INSIGHT
MAGAZINE

CONVENIENCE IS KING:
THE STRENGTHS OF NEIGHBOURHOOD RETAIL

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CROMWELL PROPERTY GROUP

About Cromwell

Cromwell Property Group (ASX:CMW) is a real estate investor and funds manager with A$4.5 billion of assets under management in Australia and New Zealand.

Cromwell is a trusted capital partner and fund manager to a range of global and local investors, capital providers and banking partners and has a strong track record of creating value and delivering superior risk-adjusted returns throughout the real estate investment cycle.

Insight Magazine is published by Cromwell for our retail securityholders, investors, financial planners, and other stakeholders. It is distributed quarterly and features our view of industry trends, news, and educational matters. We also share our achievements in property markets, and report on the progress of our investment funds.

Contents

INSIGHT MAGAZINE

EDITION 50

Welcome to the latest edition of Insight Magazine.

In this edition, we explore the resilience and potential of neighborhood shopping centers in the Neighborhood Retail property investment category. We also hear from Cromwell's Projects and Leasing teams and the architects from Gray Puksand about transforming office workplaces. Additionally, our Stock in Focus from Phoenix Portfolios examines Nam Cheong Limited, and we review three Cromwell properties that have achieved the prestigious 6-star NABERS energy rating.

A monthly digital version of Insight is also available to all subscribers - so, if you would like to recieve news articles and commentaries more regularly each month via email, and you aren't already, please complete the form online by scanning the QR code below.

LETTER TO INVESTORS

Tessa Morrison
Head of Property Operations
Cromwell Property Group

Dear Investor,

Welcome to the 50th edition of Insight Magazine. I am delighted to have the opportunity to introduce this edition and provide an overview of our property teams recent achievements.

Our unwavering focus on creating efficiencies in our assets has been recognised with three more of our properties achieving the prestigious 6-star NABERS energy rating. This is important for Cromwell and our investors as top-rated NABERS buildings are highly sought after by blue-chip and government tenants, underscoring their value and desirability. Additionally, Cromwell has ranked 3rd and 4th in the recently released NABERS Sustainable Portfolios Index (SPI) 2025 for our Investment Portfolio and Cromwell Direct Property Fund, respectively. These rankings, an improvement from 4th and 5th, highlight our commitment to integrating sustainability across our portfolios and enhancing our environmental performance.

In this edition, we also take you behind the scenes of one of our office space transformations. This article showcases our meticulous approach to creating spaces that foster collaboration, enhance tenant experience, and incorporate sustainable practices. The detailed insights from our Development and Leasing teams highlight the innovative strategies we employ to meet the evolving needs of our tenants.

As Cromwell focuses its strategy on the traditional property sectors, we delve into the resilience and potential of neighbourhood shopping centres, a segment that has demonstrated remarkable stability and growth despite economic challenges. Our feature on Neighbourhood Retail provides valuable insights into why these centres present a compelling investment proposition.

Our Stock in Focus segment from Phoenix Portfolios examines Nam Cheong Limited, which has significantly contributed to the Cromwell Phoenix Global Opportunities Fund's performance, adding 2.1% in absolute terms over the March quarter. The company's strategic recovery from bankruptcy and favourable market conditions have positioned it as a compelling investment, trading at a substantial discount to its net asset value (NAV). This investment underscores the fund's ability to uncover undervalued opportunities and deliver superior risk-adjusted returns.

Additionally, our quarterly fund reports and market updates provide valuable information for investors and stakeholders. These sections offer a comprehensive overview of our direct property and listed market activities, ensuring you stay informed about the latest trends and developments. Over the March Quarter the office market continues its positive momentum, with 44,000 sqm of net absorption across major CBD markets in Q1 2025. This marks the fifth consecutive quarter of growth, indicating sustained demand. The stability in the labour market and interest rate cuts by the RBA are expected to further support this trend, which bodes well for increased transactional activity and continued market recovery.

As always, our goal is to provide you with insightful and engaging content that supports your investment decisions and enhances your understanding of the property market. We hope you find this edition of Insight Magazine both informative and enjoyable.

Thank you for your continued support and readership.

Kind regards,

Tessa Morrison
Head of Property, Cromwell Property Group

LATEST NEWS

Discover why listed property deserves a place in your client's portfolio

Our recent webinar explored how investors and advisers can navigate the complexities of listed property—covering diversification, after-tax returns, and the impact of index concentration on performance. Presented by Stuart Cartledge, founder and Managing Director of Phoenix Portfolios, the session offered practical insights into how listed property can complement a balanced investment strategy. The Cromwell Phoenix Property Securities Fund was also discussed as an example of an active, benchmark-unaware approach designed to uncover overlooked opportunities and manage risk. If you're looking to enhance your portfolio, this session is worth a watch.

Scan the QR code to view the webinar replay

545 Queen Street maintains 6-Star NABERS energy rating

Cromwell Property Group is pleased to announce that 545 Queen Street in Brisbane, one of the assets in Cromwell's Direct Property Fund, has maintained its 6.0-star NABERS energy rating.

Through our partnership with Conservia, we continuously enhance the energy performance of the asset, ensuring tenant comfort and leveraging NABERS insights for informed decision-making. This accomplishment underscores our commitment to optimising energy efficiencies and future-proofing our assets to meet the highest sustainability standards.

Additionally, three assets across our portfolios have also recently achieved a 6.0-star NABERS energy rating.

See page 10 for details.

Successful lease activity across assets continues during 2025

Earlier this year, Cromwell completed significant upgrades and fitouts at 207 Kent Street, aimed at elevating tenant experience and fostering a vibrant, collaborative work environment. Within four weeks of project completion, the team secured a heads of agreement and welcomed a new tenant, Life Without Barriers, who now occupy one of the newly custom-fitted suites on Level 6.

The plug-and-play design allows tenants to move effortlessly into a space designed to enhance their experience and foster a collaborative, flexible working environment.

For more about our continuous upgrades at 207 Kent Street, read our article on the evolution of the office workspace.

Scan the QR code to read the article or click here.

Cromwell Direct Property Fund (DPF) achieves top ranking in NABERS Sustainable Portfolios Index 2025

We're excited to share that our Cromwell Diversified Property Trust (DPT) portfolio has been ranked joint 3rd in the NABERS Sustainable Portfolios Index (SPI) 2025, moving up from 4th place last year. With a NABERS office energy rating of 5.5, this achievement underscores our dedication to sustainability and effective property management.

Additionally, Cromwell Direct Property Fund (DPF), managed by Cromwell Property Group, has achieved an excellent ranking coming in at joint 4th place, moving up from 5th place last year. Boasting a NABERS office energy rating of 5.4 and a Renewable Energy Indicator (REI) of 36.65% across eight assets, this achievement highlights our continued commitment to embedding sustainability across our operations and enhancing our environmental performance.

The SPI provides a comprehensive view of actual performance across energy efficiency, water efficiency, waste management, indoor environment quality, and carbon neutrality. We are proud to be recognised among the top leaders in the industry.

Thank you to everyone who has supported us on this journey. Together, we are making a positive impact on the environment and setting new standards for the future.

Cromwell's Easter Drive: Spreading joy and kindness

This Easter, we teamed up with Addi Road Community Organisation, a small charity with a big heart, to offer a special way to give back for our tenants at 207 Kent Street, Sydney. Together, we donated non-perishable goods to support local families in need. Addi Road Community Organisation works tirelessly to combat food insecurity and we were proud to show our support.

