in Fund III (***Fund III Unit***).

The Proposal will give rise to three separate CGT events for Fund Scheme Securityholders: CGT event A1 will occur on the disposal of each of the three units.

This means that Fund Scheme Securityholders will need to determine whether a capital gain or a capital loss arises in respect of each component security of their Fund Scheme Securities.

The timing of the CGT event which happens to each component security of the Fund Scheme Securities will be the date of disposal of the Fund Scheme Securities, being the Implementation Date of the Proposal.

A Fund Scheme Securityholder will make a capital gain in relation to a relevant CGT event to the extent that:

- their capital proceeds from their disposal of their Fund I Units are greater than their 'cost base' for their Fund I Units;
- their capital proceeds from their disposal of their Fund II Units are greater than their 'cost base' for their Fund II Units; or
- their capital proceeds from their disposal of their Fund III Units are greater than their 'cost base' for their Fund III Units.

The 'CGT discount' may be available to reduce the taxable gain for a Fund Scheme Securityholder who is an individual, complying superannuation entity or trust (see part 3.2(e) below).

A Fund Scheme Securityholder will make a capital loss in relation to a relevant CGT event to the extent that that:

- their capital proceeds from their disposal of their Fund I Units are less than their 'reduced cost base' for their Fund I Units;
- their capital proceeds from their disposal of their Fund II Units are less than their 'reduced cost base' for their Fund II Units; or
- their capital proceeds from their disposal of their Fund III Units are less than their 'reduced cost base' for their Fund III Units.

(b) Capital proceeds

The overall capital proceeds that will be received by Fund Scheme Securityholders from the disposal of their Fund I, Fund II and Fund III Units will be the Scheme Consideration.

As discussed above in part 3.1 above, neither a Permitted Distribution nor the Implementation Distribution should form part of, or reduce, the Scheme Consideration.

The capital proceeds received by each Fund Scheme Securityholder in respect of the Fund Scheme Securities should be apportioned between the Fund I Unit, Fund II Unit and Fund III Unit comprising each Fund Scheme Security. A Fund Scheme Securityholder can apportion the amount paid on a reasonable basis across their Fund I, Fund II and Fund III Units. For example, a reasonable method of apportionment could be on the basis of the relative net assets of Fund I, Fund II and Fund III at the Implementation Date. Unaudited information regarding the net asset split of Fund I, Fund II and Fund III as at 30 June 2025 is published in the Investor Portal on Boardroom at: <https://www.clientonline.com.au/>.

(c) Cost base and reduced cost base

As explained in part 3.2(a) above, each Fund Scheme Security consists of three separate CGT Assets: a Fund I Unit, a Fund II Unit and a Fund III Unit.

- The first element of a Fund Scheme Securityholder's cost base, or reduced cost base, for their Fund I Units is the amount paid by the Fund Scheme Securityholder for the Fund I Units.
- The first element of a Fund Scheme Securityholder's cost base, or reduced cost base, for their Fund II Units is the amount paid by the Fund Scheme Securityholder for the Fund II Units.

- The first element of a Fund Scheme Securityholder's cost base, or reduced cost base, for their Fund III Units is the amount paid by the Fund Scheme Securityholder for the Fund III Units.

Other amounts associated with the acquisition or disposal of the Fund I, Fund II and Fund III Units may be added to their cost base.

A Fund Scheme Securityholder who acquired their Fund Scheme Securities for consideration and did not separately allocate an amount of that consideration to each of the Fund I, Fund II and Fund III Units can apportion the amount paid on a reasonable basis across their Units.

(d) Net capital gain or loss

Any capital gain (or capital loss) made by a Fund Scheme Securityholder will be aggregated with other capital gains or capital losses of the Fund Scheme Securityholder in the relevant year of income to determine whether the Fund Scheme Securityholder has an overall net capital gain or net capital loss for the income year in which the CGT event occurs. A net capital gain, if any, will be included in the Fund Scheme Securityholder's assessable income and will be subject to income tax. A net capital loss may not be deducted against other assessable income, but may be carried forward to be offset against net capital gains realised in later income years.

(e) CGT Discount

If a Fund Scheme Securityholder is an individual, complying superannuation entity or trustee of a trust who held their Fund Scheme Securities for 12 months or more before the disposal, the Fund Scheme Securityholder may be entitled to a CGT discount on any capital gain made on the disposal of their Fund I, Fund II and Fund III Units.

The CGT discount is applied after any available capital losses have been offset to reduce the capital gain.

The applicable CGT discount which would reduce a capital gain arising from the disposal of Fund Scheme Securities is 50% in the case of individuals and trusts or 33⅓% in the case of complying superannuation entities. The CGT discount is not available for Fund Scheme Securityholders that are companies.

As the rules relating to discount capital gains for trusts are complex, Fund Scheme Securityholders who are trustees should seek their own advice on how the CGT discount provisions will apply to them and the trust's beneficiaries.

3.3 Disposal of Fund Scheme Securities – Non-Australian resident Fund Scheme Securityholders

Any capital gain or capital loss made by a non-Australian resident Fund Scheme Securityholder from the disposal of their Fund I, Fund II and Fund III Units will be disregarded unless their Units are 'taxable Australian property' for the purposes of the CGT rules.

A Fund I, Fund II or Fund III Unit will be 'taxable Australian property' for a Fund Scheme Securityholder if:

- the Fund Scheme Securityholder's Fund I, Fund II or Fund III Unit is, or has been, held by the Fund Scheme Securityholder in carrying on a business at or through a permanent establishment in Australia; or
 - the Fund Scheme Securityholder is an individual who made an election to disregard making a capital gain or capital loss from CGT Event I1 in respect of the Fund I, Fund II or Fund III Unit when they ceased to be an Australian resident (if the Fund Scheme Securityholder was ever an Australian resident); or
-

- broadly, the Fund Scheme Securityholder, together with any associates, owns, or owned, at the Implementation Date or throughout a 12 month period during the two years preceding the Implementation Date, 10% or more of all the issued securities in Fund I, Fund II or Fund III (in which case the Fund I, Fund II or Fund III Unit, as applicable, would constitute an 'indirect Australian real property interest' under the CGT rules).

A Fund Scheme Securityholder who believes that one of the categories above may apply to them should seek their own advice.

If a non-Australian resident Fund Scheme Securityholder's Fund I, Fund II or Fund III Units are 'taxable Australian property' and the Fund Scheme Securityholder makes a capital gain as a result of their disposal of the relevant Units, the Fund Scheme Securityholder will not be entitled to any CGT discount.

4 Foreign Resident Capital Gains Withholding

The foreign resident capital gains tax withholding rules may require that the Acquirer withhold and pay to the ATO 15% of the Scheme Consideration otherwise payable to a Fund Scheme Securityholder if:

- the interest acquired is an 'indirect Australian real property interest' (see part 3.3 above); and
- on the Implementation Date, the Acquirer knows or reasonably believes the Fund Scheme Securityholder is a foreign resident; or
- on the Implementation Date, the Acquirer does not reasonably believe the Fund Scheme Securityholder is an Australian resident, and either:
 - the Fund Scheme Securityholder has an address outside Australia; or
 - the Acquirer is authorised to pay the Scheme Consideration to a place outside Australia (such as an overseas bank account).

Unless a Fund Scheme Securityholder is contacted separately by the Acquirer to clarify whether they are a foreign resident or whether their units are an 'indirect Australia real property interest', it is not expected that the Acquirer will withhold any amount from the Scheme Consideration.

5 GST

No GST should be payable by a Fund Scheme Securityholder in respect of any of the steps outlined in the Proposal.

Any costs personally incurred by a Fund Scheme Securityholder in connection with the Schemes (including adviser fees) may not be eligible for GST input tax credits, due to the Schemes being treated as input-taxed supplies under GST law. Fund Scheme Securityholders seeking to claim GST input credits should seek their own advice.

6 Stamp Duty

No stamp duty should be payable by Fund Scheme Securityholders on the disposal of Fund Scheme Securities in accordance with the Schemes.

Yours faithfully



Ellen Thomas

Partner

Allens

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10. GLOSSARY

Defined Terms

In this Explanatory Memorandum:

Acquirer or **IRAPT No. 1** means ISPT as trustee for the ISPT Retail Australia Property Trust No. 1.

Acquirer Group Member means the Acquirer and any of the Acquirer's Related Bodies Corporate.

Acquirer Information means all information provided by the Acquirer to Fund RE for inclusion in this Explanatory Memorandum regarding the Acquirer and for which the Acquirer is responsible, being the information in Section 6. For the avoidance of doubt, Acquirer Information does not include the Fund Provided Information, the Independent Expert's Report, any third party tax advice or any other information about Fund Group.

Acquirer Representations and Warranties means the representations and warranties of the Acquirer set out in the Implementation Deed.

Adviser means, in relation to an Entity, a financier, financial adviser, corporate adviser, legal adviser, or technical or other expert adviser or consultant who provides advisory services in a professional capacity in the ordinary course of its business and to the market in general and who has been engaged in that capacity in connection with the Schemes by that Entity.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning set out in section 12(2)(b) and (c) of the Corporations Act, as modified by section 12(3) where the registered scheme is the Fund.

Australian Accounting Standards means: (a) the accounting standards from time to time approved under the Corporations Act; (b) the requirements of the Corporations Act in relation to the preparation and content of accounts; and (c) generally accepted accounting principles and practices in Australia consistently applied, except those principles and practices which are inconsistent with the standards or requirements referred to in paragraph (a) or (b).

Australian Privacy Principles has the meaning set out in the *Privacy Act 1988* (Cth).

Board means the board of directors of Fund RE.

Boardroom means Boardroom Pty Limited.

Business Day means a day that banks are open for business in Sydney, New South Wales.

Competing Proposal means any proposal, agreement, arrangement or transaction, which, if entered into or completed, would result in a Third Party (either alone or together with any Associates):

- (a) acquiring, directly or indirectly, a Relevant Interest in, or having a right to acquire, a legal, beneficial or economic interest in, all the Fund Securities not held by the Acquirer;
- (b) directly or indirectly acquiring or becoming the holder of, or otherwise acquiring or having a right to acquire, a legal, beneficial or economic interest in, or control of, all or a substantial part or material part of all of the business or assets of the Fund Group; or
- (c) directly or indirectly acquiring or merging with the Fund Group,

whether by way of takeover bid, members' or creditors' scheme of arrangement, reverse takeover, shareholder approved transaction, capital reduction or buy-back, sale or purchase of shares or assets, joint venture, dual-listed company structure (or other synthetic merger) or other transaction or arrangement.

Conditions Precedent means the conditions precedent to the implementation of the Proposal as set out in the Implementation Deed and summarised in Section 4.2.

Control has the meaning given in section 50AA of the Corporations Act and Controlled has a corresponding meaning.

Controlled Entities means, in relation to an Entity, another Entity which is a Subsidiary of it, or which is Controlled by it.

Corporations Act means the *Corporations Act 2001* (Cth).

Costs includes costs, charges and expenses, including those incurred by advisers, and any legal costs, on a full indemnity basis.

Court means the Supreme Court of New South Wales or such other court of competent jurisdiction as Fund RE and the Acquirer may agree in writing.

Covered Costs means external Costs reasonably invoiced to any Fund Group Party, its appointed service providers or any of its Controlled Entities or the Acquirer in respect of work performed: (a) prior to the date of the Implementation Deed; and (b) ending 10 Business Days after the Implementation Date by external sources (including external financial, accounting, legal and other advisers), and all reasonable travel and out of pocket expenses incurred by a Fund Group Party, during the same period, in connection with the implementation and facilitation of the Schemes.

Days in Distribution Period has the meaning given in Section 8.2.

Deed Poll means the deed poll set out in Appendix 6.

Director means each director of the Board.

Effective means the Supplemental Deeds taking effect pursuant to section 601GC(2) of the Corporations Act.

Effective Date means the date on which the Schemes become Effective.

End Date means the date which is six months from the date of the Implementation Deed (being 6 February 2026), or such later date as the Acquirer and Fund RE may agree in writing.

Entity includes a natural person, a body corporate, a partnership, a trust and the trustee of a trust.

EQT or **Fund RE** means Equity Trustees Limited (ACN 004 031 298 | AFSL 000 240 975) as responsible entity of the FSREC Property Fund.

Explanatory Memorandum means this explanatory memorandum, including the attachments to it.

First Judicial Advice means confirmation from the Court under section 63 of the Trustee Act 1925 (NSW) that:

- (a) Fund RE would be justified in convening the Scheme Meetings for the purposes of considering the Scheme Resolution; and
- (b) subject to the Fund Securityholders passing the Scheme Resolution, Fund RE would be justified in proceeding on the basis that amending the Fund Constitutions as set out in the Supplemental Deeds would be within the powers of alteration conferred by the Fund Constitutions and section 601GC of the Corporations Act.

FFO means funds from operations.

FSREC Fund Series means:

- (a) Fort Street Real Estate Capital Fund I (ARSN 163 688 346);
- (b) Fort Street Real Estate Capital Fund II (ARSN 169 190 498);
- (c) Fort Street Real Estate Capital Fund III (ARSN 605 335 957); and
- (d) Fort Street Real Estate Capital Fund IV (ARSN 623 196 298).

FSREC Property Fund or **Fund** means the stapled unlisted managed investment schemes:

- (a) Fort Street Real Estate Capital Fund I (ARSN 163 688 346);
- (b) Fort Street Real Estate Capital Fund II (ARSN 169 190 498); and
- (c) Fort Street Real Estate Capital Fund III (ARSN 605 335 957).

Fund Constitutions means the constitutions of the Fund (as amended from time to time).

Fund Group means each registered scheme comprising the Fund and each of their Controlled Entities.

Fund Group Member means a member of the Fund Group.

Fund Group Party means Fund RE and the trustee of any other Fund Group Member and their Officers and Advisers (excluding any Acquirer Group Member).

Fund Provided Information means all information included in this Explanatory Memorandum, and any updates to that information prepared by or on behalf of Fund RE other than:

- a) Acquirer Information;
- b) the Independent Expert's Report; and
- c) any description of the taxation effect of the Schemes prepared by an Adviser to Fund RE.

Fund RE Representations and Warranties means the representations and warranties of Fund RE set out in the Implementation Deed.

Fund Register means the register of holders of Fund Securities maintained in accordance with the Corporations Act.

Fund Registry means Boardroom or any replacement provider of share registry services to Fund RE.

Fund Scheme Securities means all Fund Securities on issue as at the Record Date except for Fund Securities held by the Acquirer.

Fund Scheme Securityholder means each person who is registered on the Fund Register as a holder of Fund Scheme Securities as at the Record Date.

Fund Scheme Securityholder Information Line means 1300 513 794 (within Australia) and +61 2 9066 6150 (outside Australia) between 9.00am and 5.00pm (Sydney time), Monday to Friday (excluding public holidays).

Fund Security has the meaning given in the 'Important Notice' section.

Fund Securityholder has the meaning given in the 'Important Notice' section.

Governmental Agency means any government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity.

Implementation Date means the date that is four Business Days following the Record Date, or such other date as Fund RE and the Acquirer may agree in writing.

Implementation Deed means the implementation deed between Fund RE and the Acquirer dated 6 August 2025 relating to the implementation of the Schemes.

Implementation Distribution means a distribution declared or determined, by the Board to be paid to Fund Securityholders as at the Record Date, determined in accordance with the Implementation Deed.

Independent Expert means KPMG Corporate Finance engaged by Fund RE.

Independent Expert's Report means the report issued by the Independent Expert for inclusion in this Explanatory Memorandum, contained in Appendix 1.

Investment Manager means Fort Street Real Estate Capital Pty Ltd (ACN 164 101 731) in its capacity as manager of the Fund.

IRAPT Fund means ISPT Retail Australia Property Trust No. 1 and ISPT Retail Australia Property Trust No. 2, the units of which are stapled.

IRAPT No. 2 means ISPT Pty Ltd (ACN 064 041 283) in its capacity as trustee for the ISPT Retail Australia Property Trust No. 2.

ISPT means ISPT Pty Ltd (ACN 064 041 283).

Judicial Advice means the First Judicial Advice and the Second Judicial Advice.

June NTA means the NTA as at 30 June 2025.

KPMG Corporate Finance means KPMG Financial Advisory Services (Australia) Pty Ltd of which KPMG Corporate Finance is a division.

Last Practicable Date means 21 August 2025 (being the last practicable date prior to the date of this Explanatory Memorandum).

Notices of Meeting means the notices of meeting relating to the Scheme Meetings, set out in Appendix 2.

NTA means the value of the Fund's net tangible assets at a given time.

Officer means, in relation to an Entity, any of its directors, officers and employees.

Permitted Distribution means a distribution declared or determined, by the Board, to be paid to Fund Securityholders in the ordinary course and consistent with past practice on a quarterly basis.

Proposal means the proposal, the detailed terms of which are set out in this Explanatory Memorandum, under which the Acquirer will acquire all of the Fund Scheme Securities it does not own in the Fund from the Fund Scheme Securityholders pursuant to the Schemes.

Recommendation has the meaning given to it in Section 8.2.

Record Date means 7.00pm (AEST) on the date that is the third Business Day after the Effective Date, or such other date (after the Effective Date) as may be agreed in writing between the Acquirer and Fund RE.

Registered Address means in relation to a Fund Scheme Securityholder, the address shown in the Fund Register as at the Record Date.

Related Body Corporate has the meaning given in the Corporations Act but as if references to "body corporate" and "body" were to "Entity".

Relevant Interest has the meaning given in the Corporations Act.

Representative means, in relation to the Acquirer or Fund RE:

- a) each other Acquirer Group Member or a trustee of a Fund Group Member (as applicable);
- b) an Officer of an Acquirer Group Member or of Fund RE or a trustee of another Fund Group Member (as applicable); or
- c) an Adviser to an Acquirer Group Member or Fund RE or a trustee of another Fund Group Member (as applicable).

Scheme Consideration means the consideration to be provided by the Acquirer to each Fund Scheme Securityholder for the transfer to the Acquirer of their Fund Scheme Securities, being \$1.85 in aggregate for each Fund Scheme Security held by a Fund Scheme Securityholder.

Scheme Meeting Record Date means the time and date for determining eligibility to vote at the Scheme Meetings, being 5.00pm (AEST) on 15 September 2025.

Scheme Meetings means the meetings of Fund Securityholders to be convened by Fund RE pursuant to the Fund Constitutions and section 252A of the Corporations Act to consider Scheme Resolution and includes any adjournment of those meetings.

Scheme Resolution means the resolution to be put to Fund Securityholders to approve the Schemes, being a special resolution to approve amendments to the Fund Constitutions as set out in the Supplemental Deeds and to authorise Fund RE to execute and lodge with ASIC the Supplemental Deeds to give effect to those amendments and any other resolutions that the Acquirer and Fund RE (acting reasonably) may agree.

Schemes means the arrangements under which the Acquirer acquires all of the Fund Scheme Securities in respect of the Proposal.

Second Court Date means the first day on which an application is made to the Court to seek the Second Judicial Advice or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

Second Judicial Advice means confirmation from the Court under section 63 of the *Trustee Act 1925* (NSW) that, the Fund Securityholders having approved the Scheme Resolution by the requisite majorities, Fund RE would be justified in implementing the Scheme Resolution, giving effect to the provisions of the Fund Constitutions (as amended by the Supplemental Deeds) and in doing all things and taking all necessary steps to put Schemes into effect.

Subsidiary has the meaning given in the Corporations Act, provided that an entity will also be taken to be a Subsidiary of another entity if it is Controlled by that entity and, without limitation:

- (a) a trust may be a Subsidiary, for the purposes of which a unit or other beneficial interest will be regarded as a share;
- (b) an entity may be a Subsidiary of a trust if it would have been a Subsidiary if that trust were a corporation; and
- (c) an entity will also be deemed to be a Subsidiary of an entity if that entity is required by the accounting standards to be consolidated with that entity.

Superior Proposal means a bona fide written Competing Proposal received after the date of the Implementation Deed that would, if completed substantially in accordance with its terms, result in a transaction that is more favourable to Fund Securityholders than the Schemes.

Supplemental Deeds means supplemental deeds poll pursuant to which Fund RE will amend the Fund Constitutions, to be executed by Fund RE, as set out in Appendix 3, Appendix 4 and Appendix 5 (or in such other form as the Acquirer and the Fund RE agree in writing).

Third Party means a person other than any Acquirer Group Member or any Associate of an Acquirer Group Member.

Trust has the meaning given in the 'Important Notice' section.

APPENDIX 1 – INDEPENDENT EXPERT'S REPORT



KPMG Corporate Finance
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The Directors
Equity Trustees Limited
Level 2, 575 Bourke Street
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Australia

19 August 2025

Dear Directors

Independent Expert Report and Financial Services Guide Part One – Independent Expert Report

1 Introduction

On 2 June 2025, ISPT Pty Ltd (ACN 064 041 283), in its capacity as trustee for the ISPT Retail Australia Property Trust No. 1 (**IRAPT**) (the **Acquirer**), submitted a non-binding indicative offer to Equity Trustees Limited (ACN 004 031 298) (**EQT** or **Fund RE**), in its capacity as responsible entity of Fort Street Real Estate Capital Fund I (ARSN 163 688 346), Fort Street Real Estate Capital Fund II (ARSN 169 190 498) and Fort Street Real Estate Capital Fund III (ARSN 605 335 957) (collectively, the **FSREC Property Fund** or the **Fund**) to acquire all securities of the Fund (**Fund Securities**) not currently owned by IRAPT.

On 8 August 2025, EQT announced that the Fund RE and IRAPT had entered into a scheme implementation deed (**SID**), under the terms of which IRAPT will acquire all remaining Fund Securities that IRAPT does not currently own by way of concurrent trust schemes (the **Schemes**) (the **Proposed Transaction**). The SID outlines the terms and steps required to implement the Proposed Transaction.

Under the Proposed Transaction and subject to the conditions precedent in the SID, IRAPT will acquire all the Fund Securities it does not currently own from Fund securityholders (**Fund Scheme Securityholders**), at a cash consideration of \$1.85 per Fund Security (**Scheme Consideration**), reflecting the value of the Fund's net tangible assets (**NTA**) per Fund Security based on unaudited management accounts as at 30 June 2025.

The Fund is a stapled group of unlisted, retail real estate investment vehicles, specialising in convenience-based retail assets. The Fund holds a portfolio of 12 shopping centres located across New South Wales (**NSW**), Queensland (**QLD**), Victoria (**VIC**), and South Australia (**SA**).

The Proposed Transaction is described more fully in Section 5 of this report.

The Directors of EQT have requested KPMG Financial Advisory Services (Australia) Pty Ltd (of which KPMG Corporate Finance is a division) (**KPMG Corporate Finance**) to prepare an Independent Expert Report (**IER**) setting out its opinion as to whether the Proposed Transaction is in the best interest of Fund Scheme Securityholders.

The IER sets out KPMG Corporate Finance's opinion as to the merits or otherwise of the Proposed Transaction and should be considered with and not independently of the information set out in the explanatory memorandum (**Explanatory Memorandum**) to be sent to all Fund securityholders (**Fund Securityholders**).

Further information regarding KPMG Corporate Finance, as it pertains to the preparation of this report, is set out in Appendix A.

KPMG Corporate Finance's Financial Services Guide is contained in Part Two of this report.

2 Purpose of this report

The sole purpose of this report is an expression of the opinion of KPMG Corporate Finance as to whether the Proposed Transaction is in the best interests of the Fund Scheme Securityholders. This report should not be used for any other purposes or by any other party. Our opinion should not be interpreted as representing a recommendation to Fund Scheme Securityholders to either accept or reject the Proposed Transaction, which remains a matter solely for individual securityholders to determine. Rather, our opinion is provided to assist the Fund Scheme Securityholders in their consideration of the Proposed Transaction.

The specific terms of the resolutions that will be voted upon by Fund Scheme Securityholders in relation to the Proposed Transaction are set out in the Explanatory Memorandum to which this report is attached.

2.1 Technical requirements

Although there is no legal requirement to prepare an IER given that the Proposed Transaction is to be implemented by way of a trust scheme if approved, the Directors of EQT have requested KPMG Corporate Finance to prepare an IER that is analogous to the preparation of a report in accordance with section 640 of the *Corporations Act 2001* (Cth) (the **Act**) and the guidance provided by the Australian Securities and Investment Commission (**ASIC**).

Section 640 of the Act stipulates that an IER is required to be included in a target's statement, where the bidder is connected with the target. A bidder is regarded as being connected with the target under the following circumstances:

- the bidder's voting power in the target is 30% or more or
- the bidder and target have a common director.

Additionally, we have taken into account Guidance Note 15 – Trust scheme mergers (**GN 15**) issued by the Takeovers Panel, which sets out recommended procedures for implementing a trust scheme. GN 15 advises that the notice of meeting and explanatory memorandum should include a report prepared by an independent expert. This report should state whether, in the expert's opinion, the

terms of the trust scheme are fair and reasonable, thereby supporting an assessment of whether the scheme is in the best interests of members.

In undertaking our work, we have had regard to the guidance provided by ASIC in its Regulatory Guides (**RG**) and in particular Regulatory Guide 111 'Content of expert reports' (**RG 111**), which outlines the principles and matters which it expects a person preparing an independent expert report to consider when providing an opinion.

2.2 Basis of assessment

RG 111.18 sets out that where a scheme of arrangement is used as an alternative to a takeover bid, the form of analysis undertaken by the expert should be substantially the same as for a takeover bid. That form of analysis considers whether the transaction is "fair and reasonable" and, as such, incorporates issues as to value. In particular:

- 'fair and reasonable' is not regarded as a compound phrase
- an offer is 'fair' if the value of the offer price or consideration is equal to or greater than the value of the securities subject to the offer
- the expert should not consider the percentage holding of the 'bidder' or its associates in the target when making this comparison
- an offer is 'reasonable' if it is 'fair'
- an offer might also be 'reasonable' if, despite being 'not fair', the expert believes that there are sufficient reasons for securityholders to accept the offer in the absence of any higher bid before the close of the offer.

Fairness

As noted, RG 111 provides that an offer is 'fair' if the value of the consideration is equal to or greater than the value of the securities subject to the offer. It is a requirement of RG 111 that the comparison be made assuming 100% ownership of the 'target' and irrespective of whether the consideration is scrip or cash and without regard to the percentage holding of the bidder or its associates in the target prior to the bid.

Accordingly, the principal matter we are required to consider is whether the Scheme Consideration, comprising cash consideration of \$1.85 per Fund Security, is equal to or exceeds the market value of an existing Fund Security, on a 100% control basis.

RG 111 provides that any special value of the 'target' to a particular 'bidder' (e.g. synergies that are not available to other bidders) should not be taken into account under this comparison, rather they are matters that an expert might consider in assessing whether an offer is reasonable. As such, in assessing the full underlying value of the Fund, we have considered those synergies and benefits that would be available to a pool of potential purchasers of the Fund. Accordingly, our valuation of the Fund has been determined regardless of the bidder and any special benefits that may result.

Reasonableness

Reasonableness involves an analysis of other factors that securityholders might consider prior to accepting an offer, such as but not limited to:

- historical trading prices and the liquidity of the market in the target's securities

- the risk profile of continuing to hold securities in the target against that of accepting the proposed consideration
- any special value of the target to the bidder
- the likely market price of the target's securities in the absence of the offer
- any conditions associated with the offer
- the likelihood of an alternative offer being made
- the consequences of not approving the scheme.

If an offer is considered not to be fair, it may still be considered reasonable and therefore in the best interests of the securityholders.

3 Opinion

In our opinion, the Proposed Transaction is in the best interests of the Fund Scheme Securityholders in the absence of a superior proposal.

In arriving at this opinion, we have assessed whether the Proposed Transaction is:

- **fair** for the Fund Scheme Securityholders, by comparing the Scheme Consideration to our assessed value of a Fund Security on a controlling interest basis and
- **reasonable** for the Fund Scheme Securityholders, by assessing the implications of the Proposed Transaction for the Fund Scheme Securityholders, the alternatives to the Proposed Transaction which are available to the Fund Scheme Securityholder, and the consequences of not accepting the Proposed Transaction.

Our assessment has concluded that **the Proposed Transaction is fair and reasonable to Fund Scheme Securityholders**. As such, in accordance with RG 111, we have concluded that **the Proposed Transaction is in the best interests of the Fund Scheme Securityholders**.

Background to the Proposed Transaction

To enhance liquidity, IRAPT has proposed to acquire all Fund Securities that it does not already own at a price reflecting the Fund's NTA as at 30 June 2025 through the Schemes.

3.1 Assessment of fairness

We have concluded that the Proposed Transaction is fair to Fund Scheme Securityholders as the Scheme Consideration (\$1.85 per Fund Security) is within our assessed market value range of a Fund Security prior to the Proposed Transaction, on a control basis (\$1.61 - \$1.86 per Fund Security on an ex-dividend basis).

3.1.1 Value of a Fund Security

We have assessed the value a Fund Security in the range of \$1.61 to \$1.86, on an ex-dividend basis. A summary of the valuation is presented in Table 3.1, with further details provided in Section 9 of this report. Our range of assessed values for a Fund Security incorporates synergies and benefits that would generally be available to a pool of purchasers. It does not include other potential synergies available to any particular acquirer.

Table 3.1: Market value of one Fund Security

| \$million | Section reference | Value range | |
|--|-------------------|----------------|----------------|
| | | Low | High |
| Property portfolio assets based on independent valuations ¹ | 9.2.2 | 699.4 | 742.7 |
| Other assets / (liabilities) | 9.2.3 | (265.0) | (265.0) |
| Net assets as at 30 June 2025 | | 434.4 | 477.7 |
| Capitalised borrowing costs | 9.2.4 | (0.5) | (0.5) |
| Adjusted NTA | | 433.9 | 477.2 |
| Premium / (discount) to NTA | 9.2.5 | - | - |
| Capitalised corporate overheads (net of savings) | 9.2.6 | (37.3) | (6.8) |
| Orderly disposal costs | 9.2.7 | - | (10.8) |
| Market value of the Fund (on a control, ex-dividend basis) | | 396.6 | 459.6 |
| Number of Fund Securities | | 246,872,662.75 | 246,872,662.75 |
| <i>Market value of one Fund Security (ex-dividend) (\$)</i> | | <i>1.61</i> | <i>1.86</i> |

Source: Management, KPMG Corporate Finance

Note 1: Low / high end of value range reflects a portfolio value (investment properties) that is 3.0% below / above the reported independent valuations as at 30 June 2025 of \$721.1 million.

The key factors considered in our assessment of the value of a Fund Security are set out below:

- the reported book values of the investment properties, totalling \$721.1 million, reflect the market value of the Fund's property portfolio, as determined by independent property valuation specialists, as at 30 June 2025
- we have applied a range of +/-3.0% to the point estimate provided by independent property valuation specialists for each property, recognising the potential for variability in outcomes and providing a reasonable basis for estimating the possible range of property values
- we have excluded the borrowing costs asset, capitalised for accounting purposes, as it does not have a realisable value
- taking into consideration the specific attributes of the Fund's portfolio, that the NTA is already assessed on a control basis and the fact that we have adopted a range for the NTA, we are of the view that it is not appropriate to apply an additional premium or discount to the Fund's NTA
- we have deducted an amount reflecting the estimated level of corporate overheads required to support the management of the Fund's portfolio
 - in determining the low end of the valuation range, we have assumed that Fund continues to incur corporate cost through to the end of the existing management agreements (discussed further in section 9.2.6)
 - in determining the high end of the valuation range, we have assumed that the Fund may elect to undertake a managed disposal of all 12 shopping centres to realise their underlying values. Based on our discussions with the Fund's management (**Management**), we have assumed the sale process takes up to 12 months, to accommodate marketing, sales and due diligence activities. Accordingly, our corporate cost estimate consists of one year of corporate overheads (estimated to be \$6.8 million, as detailed in Section 9.2.6 of this report)

plus the orderly disposal costs, projected at \$10.8 million (with further explanation provided in Section 9.2.7)

- the Fund RE has declared distributions totalling \$4.6 million to Fund Securityholders for the June 2025 quarter, consistent with past practice on a quarterly basis (**Permitted Distribution**). The Fund's NTA is reduced by the provision for distribution balance and as a result our assessed value range of a Fund Security has been prepared on an ex-dividend basis. As Fund Scheme Securityholders receive the Permitted Distribution in addition to the Scheme Consideration, we believe it is appropriate to compare the Scheme Consideration to the ex-dividend value
- we have cross checked our value range by comparing the funds from operations (**FFO**) multiples and earnings before interest, taxes, depreciation, and amortisation (**EBITDA**) multiples implied by our valuation to those of identified comparable listed Australian Real Estate Investment Trusts (**A-REITs**)
- as the assessed value is based on the full underlying value of each property in the portfolio, we consider our assessed value to be a control value, as required by RG 111.