Additionally, our teams across other assets handed out chocolate eggs to spread some extra joy and cheer.

AN INSIDE LOOK: TRANSFORMING OFFICE SPACES

We often showcase the impressive results of office fitouts conducted by Cromwell within our assets, which help secure rental income by driving tenant retention and attracting new tenants. But what does the fitout process actually involve? Cromwell combines a unique blend of tenant focus and expertise, backed by a strong track record of managing and delivering complex refurbishments and integrated tenant fitouts. We collaborate with multiple stakeholders to ensure projects are completed on time, within budget, and to the highest specifications.

In this edition, we sit down with the architects from Gray Puksand, along with our dedicated Development and Leasing teams, to delve into the processes behind the Cromwell office fitout. Cromwell occupies two floors in the Cromwell Direct Property Fund's 100 Creek Street asset in Brisbane.

What were the initial steps involved in a fitout project?

Brendan Sim, Cromwell Development Manager: We begin our fitout projects by thoroughly understanding the tenant or prospective tenants' requirements through a series of meetings and workshops. In this case, the tenant, Cromwell wanted a post-COVID workspace that was comfortable, inclusive, functional and timeless to minimise need for future refurbishment. Key requirements included fostering in-office collaboration, creating areas for different types of work, ensuring accessibility and incorporating sustainable practices. Flexibility for future growth and reconfiguration was also essential.

With these requirements in hand, we created a comprehensive project brief and conducted a competitive design and construct tender process, ensuring that the selected contractor had the expertise to meet both budgetary and sustainability goals. Gray Puksand was chosen as the architect and Fore Group as the builder. From there, we collaborated closely with both contractors to refine the design, ensuring it met all the tenant's needs and goals. This collaborative approach is crucial to efficiently addressing challenges and ensuring a fitout project's success.

Since 2010, Cromwell has applied the Soft Landings Framework to ensure long-term performance and tenant-focused outcomes. This framework involves engaging stakeholders to critically appraise design and construction, delivering solutions that meet user needs and provide support through all phases of use. Key consultants, contractors, and suppliers commit to an aftercare plan beyond project completion, ensuring ongoing responsibility and interest in the project's success.

How did you integrate a new way of working into the design?

Maria Correia, Gray Puksand: In answer to the brief, we introduced the "Cromwell Lifestyle" concept. This concept embodies a curated experience that connects people, spaces, and technology, promoting community, wellbeing, and learning. Central to our approach was a deep understanding of Cromwell's post-COVID needs and values.

The inclusion of native plants, natural light, and a light colour palette created a sense of place that felt authentically Queensland. We addressed diverse user needs by incorporating varied settings, such as collaborative zones, focus rooms, a sunroom, a library, wellness rooms, and a multifaith room. This allows staff to find spaces that suit their work styles, enhancing productivity and comfort.

The emotional aspect of our design drew inspiration from residential and hospitality spaces, creating environments that felt special and encouraged staff to engage. By blending functional and emotional elements, we crafted a workspace that not only met but exceeded the brief, fostering a strong sense of belonging and culture among staff.

What were the key challenges and successes of the project?

Brendan Sim, Cromwell Development Manager: We are proud of our track record of delivering projects on time, to scope and to budget. Despite having four separate contractors working simultaneously within the building, we delivered the project under budget and handed it over early.

Cromwell is a strong believer in integrating ESG principles into every aspect of our operations. With this project, we aimed to create a pinnacle example of what we can achieve on behalf of tenants and are proud to have met an extensive list of goals.

We prioritised reuse and refurbishment wherever possible to reduce fitout costs, waste and embodied carbon, recycling 92 workstations and 132 desk chairs from our existing fitout and purchasing second-hand desks and chairs from marketplace for focus rooms. The existing intertenancy staircase was refurbished and reclad. We achieved a 96% waste diversion from landfill, including the removal of the existing fitout to make way for the Cromwell fitout and ensured a fully electric site with no use of fossil fuels.

We understand that ESG encompasses more than just environmental impacts. We achieved a 50:50 gender diversity across the project delivery team and 3.75% First Nations procurement based on contract value. Furthermore, 84% of the work was completed within 7 am – 5 pm, Monday to Friday, which is more socially sustainable for people working on-site.

Maria Correia, Gray Puksand: Sustainability was a cornerstone of the project. We used climate-positive materials and implemented energy-efficient LED lighting with sensors. Cradle-to-cradle certified carpets and refurbished workstations extend the workspace's lifecycle, contributing to a regenerative circular economy. Our approach ensures durability, easy repair, and repurposing, reducing costs and waste.

How do you optimize a fitout design?

Brendan Sim, Cromwell Development Manager: When creating a fitout, we focus on using the space effectively. This is obviously important to a tenant so that they can get the most out of a space. For example, in the Cromwell fitout we transformed what would be a "dead" space – the back of house corridor – into a functional locker and storage area. We placed all meeting rooms and focus rooms at the buildings core, while positioning office desks, where staff would spend most of their time, around the perimeter of the space to ensure ample natural light throughout the day. Modularity throughout the fit-out design was a clear focus. This will allow meeting rooms or break out spaces to be amended efficiently to accommodate workstations pods or other break out spaces as the requirements of the business evolve over time, giving Cromwell the ability to grow within the current floorplate.

Maria Correia, Gray Puksand: As we move to the AI workplace and the uncertainty of what that will bring, prioritising the 'human' component of the workplace will be critical. The design acknowledges the diverse needs of the workforce, recognising that individuals have varying working styles and preferences. The workplace settings at Cromwell are thoughtfully designed to encourage collaboration and inclusivity, providing spaces for socialising and connecting. Additionally, areas like the library, sunroom, wellness room, multifaith room, and focus rooms cater to individual needs, offering retreats for focus and relaxation.

What are the current trends and cultural shifts in the office landscape, and how are these influencing your designs?

Maria Correia, Gray Puksand: Cultural shifts in workspace design have evolved significantly over the past few decades, driven by changes in work practices, technology, employee preferences, and broader societal trends. There are several trends emerging some of which we have integrated into the Cromwell workspace however with the rise of the AI workplace, I think moving forward it would be good to focus on the 'human centric' workplace trends outlined below.

Health and Wellness Focus

With the rise of workers health and wellbeing due to the stresses of work and the sedentary nature of desk work more and more business are embracing designs that prioritise employee health and wellness, including features like ergonomic furniture, biophilic design (integrating nature into the workspace), natural light, and spaces for relaxation. We integrated this design trend throughout the Cromwell workspace.

Employee-Centred Design

Employee feedback is increasingly being sought to shape workspace design. Cromwell undertook an extensive amount of consultation with their users to arrive at the brief. We then conducted some informal group interviews to further understand user's needs. This "user-centric" approach allowed us to all consider the preferences, needs, and behaviours of employees, fostering a sense of ownership and satisfaction. This collaborative design process informed our design approach to create open spaces for group gatherings e.g. breakout / town hall and quieter more intimate social spaces e.g. library.

Work-Life Integration

Work-life balance was often viewed as a separate concept from work, with offices being places where work and personal life were strictly separate. Modern workspace designs are focused on work-life integration, offering amenities that make the office a more comfortable and accommodating place to work, such as wellness rooms, daycare facilities, or even spaces for socialising. Our Concept of 'The Cromwell Lifestyle' begins to bring to life this Work-life integration to help users balance personal and professional responsibilities, leading to higher job satisfaction and engagement.

How does the fitout help with leasing activity at 100 Creek?

Stephen Rutter, National Manager Project Leasing: We tailor our leasing strategy to each building by listening to tenants, staying attuned to market trends, and developing spaces accordingly. At 100 Creek Street, our approach includes a mix of cold shells, warm shells, and speculative fitouts when marketing spaces for lease.

- *Cold Shell:* A blank canvas that allows tenants to customise the space to their specific needs.
- *Warm Shell:* Provides a head start with some basic infrastructure in place.
- *Speculative Fitout:* A plug-and-play solution, ideal for tenants without a dedicated team to manage a new fit-out, making it easier for them to move into a new tenancy.

The fit-out has significantly enhanced the appeal of 100 Creek Street. We walk prospective tenants through the space to showcase the building's flexibility and the high-quality office fitouts that can be achieved.

The fitout serves as an excellent example for prospective tenants interested in cold shell spaces, demonstrating the transformation from a blank canvas to fully functional offices that meet modern working demands. This project has set a new benchmark for office spaces in the area. Combined with the Business Hub, an important facility for tenants—particularly small-to-medium tenants—who wish to use boardroom or training facilities but don't have access to these as part of their own tenancy, and the local amenities, it makes 100 Creek Street a highly desirable location.

As of 31 March 2025, 100 Creek Street boasts a 94.2% occupancy rate. ■

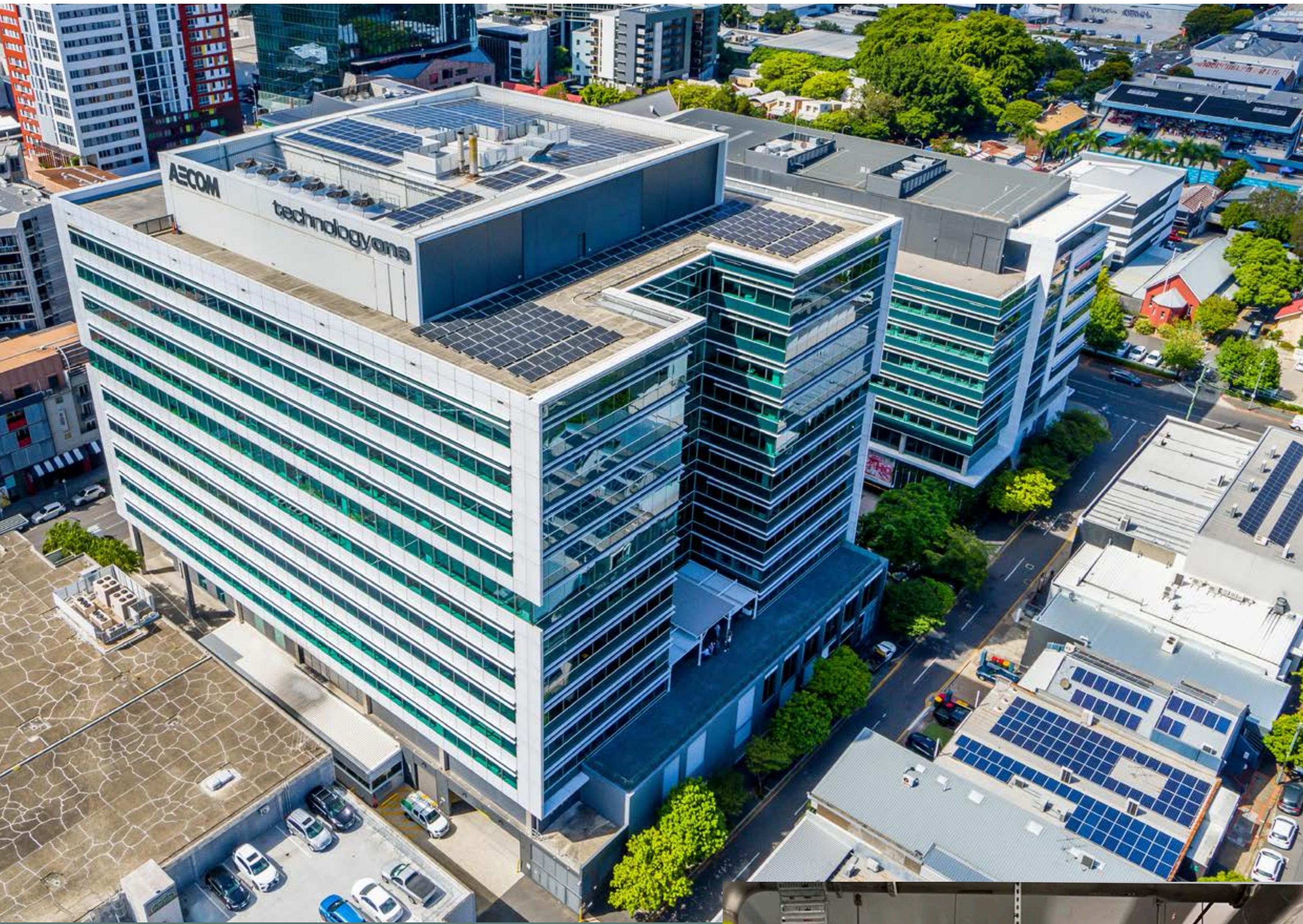
NABERS

CROMWELL'S GREEN TRIFECTA FOR **6-STAR NABERS ENERGY RATINGS**

Cromwell is proud to announce significant achievements in sustainability with three assets across our portfolios recently achieving a 6.0-star NABERS Energy rating: 540 Wickham Street in Fortitude Valley, 420 Flinders Street in Townsville, and 19 George Street in Dandenong.

NABERS (National Australian Built Environment Rating System) offers reliable and comparable sustainability measurements across various building sectors. In Australia, a NABERS Energy rating is mandatory for office buildings over 1,000 square metres being sold or leased, with 6.0-stars being the highest achievable rating. Achieving a high NABERS rating is not just a regulatory requirement but a mark of excellence in environmental performance. Top-rated NABERS buildings are highly sought after by blue-chip and government tenants, underscoring their value and desirability. These ratings signify a commitment to sustainability, leading to significant cost savings, enhanced marketability, and a positive environmental impact.

Our property team continually explores ways to optimise energy efficiencies and future-proof our assets to allow us to continue to deliver financial returns for investors while reducing environmental impacts. This proactive approach ensures that our buildings meet the highest standards of sustainability, as evidenced by our recent 6.0-star NABERS Energy ratings.



HQ North, 540 Wickham Street
Fortitude Valley, QLD

The team has been continuously optimising our HQ North asset through various initiatives. Following the decommissioning of the gas-fired power cogeneration facility at HQ North in FY23, the operational building's gas usage for 2024 has dropped 98%, now limited to hot water units for the End-of-Trip facilities and bathrooms.

In November 2023, we installed a 158kW capacity solar PV system, which now meets approximately 15% of the building's annual electricity demand. Additionally, by optimising the building management system, upgrading to LED lighting in common areas, and switching to GreenPower in January 2024, we have achieved a 66% reduction in scope 2 emissions.