3.1.2 Value of Scheme Consideration

The Scheme Consideration under the Proposed Transaction is \$1.85 per Fund Security, representing the NTA value as recorded in the management accounts as at 30 June 2025.

In addition to the Scheme Consideration, Fund Securityholders are entitled to receive:

- the Permitted Distribution (as discussed above) and
- The Implementation Distribution - the Fund RE will declare an implementation distribution to Fund Securityholders as at the Record Date, in accordance with the SID (**Implementation Distribution**). The Implementation Distribution is estimated to total \$4.6 million.

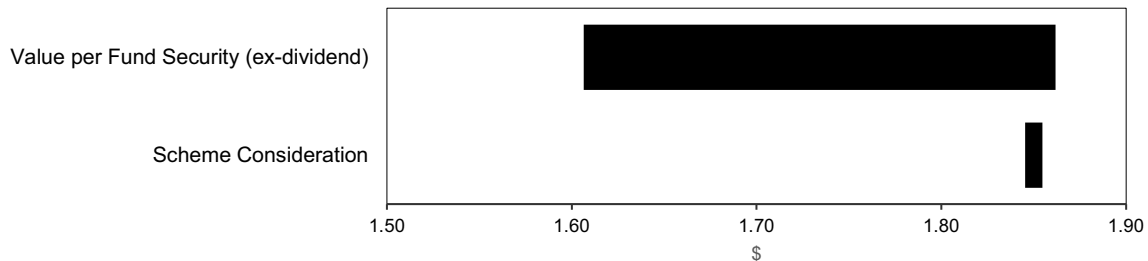
In assessing the Scheme Consideration, which is set at \$1.85 per Fund Security, we have excluded:

- the Permitted Distribution on the basis that our assessed value range has been prepared on an ex-dividend basis, and
- the Implementation Distribution on the basis that it is effectively compensation for the distribution that might otherwise have been declared and paid post 30 June 2025, which has not been captured in our assessed value range.

3.1.3 Assessment of fairness

A comparison of our assessed value (ex-dividend) per Fund Security on a control basis to the Proposed Transaction Scheme Consideration is illustrated in Figure 3.1.

Figure 3.1: Assessment of fairness



Source: KPMG Corporate Finance Analysis

3.2 Assessment of reasonableness

In accordance with RG111, an offer is reasonable if it is fair. As the Proposed Transaction is fair for the Fund Scheme Securityholders, the Proposed Transaction is reasonable. Notwithstanding this requirement, we have also considered a range of factors that the Fund Scheme Securityholders may wish to consider in assessing whether to vote in favour of the Proposed Transaction.

3.2.1 Advantages

Immediate liquidity

The Fund Constitutions do not contain provisions for redemption or winding up. Fund Securityholders may only withdraw from the Fund when the Fund RE initiates a periodic withdrawal offer under the Act. However, such offers are discretionary, and liquidity is not guaranteed. Furthermore, the Fund is structured as an open-ended vehicle with no fixed term, and Fund Securityholders have limited rights to exit or redeem their investment or receive a return of capital. In the absence of the Proposed Transaction, there is no certainty of liquidity in the short to medium term. If the Proposed Transaction is approved and implemented, it will provide immediate liquidity to Fund Scheme Securityholders.

Price at NTA provides certainty of value

The cash nature of the Scheme Consideration offers the Fund Scheme Securityholders a definitive exit opportunity at a fixed price of \$1.85 per Fund Security, together with the Permitted Distribution and the Implementation Distributions.

Superior outcome to previous offers

The Scheme Consideration of \$1.85 reflects the Fund's unaudited NTA as at 30 June 2025 and as such represents a superior outcome compared to previous withdrawal offers in February 2022 and July 2022, which were made at a 3% discount to NTA.

Receiving a premium for control

As the Scheme Consideration of \$1.85, falls within our assessed value range of a Fund Security, including a control premium, of \$1.61 to \$1.86, the Fund Scheme Securityholders are receiving a control value notwithstanding the Fund Scheme Securityholders only hold 2.36% of the Fund Securities on issue.

3.2.2 Disadvantages

Investment risk profile will change

If the Proposed Transaction is approved and implemented, Fund Scheme Securityholders will cease to hold an investment in the Fund and will no longer have exposure to these convenience-based retail assets, including any future developments or potential growth of the Fund. It is important to note, however, that the Fund has not acquired any new assets since January 2018 and Management has indicated that it is not expected to pursue further growth or diversification in the foreseeable future.

3.3 Other considerations

In forming our opinion, we have also considered a number of other factors as outlined below. Whilst we do not consider these factors to impact our assessment of the reasonableness of the Proposed Transaction, we consider it appropriate that the Fund Scheme Securityholders consider these factors in assessing the Proposed Transaction.

Tax consequences

EQT has provided information on the potential tax consequences relating to the Proposed Transaction, which is presented in Section 9 of the Explanatory Memorandum.

We recommend that the Fund Scheme Securityholders consider their individual circumstances, review Section 9 of the Explanatory Memorandum for further information as it applies to their circumstances and seek the advice of their own professional advisors prior to accepting the Proposed Transaction.

The Proposed Transaction is subject to the satisfaction of a number of considerations

The implementation of the Proposed Transaction requires the approval by the requisite majorities of the Fund Scheme Securityholders. There are also a number of other conditions which if not satisfied or waived (as applicable) will result in the Proposed Transaction not being implemented. The conditions precedent is set out in Section 4.2 of the Explanatory Memorandum and Section 5.3 of this report.

One-off transaction costs

EQT has estimated that in the event the Proposed Transaction completes, the Proposed Transaction will have incurred or committed costs of approximately \$1.7 million (plus GST). One-off transaction costs associated with the Proposed Transaction primarily related to advisors, legal, accounting and expert fees, and other costs associated with the Proposed Transaction. Under the terms of SID, the Acquirer will be responsible for the transaction costs.

Likelihood of a superior alternative proposal emerging is considered low

To the date of the report, no alternative proposals have been identified by EQT, and given the Acquirer's existing holding in the Fund, we consider the prospect of an alternative proposal emerging in the near future to be unlikely.

3.4 Consequences if the Proposed Transaction does not proceed

In the event that the Proposed Transaction is not approved or any conditions precedent prevent the Proposed Transaction from being implemented, the Fund will continue to operate in its current form.

Fund Scheme Securityholders will continue to hold their interests in the Fund and its underlying investment properties and will remain exposed to the associated benefits and risks. However, access to liquidity will remain limited, with no certainty regarding future liquidity opportunities.

Irrespective of whether the Proposed Transaction is approved or not, a portion of the costs relating to the Transaction will have been incurred, all of which will be reimbursed by the Acquirer.

4 Other matters

In forming our opinion, we have considered the interests of the Fund Scheme Securityholders as a whole. This advice therefore does not consider the financial situation, objectives or needs of individual Fund Scheme Securityholders. It is not practical or possible to assess the implications of the Proposed Transaction on individual Fund Scheme Securityholders as their financial circumstances are not known.

The decision of individual Fund Scheme Securityholders as to whether or not to approve the Proposed Transaction is a matter for each Fund Scheme Securityholder based on, amongst other things, their risk profile, liquidity preference, investment strategy and tax position.

Individual Fund Scheme Securityholders should therefore consider the appropriateness of our opinion to their specific circumstances before acting on it. As an individual's decision to vote in favour of the Proposed Transaction may be influenced by his or her particular circumstances, we recommend that individual Fund Scheme Securityholders, including residents of foreign jurisdictions, seek their own independent professional advice.

Our IER has also been prepared:

- in accordance with the relevant provisions of the Act and other applicable Australian regulatory requirements
- solely for the purpose of assisting the Fund Scheme Securityholders in considering the Proposed Transaction.

We do not assume any responsibility or liability to any other party as a result of reliance on this IER for any other purpose.

Our opinion should not be construed to represent a recommendation as to whether or not the Fund Scheme Securityholders should elect to vote in favour of the Proposed Transaction.

KPMG Corporate Finance has made reasonable enquiries to EQT and EQT has concluded that Design and Distribution Obligation regulations do not apply to the Proposed Transaction.

All currency amounts in this report are denominated in Australian dollars unless otherwise stated. References for the financial year to 30 June (i.e. the 12 months to 30 June XX) have been abbreviated to FYXX and references to calendar years have been abbreviated to CYXX.

Neither the whole nor any part of this IER or its attachments or any reference thereto may be included in or attached to any document, other than the Explanatory Memorandum, without the prior

written consent of KPMG Corporate Finance as to the form and context in which it appears. KPMG Corporate Finance consents to the inclusion of this IER in the form and context in which it appears in the Explanatory Memorandum.

Our opinion is based solely on information available as at the date of this report as set out in Appendix B. We have not undertaken to update our report for events or circumstances arising after the date of this report other than those of a material nature which would impact upon our opinion. We refer readers to the limitations and reliance on information as set out in section 6 of our report.

The above opinion should be considered in conjunction with and not independently of the information set out in the remainder of this report, including the appendices.

Yours faithfully



Joanne Lupton
Authorised Representative



Bill Allen
Authorised Representative

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5 Summary of the Proposed Transaction

Following the submission of a non-binding indicative proposal by the Acquirer on 2 June 2025, EQT announced that the Fund RE had entered into a SID with the Acquirer on 8 August 2025. Under the SID, the Acquirer proposes to acquire all remaining Fund Securities not already owned by it – representing approximately 2.36% of the Fund's equity – through the Schemes.

5.1 Overview

Under the Proposed Transaction, the Acquirer will acquire the Fund Scheme Securities for the Scheme Consideration.

The Proposed Transaction is subject to conditions precedent, including:

- Fund Scheme Securityholders approving the scheme resolution
- the court granting judicial advice in respect of the Proposed Transaction
- satisfaction (or waiver, where applicable) of other customary conditions precedent.

The SID outlines the detailed terms governing the implementation of the Schemes. If the Scheme becomes effective, all Fund Scheme Securityholders will be bound by these terms and will receive the Scheme Consideration within 5 business days of 1 October 2025 (**Implementation Date**).

5.2 Scheme Consideration

The Scheme Consideration, which is a cash consideration of \$1.85 per Fund Security, is based on the Fund's unaudited NTA value as at 30 June 2025. With 246,872,662.75 Fund Securities on issue and IRAPT already holding 241,027,734.75 units, the remaining 5,844,928.00 units imply a total cash consideration of approximately \$10.8 million. This amount will be funded from IRAPT's existing cash reserves and undrawn bank facilities.

5.3 Conditions Precedent

The Proposed Transaction is subject to the following conditions precedent:

- receipt of all necessary ASIC consents, waivers, or approvals, none of which may be withdrawn or adversely amended prior to 8:00am on the second court date
- approval of the scheme resolution by at least 75% of votes cast by eligible Fund Scheme Securityholders
- the independent expert concluding that the Proposed Transaction is in the best interests of Fund Scheme Securityholders, with no adverse change to its conclusion or withdrawal of that opinion prior to 8:00am on the second court date
- no legal or regulatory impediments (e.g. injunctions or restraining orders) preventing implementation at 8:00am on the second court date
- the Court granting the judicial advice.

The Proposed Transaction is not subject to any financing, further due diligence, or material adverse change conditions precedent.

5.4 Distributions

Permitted Distributions

EQT may (in its discretion) declare and determine to pay Fund Securityholders one or more 'Permitted Distributions' provided it is permitted by, and made in accordance with, applicable laws and accounting standards including the Act. Permitted Distributions refer to distributions declared to be paid by EQT's board to Fund Securityholders in the ordinary course and consistent with past practice on a quarterly basis. Permitted Distributions must be made in cash and announced no later than the Implementation Date (which is the date that is seven business days after the Schemes become effective pursuant to the Act).

Implementation Distribution

EQT will declare and pay Fund Securityholders an 'Implementation Distribution' for each Fund Security provided it is permitted by, and made in accordance with, applicable laws and accounting standards including the Act. The Implementation Distribution is calculated as:

$$\text{Implementation Distribution} = 1.85 \text{ cents} * \frac{\text{Days in Distribution Period}}{92}$$

Where 'Days in Distribution Period' refers to the number of days between the last distribution and the Implementation Date. The Implementation Distribution will be paid in cash within five business days of the Implementation Date.

5.5 Transaction fees

Under the terms of the SID, the Acquirer must pay or reimburse EQT for all 'Covered Costs' incurred in connection with the implementation and facilitation of the Schemes. This obligation applies even if the SID is terminated, provided such reimbursement is permitted by law. Key Covered Costs include:

- external costs reasonably invoiced to EQT or its appointed service providers
- costs incurred prior to the date of the SID and up to ten business days after the Implementation Date
- fees from external financial, legal, accounting and other advisors and
- reasonable travel and out-of-pocket expenses directly related to the Proposed Transaction.

The Acquirer will also bear its own costs associated with the Proposed Transaction.

6 Scope of the report

6.1 Purpose

This IER has been prepared by KPMG Corporate Finance for inclusion in the Explanatory Memorandum to be sent to the Fund Securityholders, accompanying the Notices of Meeting convening a meeting of Fund Securityholders on or around 25 August 2025. The purpose of the meeting is to seek to approve amendments to the Fund constitutions as set out in the supplemental deeds attached to the Explanatory Memorandum and to authorise Fund RE to execute and lodge with ASIC the supplemental deeds to give effect to those amendments.

The sole purpose of this report is an expression of KPMG Corporate Finance's opinion as to whether the Schemes are in the best interests of Fund Scheme Securityholders. This report should not be used for any other purposes or by any other party.

6.2 Limitations and reliance on information

In preparing this IER and arriving at our opinion, we have considered the information detailed in Appendix B of this report. In forming our opinion, we have relied upon the truth, accuracy and completeness of any information provided or made available to us without independently verifying it. Nothing in this IER should be taken to imply that KPMG Corporate Finance has in any way carried out an audit of the books of account or other records of the Fund for the purposes of this IER.

Further, we note that an important part of the information base used in forming our opinion is comprised of the opinions and judgements of the Management. In addition, we have also had discussions with Management in relation to the nature of the business operations, specific risks and opportunities, historical results and prospects for the foreseeable future. This type of information has been evaluated through analysis, enquiry and review to the extent practical. However, such information is often not capable of external verification or validation.

The Fund has been responsible for ensuring that information provided by it or its representatives is not false or misleading or incomplete. Complete information is deemed to be information which at the time of completing this report should have been made available to KPMG Corporate Finance and would have reasonably been expected to have been made available to KPMG Corporate Finance to enable us to form our opinion.

We have no reason to believe that any material facts have been withheld from us but do not warrant that our inquiries have revealed all of the matters which an audit or extensive examination might disclose. The statements and opinions included in this report are given in good faith, and in the belief that such statements and opinions are not false or misleading.

The information provided to KPMG Corporate Finance included forecasts/projections and other statements and assumptions about future matters (**forward-looking financial information**) prepared by Management. Whilst KPMG Corporate Finance has relied upon this forward-looking financial information in preparing this report, the Fund remains responsible for all aspects of this forward-looking financial information. The forecasts and projections as supplied to us are based upon assumptions about events and circumstances which have not yet transpired. We have not tested individual assumptions or attempted to substantiate the veracity or integrity of such assumptions in relation to any forward-looking financial information, however we have made sufficient enquiries to satisfy ourselves that such information has been prepared on a reasonable basis.

Notwithstanding the above, KPMG Corporate Finance cannot provide any assurance that the forward-looking financial information will be representative of the results which will actually be achieved during the forecast period. Any variations in the forward-looking financial information may affect our valuation and opinion.

The opinion of KPMG Corporate Finance is based on prevailing market, economic and other conditions at the date of this report. Conditions can change over relatively short periods of time. Any subsequent changes in these conditions could impact upon our opinion. We note that we have not

undertaken to update our report for events or circumstances arising after the date of this report other than those of a material nature which would impact upon our opinion.

6.3 Disclosure of information

In preparing this IER, KPMG Corporate Finance has had access to all financial information considered necessary in order to provide the required opinion. At the request of EQT, as the RE of the Fund, certain commercially sensitive information relating to the Fund has been excluded from disclosure in this report. This request was made in light of the confidential and commercially sensitive nature of the operational and financial details involved given the IER will be a public document. Accordingly, the information presented in this report has been limited to that which is typically made publicly available by the Fund.

7 Industry overview

The financial performance of the Fund is impacted by developments in the Australian real estate sector. To provide the context for assessing the prospects of the Fund, we have included an overview of recent trends in this sector in Appendix C.

8 Profile of the Fund

8.1 Overview

8.1.1 Background

The Fund is a stapled trust group comprising unlisted retail real estate investment vehicles, with a strategic focus on convenience-based retail assets. It currently holds a portfolio of 12 shopping centres located across NSW, QLD, VIC, and SA.

The Fund's existing structure was established on 23 December 2020 through the merger of four predecessor funds, being Fort Street Real Estate Capital Fund I, Fort Street Real Estate Capital Fund II, Fort Street Real Estate Capital Fund III, and Fort Street Real Estate Capital Fund IV, into a single stapled entity. This strategic consolidation was designed to enhance operational efficiency and deliver improved outcomes for investors through several key initiatives:

- consolidation of debt facilities into a single structure, resulting in reduced borrowing costs
- divestment of the Fund's sole commercial asset at 241 O'Riordan Street, Mascot, NSW, thereby refining its focus exclusively on convenience-based retail assets
- provision of enhanced liquidity to investors, including a \$95 million withdrawal offer
- improved access to capital, enabling the Fund to pursue growth opportunities more effectively.

As part of the merger, all units in Fort Street Real Estate Capital Fund IV were acquired by Fort Street Real Estate Capital Fund I. Following the merger, the Fund comprised a single stapled trust consisting of Fort Street Real Estate Capital Fund I, Fort Street Real Estate Capital Fund II, and Fort Street Real Estate Capital Fund III.

In February 2022, IRAPT invested \$320 million, acquiring 187,134,502.92 units in the Fund, as part of a \$320 million withdrawal offer. Concurrently, ISPT Pty Ltd, acting as trustee of the ISPT Retail Australia Property Trust No. 2 (**IRAPT No.2**), acquired a 75% interest in the Fund's investment

manager, Fort Street Capital Pty Ltd (**Investment Manager**). At the time of the transaction, the Investment Manager held 873,842.00 units in the Fund. As a result, IRAPT No.2 indirectly acquired 655,381.50 units in the Fund.

In July 2022, IRAPT made a further \$88 million investment in the Fund acquiring an additional 48,045,278.61 units, through a \$96 million withdrawal offer.

In May 2024, IRAPT acquired a further 5,847,953.22 units for \$10.4 million increasing its ownership in the Fund to 97.63% through the private transfer of securities. Simultaneously, IRAPT No.2 acquired the remaining 25% interest in the Investment Manager. This resulted in an increase in the indirect interest in the Fund by an additional 218,460.50 securities.

Table 8.1 outlines the number of units acquired by IRAPT from 1 January 2022 to 30 June 2025 (prior to the Proposed Transaction) and the corresponding purchase price per unit at the time of acquisition.

Table 8.1: Historical acquisitions of Fund units by IRAPT

| Date | Number of fund units | Price paid per fund unit |
|------------------|----------------------|--------------------------|
| 18 February 2022 | 187,134,502.92 | \$1.71 |
| 20 July 2022 | 48,045,278.61 | \$1.84 |
| 31 May 2024 | 5,847,953.22 | \$1.78 |

Source: Explanatory Memorandum 4.1 (b)

Table 8.2 presents the number of Fund Securities held by both IRAPT and IRAPT No.2 as at 30 June 2025, along with their respective ownership percentages.

Table 8.2: Current shareholding on IRAPT and IRAPT No.2 in the Fund

| Fund securityholders | Number of fund securities | Ownership of Fund securities (%) ¹ |
|---------------------------------|---------------------------|---|
| IRAPT | 241,027,734.75 | 97.63% |
| Investment Manager ² | 873,842.00 | 0.35% |

Source: Explanatory Memorandum 5.7

Note: 1) The percentage of Fund securities held corresponds to the described entities' voting power
2) The Investment Manager is 100% owned by IRAPT No.2

8.1.2 Operating structure

An overview of the Fund's current operating structure is illustrated in Figure 8.1.

The diagram illustrates the ownership and management structure of the FSREC Property Fund (the Fund). At the top, three entities hold stakes in the Fund: Other Fund Securityholders (2.01%), IRAPT No.1 (97.63%), and IRAPT No.2 (50.00%). IRAPT No.2 also holds a 100.00% stake in Fort Street Capital Pty Ltd, which in turn holds a 50.00% stake in Fort Street Real Estate Capital Pty Ltd. Fort Street Real Estate Capital Pty Ltd holds a 0.35% stake in the Fund. Below the Fund, Equity Trustees Limited (EQT) is designated as the Responsible Entity, and Fort Street Real Estate Capital Pty Ltd is the Investment Manager. At the bottom, a Shapled Trust (indicated by a grey background) contains three sub-funds: Fund I, Fund II, and Fund III. Arrows indicate the flow of ownership and management from the top entities down to the sub-funds.

```

graph TD
    OFSH[Other Fund Securityholders] -- 2.01% --> F[Fund]
    IRAPT1[IRAPT No.1] -- 97.63% --> F
    IRAPT2[IRAPT No.2] -- 50.00% --> F
    IRAPT2 -- 100.00% --> FSC[Fort Street Capital Pty Ltd]
    FSC -- 50.00% --> FSRECL[Fort Street Real Estate Capital Pty Ltd]
    FSRECL -- 0.35% --> F
    EQT[Equity Trustees Limited (EQT)] -- Responsible Entity --> F
    EQT --- ST[Shapled Trust]
    FSRECL -- Investment Manager --> F
    FSRECL --- ST
    ST --- F1[Fund I]
    ST --- F2[Fund II]
    ST --- F3[Fund III]
  
```

8.1.3 Investment strategy

8.1.4 Fee Structure

Table 8.3: The Fund's Investment Manager fee structure

| Fee/Cost | Entitlement |
|-------------------------|---|
| Base management fee | 0.54% per annum calculated on gross assets of the Fund |
| Property management fee | 3% per month of the gross operating income for the relevant month |
| Performance fee | 10% of the Fund's performance against an 8% cumulative, non-compounded annual return, subject to a high watermark |
| Acquisition fee | 1.25% of the value of the property for acquisitions |
| Disposal fee | 1% of the sale value of the property for disposals, provided the net proceeds exceed the aggregate of the acquisitions costs and capital costs of the relevant asset. |

In addition, the Fund makes an annual payment of approximately \$200,000 in RE fees to EQT.

8.1.5 Board of Directors and executive team

Members of the Board of EQT are outlined in Table 8.4.

Table 8.4: RE Board of Directors

| RE Board of Directors |
|---|
| Michael (Mick) J. O'Brien - Managing Director |
| Johanna Platt - Chief Financial Officer |
| Andrew Godfrey - Executive General Manager, Corporate and Superannuation Trustee Services |
| Russell Beasley – Advisor, Corporate and Superannuation Trustee Services |
| David Warren - General Manager, Clients and Strategic Planning |

Source: Explanatory Memorandum 5.10

Further details in relation to the experience and other directorships of the Directors of EQT are set out in section 5.10 of the Explanatory Memorandum.

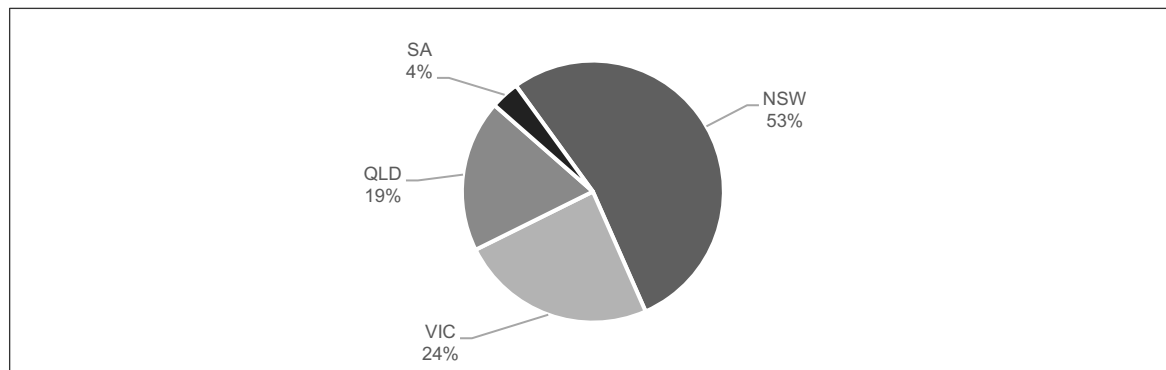
8.2 Investment property portfolio

8.2.1 Portfolio overview

As at 30 June 2025, the Fund holds a portfolio of 12 retail properties located across NSW, QLD, VIC and SA, with a total carrying value of \$721.1 million. The portfolio comprises approximately 107,246 square metres of leasable shopping centre space, with a weighted average lease expiry (**WALE**) of 3.8 years (by income) and an occupancy rate of 96.3%.

The geographic composition of the portfolio, weighted by carrying value, is illustrated in Figure 8.2.

Figure 8.2: The Fund's portfolio by state



Source: Individual asset reports as at 30 June 2025

A detailed summary of the Fund's holdings as at 30 June 2025 is provided in Table 8.5.

Table 8.5: Details of the Fund's portfolio composition as at 30 June 2025

| Property | LA ¹ (sqm) | Occupancy (%) | Valuation (\$m) | Cap Rate (%) | WALE ² (years) | % of Portfolio ³ (%) |
|-------------------------|--------------------------|------------------|--------------------|-----------------|------------------------------|---------------------------------------|
| NSW | | | | | | |
| Oxford Village | 12,061 | 96.7% | 115.0 | 6.0% | 2.7 | 15.9% |
| Toormina Gardens | 20,953 | 92.7% | 88.3 | 6.8% | 3.2 | 12.2% |
| Windsor Riverview | 7,925 | 92.2% | 57.3 | 6.0% | 2.5 | 7.9% |
| Marketfair Campbelltown | 9,231 | 94.3% | 48.9 | 6.0% | 3.4 | 6.8% |
| Lake Innes Village | 4,688 | 100.0% | 41.6 | 5.8% | 6.1 | 5.8% |
| Newtown Central | 3,371 | 97.0% | 34.0 | 5.6% | 3.3 | 4.7% |
| QLD | | | | | | |
| Northpoint S.C | 6,898 | 93.9% | 50.0 | 6.3% | 5.2 | 6.9% |
| Noosa Village | 4,595 | 100.0% | 45.3 | 5.5% | 5.9 | 6.3% |
| Birkdale Fair | 5,825 | 100.0% | 40.2 | 5.5% | 3.7 | 5.6% |
| VIC | | | | | | |
| Keilor Central | 19,629 | 98.3% | 125.0 | 6.3% | 4.0 | 17.3% |
| Lynbrook Village | 7,618 | 99.8% | 50.0 | 5.8% | 5.0 | 6.9% |
| SA | | | | | | |
| Hilton Plaza | 4,452 | 98.4% | 25.5 | 5.8% | 2.8 | 3.5% |
| Total | 107,246 | 96.3% | 721.1 | 6.0% | 3.8 | 100.0% |

Source: KPMG Corporate Finance Analysis, Management, FSREC Property Fund – Quarterly Fund and Portfolio Metrics – 30 June 2025

Note: 1) LA refers to leasable area.

2) WALE is weighted by income.

3) % of portfolio refers to the fair value of the individual asset as a proportion of the total portfolio's value.

8.2.2 Portfolio key statistics

A summary of the Fund's key property portfolio metrics between FY23 and FY25 is provided in Table 8.6.

Table 8.6: The Fund's key statistics

| | FY23 | FY24 | FY25 ¹ |
|--|-------|-------|-------------------|
| Weighted average capitalisation rate (by carrying value) | 5.8% | 6.0% | 6.0% |
| Occupancy (% of NLA) | 95.9% | 97.6% | 96.3% |
| Weighted average lease expiry (years) ² | 4.2 | 4.1 | 3.8 |
| Number of investments | 12 | 12 | 12 |

Source: KPMG Corporate Finance Analysis, Management, FSREC ASX announcements, FSREC Property Fund – Quarterly Fund and Portfolio Metrics – 30 June 2025

Note: 1) Unaudited FY25 figures

2) Weighted average lease expiry is weighted by income

In relation to the Fund, we note:

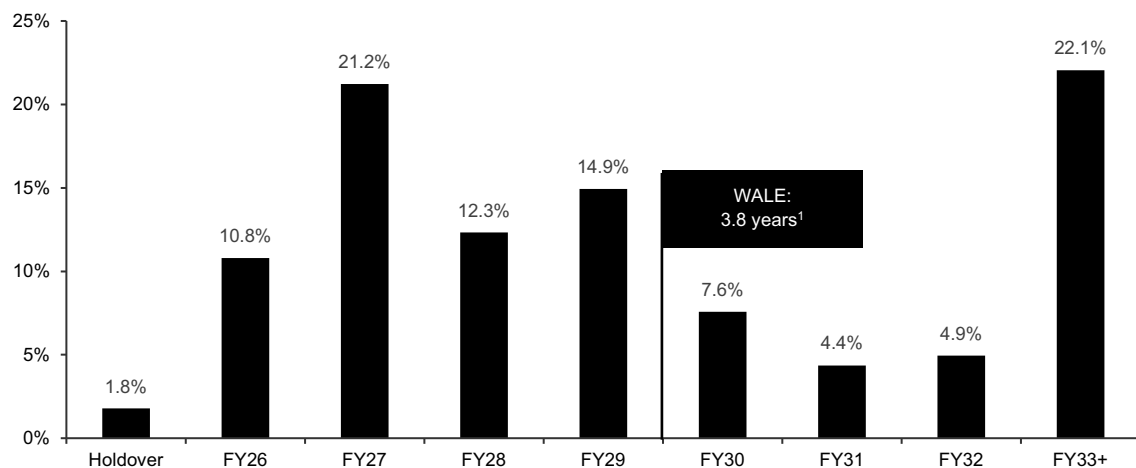
- since 30 June 2023, the Fund's portfolio has recorded a modest increase in its weighted average capitalisation rate (by carrying value), rising from 5.8% to 6.0% as at 30 June 2025

- occupancy levels have remained stable throughout this period, consistently ranging between 95.0% and 98.0%
- the Fund's WALE has also remained relatively steady, with a slight decline from 4.2 years to 3.8 years between 30 June 2023 and 30 June 2025
- the number of properties held within the portfolio remained unchanged at 12.

8.2.3 Lease expiry profile

The lease expiry profile of the Fund's top 10 tenants, weighted by gross passing income (GPI), is illustrated in Figure 8.3.

Figure 8.3: the Fund's top 10 tenants' lease expiry profile



Source: KPMG Corporate Finance Analysis, individual asset valuation reports as at 30 June 2025

Note: 1) WALE is weighted by income.

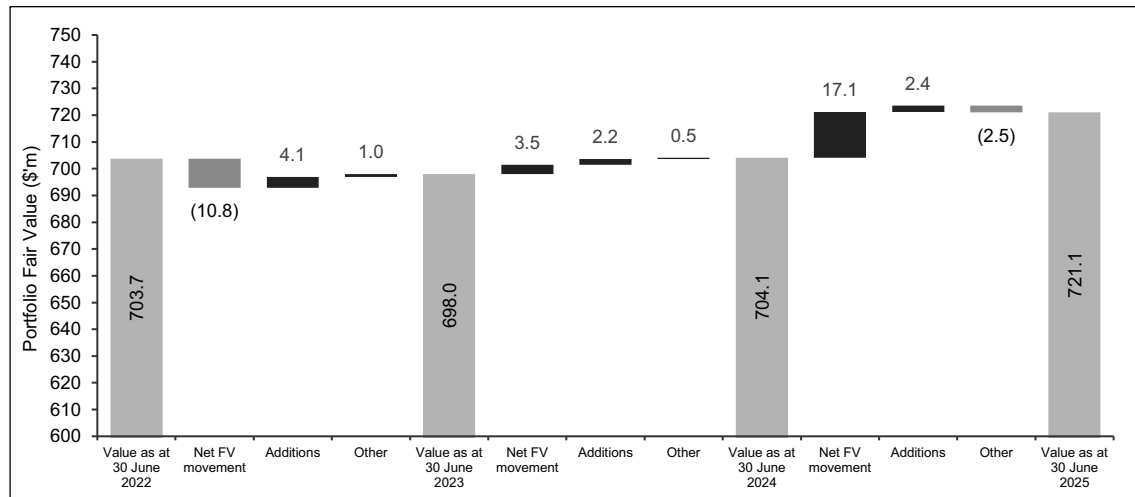
Regarding the Fund's top 10 tenants lease expiry profile, we note:

- the largest leases in the portfolio, by GPI, are held by supermarkets, namely Coles and Woolworths. Only Newtown Central and Oxford Village do not feature Coles or Woolworths as their largest tenant
- GPI weighted lease expiries in FY27 are primarily driven by the expiry of leases with Study Group and Fitness First at Oxford Village, as well as Coles at Windsor Riverview
- a large proportion of the leases expiring (by GPI) post FY33 relate to long-dated leases with Coles and Woolworths, with expiries ranging from FY34 to FY44.