These combined, continuous improvement efforts have earned HQ North a prestigious 6.0-star NABERS Energy rating. We continue to seek efficiencies for the asset with the electrification of the domestic hot water units currently under review. Timing for their replacement is dependent on budget planning and a holistic evaluation of the embodied carbon across the units' life cycle to ensure the most sustainable long-term outcome.

19 George Street
Dandenong, VIC

Similarly, the recent investment in a 100kW capacity solar PV at 19 George Street, Dandenong, is already yielding results, accounting for 9.4% of total site energy. As the system was installed partway through the year (operational for 7 months), this figure does not yet represent its full-year performance. The solar generation has helped reduce reliance on grid electricity and supported lower operational emissions and energy costs. Together with 100% accredited GreenPower, the site achieved 55.3% renewable energy use and a 6.0-star NABERS Energy rating.

Part of the Cromwell Direct Property Fund portfolio, and tenanted by a government organisation, this achievement underscores Cromwell's commitment to sustainability and energy efficiency across both our funds and investment portfolios.

The building's onsite solar generation plays a key role in supporting the tenant's net zero by 2030 target, by reducing emissions associated with its tenancy. While these are considered Scope 3 emissions for the tenant, they contribute to lowering the environmental impact of leased space, a growing focus in government sustainability strategies. Cromwell's use of 100% accredited GreenPower complements the onsite solar, further reinforcing our commitment to providing low-carbon, future-ready assets for government tenants.

420 Flinders Street
Townsville, QLD

The final asset to achieve the upgraded 6.0-star NABERS Energy rating is another Cromwell Direct Property Fund asset, 420 Flinders Street, Townsville, with 99.3% of the building's energy now sourced from renewables.

This result was supported by a strategic investment in a 39.9kW onsite solar PV system, which contributes 6.2% of the site's total energy. Installed in mid-2024, the system's current performance does not yet reflect a full 12 months of operation. Despite installation challenges due to weather and structural constraints, it has delivered strong early results. Alongside 100% accredited GreenPower, the investment has significantly reduced the building's operational emissions.

Cromwell's Commitment to Sustainable Excellence

Cromwell now has six assets with 6.0-star NABERS Energy ratings and six assets with 5.5-star Energy ratings within its fund and investment portfolios demonstrating our dedication to optimising our assets pushing the boundaries of what is possible in sustainable building practices. Our lowest Energy rating is a 5.0-stars, reflecting our high standards and commitment to excellence. ■

CONVENIENCE IS KING

THE STRENGTHS OF NEIGHBOURHOOD RETAIL

Colin Mackay
Research Manager and Investment Strategy Manager
Cromwell Property Group

The retail property landscape has faced a number of challenges over the past five years, from e-commerce to pandemic lockdowns, squeezed household wallets, and weak consumer sentiment. But one centre type has stood tall through it all – Neighbourhoods. These convenience-oriented centres are the cornerstones of local communities and offer a compelling investment proposition underpinned by several advantageous characteristics.

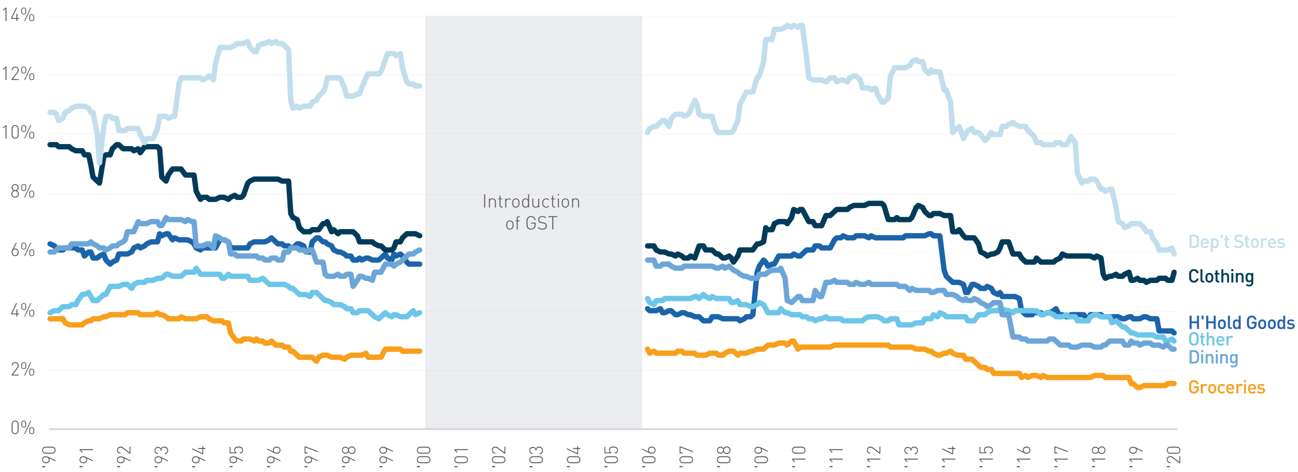
Income security

Neighbourhood shopping centres are supermarket-based and heavily weighted to blue chip tenants such as Woolworths, Coles and Aldi. These brands are strong, providing exceptional credit quality and security of income. Their leases are also long, typically 20 years with multiple options to extend, further reducing the variability of income received.

Demand stability

A selection of specialty tenants complements the grocery offer. These smaller shops often span essential categories such as food, services and healthcare, rather than non-essential items such as fashion. This tenant mix means Neighbourhoods are largely focused on meeting basic, long-term human needs rather than fleeting style or brand preferences. As a result, these assets benefit from steady demand and foot traffic, regardless of the business cycle or economic conditions, evident in the lower volatility of grocery sales.

Rolling 5-year volatility of retail trade



Source: Cromwell analysis of ABS data (Nov-24).
Std dev of seasonally adjusted MoM growth. GST and COVID periods excluded for legibility.

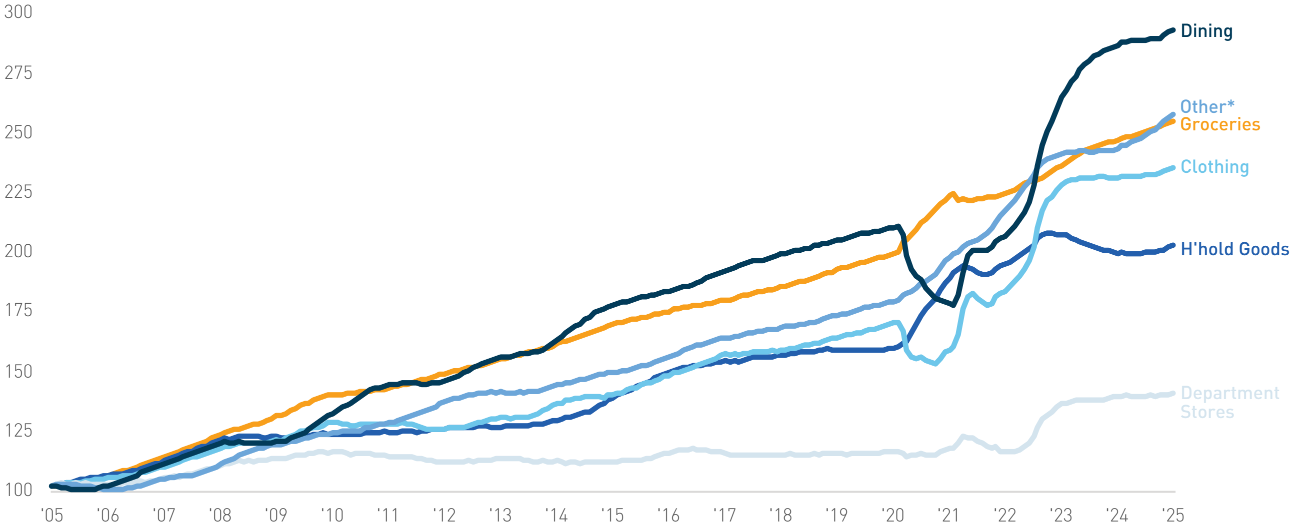
Growth tailwinds

Positively, the lower volatility of grocery spending doesn't come at the expense of growth. The category has recorded growth of 4.9% p.a. over the last 20 years, behind only Dining and Other (which includes online-only retailers)[1]. One of the factors underpinning headline grocery trading performance is inflation.

Since groceries are essential and demand is inelastic, price increases can be more readily passed on to consumers compared to non-essential items. Deflationary effects from technology advancement or cheaper offshore sourcing also apply to a lesser extent than in the case of categories such as electronics or clothing. Stronger headline sales growth supports sustainable rent increases, which escalate on a nominal basis.

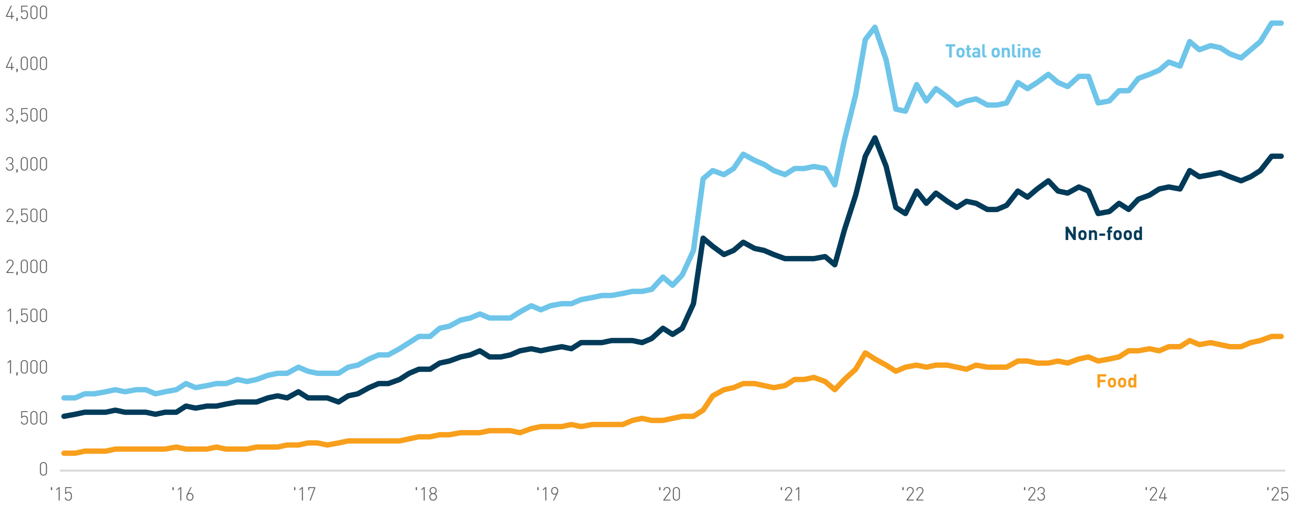
1. Cromwell analysis of ABS data (Jan-25)

Moving annual turnover (20y index)



Source: ABS (Jan-25); Cromwell. *Other includes pure-play online retailers

Online retail sales ($m)



Source: ABS (Jan-25); Cromwell

E-commerce resilience

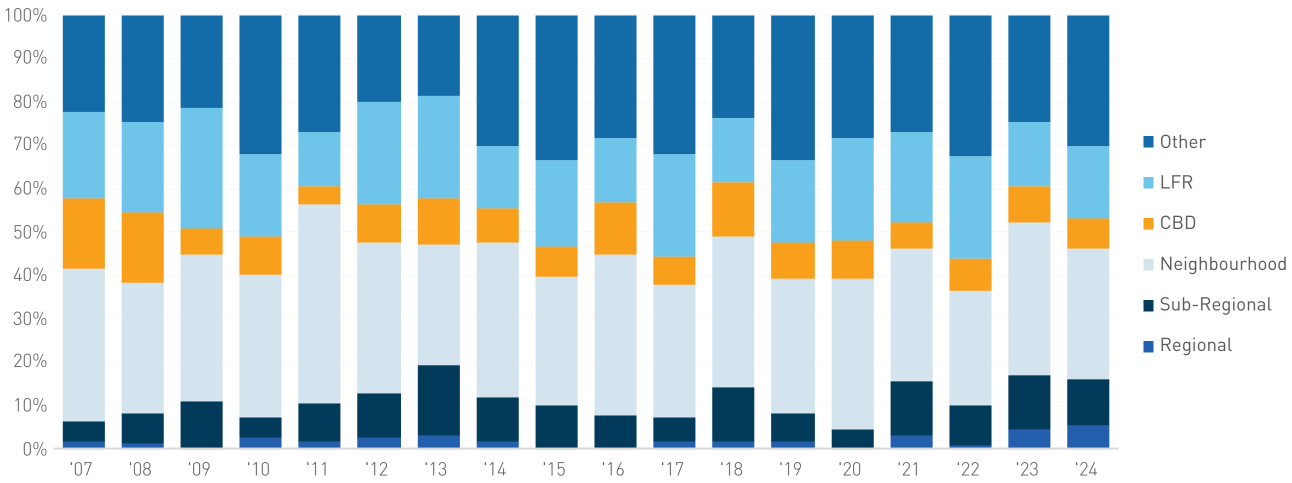
Growth through physical stores, rather than online, is most relevant for the performance of shopping centres. Over the last ten years, for every extra dollar spent on food (like groceries and dining), 16 cents went to online purchases. Meanwhile, non-food items lost 43 cents to online sales[2]. In this regard, Neighbourhood centres have a favourable retail mix which is heavily weighted to food spending through supermarket and specialty grocery exposure. They also have a healthy weighting to categories which consumers must shop in-person, such as personal services (e.g. hairdressing). We also believe the shopping experience small local centres provide, underpinned by convenient carparking and wayfinding, further defends against loss of market share to e-commerce.

Bigger investment universe

Larger forms of retail investment, such as Regional shopping centres, can only be sustained in catchments with sizable populations (i.e. major metropolitan hubs). In contrast, Neighbourhood centres are found in cities and towns all across the country. This provides investors with a less constrained and more diverse investment universe which is around 30 times bigger (by number of assets). It allows exposure to a wider range of regions/catchments and their associated drivers of economic performance.

2. Cromwell analysis of ABS data (Jan-25)

Share of Deal Volume (Number)



Source: Cromwell analysis of JLL data (Jan-25)

Investment liquidity

The Neighbourhood investment market is broader than other retail centre types, offering increased liquidity and supporting a competitive bidding process (and outcome) regardless of position within the economic or real estate cycle. Over the last decade, an average of 51 Neighbourhood centres transacted each year compared to 15 Sub-Regionals and 4 Regionals. Trading was most constrained in 2020, at the height of the pandemic. In that year, there was still 38 Neighbourhoods sold, while only 5 Sub-Regionals and no Regionals changed hands.