8.2.4 Portfolio valuation

As at 30 June 2025, the carrying value of the Fund's property portfolio, reflecting market valuations determined by independent valuers, had increased to \$721.1 million, up from \$703.7 million as at 30 June 2022, as illustrated in Figure 8.4.

Figure 8.4: The Fund's portfolio value movement



Source: KPMG Corporate Finance Analysis, FSREC audited financial statements for FY23, FY24 and unaudited management accounts as at 30 June 2025

Note: Numbers may not add due to rounding

Between FY22 and FY24, the Fund's portfolio carrying market value remained relatively stable. A modest increase of 0.2% in the weighted average capitalisation rate during the second half of FY23 contributed to a net devaluation of 0.8% for that year. However, the portfolio rebounded in FY24, recording a 0.9% increase in value compared to 30 June 2023. In FY25, the portfolio experienced a further uplift of 2.4%, primarily driven by strong performance in the first half year (to December 2024), which saw a 1.4% increase in value, relative to June 2024. This growth was underpinned by organic income gains, robust leasing activity, and continued momentum and demand in supermarket sales.

8.2.5 Portfolio valuation policy

The Fund's valuation policy is designed to ensure that property valuations are conducted in accordance with the requirements set out in the relevant trust deeds and in alignment with Australian Prudential Regulation Authority (APRA) guidance. The policy is subject to biennial review to maintain its relevance and effectiveness.

Key elements of the Fund's valuation policy include:

- **Quarterly valuations:** All properties held within Fund are independently valued on a quarterly basis, specifically as at 30 June, 30 September, 31 December and 31 March. We note FSREC moved to quarterly valuations from March 2025. Prior to this, valuations were performed semi-annually
- **New acquisitions:** Any new property acquisition must be supported by an independent external valuation report prepared by a suitably qualified and experienced valuer
- **Fair value accounting:** Properties are carried at fair value and subject to regular independent valuations. Where an external valuation exceeds the current book value, the asset may be revalued upwards, with the corresponding increase recognised as revenue. To preserve independence, a two-year rotation policy applies to the appointment of valuers for each property

- **Valuation methodologies:** External valuers are responsible for selecting appropriate methodologies. Typically, valuations are based on capitalisation of earnings and discounted cashflow analysis. For Development Projects within the Fund, the residual approach is generally adopted
- **Valuation governance:** Valuation outcomes and key metrics are reported to the Board after each valuation period. External audits ensure valuations align with AASB 140 and industry standards (Australian Property Institute and Royal Institution of Chartered Surveyors).

8.3 Historical financial performance

The financial performance of the Fund for FY23, FY24 and FY25 is summarised in Table 8.7.

Table 8.7: Historical consolidated financial performance

| Period in thousands (\$'000) unless otherwise stated | FY23 Audited | FY24 Audited | FY25 Unaudited |
|--|-----------------|-----------------|-------------------|
| Revenue | | | |
| Rental income | 48,103 | 49,571 | 49,515 |
| Other property income | 11,820 | 12,325 | 12,003 |
| Finance income | 107 | 180 | 221 |
| Fair value movement of investment properties | (10,841) | 3,457 | 17,127 |
| Total income | 49,189 | 65,533 | 78,866 |
| Expenses | | | |
| Finance expenses | (9,518) | (12,175) | (13,807) |
| Investment property expenses | (23,740) | (24,944) | (25,576) |
| Responsible entity and trustee fees | (972) | (200) | (190) |
| Management fees | (5,722) | (5,764) | (5,875) |
| Accounting and audit fees | (444) | (485) | (483) |
| Other expenses | (883) | (295) | (238) |
| Total expenses | (41,279) | (43,863) | (46,169) |
| Profit before tax | 7,910 | 21,670 | 32,697 |
| Income tax expense | - | - | - |
| Profit after tax | 7,910 | 21,670 | 32,697 |
| <i>Other comprehensive income</i> | | | |
| Effective portion of changes in fair value of cash flow hedges | (554) | (3,662) | (3,367) |
| Total comprehensive income for the period | 7,356 | 18,008 | 29,330 |
| FFO Adjustments | | | |
| Profit after tax | 7,910 | 21,670 | 32,697 |
| Fair value movement of investment properties | 10,841 | (3,457) | (17,127) |
| Fair value movement of derivative financial instruments | - | 27 | 291 |
| Straight-line of rental revenue and incentive amortisation | 2,778 | 3,110 | 3,583 |
| Other items and amortisation of capitalised lease costs | 1,402 | 1,383 | 1,026 |
| FFO | 22,931 | 22,733 | 20,469 |
| Metrics | | | |
| Closing units on issue (#) ¹ | 246,872,662 | 246,872,662 | 246,872,662 |
| Distributions to unit holders | 18,268 | 18,268 | 18,268 |
| Payout ratio (FFO basis) ² | 79.7% | 80.4% | 89.2% |

| Period | FY23 | FY24 | FY25 |
|---|---------|---------|-----------|
| in thousands (\$'000) unless otherwise stated | Audited | Audited | Unaudited |
| Cash distributions per unit (cents) | 7.4 | 7.4 | 7.4 |
| FFO per unit (cents) | 9.3 | 9.2 | 8.3 |

Source: KPMG Corporate Finance Analysis, FSREC audited financial statements as at 30 June 2023, 30 June 2024 and unaudited management accounts as at 30 June 2025.

Note: 1) The audited financial statements for the years ended 30 June 2023 and 30 June 2024 and unaudited financial statements for the year ended 30 June 2025 each round down the number of Fund Securities on issue to 246,872,662 Fund Securities (from 246,872,662.75 Fund Securities).
2) calculated as total distributions to unit holders as a percentage of total FFO.
3) Numbers may not add due to rounding

Regarding the Fund's historical financial performance, we note the following:

- as at the date of the IER, audited financial statements for FY25 are not yet available. Accordingly, the unaudited FY25 management accounts have been used as the basis for our analysis
- total income has increased substantially from \$49.2 million in FY23 to \$78.9 million in FY25, primarily driven by upward revaluations of investment properties. These valuations were independently determined based on prevailing market conditions at each balance date. Whilst FY23 saw a decline in the investment properties fair value of \$10.8 million, subsequent years recorded fair value increases of \$3.5 million in FY24 and \$17.1 million in FY25, reflecting a post-COVID 19 pandemic (**Pandemic**) recovery in the real estate market. Excluding fair value movements from property revaluations, total income remains largely consistent from FY23 to FY25
- total expenses increased by 6.3% in FY24 and 5.3% in FY25, noting:
 - the increase in FY24 was largely attributable to a 27.9% rise in finance costs, including a 40.9% increase in interest expenses on financial liabilities caused by the expiration of interest rate swaps where the percentage of borrowings hedged decreased from 69.7% at June 2023 to 59.4% at June 2024, combined with the average cost of debt increasing from 3.6% in FY23 to 4.5% in FY24. Additionally, FY24 recorded a 5.1% increase in investment property expenses. These increases were partially offset by a reduction in other expenses, such as legal and compliance, custody fees and share registry fees
 - in FY25, finance expenses rose by a further 13.4%, largely driven by the expiry of favourable interest rate swaps which were not replaced. Consequently, net interest costs paid increased, due to lower interest rate hedging levels. Investment property expenses and management fees also saw moderate increases of 2.5% and 1.9%, respectively
- the effective portion of changes in fair value of cash flow hedges declined from negative \$0.6 million in FY23 to negative \$3.7 million in FY24 and negative \$3.4 million in FY25. This adversely affected total comprehensive income, with the increased loss between FY23 and FY24 reflecting both realised and unrealised losses on cash flow hedges
- FFO decreased over the 3-year period, from \$22.9 million in FY23 to \$22.7 million in FY24 and \$20.5 million in FY25. This decrease was primarily due to expense increases (outlined above) outpacing income growth, when fair value movements of investment properties are excluded. For REITs, FFO figures are more relevant to sustainable distribution levels compared to total income, as it excludes the impact of fair value movement gains

- the Fund declared a distribution of \$18.3 million to unit holders in FY25, consistent with distributions in FY24 and FY23. However, the payout ratio on an FFO basis increased from 80.4% in FY24 to 89.2% in FY25, reflecting a stable distribution amount against a slightly reduced FFO. The payout ratio for FY25 aligns with the Fund's internal target range of 85% to 90%. Although FY25 was within the Fund's internal target range, the recent increases due to the higher interest rate environment may impact the ability to stay within the range going forward as well as the potential for distributions to be lower to fund incentives and capex requirements, given higher finance costs
- the cash distribution per unit remained steady at 7.4 cents across FY23, FY24 and FY25. In contrast, FFO per unit declined from 9.3 cents in FY23 to 9.2 cents in FY24 and 8.3 cents in FY25.

8.4 Historical financial position

The Fund's historical consolidated financial position as at 30 June 2023, 30 June 2024 and 30 June 2025, is presented in Table 8.8.

Table 8.8: Historical consolidated financial position

| Period in thousands (\$'000) unless otherwise stated | 30 June 2023 Audited | 30 June 2024 Audited | 30 June 2025 Unaudited |
|---|-------------------------|-------------------------|---------------------------|
| Assets | | | |
| Cash and cash equivalents | 8,698 | 9,984 | 11,534 |
| Trade and other receivables | 5,023 | 1,882 | 2,125 |
| Derivative financial instruments | 3,777 | 2,082 | - |
| Prepayments | 1,345 | 1,469 | 1,288 |
| Total current assets | 18,843 | 15,417 | 14,947 |
| Investment properties | 698,000 | 704,100 | 721,050 |
| Derivative financial instruments | 2,291 | 790 | - |
| Total non-current assets | 700,291 | 704,890 | 721,050 |
| Total Assets | 719,134 | 720,307 | 735,997 |
| Liabilities | | | |
| Trade and other payables | 10,950 | 8,284 | 10,085 |
| Borrowings | - | 262,050 | - |
| Derivative financial instruments | - | 143 | 896 |
| Distribution payable | 4,575 | 4,567 | 4,567 |
| Total current liabilities | 15,525 | 275,044 | 15,548 |
| Borrowings | 258,322 | - | 263,523 |
| Derivative financial instruments | - | 259 | 861 |
| Total non-current liabilities | 258,322 | 259 | 264,384 |
| Total liabilities | 273,847 | 275,303 | 279,932 |
| Net assets - Equity | 445,287 | 445,004 | 456,065 |
| Metrics | | | |
| Closing units on issue (#) ¹ | 246,872,662 | 246,872,662 | 246,872,662 |
| NTA per unit (\$) ² | 1.80 | 1.80 | 1.85 |
| Gearing ³ | 37.2% | 37.3% | 36.6% |

Source: KPMG Corporate Finance Analysis, FSREC audited financial statements as at 30 June 2023, 30 June 2024 and unaudited management accounts as at 30 June 2025.

Note: 1) The audited financial statements for the years ended 30 June 2023 and 30 June 2024 and unaudited financial statements for the year ended 30 June 2025 each round down the number of Fund Securities on issue to 246,872,662 Fund Securities (from 246,872,662.75 Fund Securities).
2) NTA per unit is calculated as the net assets per unit on issue.
3) Gearing is calculated as total drawn debt divided by total investment properties.

Regarding the Fund's historical financial position, we note the following:

- as at the date of the IER, audited financial statements for FY25 are not yet available. Accordingly, the unaudited FY25 management accounts have been used as the basis for our analysis
- the Fund's cash holdings consist of balances in cheque accounts and property management accounts. These balances earn interest at floating rates, determined by daily bank deposit rates
- trade and other receivables primarily comprise accrued rental income and a provisions contra account, which reflects expected credit losses on rental and outgoing receivables. The provision is based on the ageing of receivables and analysis of specific creditors as at the reporting date. Receivables declined by 62.5% from 30 June 2023 to 30 June 2024, followed by a 12.9% increase as at 30 June 2025. The higher balance in FY23 was largely due to a one-off insurance receivable related to required capital works at Toormina Gardens due to a flooding event. The FY25 trade and other receivables balance is in line with the prior year's balance
- investment properties reflect the fair market value of the Fund's property portfolio, as determined by independent valuers as at 30 June 2025. Movements between reporting periods represent net changes in property values
- the Fund maintains a portfolio of floating-for-fixed interest rate swaps and one interest rate call option to hedge exposure on floating-rate borrowings. These instruments are valued on a mark-to-market basis by National Australia Bank. The net value of the swap portfolio was positive as at 30 June 2023 and 2024, becoming negative as at 30 June 2025 due to the expiry of favourable swaps and negative mark to market valuations of the remaining swaps
- distributions payables refer to distributions that have been declared but not yet paid. The balance remained consistent over the three-year period, reflecting the Fund's stable distribution strategy. As at 30 June 2025, distributions totalling \$4.6 million were declared for the June 2025 quarter, with payment expected on or around 8 August 2025
- the Fund's borrowings relate to a secured bank loan facility with a limit of \$300 million. As at 30 June 2025, \$264.0 million was drawn, with net borrowings of \$263.5 million after accounting for \$0.5 million in capitalised borrowing costs. The facility is structured as interest-only, with principal repayment due at maturity. The Fund remained in compliance with all financial covenants up to 30 June 2025
- the Fund's gearing ratio has remained stable over the three-year period, ranging from 36.6% to 37.3%, reflecting prudent capital management.

9 Valuation of the Fund

9.1 Approach

9.1.1 Overview

Our valuation of the Fund has been prepared on the basis of 'market value'. The generally accepted definition of market value (and that applied by us in forming our opinion) is the value agreed in a hypothetical transaction between a knowledgeable, willing, but not anxious buyer and knowledgeable, willing, but not anxious seller, acting at arm's length.

Market value excludes 'special value', which is the value over and above market value that a particular buyer, who can achieve synergistic or other benefits from the acquisition, may be prepared to pay.

Our valuation has had regard to the additional value resulting from estimated corporate cost savings that would generally be available to the majority of purchasers, both financial and trade buyers. It does not include any other operational or financing synergies that may be only available to a very limited number of potential buyers.

Market value is commonly derived by applying one or more of the following valuation methodologies:

- capitalisation of maintainable earnings (**Capitalised Earnings**)
- discounted cash flow (**DCF**)
- estimated net proceeds from an orderly realisation of assets (**Net Assets**)
- current trading prices on the relevant securities exchange.

These methodologies are discussed in further detail in Appendix D. Ultimately, the methodology adopted is dependent on the nature of the underlying business and the availability of suitably robust information. A secondary methodology is often adopted as a cross-check to ensure the reasonableness of outcome, with the valuation conclusion ultimately being a judgement derived through an iterative process.

For profitable businesses, methodologies such as Capitalised Earnings and DCF are commonly used as they reflect 'going concern' values, which typically incorporate some element of goodwill over and above the value of the underlying assets. For businesses that are either non-profitable, non-tradeable or asset rich, the Net Assets methodology is typically adopted as there tends be minimal goodwill, if any. For listed companies, the trading price typically provides an indication of the value of a minority interest where trading is liquid, and no takeover speculation is evident.

9.1.2 Selected methodology

Our valuation of the Fund has been determined based on the Net Assets methodology for the following reasons:

- property investment trusts and other asset holding businesses, particularly those which passively hold portfolios of properties, are commonly valued with reference to net asset values. Property investments are reflected on the balance sheet at market value based on cyclical property valuations provided by property valuation specialists

- the Net Assets methodology is appropriate for the Fund, as its value lies in its underlying properties and not the ongoing operations of the Fund. The Net Assets methodology requires a valuer to determine the market value of the assets and liabilities at the valuation date, before deducting an allowance for corporate costs incurred to manage the portfolio
- to determine the high end of our valuation range, we have considered a scenario in which the Fund elects to undertake a managed disposal of all 12 shopping centres in order to realise underlying value. In doing so, we have taken into account the potential disposal and associated costs that may arise under this scenario.

9.1.3 Premium or discount to NTA

Consistent with the requirements of RG111, we have assumed 100% ownership in valuing the Fund.

Theoretically, there should be no “premium for control” above NTA as it is based on independent valuations for each property in the portfolio which are already “control values”. Nevertheless, a premium to NTA may be appropriate in certain situations, including:

- where property valuations are not current in a rising market
- increases in the value of the individual properties since latest valuations
- related operating businesses that contribute to earnings (e.g. third-party property management) that are not capital intensive and as such are not fully reflected in NTA (and, in particular, where the acquirer can derive synergies from those operations)
- value inherent in development pipelines providing growth opportunities
- the value of a portfolio in terms of diversification and efficiency (both in time and cost) when compared to accumulating an equivalent portfolio on a piecemeal basis over time
- economies of scale and synergies that can be achieved by the acquirer’s existing operations
- larger portfolios of quality properties have scarcity value and may represent a strategic acquisition from some buyers
- where transactions are the outcome of a competitive bidding process and bidders are prepared to accept a lower rate of return.

In other situations, a discount to NTA may be appropriate, for example:

- where property valuations are not current in a declining market
- not all properties in a portfolio may be equally attractive to acquirers and a discount may apply to non-core assets
- material cost synergies are not available (e.g. due to geographic spread of a portfolio).

In our assessment of the market value of the Fund, we have considered whether it is appropriate to apply a portfolio premium.

9.1.4 Cross-checks

A-REITs have traditionally been considered bond proxies that investors can switch between based on their risk appetite. Hence, the distribution yield is an important metric in the A-REIT sector.

FFO is a standardised industry metric defined by the Property Council of Australia and is commonly used by REITs as a measurement of operating performance.

EBITDA is a commonly used metric for evaluating an entity's earnings. In the context of REITs, depreciation and amortisation charges are typically minimal, given that their primary assets consist of owned real estate properties. Nonetheless, some amortisation charges may arise from capitalised fees or other intangible assets.

As a cross-check to our primary Net Assets methodology, we have benchmarked the implied EBITDA multiples, FFO multiples, and distribution yields – derived from our valuation range of the Fund – against the multiples observed for comparable listed retail A-REITs, as well as recent transactions involving both domestic retail A-REITs and international retail REITs.

9.2 Valuation of the Fund

9.2.1 Summary

In order to derive the current market value of the Fund, we have used the Fund's unaudited net assets as per the 30 June 2025 management accounts, as disclosed in the Explanatory Memorandum. These balances have served as the starting point for our valuation, from which we have made relevant adjustments to determine an adjusted NTA. We then considered valuation adjustments relating to premiums or discounts to NTA, corporate overheads, and orderly disposal costs to establish the value of the Fund and hence the value of a Fund Security. Each adjustment is discussed in detail below.

As at 30 June 2025, KPMG Corporate Finance has assessed the market value of one Fund Security to be in the range of \$1.61 to \$1.86 on an ex-dividend basis. A summary is set out in Table 9.1.

Table 9.1: Valuation of the Fund

| \$million | Section reference | Value range | |
|--|-------------------|----------------|----------------|
| | | Low | High |
| Property portfolio assets based on independent valuations ¹ | 9.2.2 | 699.4 | 742.7 |
| Other assets / (liabilities) | 9.2.3 | (265.0) | (265.0) |
| Net assets as at 30 June 2025 | | 434.4 | 477.7 |
| Capitalised borrowing costs | 9.2.4 | (0.5) | (0.5) |
| Adjusted NTA | | 433.9 | 477.2 |
| Premium / (discount) to NTA | 9.2.5 | - | - |
| Capitalised corporate overheads (net of savings) | 9.2.6 | (37.3) | (6.8) |
| Orderly disposal costs | 9.2.7 | - | (10.8) |
| Market value of the Fund (on a control, ex-dividend basis) | | 396.6 | 459.6 |
| Number of Fund Securities | | 246,872,662.75 | 246,872,662.75 |
| Market value of one Fund Security (ex-dividend) (\$) | | 1.61 | 1.86 |

Source: Management, KPMG Corporate Finance

Note 1: Low / high end of value range reflects a portfolio value (investment properties) that is 3.0% below/above the reported independent valuations as at 30 June 2025 of \$721.1 million.

9.2.2 Property portfolio

The market value of the property portfolio as at 30 June 2025 is based on reported book values for each of the Fund's properties located across NSW, QLD, VIC and SA, which reflect the independent

property valuations undertaken by external property valuation specialists as at 30 June 2025 (**Property Valuations**). The Property Valuations are summarised in Table 9.2.

Table 9.2: Independent valuation of the properties

| Property | Valuation date | Valuation (\$m) |
|-------------------------|----------------|-----------------|
| NSW | | |
| Oxford Village | 30 June 2025 | 115.0 |
| Toormina Gardens | 30 June 2025 | 88.3 |
| Windsor Riverview | 30 June 2025 | 57.3 |
| Marketfair Campbelltown | 30 June 2025 | 48.9 |
| Lake Innes Village | 30 June 2025 | 41.6 |
| Newtown Central | 30 June 2025 | 34.0 |
| QLD | | |
| Northpoint S.C | 30 June 2025 | 50.0 |
| Noosa Village | 30 June 2025 | 45.3 |
| Birkdale Fair | 30 June 2025 | 40.2 |
| VIC | | |
| Keilor Central | 30 June 2025 | 125.0 |
| Lynbrook Village | 30 June 2025 | 50.0 |
| SA | | |
| Hilton Plaza | 30 June 2025 | 25.5 |
| Total | | 721.1 |

Source: KPMG Corporate Finance Analysis, Management, FSREC Property Fund Property Valuation Reports

KPMG Corporate Finance has relied on the Property Valuations for the purposes of this report and did not undertake its own valuations of the properties. KPMG Corporate Finance does not have any reason to believe that it is not reasonable to rely on the Property Valuations for the purpose of valuing the Fund.

KPMG Corporate Finance has undertaken a review of the Property Valuations and have concluded that:

- the property valuers were independent of the Fund
- the engagement instructions were appropriate and did not limit the scope of the Property Valuations
- the Property Valuations were completed by reputable valuation companies and by valuers who have the appropriate qualifications in accordance with the standards of the Australian Property Institute
- the methods adopted in preparing the Property Valuations are consistent with those generally applied in the industry (i.e. discounted cash flow, capitalisation of net income, and direct comparison, such as value per square metre of lettable area), with each property valuation conclusion selected having regard to the results of each methodology.

This review does not, however, imply that the Property Valuations have been subject to any form of audit or due diligence by KPMG Corporate Finance.

In accordance with industry practice, the Property Valuations:

- provided a point estimate of market value for the properties, along with sensitivity tables showing outputs on key market variables. In accordance with industry practise, cash flow horizons utilised for the purpose of discounted cash flow analysis are long term (10 years) and rely on a number of assumptions, such as re-leasing, capital expenditure, capitalisation rates, discount rates, rental growth and incentives
- were undertaken on a going concern basis in accordance with current use
- assumed that the properties are sold on an individual basis
- deducted the net present value of unexpired tenant incentives
- incorporated property management fees in relation to each property net of the recovery of these costs from tenants
- allowed for selling costs in the DCF methodology.

On this basis, KPMG Corporate Finance considers that the valuations of the Fund's investment properties are not unreasonable and are therefore appropriate for use in our Net Assets valuation approach.

The Property Valuations (and hence the values adopted for financial reporting purposes) are a single point estimate. However, as there is a range of possible outcomes, KPMG Corporate Finance considers it appropriate to apply a range to the Property Valuations. We have adopted a range of +/- 3% to the valuer's point estimate for each property to create a range of property values as at 30 June 2025. The adjustment to the properties values are detailed in Table 9.3.

Table 9.3: Adjusted properties value range

| Adjusted properties value \$million | Value range | |
|---|--------------|--------------|
| | Low | High |
| Independent valuation of the properties | 721.1 | 721.1 |
| Adjustment +/- 3.0% | -3.0% | +3.0% |
| Adjusted value of the properties | 699.4 | 742.7 |

Source: Management, KPMG Corporate Finance analysis

9.2.3 Other assets/(liabilities)

We have reviewed the book values of other assets and liabilities as at 30 June 2025, as reported in the unaudited management accounts, and consider them to be a reasonable reflection of their respective market values, except for capitalised borrowing costs, which are addressed in detail in Section 9.2.4.

9.2.4 Capitalised borrowing costs

Borrowings included in the NTA reflect the amount drawn, net of \$492,603 in borrowing costs that have been capitalised for accounting purposes. These are not assets that are realisable and therefore have been excluded in deriving the adjusted NTA.

9.2.5 Premium or discount to NTA

As discussed in Section 9.1.3, RG 111 requires that in assessing the fairness of the Proposed Transaction, it is necessary to consider the extent to which a premium for control may be appropriate. It is commonly accepted that acquirers of 100% of a business should pay a premium over the value implied by the trading price of a share to reflect their ability to obtain control over the target's strategy and operations, as well as extract synergies from integration.

As the Fund's NTA is based on estimates of the full underlying value of each property in the portfolio, it is already a 'control' value (i.e., it assumes 100% ownership of the assets). Nevertheless, there are certain factors that indicate a premium to NTA may be appropriate in the case of the Fund based on the following:

- the Fund has a portfolio of 12 shopping centres, with diversification across four Australian states, including NSW, QLD, VIC and SA
- the costs avoided for a potential buyer (in particular stamp duty) and the time saved in replicating a portfolio of 12 retail properties with a market value of approximately \$721.1 million as at 30 June 2025 (as discussed above).

However, there are factors that may limit any such premium, including:

- all property valuations are recent and have been prepared on a control basis
- the Fund does not currently have a pipeline of growth or development opportunities and has no plans to acquire any further assets in the short to medium term
- existing agreements with the Investment Manager and Property Manager are not terminable until 30 October 2030. This arrangement may limit a potential buyer's ability to replace the incumbent management entities and realise potential cost savings.

Taking into consideration the specific attributes of the Fund's portfolio, that the NTA is already assessed on a control basis and the fact that we have adopted a range for the NTA, we are of the view that it is not appropriate to apply an additional premium or discount to the Fund's NTA.

9.2.6 Capitalised corporate overheads

The NTA does not reflect the ongoing overhead costs required to support the management of a portfolio of the Fund's scale and complexity. Corporate overheads are costs of the Fund's operating structure and include:

- responsible entity and trustee fees
- Investment Manager and Property Manager fees
- accounting and audit fees
- other corporate overheads including legal and compliance costs, custody fees, and share registry fees.

The Property Valuations reflect only costs associated with operations and direct management of the properties and do not reflect any corporate overhead costs. Therefore, we consider it appropriate to further adjust the NTA value to reflect the capitalised value of these costs.

We have determined ongoing corporate costs of \$6.8 million per annum based on the assumptions outlined in Table 9.4.

Table 9.4: The Fund's corporate overheads

| Corporate overheads | |
|--|---------------|
| Responsible entity and trustee fees | \$0.2m |
| Management fees | \$5.9m |
| Accounting and audit fees | \$0.5m |
| Other expenses (legal and compliance costs, custody fees, and share registry fees) | \$0.2m |
| Total ongoing corporate overhead | \$6.8m |

Source: KPMG Corporate Finance, FY25 management accounts, Explanatory Memorandum

Given our valuation assessment is on a 100% control basis, we have considered whether a pool of potential purchasers may achieve any savings in relation to these costs. The quantum and extent to which such savings may be realised is inherently uncertain and may vary based upon the different types of potential acquirers and circumstances of individual potential acquirers. Given that the Fund's existing agreements with the Investment Manager and Property Manager are not terminable until 30 October 2030 and the Fund's current fee structure is considered reasonable by Management, we consider the potential corporate overhead savings is relatively limited.

To determine the low end of our valuation range, we have capitalised the ongoing corporate overheads using a multiple of 5.5 times. This is consistent with the Fund's existing agreements with the Investment Manager and Property Manager, which are not terminable until 30 October 2030 (approximately 5.5 years from now). The Fund's fee structure may be subject to change upon the expiry of these agreements.

To determine the high end of the valuation range, we have assumed that the Fund could elect to undertake a managed disposal of all 12 shopping centres in order to realise their underlying values. Management has advised that such a disposal process is likely to require up to 12 months to accommodate the necessary marketing, sales and due diligence activities. During this period, the existing operational overhead structure would remain in place, and the annual corporate overheads of \$6.8 million would continue to be incurred.

The resulting range of capitalised corporate overheads used in our valuation is set out in Table 9.5. This amount has been deducted from the adjusted NTA.

Table 9.5: Capitalised corporate overheads

| Capitalised corporate overheads \$million | Value range | |
|---|-------------|------|
| | Low | High |
| Estimated corporate overheads (net of savings) | 6.8 | 6.8 |
| Capitalisation multiple (times) | 5.5x | 1.0x |
| Calculated capitalised corporate overhead costs | 37.3 | 6.8 |

Source: KPMG Corporate Finance, FY25 management accounts

9.2.7 Orderly disposal costs

In the scenario where the Fund elects to sell all 12 shopping centres to realise the underlying values, associated disposal costs must be deducted from the realisable value. We have considered the following cost components:

- Transaction costs: based on our experience, transaction fees for retail property sales typically amount to approximately 0.75% of the sale price. However, following discussions with Management and considering market dynamics, we believe the transaction costs may be lower in this instance. Given the competitive environment, sale agents may be willing to offer reduced fees for a portfolio of this scale. Accordingly, we have adopted a transaction cost estimate of 0.5% of the sale price, which equates to \$3.6 million, based on the market value of \$721.1 million determined by the independent property valuation specialists
- Disposal fees: as outlined in Section 5.11 of the Explanatory Memorandum and Section 8.1.4 of this report, a disposal fee of 1.0% of the net proceeds is payable for each property disposed of, provided the net proceeds exceed the aggregate of the acquisition and capital costs of the relevant asset. Management has advised that the net proceeds are unlikely to fall below this threshold, given that the Fund has not made any new acquisitions since January 2018 and has experienced cumulative revaluation uplifts over the years. Accordingly, we have assumed a disposal fee of \$7.2 million, representing 1.0% of the net sale proceeds (i.e., sale price less transaction costs)
- Performance fees: as outlined in Section 5.11 of the Explanatory Memorandum and Section 8.1.4 of this report, a performance fee of 10.0% is payable on the Fund's performance above an 8.0% cumulative, non-compounded annual return. Management has advised that the disposal of all 12 shopping centres, within a market value range of +/-3.0% around \$721 million (as determined by the independent property valuation specialist) is unlikely to trigger a performance fee. Accordingly, we have assumed no performance fee will be incurred under the orderly disposal scenario.

A summary of the orderly disposal costs is presented in Table 9.6.

Table 9.6: Orderly disposal costs

| Orderly disposal costs | |
|--|----------------|
| Estimated sale price | \$721.1m |
| Transaction costs (% of sale price) | 0.5% |
| Transaction costs | \$3.6m |
| Net sale proceeds | \$717.4m |
| Disposal fees (% of Net sale proceeds) | 1.0% |
| Disposal fees | \$7.2m |
| Performance fees | -- |
| Total orderly disposal costs | \$10.8m |

Source: KPMG Corporate Finance, Management, Explanatory Memorandum

9.2.8 Valuation cross-checks

As a cross-check to our primary Net Assets methodology, we have benchmarked the implied EBITDA multiples, FFO multiples and distribution yields implied by our valuation range for the Fund,

to the multiples of comparable listed retail A-REITs, as well as recent transactions involving both domestic retail REITs and international retail REITs.

Our assessed value of a Fund Security, on an ex-dividend basis, in the range of \$1.61 to \$1.86, implies the EBITDA multiples, FFO multiples, and distribution yields presented in Table 9.7.

Table 9.7: The Fund implied multiples

| Implied metrics | Section Reference | Parameter (per Fund Security) | Value range | |
|------------------------------|-------------------|-------------------------------|-------------|--------|
| | | | Low | High |
| Value per Fund Security | | | \$1.61 | \$1.86 |
| FY25 EBITDA multiple (times) | 8.3 | n/a | 21.4x | 23.5x |
| FY25 FFO multiple (times) | 8.3 | \$0.08 | 19.4x | 22.5x |
| FY25 distribution yield (%) | 8.3 | \$0.07 | 4.6% | 2.9% |

Source: KPMG Corporate Finance, FY25 management accounts

Comparable transactions

Several transactions involving A-REITs, as well as international REITs focused on retail property investment, have been observed with detail provided in Appendix E. These transactions occurred at EBITDA multiples ranging from 14.0 to 26.4 times and FFO multiples ranging from 9.1 to 25.8 times. A summary of these transactions is provided in Table 9.8.