Fragmented sector

Ownership of Neighbourhoods is more fragmented than other retail centre types. While Regional shopping centres are typically owned by a small number of institutional investors, private investors are the dominant holders of Neighbourhoods. These private investors have different skills, goals, and priorities, which can affect how well the centres are maintained and managed. In our opinion, this presents opportunities for experienced managers to "add value" to assets through capital projects, leasing and operations, and increases the likelihood that an asset can be acquired and sold at favourable pricing.

Share of acquisition volume ($) by capital type 2015-24

Source: Cromwell analysis of MSCI data (Jan-25)

Bringing home the bacon

Retail conditions are expected to improve over 2025, with consumer sentiment becoming more optimistic and real disposable household incomes increasing as inflation moderates and rate cuts materialise. Stronger retail conditions are a positive for Neighbourhoods, but these shopping centres will also benefit from their unique characteristics and advantages. The combination of strong, long-term leases to blue-chip tenants, consistent bricks and mortar demand for essential goods and services, and resilience to changing economic and capital market conditions has positioned Neighbourhood centres as a robust and attractive asset class.

STOCK IN FOCUS

NAM CHEONG LIMITED

Jordan Lipson
Managing Director
Portfolio Manager, Cromwell Phoenix Global Opportunities Fund

The Cromwell Phoenix Global Opportunities Fund added 2.1% in absolute terms over the March quarter, outperforming global indices large and small. Nam Cheong Limited (NCL) was the biggest contributor, rising meaningfully as investors become more comfortable with its post-bankruptcy future. This article delves into NCL's journey, its strategic partnerships, and the factors contributing to its compelling risk/reward opportunity.

Almost 70 years ago, a 14-year-old Tan Sri Datuk Tiong Su Kouk (Tan Sri) was given 3.40 Malaysian Ringgit (less than AUD 2) to start a career as a fishmonger. A hard work ethic and a focus on customers ensured early success. In his 20s, Tan Sri saw the benefits of technology from Japan, in particular the newly discovered food freezing technology. Malaysians were initially unwilling to trust that frozen food would be edible, so Tan Sri gave out frozen food for free to convince customers to buy his produce. This innovation led to the creation of CCK Consolidated, a vertically integrated leader in frozen foods in Malaysia, which is still in business, controlled by Tan Sri and listed on the Malaysian Stock Exchange. Staying close to the seas, Tan Sri subsequently partnered with Chinese shipbuilders to start a business known as Nam Cheong Limited (NCL).

At period end, NCL remains a top 5 holding as it continues to trade at a substantial discount to NAV

NCL today is the owner of 36 offshore support vessels (OSVs) which service the Malaysian offshore energy sector. Running NCL has been anything but smooth sailing. The company built and acquired as many boats as it could during the last offshore drilling boom, heavily relying on debt, much like others in the industry. This business is exceptionally cyclical and NCL was forced to initially restructure its debt in 2018 to meet payments to creditors. Whilst business was hardly thriving, things somewhat steadied, until the COVID-19 pandemic caused oil prices to retreat and cripple the OSV business. This led to NCL declaring bankruptcy. Share trading was halted, and negotiations began with lender banks. With a recovery on the horizon, after meaningful negotiations, the final restructure agreement was signed and approved on 1 March 2024. Under the terms of the deal, much of the debt would be converted to equity, Tan Sri would provide more capital to the business in return for new equity, and the remaining debt would be converted into "equity friendly" liabilities, to be repaid over an extended period at below market interest rates.

Phoenix has followed the OSV market for some time, with the domestic Cromwell Phoenix Opportunities Fund initially investing in MMA Offshore (MRM). This investment was a significant contributor to performance as it eventually received a takeover bid at a robust valuation. This portfolio has also successfully invested in industry leader Tidewater (NYSE:TDW) previously. Both these investments provided relevant background for assessing NCL upon its restructure and eventual relisting on the Singapore Stock Exchange. In particular, valuations could be more precisely assessed using the independent expert's report associated with MRM's takeover.

Upon relisting, NCL's shareholders included the banks who had converted their debt to equity, prior NCL investors who had been diluted and were forced to hold their shares through bankruptcy for 4 years and Tan Sri, who was unlikely to trade his shares. Unsurprisingly, the banks were large scale sellers upon relisting, trying to recoup some of their investment as quickly as possible. Furthermore, any potential buyers would have to assess both complex financial statements and detail provided in the bankruptcy documents to gain an understanding of the current state of the NCL business.

Despite the rocky history, the truth was that business was booming. As a result of the cyclical downturn in the sector, the number of OSVs in operation had shrunk materially and there was no prospect of any new vessels being built, given that day rates were less than half of what was needed for newbuilds to break even. Further aiding NCL is Malaysian law, which preferences Malaysian-flagged vessels for Malaysian offshore activities, which are dominated by state owned enterprise, Petronas, which has increased activity in recent periods. NCLs fleet is also (almost incomparably) young at just over 7 years old. NCL's current financials are encumbered by existing contracts, which were set at historic day rates. Profitability is likely to improve when these contracts conclude, and pricing is reset at current market rates.

With a young fleet, market tailwinds, extremely shareholder friendly debt and an aligned controlling shareholder, NCL still represents a compelling risk/reward opportunity

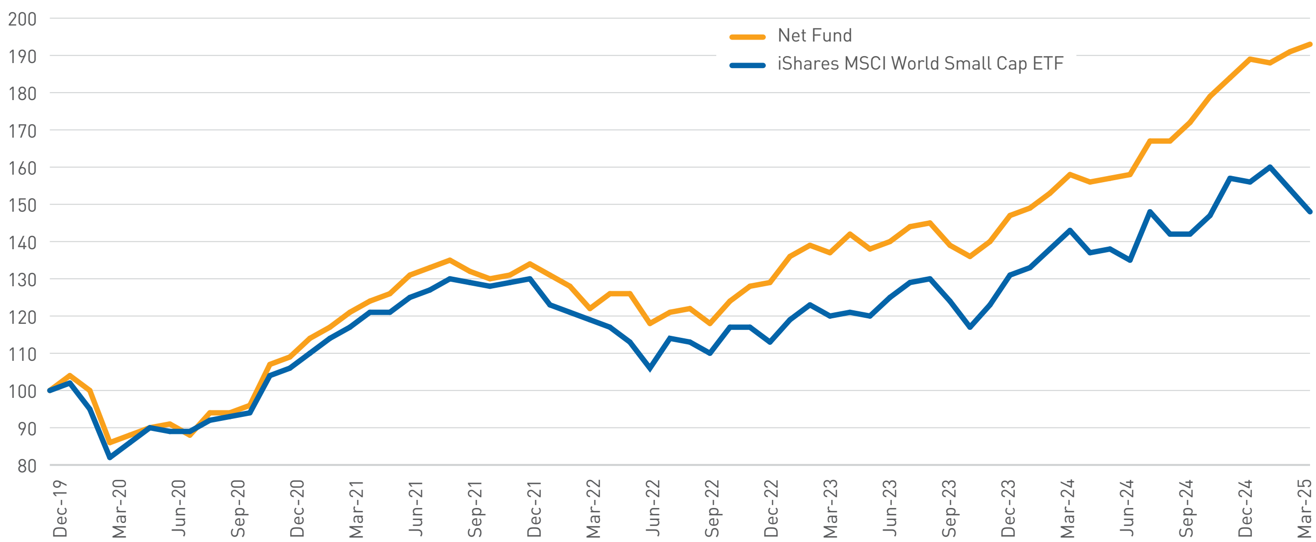
Upon relisting, NCL traded at less than SGD 0.15 per security. Sadly, we missed this initial opportunity, however after assessing the detail of the transaction, we initially purchased a stake in NCL at SGD 0.365 per security. Using somewhat conservative estimates, NCL's market net asset value (NAV) was assessed to be at least SGD 1.30, making this opportunity appear highly attractive. It is worth noting that NCL is not at all promotional, continues to have (temporarily) complex financials, and does not provide market updates beyond legal requirements. Tan Sri does however have a history of solid governance and has demonstrated care for stakeholders, so we were happy to partner with him over the medium term as NCL's value became evident. This has occurred more rapidly than anticipated, with NCL finishing the period at a share price of SGD 0.66. We sold some of our holding in NCL during the quarter as the risk/reward proposition has now become less compelling and to limit position sizing given the volatile nature of the OSV sector.