Table 9.8: Comparable transactions

| Date | Target | Transaction value (\$ million) | EBITDA multiple (times) | FFO multiple (times) |
|-------------------------|--------------------------------------|--------------------------------|-------------------------|----------------------|
| Australia | | | | |
| 24 Jan 24 | Newmark Property REIT | 580.9 | 26.4x | 18.1x |
| 18 Oct 21 | Aventus Group | 2,838.7 | 22.1x | 19.8x |
| 19 Apr 21 | Primewest Group Limited | 534.7 | 21.5x | 25.8x |
| 12 Dec 17 | Westfield Corporation | 27,873.6 | 19.6x | 20.4x |
| Mean - Australia | | | 22.4x | 21.1x |
| Median - Australia | | | 21.8x | 20.1x |
| Range - Australia | | | 19.6x to 26.4x | 18.1x to 25.8x |
| United States | | | | |
| 6 Nov 24 | Retail Opportunity Investments Corp. | 6,055.7 | 19.3x | 19.0x |
| 28 Aug 23 | RPT Realty | 3,085.7 | 18.2x | 13.3x |
| 10 May 23 | The Necessity Retail REIT, Inc. | 6,206.5 | 15.7x | 9.1x |
| 19 Jul 21 | Retail Properties of America, Inc. | 6,125.4 | 16.4x | 15.0x |
| Mean - United States | | | 17.4x | 14.1x |
| Median - United States | | | 17.3x | 14.6x |
| Range - United States | | | 15.7x to 19.3x | 9.1x to 19.0x |
| United Kingdom | | | | |
| 23 May 24 | Capital & Regional Plc | 671.3 | 17.9x | 13.5x |
| 11 Sep 19 | Capital & Regional Plc | 1,227.3 | 14.0x | 9.8x |
| Mean - United Kingdom | | | 15.9x | 11.7x |
| Median - United Kingdom | | | 15.9x | 11.7x |
| Range - United Kingdom | | | 14.0x to 17.9x | 9.8x to 13.5x |

| Date | Target | Transaction value (\$ million) | EBITDA multiple (times) | FFO multiple (times) |
|-----------------------|--------|-----------------------------------|----------------------------|-------------------------|
| Total | | | | |
| Mean - Total | | | 19.1x | 16.5x |
| Median - Total | | | 18.7x | 17.0x |
| Range - Total | | | 14.0x to 26.4x | 9.1x to 25.8x |

Source: S&P Capital IQ, Mergermarket and media releases, KPMG Corporate Finance

We note the following regarding the comparable transactions:

- the implied transaction multiples may reflect varying levels of control premiums and strategic value paid by acquirers. In particular, these multiples may incorporate synergies that are unique to the acquiring entities
- several transactions occurred during the Pandemic, a period during which economic and market conditions (including competitive dynamics and property valuations) were materially impacted by trade disruptions and lockdowns. These factors led to reduced foot traffic and structural shifts in demand for physical retail
- we consider the most relevant comparable transactions to be the A-REIT transactions, given Australia's distinct geographic, demographic, and market characteristics compared to the United States and the United Kingdom, particularly in terms of population density. The A-REIT transactions presented exhibited EBITDA multiples ranging from 19.6 times to 26.4 times and FFO multiples ranging from 18.1 times to 25.8 times
- the most recent Australian transaction involved the acquisition of Newmark Property REIT by BWP Trust. This transaction is the only publicly disclosed retail A-REIT deal to have occurred post-Pandemic. The Newmark portfolio comprised 9 properties focused on large-format retail, with key tenants including Bunnings, Kmart, and Officeworks. This transaction implied an EBITDA multiple of 26.4 times and a FFO multiple of 18.1 times.

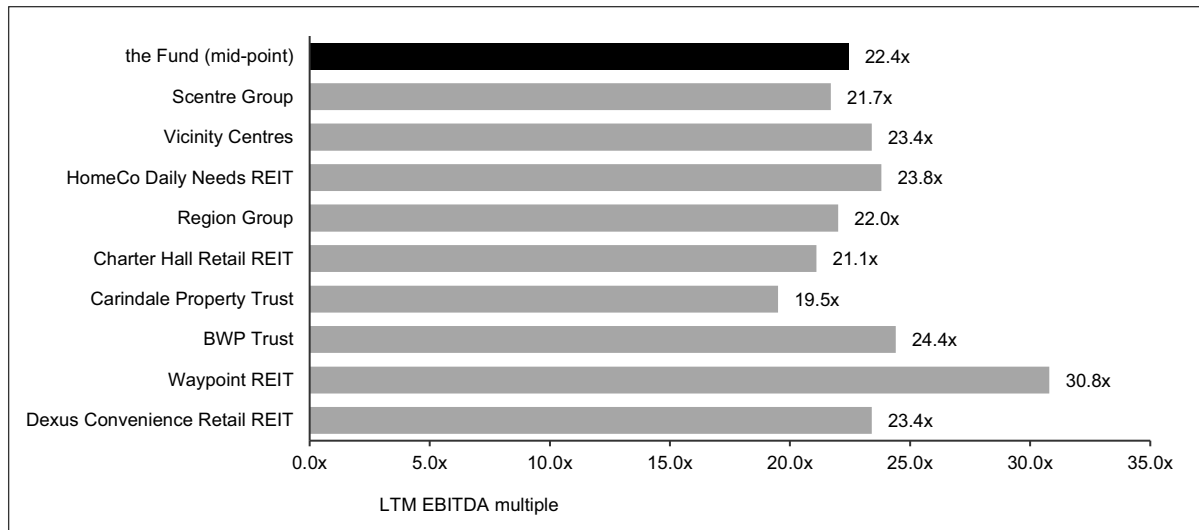
The Fund's implied multiples fall within the range of observed transaction evidence. Specifically, in relation to A-REIT transactions, the Fund's EBITDA and FFO multiples are consistent with the comparable transactions range. On this basis, we consider the implied EBITDA and FFO multiples support our value range per Fund Security.

Comparable companies

We have also cross-checked our assessed value range per Fund Security by comparing the key valuation metrics implied by our valuation (EBITDA multiples, FFO multiples, and distribution yields) against those exhibited by the Fund's ASX listed retail A-REIT peers (including a control premium¹). Our comparison results are illustrated in Figures 9.1, 9.2 and 9.3, with further details provided in Appendix E.

¹ A control premium of 25% has been adopted based on KPMG Corporate Finance analysis.

Figure 9.1: Historical EBITDA multiples – the Fund (mid-point) versus comparable companies

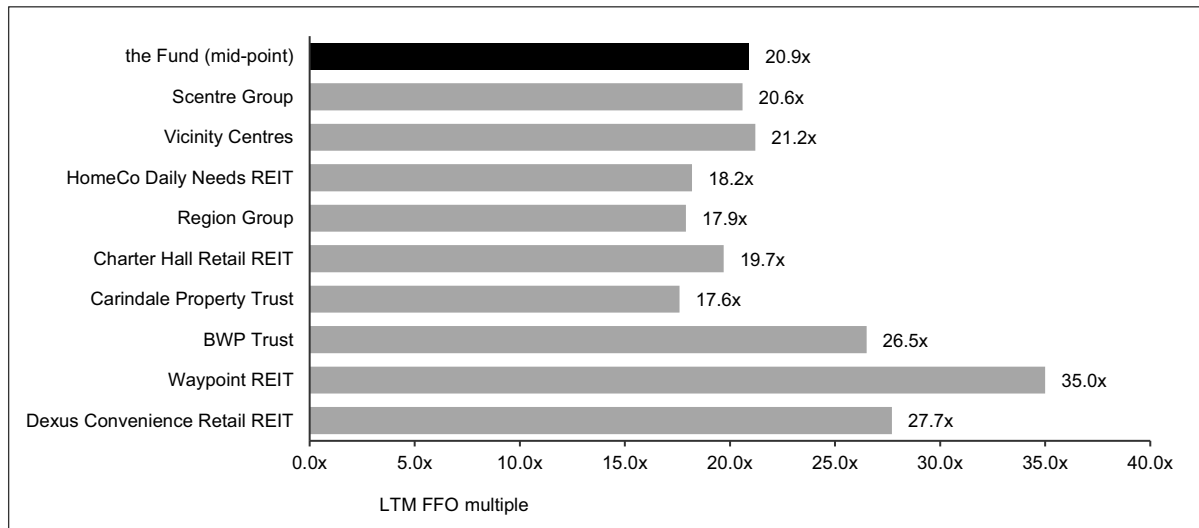


Source: S&P Capital IQ, KPMG Corporate Finance

Note: Data as at 30 June 2025

The historical EBITDA multiples implied by our valuation range (21.4 times to 23.5 times) are within the range of the comparable companies (19.5 times to 30.8 times).

Figure 9.2: Historical FFO multiples – the Fund (mid-point) versus comparable companies

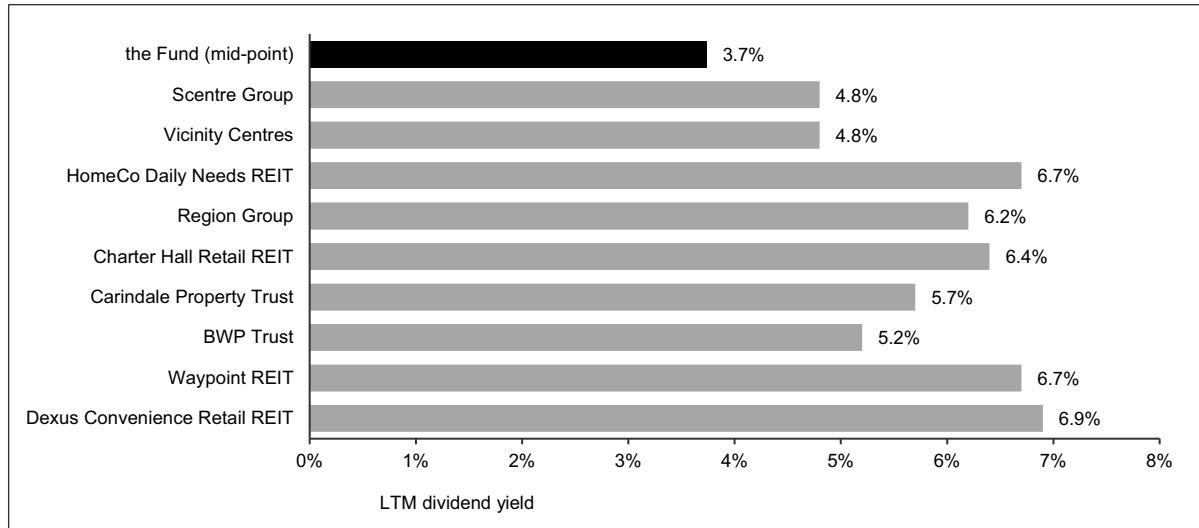


Source: S&P Capital IQ, KPMG Corporate Finance

Note: Data as at 30 June 2025

The historical FFO multiples implied by our valuation range (19.4 times to 22.5 times) are within the range of the comparable companies (17.6 times to 35.0 times).

Figure 9.3: Dividend yield – the Fund (mid-point) versus comparable companies



Source: S&P Capital IQ, KPMG Corporate Finance
Note: Data as at 30 June 2025

The historical distribution yields (2.9% to 4.6%) implied by our valuation range overlap with the range exhibited by the comparable companies (4.8% to 6.9%), albeit at the lower end of the range.

In relation to the comparison results, we note the following:

- to enable a meaningful comparison with our valuation, which is prepared on a control basis, we have applied a notional control premium of 25% to the comparable companies. Based on our empirical research and market analysis, control premiums in the current environment typically range between 20% and 35%. A 25% premium is considered reasonable for the REIT sector, given the market's maturity and the relatively limited scope for owners to materially enhance business cash flows
- we consider HomeCo Daily Needs REIT, Region Group and Charter Hall Retail REIT to be the most relevant peers, as they own and operate portfolios of retail properties within the same sub-sector as the Fund. These peers also feature major supermarkets as anchor tenants. Their implied EBITDA and FFO multiples are largely aligned with those derived from our valuation
- other retail A-REITs, including BWP Trust, Waypoint REIT and Dexus Convenience Retail REIT, exhibit higher multiples and dividend yields relative to other retail A-REITs. However, these entities are focused on retail subsectors outside of convenience retail and shopping centres, making them less comparable to the Fund.

Having regard to the above considerations, we consider the implied EBITDA multiples, FFO multiples, and distribution yields to support our value range per Fund Security.

Appendix A. KPMG Corporate Finance Disclosures

Qualifications

The individuals responsible for preparing this report on behalf of KPMG Corporate Finance are Joanne Lupton and Bill Allen. Each has a significant number of years of experience in the provision of corporate financial advice, including specific advice on valuations, mergers and acquisitions, as well as preparation of expert reports.

Joanne Lupton is an Authorised Representative of KPMG Financial Advisory Services (Australia) Pty Ltd and a Partner in the KPMG Partnership. Joanne is a member of the Institute of Chartered Accountants in Australia and New Zealand, fellow of the Financial Securities institute of Australasia and holds a Bachelor of Commerce degree.

Bill Allen is an Authorised Representative of KPMG Financial Advisory Services (Australia) Pty Ltd and a Partner in the KPMG Partnership. Bill is an Associate of Chartered Accountants Australia and New Zealand and holds a Bachelor of Commerce degree and a Graduate Diploma in Applied Finance.

Disclaimers

It is not intended that this report should be used or relied upon for any purpose other than KPMG Corporate Finance's opinion as to whether the Proposed Transaction is in the best interests of Fund Scheme Securityholders. KPMG Corporate Finance expressly disclaims any liability to any shareholder who relies or purports to rely on the report for any other purpose and to any other party who relies or purports to rely on the report for any purpose whatsoever.

Other than this report, neither KPMG Corporate Finance nor the KPMG Partnership has been involved in the preparation of the Explanatory Statement or any other document prepared in respect of the Scheme. Accordingly, we take no responsibility for the content of the Explanatory Statement as a whole or other documents prepared in respect of the Scheme.

Our report makes reference to "KPMG Corporate Finance analysis". This indicates only that we have (where specified) undertaken certain analytical activities on the underlying data to arrive at the information presented.

Independence

KPMG Corporate Finance and the individuals responsible for preparing this report have acted independently.

In addition to the disclosures in our Financial Services Guide, it is relevant to a consideration of our independence that, during the course of this engagement, KPMG Corporate Finance provided draft copies of this report to management of the Fund for comment as to factual accuracy, as opposed to opinions which are the responsibility of KPMG Corporate Finance alone. Changes made to this report as a result of those reviews have not altered the opinions of KPMG Corporate Finance as stated in this report.

Other than fees to be received in respect to preparing this report, neither KPMG Corporate Finance or the KPMG Partnership have provided professional services to the Fund or IRAPT in relation to the Scheme.



From time to time KPMG Corporate Finance and/or the KPMG Partnership undertakes professional assignments for the Fund. The quantum of the fees received from the Fund are not material to either the KPMG Partnership or KPMG Corporate Finance.

Professional standards

Our report has been prepared in accordance with professional standard APES 225 "Valuation Services" issued by the Accounting Professional & Ethical Standards Board. KPMG Corporate Finance and the individuals responsible for preparing this report have acted independently.

Appendix B. Sources of information

In preparing this report we have been provided with and considered the following sources of information:

Publicly available information

- FSREC Explanatory Memorandum (including earlier drafts)
- Scheme Implementation Deed, dated 7 August 2025
- publicly available company presentations and investments announcements of FRSEC
- audited annual reports for the periods ended 30 June 2023 and 30 June 2024 for FRSEC
- unaudited FY25 management accounts for FRSEC prepared by management
- broker reports for FSREC
- various press and media articles
- data providers including S&P Capital IQ, IRESS, Bloomberg, Thompson Financial Securities, and Connect 4
- various reports on the A-REIT industry in Australia.

Non-public information

- 12 property valuation reports prepared by various independent property valuation specialists with valuation date as at 30 June 2025
- FY26 Fort Street Budget, dated April 2025

In addition, we have had discussions with the Fund's management, the directors of EQT and relevant advisors.

Appendix C. Industry overview

To provide context with respect to the Fund's positioning within the broader economic and industry landscape, we have included an overview of the A-REIT sector, followed by a focused analysis of the retail A-REIT sub-sector. Our assessment concentrates on the states of NSW, QLD, VIC and SA, reflecting the locations of the Fund's underlying assets.

A-REIT industry

A-REITs are trust-based investment vehicles that provide securityholders with exposure to property assets. A-REITs invest in a diverse range of properties across various sub-sectors and geographic locations. The sub-sectors within the property market, along with the types of properties typically found in each, include the following:

- **Retail:** investment in shopping malls, outlet malls, neighbourhood and community shopping centres
- **Industrial:** investment in industrial warehouses, distribution properties and other industrial lands
- **Office:** investment in office buildings and office parks
- **Residential:** investment in residential properties including free-standing houses, townhouses, apartments and student housing
- **Hotel:** investment in properties that provide accommodation on a room and/or suite basis
- **Large format retail:** investment in retail warehouses that house white goods, furniture and home improvement and hardware; and
- **Specialised:** includes investment in physical and electronic record storage centres, data processing centres, childcare and early learning, agricultural land as well as retirement communities, aged care and other seniors living and agricultural land among others.

While some A-REITs specialise in specific sub-sectors, such as retail properties, as is the case for the Fund, others offer diversified exposure across multiple real estate sub-sectors within the same portfolio (the diversified REITs). Larger A-REIT fund managers often offer several investment options, comprising specialised sets of property assets, enabling investors to select their preferred sub-sector exposure.

Investors typically assess A-REITs by evaluating the stability of rental and other property income, the quality of individual assets and tenants, the degree of portfolio diversification, lease expiry profiles, gearing levels, and the strength and capability of management. The relative risk associated with these factors is generally reflected in the yield of each A-REIT.

The performance of A-REITs is also influenced by broader macroeconomic conditions and demographic trends. Below is a summary of key macroeconomic factors that may affect the outlook and performance of the A-REIT sector.

- **Interest rates:** Interest rates are shaped by factors such as the official cash rate, debt spreads, business and lender confidence, and the performance of other asset markets. For the A-REIT sector, interest rates impact both supply and demand dynamics. On the supply side, higher borrowing costs can constrain capital expenditure and development activity. On the demand side, interest rates influence business and consumer spending behaviour. Sectors such as

discretionary retail and bulky goods are particularly sensitive to these pressures, often experiencing reduced leasing demand and higher vacancy rates during periods of weaker consumer demand. As of 30 June 2025, the Australian cash rate stood at 3.85%, following a rate cut by the Reserve Bank of Australia (**RBA**) in February 2025. The reduction was prompted by a better-than-expected decline in inflation and weaker GDP growth in the first quarter of the 2025 calendar year.

- **Inflation:** As A-REITs primarily generate income from property leases, higher inflation typically results in increased inflation-adjusted rents. However, for A-REITs engaged in development or redevelopment, inflation can also increase construction and material costs, potentially offsetting the benefits of higher rental income. From 2020 to 2024, the Australian economy experienced significant inflationary pressure from the Pandemic and global events such as the Russo-Ukrainian War in 2022 and the Red Sea crisis in 2023. The RBA began to increase cash rates in response to inflationary pressures from May 2022 to February 2025. As at 31 March 2025, Australia's year-on-year inflation rate was 2.1%.
- **GDP:** GDP growth is a central focus of economic policy, as it supports improved living standards, job creation, higher incomes, increased investment, and population growth – both organically and through immigration. For A-REITs, these factors expand the real estate market and enhance access to capital, supporting sector growth. However, GDP growth is closely linked to interest rates and inflation (particularly nominal GDP), which can either stimulate or constrain economic expansion. Australia's GDP growth in 2025 is projected to remain modest, reflecting ongoing economic headwinds. The International Monetary Fund forecasts real GDP growth of 1.6% for the year. As at the March 2025 quarter, Australia's year-on-year real GDP growth stood at 1.3%.
- **Population:** Population growth, when combined with purchasing power effects from the above macroeconomic indicators, exerts positive demand-side pressure on the A-REIT sector. A growing population increases demand for all types of real estate, including residential, commercial, and retail. Australia's population grew by 1.7% in 2024, largely driven by net overseas immigration. The Australian Bureau of Statistics projects the national population to reach 30 million by 2032, up from 25 million in 2022, with 68% residing in capital cities – a trend largely driven by net overseas migration.

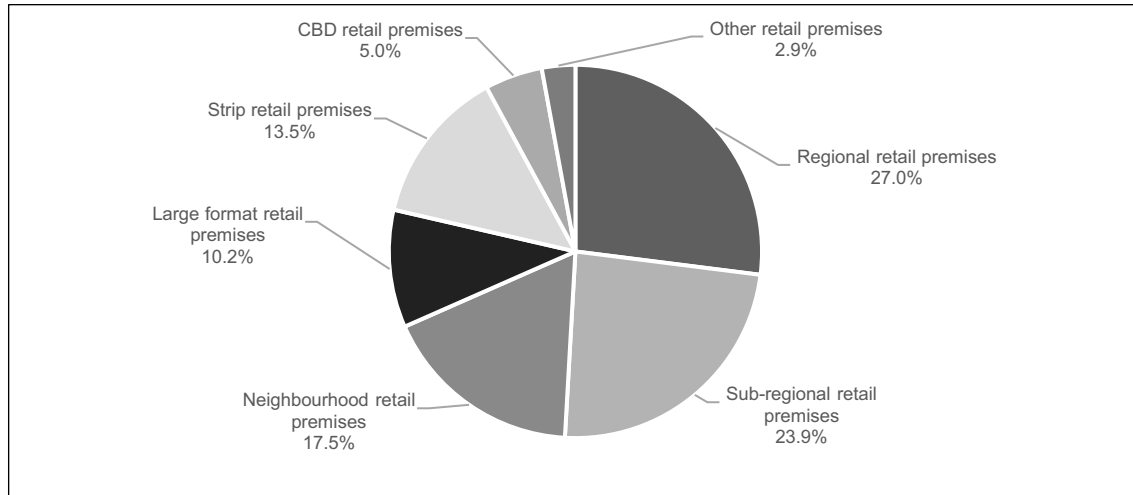
Retail property sector

The retail property sector comprises entities engaged in the ownership and management of a broad range of retail properties, including retail outlets, shopping centres, convenience stores, and other retail premises. The size and type of retail property typically reflect the demographics and classification of the location – whether urban, suburban, or regional.

Retail properties may be free-standing or consist of conjoined spaces, depending on their intended use and the market segment they serve. Operators in this sector are responsible for leasing, tenant management, and property maintenance.

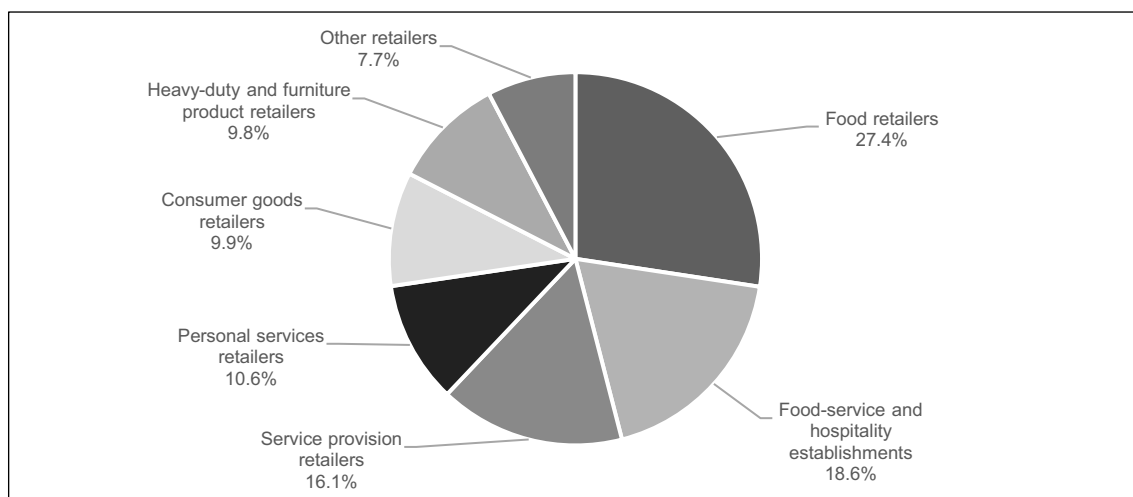
Figure C.1 and Figure C.2 illustrate the segmentation of the Australian retail property market, both by revenue across products and services, and by revenue across primary markets.

Figure C.1 Australian retail property segments by revenue



Source: IBISWorld, 'Retail Property Operators in Australia', June 2025

Figure C.2 Australian retail property sector markets by revenue



Source: IBISWorld, 'Retail Property Operators in Australia', June 2025

Demand-side drivers

The demand side of the retail property sector is influenced by multiple key drivers including:

- **Retail tenant demand:** the growth and performance of the retail property sector are primarily driven by demand from retail tenants. A retailer's choice of location is influenced by the nature of their business and the availability of space in areas with sufficient consumer demand. The type of retail operation and the class of premises sought are shaped by factors such as total population, demographic profile, and population density.
- **Demographic characteristics:** demographics significantly influence the types of retailers that choose to operate in a given area. For example, suburban areas tend to attract food and service retailers that cater to residents' everyday needs, while regional and sub-regional retail centres

typically house tenants offering discretionary goods and services. The performance of discretionary retailers, and by extension, the retail property operators that serve them, is closely tied to consumers' disposable incomes. Disposable income levels are affected by variables such as education, income, non-discretionary expenditure, and overall economic conditions.

Supply-side considerations

The supply side of the retail property sector is shaped by multiple factors that include:

- **Access to capital:** the ability to secure capital at an efficient cost is influenced by economic conditions, fiscal policy, and the performance of debt and equity markets. Decisions to raise capital for property development are typically based on the expectation that rental yields and capital gains will exceed capital costs and deliver adequate returns. All else being equal, lower interest rates make development more profitable, while higher capital costs may constrain investment.
- **Location and urban development:** historically, Australian urban and suburban centres have developed around capital cities, which offer access to employment and trade. Beyond these hubs, some districts have expanded organically or transitioned from industrial zones to residential and retail precincts. State and local government initiatives have also played a role in stimulating development outside capital cities, often aimed at boosting local economies and infrastructure.
- **Redevelopment capability:** redevelopment is a critical competitive strategy for retail property operators. Assets that can efficiently adapt, upgrade or expand in offering to meet evolving tenant and consumer demands are better positioned to attract high-quality tenants and maintain/improve occupancy demand.

Retail property sector historical performance (2020–2025)

Despite volatility introduced by the Pandemic in 2020 and subsequent macroeconomic challenges, the Australian retail property sector demonstrated resilience, growing at a compound annual growth rate (**CAGR**) of 1.9% from 2020 to 2025. Lockdowns in 2020 significantly reduced foot traffic and in-person retail activity, but turnover rebounded following the easing of restrictions in late 2021.

Interest rate increases in 2023 and sustained levels through 2024 curtailed capital expenditure on new developments. This led to constrained supply and low vacancies among leading operators, including vacancy rate of 0.4% for Scentre Group, 0.7% for Vicinity Centres, and 1.4% for GPT Group.

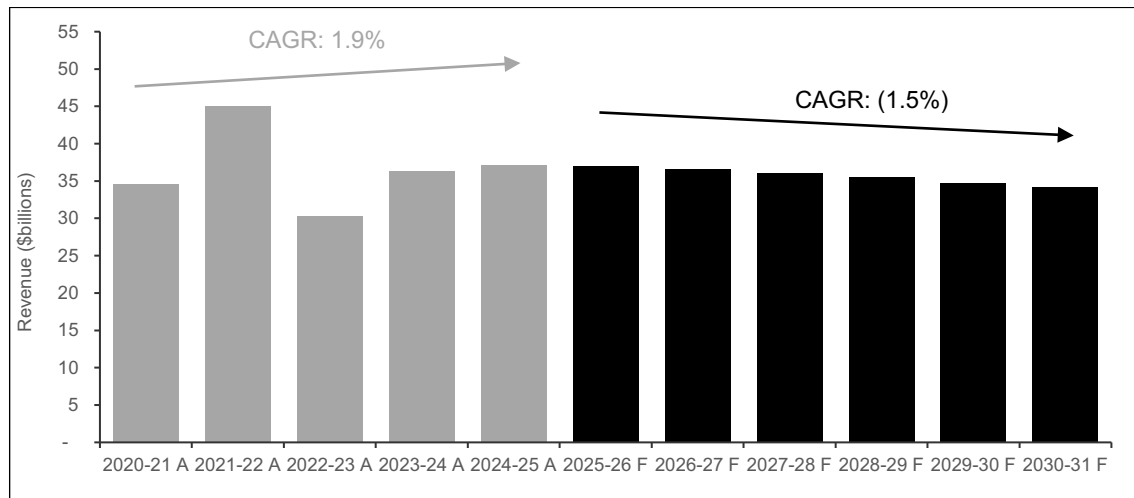
Development activity shifted toward asset quality improvement and operational optimisation, with prime-location assets outperforming secondary centres due to stronger tenant profiles and foot traffic. Meanwhile, cost-of-living pressures and elevated interest rates dampened discretionary retail performance, limiting rental growth and increasing tenant turnover. However, operators continued to benefit from stable demand from supermarkets and essential services tenants.

Retail property sector outlook (2026-2031)

The post-Pandemic acceleration of online shopping has reduced demand for physical retail space, prompting national and international retailers to consolidate operations. This has intensified competition for prime retail locations and led to the repurpose of secondary and subregional properties for alternative uses. Operators with well-positioned assets have benefited from increased competition for leases, greater rental stability, and lower vacancy rates.

IBISWorld forecasts a CAGR decline of 1.5% in sector revenue over the six-year period from 2026 to 2031, as illustrated in Figure C.3.

Figure C.3 Australian retail property sector markets by revenue



Source: IBISWorld, 'Retail Property Operators in Australia', June 2025

Key drivers include:

- **Interest rate trajectory:** future rate cuts or hikes will influence capital availability and development feasibility
- **Access to cost-efficient capital:** lower interest rates may improve development economics, but lender confidence and credit policy will moderate recovery pace
- **Prime location advantage:** incumbents in premium locations will continue to outperform, while others may need to reallocate portfolios or leverage government-led development opportunities
- **Tenant market shifts:** continued growth in online retail will concentrate demand in prime locations, supporting yields and occupancy, while non-prime areas may face challenges.

State-Level Development Highlights

- **New South Wales:** NSW's retail property market is expected to experience steady growth, underpinned by continued infrastructure investment and urban development initiatives. The Sydney Metro expansion and the development of the Western Sydney Airport will enhance connectivity across inland areas of Metropolitan Sydney, increasing accessibility and foot traffic to key retail hubs. Major projects such as the Bays Precinct redevelopment in Glebe Point, along with other urban renewal initiatives, will introduce additional commercial and community spaces – further supporting retail activity and strengthening the overall appeal of the retail property sector.

- **Queensland:** QLD's retail property market is expected to benefit from significant growth in the lead-up to the 2032 Brisbane Olympics. The Australian and State Governments have committed \$3.4 billion in federal funding toward the development of the Games precinct in Victoria Park. This investment will support a range of infrastructure upgrades, including the construction of new sporting venues and the enhancement of existing facilities to accommodate athletes and increased tourism. These developments are anticipated to create substantial opportunities for the retail property sector, particularly in retail precinct development, driven by the projected influx of visitors and heightened commercial activity.
- **Victoria:** the pipeline of civic and precinct developments comprises a diverse range of new projects and redevelopments. Among them, the Docklands redevelopment is currently under construction and forms part of the state's broader initiative to transform Melbourne into a vibrant waterfront city. This includes the planned removal of Central Pier from Victoria Harbour. Other notable projects include the Fitzroy Gasworks and the Melbourne Arts Precinct. Collectively, these developments are expected to create new opportunities for the retail property sector by activating high-traffic, multi-purpose locations across Melbourne, particularly along retail strips and in neighborhood retail centres.
- **South Australia:** its expanding economy is expected to support a broader level of infrastructure growth and property development. A significant development for the City of Adelaide is the Market Square and Central Market Expansion project. This initiative involves the redevelopment of the Central Market Arcade and is expected to deliver new office, retail, residential, and hotel spaces. The project aims to serve as a key social and commercial hub for Adelaide, enhancing the city's appeal and contributing to its long-term urban revitalisation.

Appendix D. Overview of valuation methodologies

Capitalisation of earnings

An earnings based approach estimates a sustainable level of future earnings for a business (**maintainable earnings**) and applies an appropriate multiple to those earnings, capitalising them into a value for the business. The earnings bases to which a multiple is commonly applied include Revenue, EBITDA, earnings before interest and taxes (**EBIT**), and Net Profit After Taxation (**NPAT**).

In considering the maintainable earnings of the business being valued, factors to be taken into account include whether the historical performance of the business reflects the expected level of future operating performance, particularly in cases of development, or when significant changes occur in the operating environment, or the underlying business is cyclical.

With regard to the multiples applied in an earnings based valuation, they are generally based on data from listed companies and recent transactions in a comparable industry, but with appropriate adjustment after consideration has been given to the specific characteristics of the business being valued. The multiples derived for comparable quoted companies are generally based on security prices reflective of the trades of small parcels of securities. As such, multiples are generally reflective of the prices at which portfolio interests change hands. That is there is no premium for control incorporated within such pricing. They may also be impacted by illiquidity in trading of the particular stock. Accordingly, when valuing a business en bloc (100%) we would also reference the multiples achieved in recent mergers and acquisitions, where a control premium and breadth of purchaser interest are reflected.

An earnings approach is typically used to provide a market cross-check to the conclusions reached under a theoretical DCF approach or where the entity subject to valuation operates a mature business in a mature industry or where there is insufficient forecast data to utilise the DCF methodology.

Discounted cash flow

Under a DCF approach, forecast cash flows are discounted back to the valuation date, generating a net present value for the cash flow stream of the business. A terminal value at the end of the explicit forecast period is then determined and that value is also discounted back to the valuation date to give an overall value for the business.

In a DCF analysis, the forecast period should be of such a length to enable the business to achieve a stabilised level of earnings, or to be reflective of an entire operation cycle for more cyclical industries. Typically, a forecast period of at least five years is required, although this can vary by industry and by sector within a given industry.

The rate at which the future cash flows are discounted (the **Discount Rate**) should reflect not only the time value of money, but also the risk associated with the business' future operations. This means that in order for a DCF to produce a sensible valuation figure, the importance of the quality of the underlying cash flow forecasts is fundamental.

The Discount Rate most generally employed is the Weighted Average Cost of Capital (**WACC**), reflecting an optimal (as opposed to actual) financing structure, which is applied to unleveraged cash flows and results in an enterprise value for the business. Alternatively, for some industries it is more

appropriate to apply an equity approach instead, applying a cost of equity to leveraged cash flows to determine equity value.

In calculating the terminal value, regard must be had to the business' potential for further growth beyond the explicit forecast period. This can be calculated using either a capitalisation of earnings methodology or the 'constant growth model', which applies an expected constant level of growth to the cash flow forecast in the last year of the forecast period and assumes such growth is achieved in perpetuity.

Net assets or cost based

Under a net assets or cost based approach, total value is based on the sum of the net asset value or the costs incurred in developing a business to date, plus, if appropriate, a premium to reflect the value of intangible assets not recorded on the balance sheet.

Net assets value is determined by marking every asset and liability on (and off) the entity's balance sheet to current market values.

A premium is added, if appropriate, to the marked-to-market net asset value, reflecting the profitability, market position and the overall attractiveness of the business. The net asset value, including any premium, can be matched to the 'book' net asset value, to give a price to net assets, which can then be compared to that of similar transactions or quoted companies.

A net assets or cost based methodology is most appropriate for businesses where the value lies in the underlying assets and not the ongoing operations of the business (e.g. real estate holding companies). A net assets approach is also useful as a cross-check to assess the relative riskiness of the business (e.g. through measures such as levels of tangible asset backing).

Enterprise or equity value

Depending on the valuation approach selected and the treatment of the business' existing debt position, the valuation range calculated will result in either an enterprise value or an equity value being determined.

An enterprise value reflects the value of the whole of the business (i.e. the total assets of the business including fixed assets, working capital and goodwill/intangibles) that accrue to the providers of both debt and equity. An enterprise value will be calculated if a multiple is applied to unleveraged earnings (i.e. revenue, EBITDA, EBITA or EBIT) or unleveraged free cash flow.

An equity value reflects the value that accrues to the equity holders. To compare an enterprise value to an equity value, the level of net debt must be deducted from the enterprise value. An equity value will be calculated if a multiple is applied to leveraged earnings (i.e. NPAT) or free cash flow, post debt service.

Appendix E. Comparable analysis

Table E.1: Share market evidence – Australian A-REITs

| | Market capitalisation (\$ million) | Dividend yield | | | Price/FFO multiple | | | EV/EBITDA | |
|-------------------------------|------------------------------------|----------------|------|------|--------------------|-------|-------|-----------|-------|
| | | LTM | NTM | FY+2 | LTM | NTM | FY+2 | LTM | NTM |
| | | | | | | | | | |
| Shopping centre REITs | | | | | | | | | |
| Scentre Group | 18,521 | 4.8% | 5.0% | 5.2% | 20.6x | 19.8x | 18.8x | 21.7x | 19.2x |
| Vicinity Centres | 11,270 | 4.8% | 4.9% | 5.0% | 21.2x | 20.8x | 20.6x | 23.4x | 21.6x |
| HomeCo Daily Needs REIT | 2,618 | 6.7% | 6.9% | 6.9% | 18.2x | 17.7x | 17.6x | 23.8x | 19.1x |
| Region Group | 2,554 | 6.2% | 6.3% | 6.3% | 17.9x | 17.5x | 17.3x | 22.0x | 19.1x |
| Charter Hall Retail REIT | 2,232 | 6.4% | 6.5% | 6.5% | 19.7x | 21.4x | 24.6x | 21.1x | 18.5x |
| Carindale Property Trust | 403 | 5.7% | 6.0% | 6.2% | 17.6x | 16.5x | 16.0x | 19.5x | 18.4x |
| Mean | | 5.8% | 5.9% | 6.0% | 19.2x | 19.0x | 19.2x | 21.9x | 19.3x |
| Median | | 6.0% | 6.2% | 6.3% | 19.0x | 18.8x | 18.2x | 21.9x | 19.1x |
| Other retail REITs | | | | | | | | | |
| BWP Trust | 2,512 | 5.2% | 5.5% | 5.5% | 26.5x | n/a | n/a | 24.4x | 22.6x |
| Waypoint REIT | 1,621 | 6.7% | 6.7% | 6.8% | 35.0x | 34.8x | 34.0x | 30.8x | 30.5x |
| Dexus Convenience Retail REIT | 419 | 6.9% | 6.8% | 6.9% | 27.7x | 26.4x | 25.9x | 23.4x | 24.2x |
| Mean (excl. outliers) | | 6.3% | 6.3% | 6.4% | 29.7x | 30.6x | 30.0x | 26.2x | 25.8x |
| Median (excl. outliers) | | 6.7% | 6.7% | 6.8% | 27.7x | 30.6x | 30.0x | 24.4x | 24.2x |

Source: S&P Capital IQ, Company Announcements, Company financial statements, Company website, KPMG Corporate Finance Analysis.

Note 1: Market capitalisation is calculated using closing prices on 30 June 2025.

Shopping Centre REITs

Scentre Group

Scentre Group (**Scentre**) (ASX:SCG) owns and operates 42 Westfield shopping centres in Australia and New Zealand. As at 31 December 2024, Scentre had \$50.2 billion of assets under management, inclusive of Scentre's ownership interest valued at \$34.7 billion. The groups properties are located across NSW (35.7%), VIC (16.7%), QLD (14.3%), New Zealand (11.9%), Western Australia (**WA**) (9.5%), SA (7.1%) and Australian Capital Territory (**ACT**) (4.8%). As at 31 December 2024, Scentre had a development pipeline greater than \$4.0 billion and a portfolio occupancy of 99.6%.

Vicinity Centres

Vicinity Centres (**Vicinity**) (ASX:VCX) is a retail property group that owns and operates 52 centres (27 wholly owned and 25 jointly owned) in Australia. As at 31 December 2024, Vicinity's portfolio value was \$14.5 billion and their funds under management totaled \$24.0 billion. Vicinity's portfolio weighting by value includes Chadstone (23.0%), Premium CBD centres (16.0%), outlet centers (16.0%) with the remainder comprised major regional, sub-regional, and neighbourhood centres (45.0%). At 31 December 2024, Vicinity had an occupancy rate of 99.4% and a WALE of 3.6 years.

HomeCo Daily Needs REIT

HomeCo Daily Needs REIT (**HomeCo**) (ASX:HDN) is an Australian real estate investment trust that manages a diversified portfolio of 48 properties, comprising neighbourhood retail (40.0%), large format retail (40.0%), and health and services assets (20.0%). As at 31 December 2024, HomeCo had a portfolio value of \$4.8 billion, with over 1,300 tenants. HomeCo's properties are located across NSW (45.8%), QLD (25.0%), VIC (22.9%), WA (8.3%), and SA (2.1%). At 31 December 2024, HomeCo had a future development pipeline of \$650 million, an occupancy rate of 99.0% and a WALE of 4.8 years.

Region Group

Region Group (**Region**) (ASX:RGN) is the owner and manager of 101 convenience-based retail properties across Australia. The tenancy mix by service category comprises food and liquor (32.0%), pharmacy and healthcare (20.0%), services (19.0%), apparel (7.0%), discount variety (5.0%), petrol (3.0%), and other (14.0%). As at 31 December 2024, Region's portfolio was valued at \$4.3 billion, with total assets under management of \$5.2 billion. The properties are geographically diversified, with assets located in NSW (29.0%), QLD (24.0%), VIC (16.0%), WA (12.0%), Tasmania (**TAS**) (10.0%), SA (6.0%), the ATC (2.0%), and the Northern Territory (1.0%). At the same date, Region reported an occupancy rate of 98.1% and a WALE of 4.9 years.

Charter Hall Retail Real Estate Investment Trust

Charter Hall Retail Real Estate Investment (**Charter Hall**) (ASX:CQR) manages a diversified portfolio of 644 retail properties, comprising 45 convenience shopping centres and 599 net lease retail assets. These assets are located across neighbourhood and subregional areas in Australia and New Zealand. As of 31 March 2025, the portfolio was valued at \$4.5 billion. The specific breakdown of Charter Hall's sites are NSW (46.0%), QLD (16.0%), WA (15.0%), VIC

(11.0%), New Zealand (9.0%) and the remaining Australian states (3.0%). Key tenants include Woolworths Group (14.0%), bp (13.3%), Coles Group (12.1%), Wesfarmers (6.9%), and Ampol (5.1%). As at 31 March 2025, the portfolio maintained a high occupancy rate of 98.7% and a weighted average lease expiry (WALE) of 7.0 years.

Carindale Property Trust

Cardinale Property Trust (**Cardinale**) (ASX:CDP) is managed by Scentre Management Limited, a subsidiary of the Scentre Group. The trust holds a 50% ownership interest in the Westfield Carindale shopping centre located in QLD. As at 31 December 2024, the total value of the centre was \$1.6 billion, with Cardinale's share valued at \$0.8 billion.

Westfield Carindale hosts approximately 380 retailers and reported an occupancy rate of 99.9% as at 31 December 2024.

Other retail properties REITs

BWP Trust

BWP Trust (**BWP**) is an externally managed A-REIT focused on large-format retail properties, primarily Bunnings Warehouses. As at 30 December 2024, BWP managed 82 commercial properties across Australia, with a portfolio valued at \$3.6 billion. BWP's geographic breakdown is VIC (30.5%), QLD (25.6%), NSW (19.5%), WA (17.1%), SA (2.4%), TAS (2.4%) and ACT (2.4%). BWP's property portfolio had a WALE of 4.4 years and an occupancy rate of 98.7 as at 31 December 2024.

Waypoint REIT

Waypoint REIT Limited (**Waypoint**) (ASX:WPR) is Australia's largest listed REIT specialising in service station and convenience retail properties. As of 31 December 2024, Waypoint owned 401 properties valued at \$2.8 billion. The portfolio is distributed across NSW (30.0%), VIC (30.0%), QLD (20.0%), WA (10.0%), SA (5.0%), TAS (2.0%), ACT (2.0%) and NT (1.0%). The portfolio is primarily concentrated in capital cities (70.0%), with the remainder in metro (11.0%), highway (10.0%), and regional (9.0%) locations. Waypoint reported a WALE of 7.1 years and an occupancy rate of 99.9% as at 31 December 2024.

Dexus Convenience Retail REIT

Dexus Convenience Retail REIT (**DCR**) (ASX:DXC) is an externally managed listed A-REIT which owns service stations and convenience retail assets throughout Australia. As at 31 December 2024, DCR's portfolio comprises 91 properties with a total value of approximately \$709.0 million. The properties consist of metropolitan (64.5%), regional (14.0%) and highway (21.5%) sites, located across QLD (57.1%), NSW (12.1%), SA (17.6%), WA (11.0%) and VIC (2.2%). DCR's property portfolio had a WALE of 8.2 years and an occupancy rate of 99.4% as at 31 December 2024.

Comparable Transactions

Table E.2: Transaction evidence – Australian, US, and UK A-REITs

| Announcement Date | Target | Acquirer | Acquired stake | Transaction value (AUDm) | EV/EBITDA multiple | P/FFO multiple |
|--------------------------------|--------------------------------------|-------------------------------------|----------------|--------------------------|--------------------|----------------|
| Australia | | | | | | |
| Jan-24 | Newmark Property REIT | BWP Trust | 100.0% | 580.9 | 26.4x | 18.1x |
| Oct-21 | Aventus Group | Home Consortium Limited | 100.0% | 2,838.7 | 22.1x | 19.8x |
| Apr-21 | Primewest Group Limited | Centuria Capital Group | 100.0% | 534.7 | 21.5x | 25.8x |
| Dec-17 | Westfield Corporation | Unibail-Rodamco SE | 100.0% | 27,873.6 | 19.6x | 20.4x |
| <i>Mean - Australia</i> | | | | | | |
| <i>Median - Australia</i> | | | | | | |
| <i>Range - Australia</i> | | | | | | |
| United States | | | | | | |
| Nov-24 | Retail Opportunity Investments Corp. | Blackstone Real Estate Advisors L.P | 100.0% | 6,055.7 | 19.3x | 19.0x |
| Aug-23 | RPT Realty | Kimco Realty Corporation | 100.0% | 3,085.7 | 18.2x | 13.3x |
| May-23 | The Necessity Retail REIT, Inc. | Global Net Lease, Inc. | 100.0% | 6,206.5 | 15.7x | 9.1x |
| Jul-21 | Retail Properties of America, Inc. | Kite Realty Group, L.P. | 100.0% | 6,125.4 | 16.4x | 15.0x |
| <i>Mean - United States</i> | | | | | | |
| <i>Median - United States</i> | | | | | | |
| <i>Range - United States</i> | | | | | | |
| United Kingdom | | | | | | |
| May-24 | Capital & Regional Plc | NewRiver REIT plc | 100.0% | 671.3 | 17.9x | 13.5x |
| Sep-19 | Capital & Regional Plc | Growthpoint Properties Limited | 30.2% | 1,227.3 ¹ | 14.0x | 9.8x |
| <i>Mean - United Kingdom</i> | | | | | | |
| <i>Median - United Kingdom</i> | | | | | | |
| <i>Range - United Kingdom</i> | | | | | | |
| Mean - Total | | | | | | |
| Median - Total | | | | | | |
| Range - Total | | | | | | |

Source: Capital IQ, MergerMarket, Infralogic, Thomson SDC, Zephyr, broker reports and various media releases
Note 1: The transaction value refers to the value of the transaction on a 100% basis.

Australia

Acquisition of Newark Property REIT by BWP Trust

On 24 January 2024, BWP Trust (**BWP**) announced an off-market takeover offer to acquire 100% of the securities in Newark Property REIT (**NPR**), through an all-scrip merger. The transaction reached effective completion on 13 May 2024, with BWP acquiring 93.1% of NPR. The remaining 6.9% was acquired on 21 June 2024.

The total net transaction value was \$580.9 million, comprising an implied \$258.2 million in stock-for-stock exchange and \$322.7 million in net assumed liabilities. NPR was officially delisted from the ASX on 23 May 2024.

Prior to the acquisition, NPR managed a portfolio of high-quality large-format retail properties located in metropolitan, urban centre, and regional areas, valued at \$572.0 million as at 31 December 2023.

This strategic transaction combined the complementary portfolios of BWP and NPR, enhancing scale, tenant quality, and diversification. For BWP, it also strengthened the capital structure, improved lease expiry profiles, and established a platform for sustainable income and capital growth.

Acquisition of Aventus Group by HomeCo Daily Needs REIT; Home Consortium Limited

On 18 October 2021, HomeCo Daily Needs REIT (**HomeCo**) and Home Consortium Limited announced that they had entered into a binding Scheme Implementation Deed with Aventus Group (**Aventus**) to acquire 100% of Aventus securities via scheme of arrangement. The transaction was completed on 4 March 2022, with a total net transaction value of \$2,838.7 million. This included an implied \$2,015.3 million in stock-for-stock exchange, \$162.7 million in cash consideration, and \$660.8 million in net assumed liabilities. Aventus was delisted from the ASX on 14 March 2022.

As at 30 June 2021, Aventus operated 119 leasing deals across Australia, with key tenants including Bunnings, Officeworks, Harvey Norman, and JB Hi-Fi. The portfolio was valued at \$2.3 billion.

HomeCo cited the strategic rationale as the creation of Australia's largest Daily Needs REIT, with a combined portfolio of approximately \$4.1 billion. The transaction delivered financial benefits including FY22 FFO/unit accretion of 3.9%, enhanced last-mile logistics infrastructure, and expanded growth and investment opportunities.

Acquisition of Primewest Group Limited by Centuria Capital Group

On 19 April 2021, Centuria Capital Group (**Centuria**) made an off-market offer to acquire all outstanding securities in Primewest Group Limited (**Primewest**) and was accepted by Primewest's securityholders. The transaction was effectively completed on 17 July 2021, with Centuria acquiring 90% of Primewest and proceeding with compulsory acquisition of the remaining securities. The final net transaction value was \$534.7 million, comprising \$79.3 million in cash, an implied \$497.0 million in stock-for-stock exchange (0.47 Centuria securities per Primewest security), \$0.2 million for unlisted options, and net acquired cash of \$41.8 million. Primewest was delisted from the ASX on 30 June 2021.

Prior to the acquisition, Primewest operated a diversified real estate investment portfolio across Australia, with minor holdings in the US (2% by value). The portfolio included office (38%), large-format retail (21%), retail (20%), industrial (9%), agricultural (6%), and other assets (6%). Primewest also co-invested in the listed A-REIT Vitalharvest Freehold Trust.

The acquisition enabled Centuria to diversify its holdings, particularly through Primewest's retail and agricultural assets.

Acquisition of Westfield Corporation by Unibail-Rodamco SE

On 12 December 2017, Unibail-Rodamco SE (**Unibail**) and Westfield Corporation (**Westfield**) announced an agreement for Unibail to acquire 100% of Westfield. The transaction, valued at \$27,873.6 million, included \$11,041.9 million in stock-for-stock exchange, \$7,456.7 million in cash, and \$9,372 million in net assumed liabilities. Westfield was delisted from the ASX on 8 June 2018.

At the time, Westfield operated 35 shopping centres and approximately 6,400 retail outlets across the United States and United Kingdom, with \$32 billion in funds under management.

The acquisition positioned Unibail as the world's leading developer and operator of flagship shopping destinations, leveraging Westfield's premium assets and global market presence. The consolidated portfolio post-transaction comprised 104 prime assets across 13 countries.

United States

Acquisition of Retail Opportunity Investments Corp. by Blackstone Real Estate Advisors L.P.

On 6 November 2024, Blackstone Real Estate Advisors L.P. (**Blackstone**) announced that they had entered into an agreement with Retail Opportunity Investments Corp. (**ROIC**) to acquire all of ROIC's outstanding common shares for cash consideration. The acquisition was completed on 12 February 2025, with a total net transaction value of \$6,055.7 million, comprising \$3,770.4 million in cash and \$2,285.3 million in net assumed liabilities. ROIC was delisted from Nasdaq on 13 February 2025.

ROIC's portfolio included 93 grocery-anchored retail properties in major West Coast cities such as Los Angeles, Seattle, San Francisco, and Portland.

Blackstone highlighted the sector's strong fundamentals, stable demand for brick-and-mortar grocery, restaurant, and fitness retail, and the absence of new construction as key value drivers.

Acquisition of RPT Realty by Kimco Realty Corporation

On 27 August 2023, Kimco Realty Corporate (**Kimco**) entered into an agreement to acquire 100.0% of RPT Realty (**RPT**). Under the merger terms, RPT shareholders received 0.6049 Kimco shares per RPT share. The transaction, completed on 2 January 2024, had a net value of \$3,085.7 million, including \$1,706.9 million in stock-for-stock exchange, \$117.5 million in convertible preferred shares, and \$1,397.8 million in net assumed liabilities. RPT was delisted from the NYSE on 2 January 2024.

RPT operated 56 open-air shopping centres, 43 of which were owned outright.

Kimco aimed to enhance its portfolio of high-quality grocery-anchored and mixed-use properties, with expected annual cost synergies of USD \$34 million, increased partnership opportunities, and strengthened balance sheet liquidity.

Acquisition of The Necessity Retail REIT by Global Net Lease Inc.

On 7 May 2023, Global Net Lease, Inc. (**GNL**) entered into a definitive agreement to acquire a 100.0% stake in The Necessity Retail REIT (**Necessity**). Under the agreement, RTL shareholders received 0.67 GNL shares per RTL share. The transaction closed on 12 September 2023, with a net value of \$6,206.5 million, comprising \$1,689.4 million in stock-for-stock exchange, \$407.0 million in convertible preferred shares, and \$4,110.3 million in net assumed liabilities. RTL was delisted from Nasdaq on 11 September 2023.

RTL's portfolio focused on single-tenant and open-air retail centres catering to everyday consumer needs.

The acquisition created a larger, more diversified net lease REIT with over 1,300 properties, offering improved governance, financial flexibility, and long-term value through portfolio optimisation.

Acquisition of Retail Properties of America Inc. by Kite Realty Group L.P.

On 18 July 2021, Kite Realty Group (**KRG**) signed a definitive agreement to acquire a 100.0% interest in Retail Properties of America Inc. (**RPAI**). Each RPAI share was converted into 0.623 KRG shares. The transaction closed on 22 October 2021, with a net value of \$6,125.4 million, comprising \$3,730.7 million in shareholder consideration and \$2,394.6 million in net assumed liabilities. RPAI was delisted from the NYSE on the same date.

KRG aimed to strengthen its open-air retail portfolio by acquiring high-quality assets in high-growth, cost-effective markets, delivering immediate earnings accretion and long-term shareholder value.

United Kingdom

Acquisition of Capital & Regional Plc. by NewRiver REIT Plc.

On 23 May 2024, NewRiver REIT Plc. (**NewRiver**) announced its intention to acquire 100% of Capital & Regional Plc (**Capital**), including the 68.1% of issued share capital held by Growthpoint Properties Limited. The transaction closed on 10 December 2024, with a net value of \$671.3 million, comprising \$299.8 million in total consideration and \$371.5 million in net assumed liabilities. The consideration included \$140.4 million in cash and \$159.5 million in stock-for-stock exchange (0.42 NewRiver shares per Capital share).

Capital's portfolio included six community shopping centres in London and Southeast England, and Snozone, an indoor snow slope operator. As at 30 June 2024, tenant income was diversified across apparel (27%), health and beauty (15%), services (12%), variety stores (10%), groceries (8%), and other categories (10%).

The acquisition aligned with NewRiver's existing portfolio, with Capital's essential and value-focused tenants seen as highly complementary.

Acquisition of 30.2% stake in Capital & Regional Plc by Growthpoint Properties Limited

On 11 September 2019, Capital & Regional Plc. (**Capital**) announced discussions with Growthpoint Properties Limited (**Growthpoint**) regarding the acquisition of a majority stake in Capital. Growthpoint's total stake increased to 51.2% following the transaction's completion on 13 December 2019. The implied net transaction value for a full acquisition was \$1,227.3 million,



including \$466.2 million in cash (with \$140.9 million for the 30.2% stake) and \$761.1 million in net assumed liabilities.

Growthpoint viewed the investment as a strategic expansion into international markets, complementing its diversified property holdings in South Africa and its office and industrial assets in Australia.

Part Two – KPMG FAS Corporate Finance Financial Services Guide

Date: 19 August 2025

What is a Financial Services Guide (**FSG**)?

This FSG is designed to help you to decide whether to use any of the general financial product advice provided by KPMG Financial Advisory Services (Australia) Pty Ltd (**KPMG FAS**) ABN 43 007 363 215, Australian Financial Services Licence Number 246901 (of which KPMG Corporate Finance is a division) (**KPMG Corporate Finance**).

Joanne Lupton is an authorised representative of KPMG FAS, authorised representative number 449593 and Bill Allen is an authorised representative of KPMG FAS, authorised representative number 405336 (**Authorised Representative**).

This FSG includes information about:

- KPMG FAS and its Authorised Representative/s and how they can be contacted;
- The services KPMG FAS and its Authorised Representative/s are authorised to provide;
- How KPMG FAS and its Authorised Representative/s are paid;
- Any relevant associations or relationships of KPMG FAS and its Authorised Representative/s;
- How complaints are dealt with as well as information about internal and external dispute resolution systems and how you can access them; and
- The compensation arrangements that KPMG FAS has in place.

The distribution of this FSG by the Authorised Representative has been authorised by KPMG FAS. This FSG forms part of an Independent Expert Report (**Report**) which has been prepared for inclusion in a disclosure document or, if you are offered a financial product for issue or sale, a Product Disclosure Statement (**PDS**). The purpose of the disclosure document or PDS is to help you make an informed decision in relation to a financial product. The contents of the disclosure document or PDS, as relevant, will include details such as the risks, benefits, and costs of acquiring the particular financial product.

Financial services that KPMG FAS and the Authorised Representative are authorised to provide

KPMG FAS holds an Australian Financial Services Licence, which authorises it to provide, amongst other services, financial product advice for the following classes of financial products:

- deposit and non-cash payment products;
- derivatives;
- foreign exchange contracts;
- debentures, stocks or bonds issued or proposed to be issued by government;
- interests in managed investments schemes including investor directed portfolio services;
- securities;
- superannuation;
- carbon units;
- Australian carbon credit units; and
- eligible international emissions units,

to retail and wholesale clients.

KPMG FAS provide financial product advice when engaged to prepare a report in relation to a transaction relating to one of these types of financial products. The Authorised Representative is authorised by KPMG FAS to provide financial product advice on KPMG FAS' behalf.

KPMG FAS and the Authorised Representative's responsibility to you

KPMG FAS has been engaged by Equity Trustees Limited (**Client**) to provide general financial product advice in the form of a Report to be included in the Explanatory Memorandum (**Document**) prepared by the Client in relation to

the proposed acquisition by ISPT Pty Ltd, in its capacity as trustee for the ISPT Retail Australia Property Trust, of all remaining units (approximately 2.36%) in the unlisted Fort Street Real Estate Capital Fund I, Fund II, and Fund III that it does not currently own (**Proposed Transaction**). You have not engaged KPMG FAS or the Authorised Representative directly but have received a copy of the Report because you have been provided with a copy of the Document. Neither KPMG FAS nor the Authorised Representative are acting for any person other than the Client.

KPMG FAS and the Authorised Representative are responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

General Advice Warning

As KPMG FAS has been engaged by the Client, the Report only contains general advice as it has been prepared without taking your personal objectives, financial situation or needs into account. You should consider the appropriateness of the general advice in the Report having regard to your circumstances before you act on the general advice contained in the Report.

You should also consider the other parts of the Document before making any decision in relation to the Transaction.

Fees KPMG FAS may receive, and remuneration or other benefits received by our representatives

KPMG FAS charges fees for preparing reports. These fees will usually be agreed with, and paid by, the Client. Fees are agreed on either a fixed fee or a time cost basis. In this instance, the Client has agreed to pay KPMG FAS \$115,000 for preparing the Report. KPMG FAS and its officers, representatives, related entities and associates will

not receive any other fee or benefit in connection with the provision of the Report.

KPMG FAS officers and representatives (including the Authorised Representative) receive a salary or a partnership distribution from KPMG's Australian professional advisory and accounting practice (the **KPMG Partnership**). KPMG FAS' representatives (including the Authorised Representative) are eligible for bonuses based on overall productivity. Bonuses and other remuneration and benefits are not provided directly in connection with any engagement for the provision of general financial product advice in the Report.

Further details may be provided on request.

Referrals

Neither KPMG FAS nor the Authorised Representative pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

Associations and relationships

Through a variety of corporate and trust structures, KPMG FAS operates as part of the KPMG Australian firm. KPMG FAS' directors and Authorised Representatives may be partners in the KPMG Partnership. The financial product advice in the Report is provided by KPMG FAS and the Authorised Representative and not by the KPMG Partnership.

From time to time KPMG FAS, the KPMG Partnership and related entities (**KPMG entities**) may provide professional services, including audit, tax and financial advisory services, to companies and issuers of financial products in the ordinary course of their businesses.

KPMG entities have provided a range of services to the Client for which professional fees are received. Over the past two years professional fees of approximately \$nil have been received from the Client. None of those services have related to the Transaction or alternatives to the Transaction.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, the Client or has other material financial interests in the Transaction.

Complaints resolution

Internal complaints resolution process

If you have a complaint, please let either KPMG FAS or the Authorised Representative know. Complaints can be sent in writing to:

The Complaints Officer

KPMG

GPO Box 2291U

Melbourne, VIC 3000

or [via email \(AU-FM-AFSL-COMPLAINT@kpmg.com.au\)](mailto:AU-FM-AFSL-COMPLAINT@kpmg.com.au).

If you have difficulty in putting your complaint in writing, please call (03) 9288 5555 where you will be directed to the Complaints Officer who will assist you in documenting your complaint.

We will acknowledge receipt of your complaint, in writing, within 1 business day or as soon as practicable and will investigate your complaint fairly and in a timely manner.

Following an investigation of your complaint, you will receive a written response within 30 calendar days. If KPMG FAS is unable to resolve your complaint within 30 calendar days, we will let you know the reasons for the delay and advise you of your right to refer the matter to the Australian Financial Complaints Authority (**AFCA**).

External complaints resolution process

If KPMG FAS cannot resolve your complaint to your satisfaction within 30 days, you can refer the matter to AFCA. AFCA is an independent body that has been established to provide free and impartial assistance to consumers to help in resolving complaints relating to the financial services industry. KPMG FAS is a member of AFCA (member no 11690).

Further details about AFCA are available at the AFCA website www.afca.org.au or by contacting them directly at:

Address: Australian Financial Complaints Authority Limited,
GPO Box 3, Melbourne Victoria 3001
Telephone: 1800 931 678
Email: info@afca.org.au.

The Australian Securities and Investments Commission also has a free call Customer Contact Centre info-line on 1300 300 630 which you may use to obtain information about your rights.

Compensation arrangements

KPMG FAS has compensation arrangements for loss or damage in accordance with section 912B of the Corporations Act 2001 (Cth). KPMG FAS holds professional indemnity insurance which, subject to its terms, provides cover for work performed by KPMG FAS including current and former representatives of KPMG FAS.

Contact Details

You may contact KPMG FAS using the below contact details:

KPMG Corporate Finance (a division of KPMG Financial Advisory Services (Australia) Pty Ltd)
Level 38, International Towers Three
300 Barangaroo Avenue
Sydney NSW 2000

PO Box H67, Australia Square, NSW 1213
Telephone: (02) 9335 7621
Facsimile: (02) 9335 7001

APPENDIX 2 – NOTICES OF MEETING

Notices of Meeting

Pursuant to section 252A of the *Corporations Act 2001* (Cth) (**Corporations Act**) and clause 20.1 of the relevant constitutions, notice is hereby given by Equity Trustees Limited (ACN 004 031 298) in its capacity as responsible entity of each of Fort Street Real Estate Capital Fund I (ARSN 163 688 346), Fort Street Real Estate Capital Fund II (ARSN 169 190 498) and Fort Street Real Estate Capital Fund III (ARSN 605 335 957) (together, the **Fund**) of a meeting of holders of the securities in the Fund (**Fund Securityholders**) scheduled to be held on 17 September 2025 commencing at 11.00am (AEST) (**Scheme Meetings**).

The Scheme Meetings will be conducted as concurrent hybrid meetings with Fund Securityholders able to attend and participate in person at Level 1, 575 Bourke Street, Melbourne VIC 3000, Australia (Equity Trustees Limited) or online via the online platform at: <https://meetings.lumiconnect.com/300-559-595-883>.

This Notices of Meeting is dated 22 August 2025.

IMPORTANT INFORMATION

This is an important document that should be read in its entirety.