At period end, NCL remains a top 5 holding as it continues to trade at a substantial discount to NAV. Recent market updates have been mixed, with the global OSV industry somewhat slowing due to the decline in the oil price. However, Malaysian competitor Keyfield Services recently released a strong result and provided an optimistic outlook statement. In particular, Keyfield stated "based on supply and demand analysis of OSVs in Malaysia, there will be a critical shortage of AHTS < 80MT beyond 2030, unless owners acquire new vessels". These vessels represent the majority of NCL's NAV. There is no doubt NCL operates in a cyclical industry which has seen countless bankruptcies over time, so an investment is not without risk. However, with a young fleet, market tailwinds, extremely shareholder friendly debt and an aligned controlling shareholder, NCL still represents a compelling risk/reward opportunity.

For more in-depth performance commentary on select undervalued international securities, sign up to the Cromwell Global Opportunities Fund quarterly update: www.cromwell.com.au/invest/cromwell-phoenix-global-opportunities-fund/comprehensive-performance-commentary/

Cromwell Phoenix Global Opportunities Fund performance[1]

Value of $100 invested at inception



1. As at 31 March 2025. Past performance is not indicative of future performance.

DIRECT PROPERTY UPDATE

MARCH 2025 QUARTER

Economy[1]

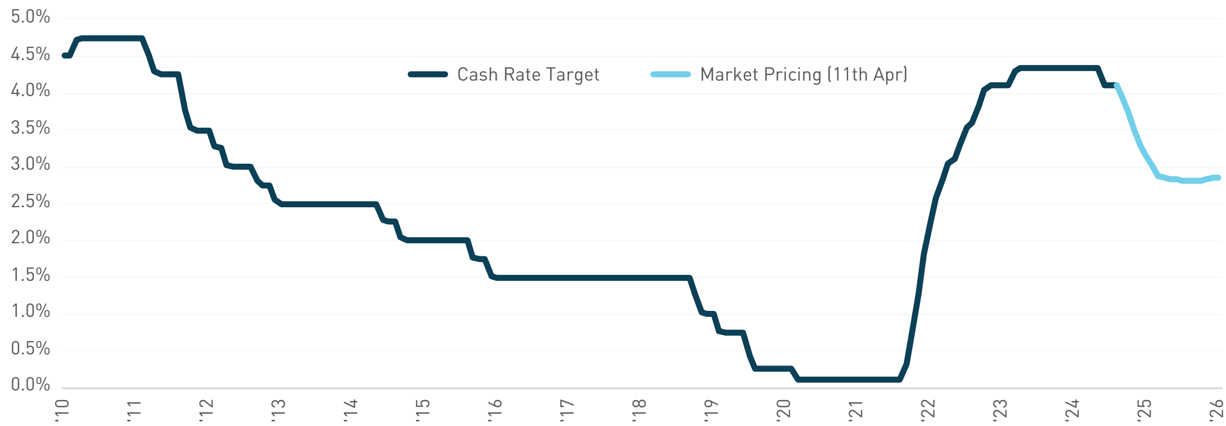
Events of the March quarter have been completely overshadowed by President Trump's Rose Garden address on 2 April where he announced a universal 10% tariff would be applied to all US imports from 5 April, with higher tariffs to be applied from 9 April against countries with trade surpluses with the US. Taking the measures as announced, the US's effective tariff rate is expected to increase to around 25%, a level last seen in the early 1900s[2].

In the near-term, a key impact to markets and the economy is heightened volatility and uncertainty. Indeed, product exemptions and a 90-day pause on the higher tariff rates (excluding China) have already been announced. While one of Trump's stated objectives is to incentivise investment into US manufacturing, it will be challenging for companies to commit substantial capital and resources when the landscape could shift significantly by the time these words go to print, let alone the several years which would be required to reorganise supply chains and build facilities.

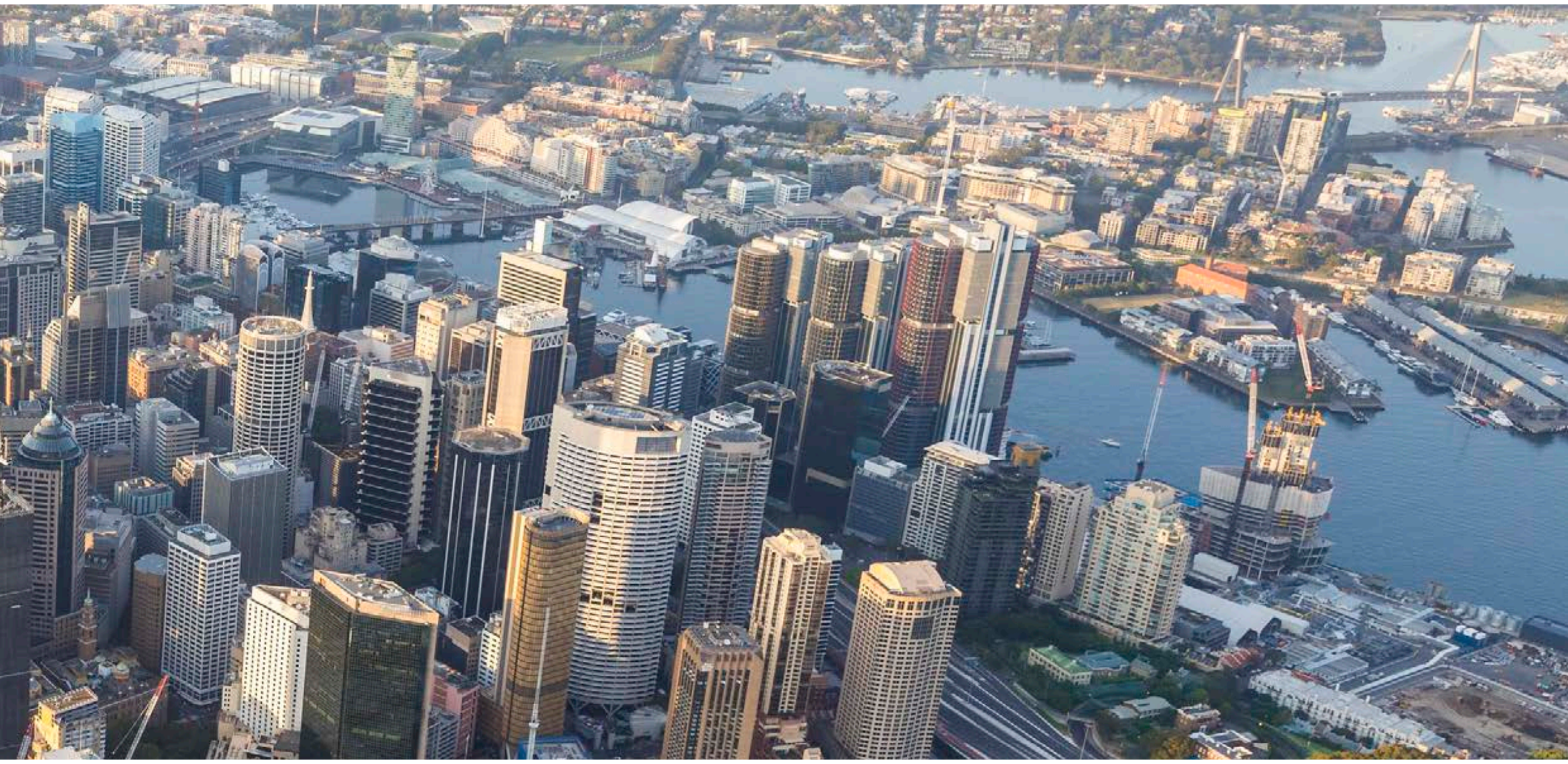
Equity and bond markets have seesawed as the prospect of stagflation – higher inflation and lower growth – shakes confidence. Positively for Australia, we're better positioned than most to weather the storm. On the whole, direct trade