This Notices of Meeting is an appendix to the Explanatory Memorandum. The Explanatory Memorandum and its appendices have been prepared to assist Fund Securityholders in determining whether or not to vote in favour of the Scheme Resolution set out in this Notices of Meeting.

The Explanatory Memorandum and its appendices should be read in conjunction with this Notices of Meeting. Fund Securityholders are encouraged to vote by proxy prior to the Scheme Meetings.

PURPOSE

The purpose of the Scheme Meetings is to consider and, if thought fit, agree to the following resolution of Fund Securityholders to approve the amendments to the constitutions of the Fund (as amended from time to time) (**Fund Constitutions**) and the proposed schemes (**Schemes**) under which ISPT Pty Ltd (ACN 064 041 283) in its capacity as trustee for the ISPT Retail Australia Property Trust No. 1 (ABN 19 915 864 713) (**Acquirer**) proposes to acquire all of the Fund Securities from the Fund Securityholders other than the Acquirer at the Record Date (**Fund Scheme Securityholders**).

A copy of the Supplemental Deeds and a copy of the explanatory statement provided in respect of the Schemes are contained in the Explanatory Memorandum, of which this Notices of Meeting forms part.

Capitalised terms used but not defined in this Notices of Meeting have the meaning given in the Explanatory Memorandum, of which this Notices of Meeting forms part.

BUSINESS

The business of the Scheme Meetings is to consider the following proposed resolution:

Amendment of the Fund Constitutions

To consider, and if thought fit, pass the following resolution as a special resolution:

"For the purposes of section 601GC(1)(a) of the Corporations Act and for all other purposes and pursuant to clause 27.1 of each Fund Constitution, the Fund Constitutions are amended in accordance with the provisions of the relevant Supplemental Deeds set out in the Explanatory Memorandum, of which this notice convening the Scheme Meetings forms part, for the purpose of giving effect to the Schemes and the Fund RE be authorised to execute and lodge the Supplemental Deeds with ASIC."

(the **Scheme Resolution**).

Explanatory Memorandum

Fund Securityholders are referred to the Explanatory Memorandum accompanying and forming part of this Notices of Meeting.

Resolution voting requirements

The Scheme Resolution is a special resolution which must be passed by at least 75% of the votes cast by members entitled to vote on the Scheme Resolution (either in person or by proxy or, in the case of a corporation, by its duly appointed corporate representative) at the concurrent Scheme Meetings. In accordance with section 253J(1) of the Corporations Act, the Scheme Resolution will be decided on a poll.

Entitlement to vote and voting exclusions

The Directors have decided that for the purpose of determining entitlements to participate and vote at the Scheme Meetings, Fund Securities will be taken to be held by the Fund Securityholders at the Scheme Meeting Record Date, being 5.00pm (AEST), on 15 September 2025. Accordingly, transfers of Fund Securities registered after that time will be disregarded in determining entitlements to participate and vote at the Scheme Meetings.

Under section 253C(2) of the Corporations Act, on a poll, each Fund Securityholder has one vote for each dollar of the value of the total interests the Fund Securityholder has in the Fund. Under section 253F(c), when the Fund is not listed and not 'liquid' for the purposes of the Corporations Act, as is the case for the Fund, the value is the amount the Fund RE determines in writing to be the price that a willing but not anxious buyer would pay for the interest if it was sold on the business day immediately before the day on which the poll is taken.

Votes cast by a person who is not entitled to vote because of section 253E of the Corporations Act will be disregarded. This section of the Corporations Act provides that the Fund RE and its Associates are not entitled to vote their interest on a resolution at a meeting of the Fund Securityholders if they have an interest in a

resolution or matter other than as a member. At this meeting, the Fund RE and its Associates will not vote their interests on the resolution.

However, this does not apply to a vote cast on a resolution by a person who votes as a proxy for another Fund Securityholder who can vote if their appointment specifies the way they are to vote on a resolution and they vote that way.

In addition, consistent with the principles set out in Takeovers Panel Guidance Note 15, any votes cast in favour of the Scheme Resolution by the Acquirer or its Associates will be disregarded.

HOW TO VOTE

Fund Securityholders entitled to vote at the Scheme Meetings may vote:

- a) by attending the Scheme Meetings and voting in person;
- b) by direct voting online during the Scheme Meetings; and
- c) by appointing a proxy to participate and vote on their behalf, by following the instructions in the proxy form accompanying this Notices of Meeting. A proxy may be an individual or body corporate.

Also refer to the Lumi user guide for further information on voting and participating in the Scheme Meetings. A copy of the Lumi user guide will be available on the Investment Manager's website at www.fsrec.com.au/investor-centre/announcements.

If it becomes necessary to make further alternative arrangements for the Scheme Meetings, Fund Securityholders will be provided with as much notice as possible. Further information will be made available on the Investment Manager's website at www.fsrec.com.au/investor-centre/announcements.

Direct Voting Online During the Scheme Meetings

If Fund Securityholders or proxyholders wish to vote online during the Scheme Meetings, they may participate in the webcast and live online voting facility for the Scheme Meetings by using a

computer, and entering the following URL in your browser: <https://meetings.lumiconnect.com/300-559-595-883>

The meeting ID for this Meeting is: 300-559-595-883

Your username is your voting access code (**Voting Access Code**). This number is located on your proxy form.

Your password is your postcode registered on your holding if you are an Australian Fund Securityholder. Overseas Fund Securityholders should refer to the Lumi user guide.

Participating in the Scheme Meetings online enables Fund Securityholders to view the Scheme Meetings live, ask questions and cast direct votes.

Proxies

If Fund Securityholders do not wish to vote during the Scheme Meetings or are unable to participate in the webcast and live online voting facility, they may submit their votes by proxy before the Scheme Meetings.

Any Fund Securityholder entitled to participate and vote at the Scheme Meetings is entitled to appoint up to two proxies to participate and vote in his/her stead.

A proxy need not be a Fund Securityholder.

If a Fund Securityholder appoints two proxies, that Fund Securityholder may specify the percentage or number of votes each proxy is entitled to exercise. If no percentage or number of votes is specified, each proxy may exercise half of the votes. If the specified percentage or number of votes exceeds that which a Fund Securityholder is entitled to, each proxy may exercise half of that Fund Securityholder's votes. Any fractions of votes brought about by the appointment of votes to a proxy will be disregarded.

Proxies must be lodged in accordance with the instructions in the proxy form provided with this Notices of Meeting.

Body corporate

A Fund Securityholder, or proxy, that is a body corporate and entitled to participate and vote at the

Scheme Meetings may appoint an individual to act as its corporate representative. Evidence of the appointment of a corporate representative must be in accordance with section 253B of the Corporations Act and provided in accordance with the instructions set out in the proxy form provided with this Notices of Meeting.

The Chair Acting as Proxy

The chair of the Scheme Meetings is deemed to be appointed as a Fund Securityholder's proxy where a proxy form is returned which does not contain the name of the proxy or where the person appointed on the proxy form does not attend the Scheme Meetings.

For proxies without voting instructions that are exercisable by the chair, the chair intends to vote undirected proxies in favour of the resolution.

Chair

In accordance with section 252S(1) of the Corporations Act and clause 20.9 of the Fund Constitutions, the Fund RE intends to nominate Stuart McCulloch, to act as chair of the Scheme Meetings. The alternate chair will be Vijay Cugati if Stuart McCulloch is unable to attend the Scheme Meetings for any reason.

Quorum

In accordance with clause 20.7 of the Fund's constitution the quorum requirement for the Scheme Meetings is at least 3 members present in person or by proxy. If a quorum is not present within 15 minutes of the scheduled time for the Scheme Meetings, the Scheme Meetings will be adjourned to such place and time as the Fund RE decides.

SUBMITTING QUESTIONS PRIOR TO THE SCHEME MEETINGS

Fund Securityholders and proxyholders may also submit questions in advance of the Scheme Meetings by emailing: FSREC@investor.sodali.com. Fund Securityholders should note that it may not be possible to respond to all questions.

If a Fund Securityholder has submitted a proxy to the Scheme Meetings, but wishes to view the live webcast, they can visit

<https://meetings.lumiconnect.com/300-559-595-883>. If they wish to ask questions during the Scheme Meetings (and/or change a proxy made prior to the Scheme Meetings) they should log on with their username and password. Alternatively, they can register as a guest, but will not be able to ask questions or vote.

By order of the Board.



Andrew Godfrey – Fund RE Director

22 August 2025

APPENDIX 3 – SUPPLEMENTAL DEED

- Fort Street Real Estate Capital Fund I

Equity Trustees Limited

Supplemental Deed Poll

Amending the Constitution for Fort Street Real Estate Capital Fund I

Deutsche Bank Place
Corner Hunter and Phillip Streets
Sydney NSW 2000 Australia
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This Deed Poll is made on

Parties

- 1 **Equity Trustees Limited** (ACN 004 031 298) as responsible entity for the Fort Street Real Estate Capital Fund I (ARSN 163 688 346) (the **Fund**) of Level 1, 575 Bourke Street, Melbourne VIC 3000 (the **Responsible Entity**).

Recitals

- A The Responsible Entity is the responsible entity of the Fund.
- B The Fund is part of a stapled group together with the unlisted managed investment schemes: Fort Street Real Estate Capital Fund II and Fort Street Real Estate Capital Fund III.
- C The Responsible Entity and the Acquirer have agreed, by executing the Scheme Implementation Deed, to propose and implement the Scheme.
- D The Constitution must be amended to facilitate the Scheme.
- E Under clause 27 of the Constitution, subject to the Corporations Act, the Responsible Entity may amend the Constitution by executing a supplemental deed.
- F Section 601GC(1)(a) of the Corporations Act provides that the Constitution may be amended by special resolution of the Members of the Fund.
- G At a meeting held on [] convened in accordance with the Corporations Act, the Fund Securityholders approved a special resolution to make the amendments to the Constitution contained in this Supplemental Deed Poll.
- H Pursuant to section 601GC(2) of the Corporations Act, the amendments to the Constitution set out in this Supplemental Deed Poll cannot take effect until a copy of this Supplemental Deed Poll has been lodged with ASIC.
- I The Acquirer has entered into a deed poll for the purpose of covenanting in favour of the Fund Scheme Securityholders that they will observe and perform the obligations contemplated of them under the Scheme and the Scheme Implementation Deed.

It is declared as follows.

1 Definitions and Interpretation

1.1 Definitions

In this Supplemental Deed Poll including the Recitals, the following definitions apply unless the context otherwise requires.

Acquirer means ISPT Pty Ltd (ACN 064 041 283) as trustee for the ISPT Retail Australia Property Trust No 1 (ABN 19 915 864 713).

Constitution means the trust deed constituting the Fund dated 7 June 2013, as amended from time to time.

Effective Time means the date and time on which a copy of this Supplemental Deed Poll is, or the modifications set out in it are, lodged with ASIC under section 601GC(2) of the Corporations Act.

Fund Scheme Securityholder has the meaning given in the Scheme Implementation Deed.

Fund Securityholder has the meaning given in the Scheme Implementation Deed.

Schedule means Schedule 1 to this Supplemental Deed.

Scheme means the arrangement in respect of the Fund set out in the Scheme Implementation Deed and facilitated by the amendments to the Constitution set out in this Supplemental Deed Poll.

Scheme Implementation Deed means the deed of that name between the Responsible Entity and the Acquirer dated on 6 August 2025, as amended from time to time.

1.2 Interpretation

- (a) Terms used but not defined in this Supplemental Deed Poll have the same meanings given to them in the Constitution.
- (b) Clauses 1.1 ('Definitions') and 1.2 ('Interpretation') of the Constitution apply to this Supplemental Deed Poll as if set out in this Supplemental Deed Poll.

1.3 Benefit of this Supplemental Deed Poll

This Supplemental Deed Poll is made by the Responsible Entity with the intent that the benefit of this Supplemental Deed Poll shall enure to the benefit of Fund Securityholders jointly and severally.

2 Amendment of Constitution

The Responsible Entity amends the Constitution so that, on and from the Effective Time, the Constitution is amended as set out in the Schedule.

3 No Resettlement

The Responsible Entity confirms that it is not by this Supplemental Deed Poll intending to:

- (a) settle or redeclare the Fund declared under the Constitution; or
- (b) cause the transfer, vesting or accruing of any property comprising the assets of the Fund in any person.

4 Governing Law and Jurisdiction

This Supplemental Deed Poll is governed by the laws of New South Wales. In relation to it and related non-contractual matters each party irrevocably submits to the non-exclusive jurisdiction of courts with jurisdiction there.

Each person executing this deed on behalf of a party states that they have no notice of revocation or suspension of their authority.

Signature of Attorney

Office & Name of Attorney

Signature of Attorney

Office & Name of Attorney

Schedule 1

Amendments to the Constitution of Fort Street Real Estate Capital Fund I

The Constitution is amended as follows:

1 Clause 1.1 - Definitions

- (a) In clause 1.1 of the Constitution, the following definitions are inserted in alphabetical order:

Acquirer means ISPT Pty Ltd (ACN 064 041 283) as trustee for the ISPT Retail Australia Property Trust No 1 (ABN 19 915 864 713).

Acquirer Group Member means:

- (a) the Acquirer;
- (b) any of the Acquirer's Related Bodies Corporate, excluding, for the avoidance of doubt, the Fund Group.

Board means the board of directors of the Responsible Entity.

Control has the meaning given in section 50AA of the Corporations Act and **Controlled** has a corresponding meaning.

Controlled Entities means, in relation to an Entity, another Entity which is a Subsidiary of it, or which is Controlled by it.

Deed Poll means the deed poll dated 19 August 2025 executed by the Acquirer in favour of each Fund Scheme Securityholder in relation to the Scheme.

Effective means, in relation to the Scheme, the supplemental deed poll making amendments to this Constitution to facilitate the Scheme, including the insertion of clause 36, taking effect pursuant to section 601GC(2) of the Corporations Act.

Effective Date means the date on which the Scheme becomes Effective.

End Date means the date which is six months from the date of the Scheme Implementation Deed, or such later date as the Acquirer and Responsible Entity may agree in writing.

Entity includes a natural person, a body corporate, a partnership, a trust and the trustee of a trust.

Fund Group means each registered scheme comprising the Fund and each of their Controlled Entities.

Fund Scheme Securities means all Fund Securities on issue as at the Scheme Record Date except for Fund Securities held by the Acquirer.

Fund Scheme Securityholder means each person who is registered on the Register as a holder of Fund Scheme Securities as at the Scheme Record Date.

Fund Security means a Stapled Security on issue.

Fund Securityholder means a person who is registered on the Register as a holder of Fund Securities from time to time.

Implementation Date means four Scheme Business Days following the Scheme Record Date, or such other date as Responsible Entity and the Acquirer may agree in writing

Registered Address means, in relation to a Fund Scheme Securityholder, the address of that Fund Scheme Securityholder shown on the Register as at the Scheme Record Date.

Regulatory Authority includes:

- (a) ASIC;
- (b) Australian Taxation Office;
- (c) a government or governmental, semi-governmental or judicial entity or authority;
- (d) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and
- (e) any regulatory organisation established under statute.

Related Body Corporate has the meaning given in the Corporations Act but as if references to "body corporate" and "body" were to "Entity".

Scheme means the arrangement under which the Acquirer acquires all of the Fund Scheme Securities held by the Fund Scheme Securityholders for the Scheme Consideration, as set out in clause 36.

Scheme Business Day means a day that banks are open for business in Sydney, New South Wales.

Scheme Consideration means the consideration to be provided by the Acquirer to each Fund Scheme Securityholder pursuant to the terms of clause 36 for the transfer to the Acquirer of their Fund Scheme Securities, being \$1.85 in aggregate for each Fund Scheme Security held by a Fund Scheme Securityholder.

Scheme Implementation Deed means the deed of that name between the Responsible Entity and the Acquirer dated on 6 August 2025, as amended from time to time.

Scheme Securityholder Custodian means a Fund Scheme Securityholder that holds one or more parcels of Fund Scheme Securities as trustee, custodian or nominee for, or otherwise on account of, another person.

Scheme Meeting means the meeting of Fund Securityholders held on 11 2025 to consider the Scheme Resolution, and includes any adjournment of that meeting.

Scheme Payment means the consideration to be provided by the Acquirer to each Fund Scheme Securityholder pursuant to the terms of clause 36 for the transfer to the Acquirer of their Fund Scheme Securities, being \$1.85 in aggregate for each Fund Scheme Security held by a Fund Scheme Securityholder.

Scheme Record Date means 7.00pm (Sydney time) on the date that is three Scheme Business Days after the Effective Date, or such other date (after the Effective Date) as may be agreed in writing between the Acquirer and the Responsible Entity.

Scheme Resolution means the resolution of Fund Securityholders to approve the Scheme, being a special resolution for the purpose of section 601GC(1) of the Corporations Act to approve amendments to this Constitution to facilitate the implementation of the Scheme.

Scheme Transfer means, for each Fund Scheme Securityholder, a proper instrument of transfer of their Fund Scheme Securities for the purpose of section 1071B of the Corporations Act, which may be a master transfer of all or part of all of the Fund Scheme Securities.

Separate Parcel means each:

- (a) parcel of Fund Scheme Securities held by a Scheme Securityholder Custodian as trustee, custodian or nominee for, or otherwise on account of, another person; and
- (b) parcel of Fund Scheme Securities held by the Fund Scheme Securityholder Custodian in its own right.

Subsidiary has the meaning given in the Corporations Act, provided that an entity will also be taken to be a Subsidiary of another entity if it is Controlled by that entity and, without limitation:

- (a) a trust may be a Subsidiary, for the purposes of which a unit or other beneficial interest will be regarded as a share;
- (b) an entity may be a Subsidiary of a trust if it would have been a Subsidiary if that trust were a corporation; and
- (c) an entity will also be deemed to be a Subsidiary of an entity if that entity is required by the accounting standards to be consolidated with that entity.

Transfer Taxes means all sales (including bulk sales), use, transfer, filing, recording, ad valorem, privilege, documentary gross receipts, registration, conveyance, excise, license, stamp, duties or similar taxes or fees, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties incurred in connection with any transaction contemplated by this Constitution, but, for the avoidance of doubt, not including any taxes on income, gain or other similar taxes (including withholding taxes with respect thereto).

Trust Account means the trust account nominated by the Responsible Entity, the details of which must be notified in writing to the Acquirer at least 5 Scheme Business Days before the Implementation Date.

2 Clause 36 – Scheme

A new clause 36 is inserted immediately after clause 35 of the Constitution, as set out below:

36 Scheme

36.1 Implementation of Scheme

- (a) Each Fund Securityholder and the Responsible Entity must do all things and execute all deeds, instruments, transfers or other documents as the Responsible Entity considers are necessary or desirable to give full effect to the terms of the Scheme and the transactions contemplated by it.
- (b) Without limiting the Responsible Entity's other powers under this clause 36, the Responsible Entity has power to do all things that it considers necessary, desirable or reasonably incidental to give effect to the Scheme, the Scheme Implementation Deed and the transactions contemplated by them.
- (c) Subject to the Corporations Act, the Responsible Entity, the Acquirer or any of their directors, officers, employees or associates may do any act, matter or thing described in or contemplated by this clause 36 even if they have an interest (financial or otherwise) in the outcome of such exercise.
- (d) Without limiting clause 14, the Responsible Entity may make the Implementation Distribution, as defined in the Scheme Implementation Deed.
- (e) This clause 36:

- (i) binds the Responsible Entity and all of the Fund Securityholders from time to time (including those who do not attend the Scheme Meeting, those who do not vote at the Scheme Meeting and those who vote against the Scheme Resolution); and
- (ii) to the extent of any inconsistency, overrides the other provisions of this Constitution (excluding clause 28).

36.2 Entitlement to Scheme Consideration

Each Fund Scheme Securityholder will be entitled to receive the Scheme Consideration for each Fund Scheme Security held by that Fund Scheme Securityholder, which must be paid in the manner referred to in this clause 36.

36.3 Treatment of Separate Parcels held by Scheme Securityholder Custodians

For the purpose of implementing the Scheme (including for the purposes of calculating the Scheme Consideration, and the treatment of fractional entitlements), each Separate Parcel held by a Scheme Securityholder Custodian will be treated as though it were held by a separate Fund Scheme Securityholder.

36.4 Provision of Scheme Payment and Scheme Consideration

- (a) The Responsible Entity acknowledges that the Acquirer has covenanted to pay, or procure the payment of, on or prior to the Scheme Business Day before the Implementation Date, the Scheme Payment in immediately available funds into the Trust Account on terms agreed with the Acquirer.
- (b) Subject to the Acquirer having provided the Scheme Payment in the manner contemplated by clause 36.4(a), the Responsible Entity must procure that:
 - (i) the amount received from the Acquirer under clause 36.4(a) is held on trust for the Fund Scheme Securityholders, except that any interest on the amount will be for the account of the Acquirer; and
 - (ii) subject to clause 36.5, within five Scheme Business Days after the Implementation Date, the Scheme Consideration is drawn to pay to each applicable Fund Scheme Securityholder such amount as that Fund Scheme Securityholder is entitled to receive as Scheme Consideration, either by:
 - (A) electronic funds transfer to an account nominated by the Fund Scheme Securityholder for the purpose of payment of distributions or the Scheme Consideration; or
 - (B) cheque sent by pre-paid post to their Registered Address.
- (c) If the number of Fund Scheme Securities held by a Fund Scheme Securityholder as at the Scheme Record Date is such that the aggregate entitlement of the Fund Scheme Securityholder to Scheme Consideration includes a fractional entitlement to a cent, then the entitlement of that Fund Scheme Securityholder must be rounded up or down, with any such fractional entitlement of less than 0.5 being rounded down to the nearest whole number of cents, and any such fractional entitlement of 0.5 or more being rounded up to the nearest whole number of cents (as applicable).
- (d) If the Responsible Entity believes that a Fund Scheme Securityholder is not known at their Registered Address, and no account has been notified in accordance with clause 36.4(b)(ii)(A), or a deposit into such an account is

rejected or refunded, the Responsible Entity may credit the amount payable to the relevant Fund Scheme Securityholder to a separate bank account of the Responsible Entity to be held until the Fund Scheme Securityholder claims the amount or the amount is dealt with in accordance with any applicable unclaimed money legislation. If the Responsible Entity elects to proceed in this manner:

- (i) the Responsible Entity must hold the amount on trust, but any interest accruing on the amount will be for the account of the Acquirer;
- (ii) an amount credited to the account is to be treated as having been paid to the Fund Scheme Securityholder when credited to the account;
- (iii) the Responsible Entity shall be entitled to deduct from the amount held on trust any amount that it determines is required to be so deducted under any applicable law and to remit such amount to the appropriate Regulatory Authority; and
- (iv) the Responsible Entity must maintain records of the amounts paid, the people who are entitled to the amounts and any transfers of the amounts.

36.5 Joint Holders

In the case of Fund Scheme Securityholders that hold Fund Scheme Securities in joint names:

- (a) any document required to be sent under the Scheme (including any cheque required to be sent under clause 36.4(b)(ii)(B)), will be forwarded to either, at the sole discretion of the Responsible Entity, the Fund Scheme Securityholder whose name appears first in the Register as at the Scheme Record Date or to the joint Fund Scheme Securityholders; and
- (b) any Scheme Consideration paid to any one of joint Fund Scheme Securityholders will discharge the Responsible Entity in respect of the payment.

36.6 Transfer of Fund Scheme Securities to the Acquirer

On the Implementation Date, subject to the Acquirer having provided the Scheme Payment in the manner contemplated by clause 36.4(a) and providing the Responsible Entity with written confirmation of that having occurred, the following will occur:

- (a) all of the Fund Scheme Securities held by the Fund Scheme Securityholders, together with all rights and entitlements attaching to the Fund Scheme Securities as at the Implementation Date, will be transferred to the Acquirer, without the need for any further act by any Fund Scheme Securityholder (other than acts performed by the Responsible Entity (or any of its directors and officers appointed as sub-attorneys and/or agents of the Responsible Entity) as attorney and/or agent for Fund Scheme Securityholders under the Scheme);
- (b) the Responsible Entity will procure the delivery to the Acquirer for execution, duly completed and, if necessary, stamped Scheme Transfers to transfer all of the Fund Scheme Securities held by the Fund Scheme Securityholders to the Acquirer, duly executed by the Responsible Entity (or any of its directors and officers appointed as sub-attorneys and/or agents of the Responsible Entity) as the attorney and/or agent of each Fund Scheme Securityholder as transferor under clause 36.9; and
- (c) the Responsible Entity will, immediately after receipt of the executed Scheme Transfers in respect of the Fund Scheme Securities from the Acquirer, enter or

procure the entry of, the name and address of the Acquirer in the Register in respect of all of the Fund Scheme Securities.

36.7 Dealings in Fund Securities

- (a) For the purpose of establishing the persons who are Fund Scheme Securityholders and the number of Fund Securities held by them, the Responsible Entity will only recognise dealings in Fund Securities provided that registrable transfers or transmission applications in respect of those dealings are received by the Registrar by 5.00pm on the day which is the Scheme Record Date (in which case the Responsible Entity must register or procure that the Registrar registers, such transfers or transmission applications before 11.00am on the Scheme Business Day following the Scheme Record Date).
- (b) The Responsible Entity will not accept for registration, nor recognise for the purpose of establishing the persons who are Fund Scheme Securityholders, any transfer or transmission application in respect of Fund Securities received after the time specified in clause 36.7(a) (other than as contemplated by the Scheme in relation to the transfer of the Fund Scheme Securities to the Acquirer), or received prior to such time but not in registrable form.
- (c) The Responsible Entity will, until the name and address of the Acquirer has been entered in the Register as the holder of all of the Fund Scheme Securities, maintain, or procure the maintenance of, the Register in accordance with this clause 36.7. Immediately after registration of registrable transfers or transmission applications of the kind referred to in clause 36.7(a), the Registrar will solely determine the persons who are Fund Scheme Securityholders and the number of Fund Scheme Securities held by them.
- (d) No Fund Scheme Securityholder (or any person purporting to claim through them) may dispose of, purport or agree to dispose of, or otherwise deal with, Fund Scheme Securities or any interest in them in any way after the Scheme Record Date other than to the Acquirer in accordance with the Scheme, and any attempt to do so will have no effect.
- (e) Other than in respect of the Acquirer (after registration of the Acquirer in respect of all Fund Scheme Securities under clause 36.6(c)), from the Scheme Record Date, all certificates and holding statements (as applicable) for Fund Scheme Securities as at the Scheme Record Date will cease to have any effect as evidence of title, and each entry on the Register as at the Scheme Record Date will cease to have any effect other than as evidence of the entitlements of Fund Scheme Securityholders to the Scheme Consideration.
- (f) As soon as reasonably practicable after the Scheme Record Date, and in any event at least 2 Scheme Business Days before the Implementation Date, the Responsible Entity must ensure details of the names, Registered Addresses and holdings of Fund Scheme Securities of every Fund Scheme Securityholder as shown in the Register as at the Scheme Record Date are given to the Acquirer (or as it directs) in such form as the Acquirer may reasonably require.

36.8 Covenants by Fund Scheme Securityholders

Each Fund Scheme Securityholder:

- (a) irrevocably acknowledges that this clause 36 binds all of the Fund Scheme Securityholders from time to time (including those who do not attend the Scheme Meeting, do not vote at the Scheme Meeting or vote against the Scheme

- Resolution) without the need for any further act by that Fund Scheme Securityholder;
- (b) irrevocably agrees to the transfer of their Fund Scheme Securities, together with all rights, entitlements and obligations attaching to those Fund Scheme Securities, to the Acquirer in accordance with the terms of the Scheme;
 - (c) irrevocably agrees to the modification or variation (if any) of the rights attaching to their Fund Scheme Securities arising from this clause 36;
 - (d) irrevocably consents to the Responsible Entity and the Acquirer doing all things and executing all deeds, instruments, transfers or other documents (including the Scheme Transfers) as may be necessary or desirable to give full effect to the terms of the Scheme and the transactions contemplated by it; and
 - (e) irrevocably agrees to provide to the Responsible Entity such information as the Responsible Entity may reasonably require to comply with any law in respect of the Scheme and the transactions contemplated in this clause 36, including information required to meet obligations under the *Anti-Money Laundering and Counter Terrorism Financing Act 2006* (Cth).

36.9 Appointment of the Responsible Entity as attorney and as agent for implementation of the Scheme

Each Fund Scheme Securityholder, without the need for any further act by that Fund Scheme Securityholder, irrevocably appoints the Responsible Entity as that Fund Scheme Securityholder's attorney and as that Fund Scheme Securityholder's agent for the purpose of:

- (a) doing all things and executing all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the terms of the Scheme and the transactions contemplated by it, including effecting a valid transfer or transfers of the Fund Scheme Securities to the Acquirer under clause 36.6(b), and including executing and delivering any Scheme Transfers; and
- (b) enforcing the Deed Poll against the Acquirer,

and the Responsible Entity accepts such appointment. The Responsible Entity, as attorney and as agent of each Fund Scheme Securityholder, may sub-delegate its functions, authorities or powers under this clause 36.9 to all or any of its directors and officers (jointly, severally, or jointly and severally). Each Fund Scheme Securityholder indemnifies the Responsible Entity and each of its directors and officers against all losses, liabilities, charges, costs and expenses arising from the exercise of powers under this clause 36.9.

36.10 Status of Fund Scheme Securities

- (a) To the maximum extent permitted by law, the Fund Scheme Securities transferred to the Acquirer under this clause 36 will be transferred free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise.
- (b) Each Fund Scheme Securityholder is deemed to have warranted to the Responsible Entity in its own right and on behalf of the Acquirer, that all their Fund Scheme Securities (including any rights, entitlements and obligations attaching to those Fund Scheme Securities) which are transferred to the Acquirer under this clause 36 will, at the time of the transfer of them to the Acquirer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges,

security interests (including 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and other interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind not referred to in this Constitution, and that they have full power and capacity to sell and to transfer their Fund Scheme Securities to the Acquirer pursuant to the Scheme.

- (c) The Acquirer will be beneficially entitled to the Fund Scheme Securities transferred to it under this clause 36 pending registration by the Responsible Entity of the name and registered address of the Acquirer in the Register as the holder of the relevant Fund Scheme Securities.

36.12 Lapsing

Clause 36 will lapse and have no further force or effect if:

- (a) the Effective Date does not occur on or before the End Date; or
- (b) the Scheme Implementation Deed or the Deed Poll is terminated in accordance with its terms,

unless the Responsible Entity and Acquirer otherwise agree in writing.

36.13 Orders of a court or Regulatory Authority

- (a) Notwithstanding anything else in this clause 36, the Responsible Entity may deduct and withhold from any consideration which would otherwise be payable by the Responsible Entity to a Fund Scheme Securityholder in accordance with this clause 36, any amount that it determines is required to be so deducted and withheld from that consideration under any applicable law, including any order, direction or notice made or given by a court of competent jurisdiction or by another Regulatory Authority.
- (b) To the extent that amounts are so deducted or withheld, such deducted or withheld amounts will be treated for all purposes under the Scheme as having been paid to the Fund Scheme Securityholder in respect of which such deduction and withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate taxation office or other Regulatory Authority.
- (c) If requested in writing by the Fund Scheme Securityholder, the Responsible Entity must provide a receipt or other appropriate evidence of such payment to the taxation office or other Regulatory Authority.
- (d) If written notice is given to the Responsible Entity of an order, direction or notice made or given by a court of competent jurisdiction or by another Regulatory Authority that requires that Scheme Consideration that would otherwise be provided to a Fund Scheme Securityholder by the Responsible Entity in accordance with this clause 36, must instead be paid or provided to a Regulatory Authority or other third party, then:
 - (i) the Responsible Entity is entitled to pay the relevant money in accordance with that order, direction or notice; and
 - (ii) doing so will be treated for all purposes under the Scheme as having been paid or provided to that Fund Scheme Securityholder.
- (e) If written notice is given to the Responsible Entity of an order, direction or notice made or given by a court of competent jurisdiction or by another Regulatory Authority that prevents the Responsible Entity from providing consideration to a particular Fund Scheme Securityholder in accordance with this clause 36, or if the payment or provision of any Scheme Consideration to a particular Fund Scheme Securityholder is otherwise

prohibited by applicable law, the Responsible Entity will be entitled to (as applicable) to refrain from paying the Scheme Consideration that would otherwise be payable to the Scheme Participant, until such time as the payment of Scheme Consideration in accordance with this clause 36 is permitted by that order or direction or otherwise by law.

36.14 Notices

Where a notice, transfer, transmission application, direction or other communication referred to in the Scheme is sent by post to the Responsible Entity, it will not be deemed to be received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at the Responsible Entity's registered office or by the Registrar, as the case may be. The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a Fund Securityholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

36.15 Costs and stamp duty

- (a) Without limiting the terms of the Scheme Implementation Deed and clause 24, all expenses incurred by the Responsible Entity in relation to the Scheme and the Scheme Implementation Deed are payable or reimbursable out of the Assets to the extent that such reimbursement is not prohibited by the Corporations Act and not reimbursable by the Acquirer pursuant to the Scheme Implementation Deed.
- (b) The Acquirer will pay all stamp duty (including fines, penalties and interest) and Transfer Taxes payable on or in connection with the transfer to it of Fund Scheme Securities pursuant to the Scheme.

36.16 Limitation of liability

Without limiting clause 22, subject to the Corporations Act, the Responsible Entity will not have any liability of any nature whatsoever to the Fund Securityholders, beyond the extent to which the Responsible Entity is actually indemnified out of the Assets, arising, directly or indirectly, from the Responsible Entity doing or refraining from doing any act (including the execution of a document), matter or thing pursuant to or in connection with the implementation of the Scheme.

APPENDIX 4 – SUPPLEMENTAL DEED

- Fort Street Real Estate Capital Fund II

Equity Trustees Limited

Supplemental Deed Poll

Amending the Constitution for Fort Street Real Estate Capital Fund II

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Corner Hunter and Phillip Streets
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This Deed Poll is made on

Parties

- 1 **Equity Trustees Limited** (ACN 004 031 298) as responsible entity for the Fort Street Real Estate Capital Fund I (ARSN 163 688 346) (the **Fund**) of Level 1, 575 Bourke Street, Melbourne VIC 3000 (the **Responsible Entity**).

Recitals

- A The Responsible Entity is the responsible entity of the Fund.
- B The Fund is part of a stapled group together with the unlisted managed investment schemes: Fort Street Real Estate Capital Fund I and Fort Street Real Estate Capital Fund III.
- C The Responsible Entity and the Acquirer have agreed, by executing the Scheme Implementation Deed, to propose and implement the Scheme.
- D The Constitution must be amended to facilitate the Scheme.
- E Under clause 27 of the Constitution, subject to the Corporations Act, the Responsible Entity may amend the Constitution by executing a supplemental deed.
- F Section 601GC(1)(a) of the Corporations Act provides that the Constitution may be amended by special resolution of the Members of the Fund.
- G At a meeting held on  convened in accordance with the Corporations Act, the Fund Securityholders approved a special resolution to make the amendments to the Constitution contained in this Supplemental Deed Poll.
- H Pursuant to section 601GC(2) of the Corporations Act, the amendments to the Constitution set out in this Supplemental Deed Poll cannot take effect until a copy of this Supplemental Deed Poll has been lodged with ASIC.
- I The Acquirer has entered into a deed poll for the purpose of covenanting in favour of the Fund Scheme Securityholders that they will observe and perform the obligations contemplated of them under the Scheme and the Scheme Implementation Deed.

It is declared as follows.

1 Definitions and Interpretation

1.1 Definitions

In this Supplemental Deed Poll including the Recitals, the following definitions apply unless the context otherwise requires.

Acquirer means ISPT Pty Ltd (ACN 064 041 283) as trustee for the ISPT Retail Australia Property Trust No 1 (ABN 19 915 864 713).

Constitution means the trust deed constituting the Fund dated 21 May 2014, as amended from time to time.

Effective Time means the date and time on which a copy of this Supplemental Deed Poll is, or the modifications set out in it are, lodged with ASIC under section 601GC(2) of the Corporations Act.

Fund Scheme Securityholder has the meaning given in the Scheme Implementation Deed.

Fund Securityholder has the meaning given in the Scheme Implementation Deed.

Schedule means Schedule 1 to this Supplemental Deed.

Scheme means the arrangement in respect of the Fund set out in the Scheme Implementation Deed and facilitated by the amendments to the Constitution set out in this Supplemental Deed Poll.

Scheme Implementation Deed means the deed of that name between the Responsible Entity and the Acquirer dated on 6 August 2025, as amended from time to time.

1.2 Interpretation

- (a) Terms used but not defined in this Supplemental Deed Poll have the same meanings given to them in the Constitution.
- (b) Clauses 1.1 ('Definitions') and 1.2 ('Interpretation') of the Constitution apply to this Supplemental Deed Poll as if set out in this Supplemental Deed Poll.

1.3 Benefit of this Supplemental Deed Poll

This Supplemental Deed Poll is made by the Responsible Entity with the intent that the benefit of this Supplemental Deed Poll shall enure to the benefit of Fund Securityholders jointly and severally.

2 Amendment of Constitution

The Responsible Entity amends the Constitution so that, on and from the Effective Time, the Constitution is amended as set out in the Schedule.

3 No Resettlement

The Responsible Entity confirms that it is not by this Supplemental Deed Poll intending to:

- (a) settle or redeclare the Fund declared under the Constitution; or
- (b) cause the transfer, vesting or accruing of any property comprising the assets of the Fund in any person.

4 Governing Law and Jurisdiction

This Supplemental Deed Poll is governed by the laws of New South Wales. In relation to it and related non-contractual matters each party irrevocably submits to the non-exclusive jurisdiction of courts with jurisdiction there.

Executed and delivered as a Deed Poll in Sydney

Each person executing this deed on behalf of a party states that they have no notice of revocation or suspension of their authority.

Signed, sealed and delivered for and)
on behalf of **EQUITY TRUSTEES**)
LIMITED ACN 004 031 298 by its)
attorneys under Power of Attorney dated)
27th May 2016 in the presence of:)

Signature of Attorney

Signature of witness)

Office & Name of Attorney

(Print witness name))

Signature of Attorney

Office & Name of Attorney

Schedule 1

Amendments to the Constitution of Fort Street Real Estate Capital Fund II

The Constitution is amended as follows:

1 Clause 1.1 - Definitions

- (a) In clause 1.1 of the Constitution, the following definitions are inserted in alphabetical order:

Acquirer means ISPT Pty Ltd (ACN 064 041 283) as trustee for the ISPT Retail Australia Property Trust No 1 (ABN 19 915 864 713).

Acquirer Group Member means:

- (a) the Acquirer;
- (b) any of the Acquirer's Related Bodies Corporate, excluding, for the avoidance of doubt, the Fund Group.

Board means the board of directors of the Responsible Entity.

Control has the meaning given in section 50AA of the Corporations Act and **Controlled** has a corresponding meaning.

Controlled Entities means, in relation to an Entity, another Entity which is a Subsidiary of it, or which is Controlled by it.

Deed Poll means the deed poll dated 19 August 2025 executed by the Acquirer in favour of each Fund Scheme Securityholder in relation to the Scheme.

Effective means, in relation to the Scheme, the supplemental deed poll making amendments to this Constitution to facilitate the Scheme, including the insertion of clause 36, taking effect pursuant to section 601GC(2) of the Corporations Act.

Effective Date means the date on which the Scheme becomes Effective.

End Date means the date which is six months from the date of the Scheme Implementation Deed, or such later date as the Acquirer and Responsible Entity may agree in writing.

Entity includes a natural person, a body corporate, a partnership, a trust and the trustee of a trust.

Fund Group means each registered scheme comprising the Fund and each of their Controlled Entities.

Fund Scheme Securities means all Fund Securities on issue as at the Scheme Record Date except for Fund Securities held by the Acquirer.

Fund Scheme Securityholder means each person who is registered on the Register as a holder of Fund Scheme Securities as at the Scheme Record Date.

Fund Security means a Stapled Security on issue.

Fund Securityholder means a person who is registered on the Register as a holder of Fund Securities from time to time.

Implementation Date means four Scheme Business Days following the Scheme Record Date, or such other date as Responsible Entity and the Acquirer may agree in writing

Registered Address means, in relation to a Fund Scheme Securityholder, the address of that Fund Scheme Securityholder shown on the Register as at the Scheme Record Date.

Regulatory Authority includes:

- (a) ASIC;
- (b) Australian Taxation Office;
- (c) a government or governmental, semi-governmental or judicial entity or authority;
- (d) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and
- (e) any regulatory organisation established under statute.

Related Body Corporate has the meaning given in the Corporations Act but as if references to "body corporate" and "body" were to "Entity".

Scheme means the arrangement under which the Acquirer acquires all of the Fund Scheme Securities held by the Fund Scheme Securityholders for the Scheme Consideration, as set out in clause 36.

Scheme Business Day means a day that banks are open for business in Sydney, New South Wales.

Scheme Consideration means the consideration to be provided by the Acquirer to each Fund Scheme Securityholder pursuant to the terms of clause 36 for the transfer to the Acquirer of their Fund Scheme Securities, being \$1.85 in aggregate for each Fund Scheme Security held by a Fund Scheme Securityholder.

Scheme Implementation Deed means the deed of that name between the Responsible Entity and the Acquirer dated on 6 August 2025, as amended from time to time.

Scheme Securityholder Custodian means a Fund Scheme Securityholder that holds one or more parcels of Fund Scheme Securities as trustee, custodian or nominee for, or otherwise on account of, another person.

Scheme Meeting means the meeting of Fund Securityholders held on 11 2025 to consider the Scheme Resolution, and includes any adjournment of that meeting.

Scheme Payment means the consideration to be provided by the Acquirer to each Fund Scheme Securityholder pursuant to the terms of clause 36 for the transfer to the Acquirer of their Fund Scheme Securities, being \$1.85 in aggregate for each Fund Scheme Security held by a Fund Scheme Securityholder.

Scheme Record Date means 7.00pm (Sydney time) on the date that is three Scheme Business Days after the Effective Date, or such other date (after the Effective Date) as may be agreed in writing between the Acquirer and the Responsible Entity.

Scheme Resolution means the resolution of Fund Securityholders to approve the Scheme, being a special resolution for the purpose of section 601GC(1) of the Corporations Act to approve amendments to this Constitution to facilitate the implementation of the Scheme.

Scheme Transfer means, for each Fund Scheme Securityholder, a proper instrument of transfer of their Fund Scheme Securities for the purpose of section 1071B of the Corporations Act, which may be a master transfer of all or part of all of the Fund Scheme Securities.

Separate Parcel means each:

- (a) parcel of Fund Scheme Securities held by a Scheme Securityholder Custodian as trustee, custodian or nominee for, or otherwise on account of, another person; and
- (b) parcel of Fund Scheme Securities held by the Fund Scheme Securityholder Custodian in its own right.

Subsidiary has the meaning given in the Corporations Act, provided that an entity will also be taken to be a Subsidiary of another entity if it is Controlled by that entity and, without limitation:

- (a) a trust may be a Subsidiary, for the purposes of which a unit or other beneficial interest will be regarded as a share;
- (b) an entity may be a Subsidiary of a trust if it would have been a Subsidiary if that trust were a corporation; and
- (c) an entity will also be deemed to be a Subsidiary of an entity if that entity is required by the accounting standards to be consolidated with that entity.

Transfer Taxes means all sales (including bulk sales), use, transfer, filing, recording, ad valorem, privilege, documentary gross receipts, registration, conveyance, excise, license, stamp, duties or similar taxes or fees, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties incurred in connection with any transaction contemplated by this Constitution, but, for the avoidance of doubt, not including any taxes on income, gain or other similar taxes (including withholding taxes with respect thereto).

Trust Account means the trust account nominated by the Responsible Entity, the details of which must be notified in writing to the Acquirer at least 5 Scheme Business Days before the Implementation Date.

2 Clause 36 – Scheme

A new clause 36 is inserted immediately after clause 35 of the Constitution, as set out below:

36 Scheme

36.1 Implementation of Scheme

- (a) Each Fund Securityholder and the Responsible Entity must do all things and execute all deeds, instruments, transfers or other documents as the Responsible Entity considers are necessary or desirable to give full effect to the terms of the Scheme and the transactions contemplated by it.
- (b) Without limiting the Responsible Entity's other powers under this clause 36, the Responsible Entity has power to do all things that it considers necessary, desirable or reasonably incidental to give effect to the Scheme, the Scheme Implementation Deed and the transactions contemplated by them.
- (c) Subject to the Corporations Act, the Responsible Entity, the Acquirer or any of their directors, officers, employees or associates may do any act, matter or thing described in or contemplated by this clause 36 even if they have an interest (financial or otherwise) in the outcome of such exercise.
- (d) Without limiting clause 14, the Responsible Entity may make the Implementation Distribution, as defined in the Scheme Implementation Deed.
- (e) This clause 36:

- (i) binds the Responsible Entity and all of the Fund Securityholders from time to time (including those who do not attend the Scheme Meeting, those who do not vote at the Scheme Meeting and those who vote against the Scheme Resolution); and
- (ii) to the extent of any inconsistency, overrides the other provisions of this Constitution (excluding clause 28).

36.2 Entitlement to Scheme Consideration

Each Fund Scheme Securityholder will be entitled to receive the Scheme Consideration for each Fund Scheme Security held by that Fund Scheme Securityholder, which must be paid in the manner referred to in this clause 36.

36.3 Treatment of Separate Parcels held by Scheme Securityholder Custodians

For the purpose of implementing the Scheme (including for the purposes of calculating the Scheme Consideration, and the treatment of fractional entitlements), each Separate Parcel held by a Scheme Securityholder Custodian will be treated as though it were held by a separate Fund Scheme Securityholder.

36.4 Provision of Scheme Payment and Scheme Consideration

- (a) The Responsible Entity acknowledges that the Acquirer has covenanted to pay, or procure the payment of, on or prior to the Scheme Business Day before the Implementation Date, the Scheme Payment in immediately available funds into the Trust Account on terms agreed with the Acquirer.
- (b) Subject to the Acquirer having provided the Scheme Payment in the manner contemplated by clause 36.4(a), the Responsible Entity must procure that:
 - (i) the amount received from the Acquirer under clause 36.4(a) is held on trust for the Fund Scheme Securityholders, except that any interest on the amount will be for the account of the Acquirer; and
 - (ii) subject to clause 36.5, within five Scheme Business Days after the Implementation Date, the Scheme Consideration is drawn to pay to each applicable Fund Scheme Securityholder such amount as that Fund Scheme Securityholder is entitled to receive as Scheme Consideration, either by:
 - (A) electronic funds transfer to an account nominated by the Fund Scheme Securityholder for the purpose of payment of distributions or the Scheme Consideration; or
 - (B) cheque sent by pre-paid post to their Registered Address.
- (c) If the number of Fund Scheme Securities held by a Fund Scheme Securityholder as at the Scheme Record Date is such that the aggregate entitlement of the Fund Scheme Securityholder to Scheme Consideration includes a fractional entitlement to a cent, then the entitlement of that Fund Scheme Securityholder must be rounded up or down, with any such fractional entitlement of less than 0.5 being rounded down to the nearest whole number of cents, and any such fractional entitlement of 0.5 or more being rounded up to the nearest whole number of cents (as applicable).
- (d) If the Responsible Entity believes that a Fund Scheme Securityholder is not known at their Registered Address, and no account has been notified in accordance with clause 36.4(b)(ii)(A), or a deposit into such an account is

rejected or refunded, the Responsible Entity may credit the amount payable to the relevant Fund Scheme Securityholder to a separate bank account of the Responsible Entity to be held until the Fund Scheme Securityholder claims the amount or the amount is dealt with in accordance with any applicable unclaimed money legislation. If the Responsible Entity elects to proceed in this manner:

- (i) the Responsible Entity must hold the amount on trust, but any interest accruing on the amount will be for the account of the Acquirer;
- (ii) an amount credited to the account is to be treated as having been paid to the Fund Scheme Securityholder when credited to the account;
- (iii) the Responsible Entity shall be entitled to deduct from the amount held on trust any amount that it determines is required to be so deducted under any applicable law and to remit such amount to the appropriate Regulatory Authority; and
- (iv) the Responsible Entity must maintain records of the amounts paid, the people who are entitled to the amounts and any transfers of the amounts.

36.5 Joint Holders

In the case of Fund Scheme Securityholders that hold Fund Scheme Securities in joint names:

- (a) any document required to be sent under the Scheme (including any cheque required to be sent under clause 36.4(b)(ii)(B)), will be forwarded to either, at the sole discretion of the Responsible Entity, the Fund Scheme Securityholder whose name appears first in the Register as at the Scheme Record Date or to the joint Fund Scheme Securityholders; and
- (b) any Scheme Consideration paid to any one of joint Fund Scheme Securityholders will discharge the Responsible Entity in respect of the payment.

36.6 Transfer of Fund Scheme Securities to the Acquirer

On the Implementation Date, subject to the Acquirer having provided the Scheme Payment in the manner contemplated by clause 36.4(a) and providing the Responsible Entity with written confirmation of that having occurred, the following will occur:

- (a) all of the Fund Scheme Securities held by the Fund Scheme Securityholders, together with all rights and entitlements attaching to the Fund Scheme Securities as at the Implementation Date, will be transferred to the Acquirer, without the need for any further act by any Fund Scheme Securityholder (other than acts performed by the Responsible Entity (or any of its directors and officers appointed as sub-attorneys and/or agents of the Responsible Entity) as attorney and/or agent for Fund Scheme Securityholders under the Scheme);
- (b) the Responsible Entity will procure the delivery to the Acquirer for execution, duly completed and, if necessary, stamped Scheme Transfers to transfer all of the Fund Scheme Securities held by the Fund Scheme Securityholders to the Acquirer, duly executed by the Responsible Entity (or any of its directors and officers appointed as sub-attorneys and/or agents of the Responsible Entity) as the attorney and/or agent of each Fund Scheme Securityholder as transferor under clause 36.9; and
- (c) the Responsible Entity will, immediately after receipt of the executed Scheme Transfers in respect of the Fund Scheme Securities from the Acquirer, enter or

procure the entry of, the name and address of the Acquirer in the Register in respect of all of the Fund Scheme Securities.

36.7 Dealings in Fund Securities

- (a) For the purpose of establishing the persons who are Fund Scheme Securityholders and the number of Fund Securities held by them, the Responsible Entity will only recognise dealings in Fund Securities provided that registrable transfers or transmission applications in respect of those dealings are received by the Registrar by 5.00pm on the day which is the Scheme Record Date (in which case the Responsible Entity must register or procure that the Registrar registers, such transfers or transmission applications before 11.00am on the Scheme Business Day following the Scheme Record Date).
- (b) The Responsible Entity will not accept for registration, nor recognise for the purpose of establishing the persons who are Fund Scheme Securityholders, any transfer or transmission application in respect of Fund Securities received after the time specified in clause 36.7(a) (other than as contemplated by the Scheme in relation to the transfer of the Fund Scheme Securities to the Acquirer), or received prior to such time but not in registrable form.
- (c) The Responsible Entity will, until the name and address of the Acquirer has been entered in the Register as the holder of all of the Fund Scheme Securities, maintain, or procure the maintenance of, the Register in accordance with this clause 36.7. Immediately after registration of registrable transfers or transmission applications of the kind referred to in clause 36.7(a), the Registrar will solely determine the persons who are Fund Scheme Securityholders and the number of Fund Scheme Securities held by them.
- (d) No Fund Scheme Securityholder (or any person purporting to claim through them) may dispose of, purport or agree to dispose of, or otherwise deal with, Fund Scheme Securities or any interest in them in any way after the Scheme Record Date other than to the Acquirer in accordance with the Scheme, and any attempt to do so will have no effect.
- (e) Other than in respect of the Acquirer (after registration of the Acquirer in respect of all Fund Scheme Securities under clause 36.6(c)), from the Scheme Record Date, all certificates and holding statements (as applicable) for Fund Scheme Securities as at the Scheme Record Date will cease to have any effect as evidence of title, and each entry on the Register as at the Scheme Record Date will cease to have any effect other than as evidence of the entitlements of Fund Scheme Securityholders to the Scheme Consideration.
- (f) As soon as reasonably practicable after the Scheme Record Date, and in any event at least 2 Scheme Business Days before the Implementation Date, the Responsible Entity must ensure details of the names, Registered Addresses and holdings of Fund Scheme Securities of every Fund Scheme Securityholder as shown in the Register as at the Scheme Record Date are given to the Acquirer (or as it directs) in such form as the Acquirer may reasonably require.

36.8 Covenants by Fund Scheme Securityholders

Each Fund Scheme Securityholder:

- (a) irrevocably acknowledges that this clause 36 binds all of the Fund Scheme Securityholders from time to time (including those who do not attend the Scheme Meeting, do not vote at the Scheme Meeting or vote against the Scheme

- Resolution) without the need for any further act by that Fund Scheme Securityholder;
- (b) irrevocably agrees to the transfer of their Fund Scheme Securities, together with all rights, entitlements and obligations attaching to those Fund Scheme Securities, to the Acquirer in accordance with the terms of the Scheme;
 - (c) irrevocably agrees to the modification or variation (if any) of the rights attaching to their Fund Scheme Securities arising from this clause 36;
 - (d) irrevocably consents to the Responsible Entity and the Acquirer doing all things and executing all deeds, instruments, transfers or other documents (including the Scheme Transfers) as may be necessary or desirable to give full effect to the terms of the Scheme and the transactions contemplated by it; and
 - (e) irrevocably agrees to provide to the Responsible Entity such information as the Responsible Entity may reasonably require to comply with any law in respect of the Scheme and the transactions contemplated in this clause 36, including information required to meet obligations under the *Anti-Money Laundering and Counter Terrorism Financing Act 2006* (Cth).

36.9 Appointment of the Responsible Entity as attorney and as agent for implementation of the Scheme

Each Fund Scheme Securityholder, without the need for any further act by that Fund Scheme Securityholder, irrevocably appoints the Responsible Entity as that Fund Scheme Securityholder's attorney and as that Fund Scheme Securityholder's agent for the purpose of:

- (a) doing all things and executing all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the terms of the Scheme and the transactions contemplated by it, including effecting a valid transfer or transfers of the Fund Scheme Securities to the Acquirer under clause 36.6(b), and including executing and delivering any Scheme Transfers; and
- (b) enforcing the Deed Poll against the Acquirer,

and the Responsible Entity accepts such appointment. The Responsible Entity, as attorney and as agent of each Fund Scheme Securityholder, may sub-delegate its functions, authorities or powers under this clause 36.9 to all or any of its directors and officers (jointly, severally, or jointly and severally). Each Fund Scheme Securityholder indemnifies the Responsible Entity and each of its directors and officers against all losses, liabilities, charges, costs and expenses arising from the exercise of powers under this clause 36.9.

36.10 Status of Fund Scheme Securities

- (a) To the maximum extent permitted by law, the Fund Scheme Securities transferred to the Acquirer under this clause 36 will be transferred free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise.
- (b) Each Fund Scheme Securityholder is deemed to have warranted to the Responsible Entity in its own right and on behalf of the Acquirer, that all their Fund Scheme Securities (including any rights, entitlements and obligations attaching to those Fund Scheme Securities) which are transferred to the Acquirer under this clause 36 will, at the time of the transfer of them to the Acquirer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges,

security interests (including 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and other interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind not referred to in this Constitution, and that they have full power and capacity to sell and to transfer their Fund Scheme Securities to the Acquirer pursuant to the Scheme.

- (c) The Acquirer will be beneficially entitled to the Fund Scheme Securities transferred to it under this clause 36 pending registration by the Responsible Entity of the name and registered address of the Acquirer in the Register as the holder of the relevant Fund Scheme Securities.

36.12 Lapsing

Clause 36 will lapse and have no further force or effect if:

- (a) the Effective Date does not occur on or before the End Date; or
- (b) the Scheme Implementation Deed or the Deed Poll is terminated in accordance with its terms,

unless the Responsible Entity and Acquirer otherwise agree in writing.

36.13 Orders of a court or Regulatory Authority

- (a) Notwithstanding anything else in this clause 36, the Responsible Entity may deduct and withhold from any consideration which would otherwise be payable by the Responsible Entity to a Fund Scheme Securityholder in accordance with this clause 36, any amount that it determines is required to be so deducted and withheld from that consideration under any applicable law, including any order, direction or notice made or given by a court of competent jurisdiction or by another Regulatory Authority.
- (b) To the extent that amounts are so deducted or withheld, such deducted or withheld amounts will be treated for all purposes under the Scheme as having been paid to the Fund Scheme Securityholder in respect of which such deduction and withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate taxation office or other Regulatory Authority.
- (c) If requested in writing by the Fund Scheme Securityholder, the Responsible Entity must provide a receipt or other appropriate evidence of such payment to the taxation office or other Regulatory Authority.
- (d) If written notice is given to the Responsible Entity of an order, direction or notice made or given by a court of competent jurisdiction or by another Regulatory Authority that requires that Scheme Consideration that would otherwise be provided to a Fund Scheme Securityholder by the Responsible Entity in accordance with this clause 36, must instead be paid or provided to a Regulatory Authority or other third party, then:
 - (i) the Responsible Entity is entitled to pay the relevant money in accordance with that order, direction or notice; and
 - (ii) doing so will be treated for all purposes under the Scheme as having been paid or provided to that Fund Scheme Securityholder.
- (e) If written notice is given to the Responsible Entity of an order, direction or notice made or given by a court of competent jurisdiction or by another Regulatory Authority that prevents the Responsible Entity from providing consideration to a particular Fund Scheme Securityholder in accordance with this clause 36, or if the payment or provision of any Scheme Consideration to a particular Fund Scheme Securityholder is otherwise

prohibited by applicable law, the Responsible Entity will be entitled to (as applicable) to refrain from paying the Scheme Consideration that would otherwise be payable to the Scheme Participant, until such time as the payment of Scheme Consideration in accordance with this clause 36 is permitted by that order or direction or otherwise by law.

36.14 Notices

Where a notice, transfer, transmission application, direction or other communication referred to in the Scheme is sent by post to the Responsible Entity, it will not be deemed to be received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at the Responsible Entity's registered office or by the Registrar, as the case may be. The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a Fund Securityholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

36.15 Costs and stamp duty

- (a) Without limiting the terms of the Scheme Implementation Deed and clause 24, all expenses incurred by the Responsible Entity in relation to the Scheme and the Scheme Implementation Deed are payable or reimbursable out of the Assets to the extent that such reimbursement is not prohibited by the Corporations Act and not reimbursable by the Acquirer pursuant to the Scheme Implementation Deed.
- (b) The Acquirer will pay all stamp duty (including fines, penalties and interest) and Transfer Taxes payable on or in connection with the transfer to it of Fund Scheme Securities pursuant to the Scheme.

36.16 Limitation of liability

Without limiting clause 22, subject to the Corporations Act, the Responsible Entity will not have any liability of any nature whatsoever to the Fund Securityholders, beyond the extent to which the Responsible Entity is actually indemnified out of the Assets, arising, directly or indirectly, from the Responsible Entity doing or refraining from doing any act (including the execution of a document), matter or thing pursuant to or in connection with the implementation of the Scheme.

APPENDIX 5 – SUPPLEMENTAL DEED - FORT STREET REAL ESTATE CAPITAL FUND III



Equity Trustees Limited

Supplemental Deed Poll

Amending the Constitution for Fort Street Real Estate Capital Fund III

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This Deed Poll is made on

Parties

- 1 **Equity Trustees Limited** (ACN 004 031 298) as responsible entity for the Fort Street Real Estate Capital Fund I (ARSN 163 688 346) (the **Fund**) of Level 1, 575 Bourke Street, Melbourne VIC 3000 (the **Responsible Entity**).

Recitals

- A The Responsible Entity is the responsible entity of the Fund.
- B The Fund is part of a stapled group together with the unlisted managed investment schemes: Fort Street Real Estate Capital Fund I and Fort Street Real Estate Capital Fund II.
- C The Responsible Entity and the Acquirer have agreed, by executing the Scheme Implementation Deed, to propose and implement the Scheme.
- D The Constitution must be amended to facilitate the Scheme.
- E Under clause 27 of the Constitution, subject to the Corporations Act, the Responsible Entity may amend the Constitution by executing a supplemental deed.
- F Section 601GC(1)(a) of the Corporations Act provides that the Constitution may be amended by special resolution of the Members of the Fund.
- G At a meeting held on [] convened in accordance with the Corporations Act, the Fund Securityholders approved a special resolution to make the amendments to the Constitution contained in this Supplemental Deed Poll.
- H Pursuant to section 601GC(2) of the Corporations Act, the amendments to the Constitution set out in this Supplemental Deed Poll cannot take effect until a copy of this Supplemental Deed Poll has been lodged with ASIC.
- I The Acquirer has entered into a deed poll for the purpose of covenanting in favour of the Fund Scheme Securityholders that they will observe and perform the obligations contemplated of them under the Scheme and the Scheme Implementation Deed.

It is declared as follows.

1 Definitions and Interpretation

1.1 Definitions

In this Supplemental Deed Poll including the Recitals, the following definitions apply unless the context otherwise requires.

Acquirer means ISPT Pty Ltd (ACN 064 041 283) as trustee for the ISPT Retail Australia Property Trust No 1 (ABN 19 915 864 713).

Constitution means the trust deed constituting the Fund dated 14 October 2016, as amended from time to time.

Effective Time means the date and time on which a copy of this Supplemental Deed Poll is, or the modifications set out in it are, lodged with ASIC under section 601GC(2) of the Corporations Act.

Fund Scheme Securityholder has the meaning given in the Scheme Implementation Deed.

Fund Securityholder has the meaning given in the Scheme Implementation Deed.

Schedule means Schedule 1 to this Supplemental Deed.

Scheme means the arrangement in respect of the Fund set out in the Scheme Implementation Deed and facilitated by the amendments to the Constitution set out in this Supplemental Deed Poll.

Scheme Implementation Deed means the deed of that name between the Responsible Entity and the Acquirer dated on 6 August 2025, as amended from time to time.

1.2 Interpretation

- (a) Terms used but not defined in this Supplemental Deed Poll have the same meanings given to them in the Constitution.
- (b) Clauses 1.1 ('Definitions') and 1.2 ('Interpretation') of the Constitution apply to this Supplemental Deed Poll as if set out in this Supplemental Deed Poll.

1.3 Benefit of this Supplemental Deed Poll

This Supplemental Deed Poll is made by the Responsible Entity with the intent that the benefit of this Supplemental Deed Poll shall enure to the benefit of Fund Securityholders jointly and severally.

2 Amendment of Constitution

The Responsible Entity amends the Constitution so that, on and from the Effective Time, the Constitution is amended as set out in the Schedule.

3 No Resettlement

The Responsible Entity confirms that it is not by this Supplemental Deed Poll intending to:

- (a) settle or redeclare the Fund declared under the Constitution; or
- (b) cause the transfer, vesting or accruing of any property comprising the assets of the Fund in any person.

4 Governing Law and Jurisdiction

This Supplemental Deed Poll is governed by the laws of New South Wales. In relation to it and related non-contractual matters each party irrevocably submits to the non-exclusive jurisdiction of courts with jurisdiction there.

Executed and delivered as a Deed Poll in Sydney

Each person executing this deed on behalf of a party states that they have no notice of revocation or suspension of their authority.

Signed, sealed and delivered for and)
on behalf of **EQUITY TRUSTEES**)
LIMITED ACN 004 031 298 by its)
attorneys under Power of Attorney dated)
27th May 2016 in the presence of:)

Signature of Attorney

Signature of witness)

Office & Name of Attorney

(Print witness name))

Signature of Attorney

Office & Name of Attorney

Schedule 1

Amendments to the Constitution of Fort Street Real Estate Capital Fund III

The Constitution is amended as follows:

1 Clause 1.1 - Definitions

- (a) In clause 1.1 of the Constitution, the following definitions are inserted in alphabetical order:

Acquirer means ISPT Pty Ltd (ACN 064 041 283) as trustee for the ISPT Retail Australia Property Trust No 1 (ABN 19 915 864 713).

Acquirer Group Member means:

- (a) the Acquirer;
- (b) any of the Acquirer's Related Bodies Corporate, excluding, for the avoidance of doubt, the Fund Group.

Board means the board of directors of the Responsible Entity.

Control has the meaning given in section 50AA of the Corporations Act and **Controlled** has a corresponding meaning.

Controlled Entities means, in relation to an Entity, another Entity which is a Subsidiary of it, or which is Controlled by it.

Deed Poll means the deed poll dated 19 August 2025 executed by the Acquirer in favour of each Fund Scheme Securityholder in relation to the Scheme.

Effective means, in relation to the Scheme, the supplemental deed poll making amendments to this Constitution to facilitate the Scheme, including the insertion of clause 36, taking effect pursuant to section 601GC(2) of the Corporations Act.

Effective Date means the date on which the Scheme becomes Effective.

End Date means the date which is six months from the date of the Scheme Implementation Deed, or such later date as the Acquirer and Responsible Entity may agree in writing.

Entity includes a natural person, a body corporate, a partnership, a trust and the trustee of a trust.

Fund Group means each registered scheme comprising the Fund and each of their Controlled Entities.

Fund Scheme Securities means all Fund Securities on issue as at the Scheme Record Date except for Fund Securities held by the Acquirer.

Fund Scheme Securityholder means each person who is registered on the Register as a holder of Fund Scheme Securities as at the Scheme Record Date.

Fund Security means a Stapled Security on issue.

Fund Securityholder means a person who is registered on the Register as a holder of Fund Securities from time to time.

Implementation Date means four Scheme Business Days following the Scheme Record Date, or such other date as Responsible Entity and the Acquirer may agree in writing

Registered Address means, in relation to a Fund Scheme Securityholder, the address of that Fund Scheme Securityholder shown on the Register as at the Scheme Record Date.

Regulatory Authority includes:

- (a) ASIC;
- (b) Australian Taxation Office;
- (c) a government or governmental, semi-governmental or judicial entity or authority;
- (d) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and
- (e) any regulatory organisation established under statute.

Related Body Corporate has the meaning given in the Corporations Act but as if references to "body corporate" and "body" were to "Entity".

Scheme means the arrangement under which the Acquirer acquires all of the Fund Scheme Securities held by the Fund Scheme Securityholders for the Scheme Consideration, as set out in clause 36.

Scheme Business Day means a day that banks are open for business in Sydney, New South Wales.

Scheme Consideration means the consideration to be provided by the Acquirer to each Fund Scheme Securityholder pursuant to the terms of clause 36 for the transfer to the Acquirer of their Fund Scheme Securities, being \$1.85 in aggregate for each Fund Scheme Security held by a Fund Scheme Securityholder.

Scheme Implementation Deed means the deed of that name between the Responsible Entity and the Acquirer dated on 6 August 2025, as amended from time to time.

Scheme Securityholder Custodian means a Fund Scheme Securityholder that holds one or more parcels of Fund Scheme Securities as trustee, custodian or nominee for, or otherwise on account of, another person.

Scheme Meeting means the meeting of Fund Securityholders held on 11 2025 to consider the Scheme Resolution, and includes any adjournment of that meeting.

Scheme Payment means the consideration to be provided by the Acquirer to each Fund Scheme Securityholder pursuant to the terms of clause 36 for the transfer to the Acquirer of their Fund Scheme Securities, being \$1.85 in aggregate for each Fund Scheme Security held by a Fund Scheme Securityholder.

Scheme Record Date means 7.00pm (Sydney time) on the date that is three Scheme Business Days after the Effective Date, or such other date (after the Effective Date) as may be agreed in writing between the Acquirer and the Responsible Entity.

Scheme Resolution means the resolution of Fund Securityholders to approve the Scheme, being a special resolution for the purpose of section 601GC(1) of the Corporations Act to approve amendments to this Constitution to facilitate the implementation of the Scheme.

Scheme Transfer means, for each Fund Scheme Securityholder, a proper instrument of transfer of their Fund Scheme Securities for the purpose of section 1071B of the Corporations Act, which may be a master transfer of all or part of all of the Fund Scheme Securities.

Separate Parcel means each:

- (a) parcel of Fund Scheme Securities held by a Scheme Securityholder Custodian as trustee, custodian or nominee for, or otherwise on account of, another person; and
- (b) parcel of Fund Scheme Securities held by the Fund Scheme Securityholder Custodian in its own right.

Subsidiary has the meaning given in the Corporations Act, provided that an entity will also be taken to be a Subsidiary of another entity if it is Controlled by that entity and, without limitation:

- (a) a trust may be a Subsidiary, for the purposes of which a unit or other beneficial interest will be regarded as a share;
- (b) an entity may be a Subsidiary of a trust if it would have been a Subsidiary if that trust were a corporation; and
- (c) an entity will also be deemed to be a Subsidiary of an entity if that entity is required by the accounting standards to be consolidated with that entity.

Transfer Taxes means all sales (including bulk sales), use, transfer, filing, recording, ad valorem, privilege, documentary gross receipts, registration, conveyance, excise, license, stamp, duties or similar taxes or fees, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties incurred in connection with any transaction contemplated by this Constitution, but, for the avoidance of doubt, not including any taxes on income, gain or other similar taxes (including withholding taxes with respect thereto).

Trust Account means the trust account nominated by the Responsible Entity, the details of which must be notified in writing to the Acquirer at least 5 Scheme Business Days before the Implementation Date.

2 Clause 36 – Scheme

A new clause 36 is inserted immediately after clause 35 of the Constitution, as set out below:

36 Scheme

36.1 Implementation of Scheme

- (a) Each Fund Securityholder and the Responsible Entity must do all things and execute all deeds, instruments, transfers or other documents as the Responsible Entity considers are necessary or desirable to give full effect to the terms of the Scheme and the transactions contemplated by it.
- (b) Without limiting the Responsible Entity's other powers under this clause 36, the Responsible Entity has power to do all things that it considers necessary, desirable or reasonably incidental to give effect to the Scheme, the Scheme Implementation Deed and the transactions contemplated by them.
- (c) Subject to the Corporations Act, the Responsible Entity, the Acquirer or any of their directors, officers, employees or associates may do any act, matter or thing described in or contemplated by this clause 36 even if they have an interest (financial or otherwise) in the outcome of such exercise.
- (d) Without limiting clause 14, the Responsible Entity may make the Implementation Distribution, as defined in the Scheme Implementation Deed.
- (e) This clause 36:

- (i) binds the Responsible Entity and all of the Fund Securityholders from time to time (including those who do not attend the Scheme Meeting, those who do not vote at the Scheme Meeting and those who vote against the Scheme Resolution); and
- (ii) to the extent of any inconsistency, overrides the other provisions of this Constitution (excluding clause 28).

36.2 Entitlement to Scheme Consideration

Each Fund Scheme Securityholder will be entitled to receive the Scheme Consideration for each Fund Scheme Security held by that Fund Scheme Securityholder, which must be paid in the manner referred to in this clause 36.

36.3 Treatment of Separate Parcels held by Scheme Securityholder Custodians

For the purpose of implementing the Scheme (including for the purposes of calculating the Scheme Consideration, and the treatment of fractional entitlements), each Separate Parcel held by a Scheme Securityholder Custodian will be treated as though it were held by a separate Fund Scheme Securityholder.

36.4 Provision of Scheme Payment and Scheme Consideration

- (a) The Responsible Entity acknowledges that the Acquirer has covenanted to pay, or procure the payment of, on or prior to the Scheme Business Day before the Implementation Date, the Scheme Payment in immediately available funds into the Trust Account on terms agreed with the Acquirer.
- (b) Subject to the Acquirer having provided the Scheme Payment in the manner contemplated by clause 36.4(a), the Responsible Entity must procure that:
 - (i) the amount received from the Acquirer under clause 36.4(a) is held on trust for the Fund Scheme Securityholders, except that any interest on the amount will be for the account of the Acquirer; and
 - (ii) subject to clause 36.5, within five Scheme Business Days after the Implementation Date, the Scheme Consideration is drawn to pay to each applicable Fund Scheme Securityholder such amount as that Fund Scheme Securityholder is entitled to receive as Scheme Consideration, either by:
 - (A) electronic funds transfer to an account nominated by the Fund Scheme Securityholder for the purpose of payment of distributions or the Scheme Consideration; or
 - (B) cheque sent by pre-paid post to their Registered Address.
- (c) If the number of Fund Scheme Securities held by a Fund Scheme Securityholder as at the Scheme Record Date is such that the aggregate entitlement of the Fund Scheme Securityholder to Scheme Consideration includes a fractional entitlement to a cent, then the entitlement of that Fund Scheme Securityholder must be rounded up or down, with any such fractional entitlement of less than 0.5 being rounded down to the nearest whole number of cents, and any such fractional entitlement of 0.5 or more being rounded up to the nearest whole number of cents (as applicable).
- (d) If the Responsible Entity believes that a Fund Scheme Securityholder is not known at their Registered Address, and no account has been notified in accordance with clause 36.4(b)(ii)(A), or a deposit into such an account is

rejected or refunded, the Responsible Entity may credit the amount payable to the relevant Fund Scheme Securityholder to a separate bank account of the Responsible Entity to be held until the Fund Scheme Securityholder claims the amount or the amount is dealt with in accordance with any applicable unclaimed money legislation. If the Responsible Entity elects to proceed in this manner:

- (i) the Responsible Entity must hold the amount on trust, but any interest accruing on the amount will be for the account of the Acquirer;
- (ii) an amount credited to the account is to be treated as having been paid to the Fund Scheme Securityholder when credited to the account;
- (iii) the Responsible Entity shall be entitled to deduct from the amount held on trust any amount that it determines is required to be so deducted under any applicable law and to remit such amount to the appropriate Regulatory Authority; and
- (iv) the Responsible Entity must maintain records of the amounts paid, the people who are entitled to the amounts and any transfers of the amounts.

36.5 Joint Holders

In the case of Fund Scheme Securityholders that hold Fund Scheme Securities in joint names:

- (a) any document required to be sent under the Scheme (including any cheque required to be sent under clause 36.4(b)(ii)(B)), will be forwarded to either, at the sole discretion of the Responsible Entity, the Fund Scheme Securityholder whose name appears first in the Register as at the Scheme Record Date or to the joint Fund Scheme Securityholders; and
- (b) any Scheme Consideration paid to any one of joint Fund Scheme Securityholders will discharge the Responsible Entity in respect of the payment.

36.6 Transfer of Fund Scheme Securities to the Acquirer

On the Implementation Date, subject to the Acquirer having provided the Scheme Payment in the manner contemplated by clause 36.4(a) and providing the Responsible Entity with written confirmation of that having occurred, the following will occur:

- (a) all of the Fund Scheme Securities held by the Fund Scheme Securityholders, together with all rights and entitlements attaching to the Fund Scheme Securities as at the Implementation Date, will be transferred to the Acquirer, without the need for any further act by any Fund Scheme Securityholder (other than acts performed by the Responsible Entity (or any of its directors and officers appointed as sub-attorneys and/or agents of the Responsible Entity) as attorney and/or agent for Fund Scheme Securityholders under the Scheme);
- (b) the Responsible Entity will procure the delivery to the Acquirer for execution, duly completed and, if necessary, stamped Scheme Transfers to transfer all of the Fund Scheme Securities held by the Fund Scheme Securityholders to the Acquirer, duly executed by the Responsible Entity (or any of its directors and officers appointed as sub-attorneys and/or agents of the Responsible Entity) as the attorney and/or agent of each Fund Scheme Securityholder as transferor under clause 36.9; and
- (c) the Responsible Entity will, immediately after receipt of the executed Scheme Transfers in respect of the Fund Scheme Securities from the Acquirer, enter or

procure the entry of, the name and address of the Acquirer in the Register in respect of all of the Fund Scheme Securities.

36.7 Dealings in Fund Securities

- (a) For the purpose of establishing the persons who are Fund Scheme Securityholders and the number of Fund Securities held by them, the Responsible Entity will only recognise dealings in Fund Securities provided that registrable transfers or transmission applications in respect of those dealings are received by the Registrar by 5.00pm on the day which is the Scheme Record Date (in which case the Responsible Entity must register or procure that the Registrar registers, such transfers or transmission applications before 11.00am on the Scheme Business Day following the Scheme Record Date).
- (b) The Responsible Entity will not accept for registration, nor recognise for the purpose of establishing the persons who are Fund Scheme Securityholders, any transfer or transmission application in respect of Fund Securities received after the time specified in clause 36.7(a) (other than as contemplated by the Scheme in relation to the transfer of the Fund Scheme Securities to the Acquirer), or received prior to such time but not in registrable form.
- (c) The Responsible Entity will, until the name and address of the Acquirer has been entered in the Register as the holder of all of the Fund Scheme Securities, maintain, or procure the maintenance of, the Register in accordance with this clause 36.7. Immediately after registration of registrable transfers or transmission applications of the kind referred to in clause 36.7(a), the Registrar will solely determine the persons who are Fund Scheme Securityholders and the number of Fund Scheme Securities held by them.
- (d) No Fund Scheme Securityholder (or any person purporting to claim through them) may dispose of, purport or agree to dispose of, or otherwise deal with, Fund Scheme Securities or any interest in them in any way after the Scheme Record Date other than to the Acquirer in accordance with the Scheme, and any attempt to do so will have no effect.
- (e) Other than in respect of the Acquirer (after registration of the Acquirer in respect of all Fund Scheme Securities under clause 36.6(c)), from the Scheme Record Date, all certificates and holding statements (as applicable) for Fund Scheme Securities as at the Scheme Record Date will cease to have any effect as evidence of title, and each entry on the Register as at the Scheme Record Date will cease to have any effect other than as evidence of the entitlements of Fund Scheme Securityholders to the Scheme Consideration.
- (f) As soon as reasonably practicable after the Scheme Record Date, and in any event at least 2 Scheme Business Days before the Implementation Date, the Responsible Entity must ensure details of the names, Registered Addresses and holdings of Fund Scheme Securities of every Fund Scheme Securityholder as shown in the Register as at the Scheme Record Date are given to the Acquirer (or as it directs) in such form as the Acquirer may reasonably require.

36.8 Covenants by Fund Scheme Securityholders

Each Fund Scheme Securityholder:

- (a) irrevocably acknowledges that this clause 36 binds all of the Fund Scheme Securityholders from time to time (including those who do not attend the Scheme Meeting, do not vote at the Scheme Meeting or vote against the Scheme

- Resolution) without the need for any further act by that Fund Scheme Securityholder;
- (b) irrevocably agrees to the transfer of their Fund Scheme Securities, together with all rights, entitlements and obligations attaching to those Fund Scheme Securities, to the Acquirer in accordance with the terms of the Scheme;
 - (c) irrevocably agrees to the modification or variation (if any) of the rights attaching to their Fund Scheme Securities arising from this clause 36;
 - (d) irrevocably consents to the Responsible Entity and the Acquirer doing all things and executing all deeds, instruments, transfers or other documents (including the Scheme Transfers) as may be necessary or desirable to give full effect to the terms of the Scheme and the transactions contemplated by it; and
 - (e) irrevocably agrees to provide to the Responsible Entity such information as the Responsible Entity may reasonably require to comply with any law in respect of the Scheme and the transactions contemplated in this clause 36, including information required to meet obligations under the *Anti-Money Laundering and Counter Terrorism Financing Act 2006* (Cth).

36.9 Appointment of the Responsible Entity as attorney and as agent for implementation of the Scheme

Each Fund Scheme Securityholder, without the need for any further act by that Fund Scheme Securityholder, irrevocably appoints the Responsible Entity as that Fund Scheme Securityholder's attorney and as that Fund Scheme Securityholder's agent for the purpose of:

- (a) doing all things and executing all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the terms of the Scheme and the transactions contemplated by it, including effecting a valid transfer or transfers of the Fund Scheme Securities to the Acquirer under clause 36.6(b), and including executing and delivering any Scheme Transfers; and
- (b) enforcing the Deed Poll against the Acquirer,

and the Responsible Entity accepts such appointment. The Responsible Entity, as attorney and as agent of each Fund Scheme Securityholder, may sub-delegate its functions, authorities or powers under this clause 36.9 to all or any of its directors and officers (jointly, severally, or jointly and severally). Each Fund Scheme Securityholder indemnifies the Responsible Entity and each of its directors and officers against all losses, liabilities, charges, costs and expenses arising from the exercise of powers under this clause 36.9.

36.10 Status of Fund Scheme Securities

- (a) To the maximum extent permitted by law, the Fund Scheme Securities transferred to the Acquirer under this clause 36 will be transferred free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise.
- (b) Each Fund Scheme Securityholder is deemed to have warranted to the Responsible Entity in its own right and on behalf of the Acquirer, that all their Fund Scheme Securities (including any rights, entitlements and obligations attaching to those Fund Scheme Securities) which are transferred to the Acquirer under this clause 36 will, at the time of the transfer of them to the Acquirer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges,

security interests (including 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and other interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind not referred to in this Constitution, and that they have full power and capacity to sell and to transfer their Fund Scheme Securities to the Acquirer pursuant to the Scheme.

- (c) The Acquirer will be beneficially entitled to the Fund Scheme Securities transferred to it under this clause 36 pending registration by the Responsible Entity of the name and registered address of the Acquirer in the Register as the holder of the relevant Fund Scheme Securities.

36.12 Lapsing

Clause 36 will lapse and have no further force or effect if:

- (a) the Effective Date does not occur on or before the End Date; or
- (b) the Scheme Implementation Deed or the Deed Poll is terminated in accordance with its terms,

unless the Responsible Entity and Acquirer otherwise agree in writing.

36.13 Orders of a court or Regulatory Authority

- (a) Notwithstanding anything else in this clause 36, the Responsible Entity may deduct and withhold from any consideration which would otherwise be payable by the Responsible Entity to a Fund Scheme Securityholder in accordance with this clause 36, any amount that it determines is required to be so deducted and withheld from that consideration under any applicable law, including any order, direction or notice made or given by a court of competent jurisdiction or by another Regulatory Authority.
- (b) To the extent that amounts are so deducted or withheld, such deducted or withheld amounts will be treated for all purposes under the Scheme as having been paid to the Fund Scheme Securityholder in respect of which such deduction and withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate taxation office or other Regulatory Authority.
- (c) If requested in writing by the Fund Scheme Securityholder, the Responsible Entity must provide a receipt or other appropriate evidence of such payment to the taxation office or other Regulatory Authority.
- (d) If written notice is given to the Responsible Entity of an order, direction or notice made or given by a court of competent jurisdiction or by another Regulatory Authority that requires that Scheme Consideration that would otherwise be provided to a Fund Scheme Securityholder by the Responsible Entity in accordance with this clause 36, must instead be paid or provided to a Regulatory Authority or other third party, then:
 - (i) the Responsible Entity is entitled to pay the relevant money in accordance with that order, direction or notice; and
 - (ii) doing so will be treated for all purposes under the Scheme as having been paid or provided to that Fund Scheme Securityholder.
- (e) If written notice is given to the Responsible Entity of an order, direction or notice made or given by a court of competent jurisdiction or by another Regulatory Authority that prevents the Responsible Entity from providing consideration to a particular Fund Scheme Securityholder in accordance with this clause 36, or if the payment or provision of any Scheme Consideration to a particular Fund Scheme Securityholder is otherwise

prohibited by applicable law, the Responsible Entity will be entitled to (as applicable) to refrain from paying the Scheme Consideration that would otherwise be payable to the Scheme Participant, until such time as the payment of Scheme Consideration in accordance with this clause 36 is permitted by that order or direction or otherwise by law.

36.14 Notices

Where a notice, transfer, transmission application, direction or other communication referred to in the Scheme is sent by post to the Responsible Entity, it will not be deemed to be received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at the Responsible Entity's registered office or by the Registrar, as the case may be. The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a Fund Securityholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

36.15 Costs and stamp duty

- (a) Without limiting the terms of the Scheme Implementation Deed and clause 24, all expenses incurred by the Responsible Entity in relation to the Scheme and the Scheme Implementation Deed are payable or reimbursable out of the Assets to the extent that such reimbursement is not prohibited by the Corporations Act and not reimbursable by the Acquirer pursuant to the Scheme Implementation Deed.
- (b) The Acquirer will pay all stamp duty (including fines, penalties and interest) and Transfer Taxes payable on or in connection with the transfer to it of Fund Scheme Securities pursuant to the Scheme.

36.16 Limitation of liability

Without limiting clause 22, subject to the Corporations Act, the Responsible Entity will not have any liability of any nature whatsoever to the Fund Securityholders, beyond the extent to which the Responsible Entity is actually indemnified out of the Assets, arising, directly or indirectly, from the Responsible Entity doing or refraining from doing any act (including the execution of a document), matter or thing pursuant to or in connection with the implementation of the Scheme.

APPENDIX 6 – DEED POLL



Scheme Deed Poll

Project Finio

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Scheme Deed Poll

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Scheme Deed Poll



This Deed Poll is made on 19 August 2025

By

ISPT Pty Ltd (ACN 064 041 283) as trustee for the ISPT Retail Australia Property Trust No. 1 (ABN 19 915 864 713) (the *Acquirer Trust*) of Level 11, 8 Exhibition Street, Melbourne VIC 3000 (the *Acquirer*).

In favour of each Fund Scheme Securityholder

Recitals

- A The Acquirer and Equity Trustees Limited (ACN 004 031 298) as responsible entity for the FSREC Property Fund (the ***Fund RE***), a stapled group comprising the unlisted registered managed investment schemes: Fort Street Real Estate Capital Fund I (ARSN 163 688 346), Fort Street Real Estate Capital Fund II (ARSN 169 190 498) and Fort Street Real Estate Capital Fund III (ARSN 605 335 957) (***Fund***) have entered into an implementation deed dated 6 August 2025 (the ***Implementation Deed***).
- B The Fund RE has agreed in the Implementation Deed to propose the Schemes, pursuant to which, subject to the satisfaction or waiver of certain conditions precedent, the Acquirer will acquire all the Fund Scheme Securities from the Fund Scheme Securityholders for the Scheme Consideration.
- C In accordance with the Implementation Deed, Acquirer is entering into this Deed Poll for the purpose of covenanting in favour of the Fund Scheme Securityholders that it will observe and perform the obligations contemplated of it under the Schemes.

It is agreed as follows.

1 Definitions and Interpretation

1.1 Definitions

Terms defined in the Implementation Deed have the same meaning in this Deed Poll, unless the context requires otherwise.

Trust Account means the trust account nominated by the Fund RE, the details of which must be notified in writing to the Acquirer at least 5 Business Days before the Implementation Date.

1.2 Interpretation

The provisions of clause 1.2 of the Implementation Deed form part of this Deed Poll as if set out in full in this Deed Poll, and on the basis that references to 'this Deed' and 'this document' in that clause are references to 'this Deed Poll' and clause references are amended as applicable.

2 Nature of Deed Poll

The Acquirer acknowledges that:

- (a) this Deed Poll may be relied on and enforced by any Fund Scheme Securityholder in accordance with its terms, even though the Fund Scheme Securityholders are not party to it; and
- (b) under the Schemes, each Fund Scheme Securityholder appoints the Fund RE and each of its directors, officers and secretaries (jointly and each of them severally) as its agent and attorney to enforce this Deed Poll against the Acquirer on behalf of that Fund Scheme Securityholder.

3 Conditions Precedent and Termination**3.1 Conditions precedent**

The Acquirer's obligations under this Deed Poll are subject to the Schemes becoming Effective.

3.2 Termination

If the Implementation Deed is terminated before the Effective Date or the Schemes do not become Effective on or before the End Date, the obligations of the Acquirer under this Deed Poll will automatically terminate and the terms of this Deed Poll will be of no further force or effect, unless the Fund RE and Acquirer otherwise agree in accordance with the Implementation Deed.

3.3 Consequences of termination

If this Deed Poll is terminated under clause 3.2, then, in addition and without prejudice to any other rights, powers or remedies available to it:

- (a) the Acquirer is released from its obligations under this Deed Poll, except those obligations under clause 8.6; and
- (b) each Fund Scheme Securityholder retains any rights, powers or remedies that the Fund Scheme Securityholder has against the Acquirer in respect of any breach of its obligations under this Deed Poll that occurred before termination of this Deed Poll.

4 Compliance with Scheme Obligations**4.1 Obligations of the Acquirer**

Subject to clause 3, in consideration for the transfer to the Acquirer of the Fund Scheme Securities in accordance with the Schemes, the Acquirer covenants in favour of each Fund Scheme Securityholder that it will observe and perform all obligations contemplated of it under the Schemes, including the obligations relating to the provision of the Scheme Consideration in accordance with the terms of the Schemes.

4.2 Undertaking to pay the Scheme Consideration

On or prior to the Business Day before the Implementation Date, the Acquirer undertakes in favour of each Fund Scheme Securityholder to provide, or procure the provision of, the aggregate Scheme Consideration payable to the Fund Scheme Securityholders to the Trust Account in accordance with the terms of the Schemes.

4.3 General warranties

The Acquirer represents and warrants in favour of each Fund Scheme Securityholder that:

- (a) it is a corporation validly existing under the laws of its place of incorporation;
- (b) it has the power to enter into and perform its obligations under this Deed Poll and to carry out the transactions contemplated by this Deed Poll;
- (c) it has taken all necessary corporate action to authorise the entry into this Deed Poll and has taken or will take all necessary corporate action to authorise the performance of this Deed Poll;
- (d) its obligations under this Deed Poll are valid and binding and are enforceable in accordance with its terms;
- (e) the execution and performance by it of this Deed Poll and each transaction contemplated by this Deed Poll did not and will not violate in any respect a provision of:

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- (i) a law or treaty or a judgment, ruling, order or decree binding on it or any of its Controlled Entities;
 - (ii) the trust deed of the Acquirer Trust; or
 - (iii) any other document or agreement that is binding on it or any of its Controlled Entities;
- (f) neither it nor the Acquirer Trust is subject to an Insolvency Event;
- (g) the Acquirer Trust has been duly established and has not been terminated;
- (h) it is the trustee of the Acquirer Trust and no action has been taken or proposed to remove it as trustee of the Acquirer Trust;
- (i) no action has been taken or proposed to, either:
 - (i) dissolve the Acquirer Trust; or
 - (ii) wind-up the Acquirer Trust;
- (j) it has the authorisations necessary for it to enter into this Deed Poll and the Schemes, perform obligations under them and allow them to be enforced (including any authorisation required under the trust deed of the Acquirer Trust (if any));
- (k) entry into this Deed Poll and the Schemes is a valid exercise of its powers under the trust deed of the Acquirer Trust for the benefit of the unitholders of the Acquirer Trust; and
- (l) it has a right, in accordance with the terms of the trust deed of the Acquirer Trust, to be fully indemnified out of the property of the Acquirer Trust in respect of obligations and liabilities incurred by it under the documents to which it is a party, and, to the best of its knowledge and after reasonable and due enquiry, it is not aware of anything that would prevent it from being fully indemnified out of the property of the Acquirer Trust other than in the case of its behaviour being beyond power or involved fraud, negligence, default or breach of trust, in accordance with the terms of the trust deed of the Acquirer Trust, for any obligations under or in connection with this Deed Poll, or any of the transactions contemplated by this Deed Poll.

5 Limited liability of the Acquirer

- (a) Except as provided elsewhere in this Deed Poll, the Acquirer enters into this Deed Poll only in its capacity as trustee of the Acquirer Trust.
- (b) Subject to clause 5(d), and despite any other provisions of this Deed Poll, a liability arising under or in connection with this Deed Poll is limited and can be enforced against the Acquirer only to the extent to which the Acquirer, having sought indemnification, is actually indemnified in respect of that liability out of the assets of the Acquirer Trust.
- (c) No person will be entitled to:
 - (i) claim from or commence proceedings against the Acquirer in respect of any liability under this Deed Poll, in any capacity other than as trustee for the Acquirer Trust;
 - (ii) seek the appointment of a receiver, receiver and manager, liquidator, an administrator or any similar office-holder to the Acquirer, or prove in any liquidation, administration or arrangement of or affecting the Acquirer, except in relation to the property of the Acquirer Trust; or

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- (iii) enforce or seek to enforce any judgment in respect of a liability under this Deed Poll against the Acquirer in any capacity other than as trustee of the Acquirer Trust.
- (d) The limitation in clause 5(b) does not apply to any obligation or liability of the Acquirer to the extent to which there is, in respect of that obligation or liability, whether under the trust deed of the Acquirer Trust or by operation of law, a reduction in the extent of the Acquirer's indemnity, or a loss of the Acquirer's right to indemnification, out of the assets of the Acquirer Trust because the Acquirer's behaviour was beyond power or involved fraud, negligence, default or breach of trust in relation to the Acquirer Trust.
- (e) This clause 5:
 - (i) applies despite any other provision of this Deed Poll and extends to all liabilities and obligations of the Acquirer in its capacity as trustee of the Acquirer Trust in any way connected with any representation, warranty, conduct, omission or transaction related to this Deed Poll; and
 - (ii) survives termination of this Deed Poll.

6 Continuing Obligations

This Deed Poll is irrevocable and, subject to clause 3, remains in full force and effect until the earlier of:

- (a) the Acquirer having fully performed its obligations under this Deed Poll; and
- (b) termination of this Deed Poll under clause 3.

7 Further Assurances

The Acquirer will, on its own behalf and, to the extent authorised by the Schemes, on behalf of each Fund Scheme Securityholder, do all things and execute all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the provisions of this Deed Poll and the transactions contemplated by it.

8 General

8.1 Notices

Any notice, demand, consent or other communication to the Acquirer (a **Notice**) given or made under this Deed Poll:

- (a) must be in writing and signed by the sender or a person duly authorised by the sender;
- (b) must be delivered to the Acquirer by email to the email address below or the email address last notified by the Acquirer recipient to the sender:

ISPT Pty Ltd as trustee for the ISPT Retail Australia Property Trust No. 1

Attention: Gene Madge

Email: gmadge@ispt.com.au

With a copy to: Gadens

Attention: Jeremy Smith and Gary Lim

Email: Jeremy.Smith@gadens.com and Gary.Lim@gadens.com

- (c) will be conclusively taken to be duly given or made:
 - (i) when the sender receives an automated message from the email system of the intended recipient confirming delivery; and

- (ii) three hours after the time the email is sent (as recorded on the device from which the sender sent the email) unless the sender receives, within that three hour period, an automated message that the email has not been delivered,

but if the result is that a Notice would be taken to be given or made on a day that is not a Business Day in the place to which the Notice is sent or at a time that is later than 5.00pm in the place to which the Notice is sent, it will be conclusively taken to have been duly given or made at the start of business on the next Business Day in that place.

8.2 No waiver

No failure to exercise nor any delay in exercising any right, power or remedy by the Acquirer or by any Fund Scheme Securityholder operates as a waiver. A single or partial exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy. A waiver of any right, power or remedy on one or more occasions does not operate as a waiver of that right, power or remedy on any other occasion, or of any other right, power or remedy. A waiver is not valid or binding on the person granting that waiver unless made in writing and signed by the party granting the waiver.

8.3 Remedies cumulative

The rights, powers and remedies of the Acquirer and of each Fund Scheme Securityholder under this Deed Poll are in addition to, and do not exclude or limit, any right, power or remedy provided by law or equity or by any agreement.

8.4 Amendment

No amendment or variation of this Deed Poll is valid or binding unless either:

- (a) before the Second Court Date, the amendment or variation is agreed to in writing by the Acquirer and Fund RE (which such agreement may be given or withheld without reference to or approval by any Fund Scheme Securityholder); or
- (b) on or after the Second Court Date, the amendment or variation is agreed to in writing by the Acquirer and Fund RE (which such agreement may be given or withheld without reference to or approval by any Fund Scheme Securityholder), and is approved by the Court.

8.5 Assignment

The rights and obligations of the Acquirer and of each Fund Scheme Securityholder under this Deed Poll are personal. They cannot be assigned, encumbered or otherwise dealt with and no person may attempt, or purport, to do so without the prior consent of the Acquirer and the Fund RE.

8.6 Costs and duty

The Acquirer (or an Acquirer Group Member) shall bear all costs arising out of the negotiation, preparation and execution of this Deed Poll. All duty (including stamp duty and any fines, penalties and interest) payable on or in connection with this Deed Poll and any instrument executed under or any transaction evidenced by this Deed Poll must be borne by the Acquirer (or an Acquirer Group Member). The Acquirer (or an Acquirer Group Member) must indemnify each Fund Scheme Securityholder on demand against any liability for that duty (including any related fines, penalties and interest).

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8.7 Governing law and jurisdiction

This Deed Poll is governed by the laws of New South Wales. Each party must submit to the non-exclusive jurisdiction of courts exercising jurisdiction there in connection with matters concerning this Deed Poll.

Executed and delivered as a Deed Poll

Signed, sealed and delivered
for **ISPT Pty Ltd** (ACN 064 041
283) as trustee for the ISPT
Retail Australia Property Trust
No. 1 (ABN 19 915 864 713) by
sole attorney under power of
attorney dated 25 May 2023
(Registered Book 4812 No. 985)
in the presence of:

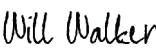
DocuSigned by:

F50D576BC53446D...

Witness Signature

Rajesh Patel

Print Name

If this deed poll was signed electronically, I certify that my electronic signature was affixed by me, or at my direction, on the date specified and that this deed poll was signed in counterpart and witnessed over audio visual link in accordance with section 14G of the Electronic Transactions Act 2000 (NSW).

DocuSigned by:

A5F42B9FD2F841B...

Attorney Signature

Will Walker

Print Name

If this deed poll was signed electronically, I certify that my electronic signature was affixed by me, or at my direction, on the date specified and that this deed poll was signed in counterpart and witnessed over audio visual link in accordance with section 14G of the Electronic Transactions Act 2000 (NSW).