1. Data sourced from various ABS publications, except where otherwise specified
2. CBA, 9 April 2025

Australian cash rate target



Source: RBA; ASX; Cromwell

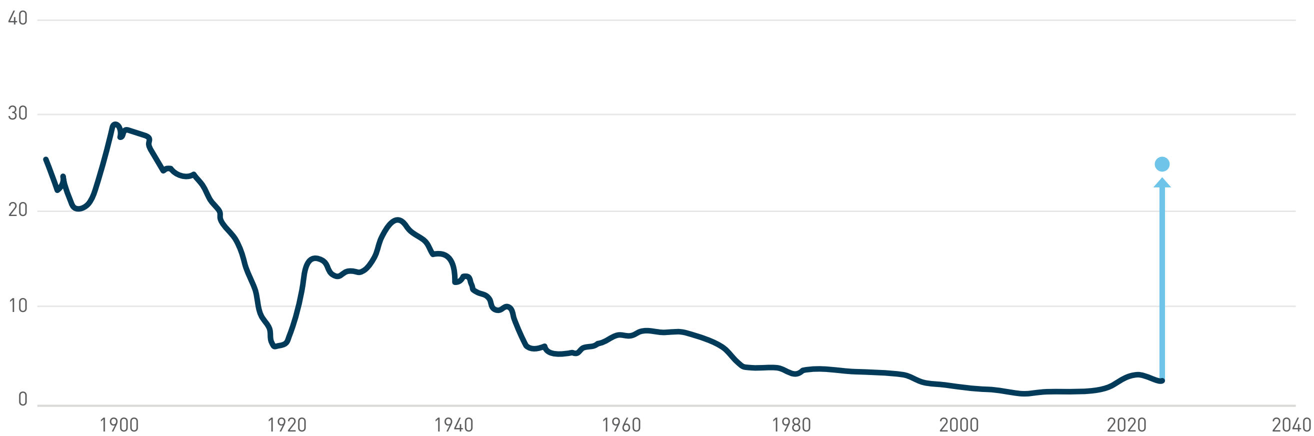


impacts should be limited given the US only accounts for 4% of Australian exports[3]. Indirect impacts via a weaker Asian economy are a risk, and the extent of policy support in China will be closely watched. The floating Australian dollar is acting as a shock absorber, depreciating in value and enhancing the attractiveness of our key commodity exports.

Economic conditions at home are also in good shape. The labour market is healthy without being so tight as to cause inflationary wage pressures, the public sector is in a position to provide supportive spending if needed, and the RBA has scope to stimulate the economy via monetary policy. In February, the RBA made its long-awaited first interest rate cut, reducing the official cash rate to 4.1%. Looking ahead, National Australia Bank (NAB) expects further easing, forecasting a 50bps cut in May, followed by 25bps reductions in July, August, and November—potentially taking the cash rate to 2.85% by year-end. Other major banks predict a slightly slower pace, but all anticipate a more supportive interest rate environment, which bodes well for increased transactional activity and continued market recovery.

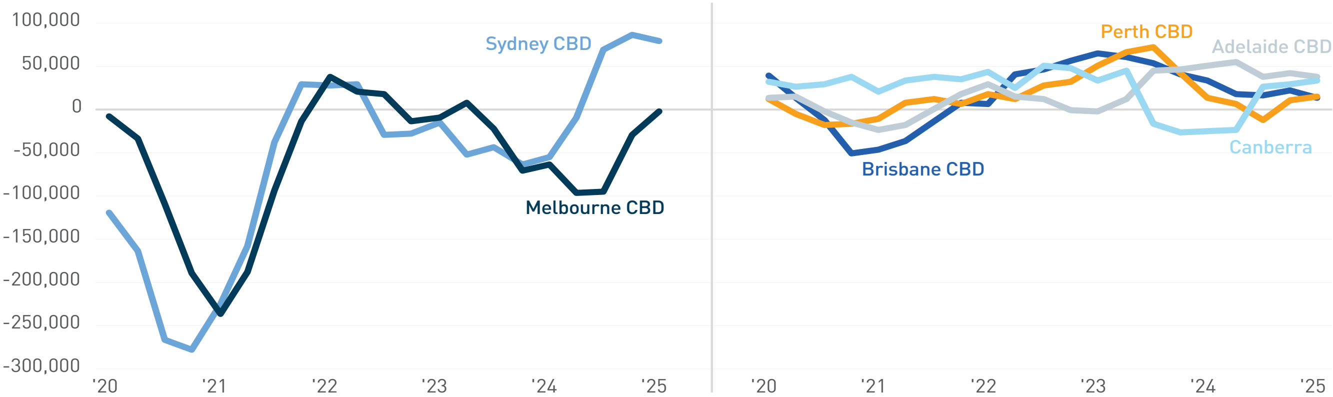
3. NAB, 2 April 2025

US effective tariff rate



Source: USITC, CBA, Macrobond

Net absorption YoY (sqm)



Source: JLL (Mar-25); Cromwell

Office

Analysis of JLL Research data indicates nearly 44,000 square metres (sqm) of positive net absorption was recorded across Australia's major CBD markets in Q1 2025, marking the fifth consecutive quarter of space demand growth. The composition of demand was different from previous quarters, with Brisbane CBD the only market to contract and Melbourne CBD the top performer. This was the first time since early 2019 that Melbourne recorded the strongest growth in net demand, with the result underpinned by Coles' 30,000 sqm centralisation from Hawthorn East into Docklands. Notably, this quarter also saw the largest gap in space demand between large[4] and small occupiers nationally since before the pandemic, with large occupiers leading the way. Again, this was underpinned by leasing activity in Melbourne CBD.

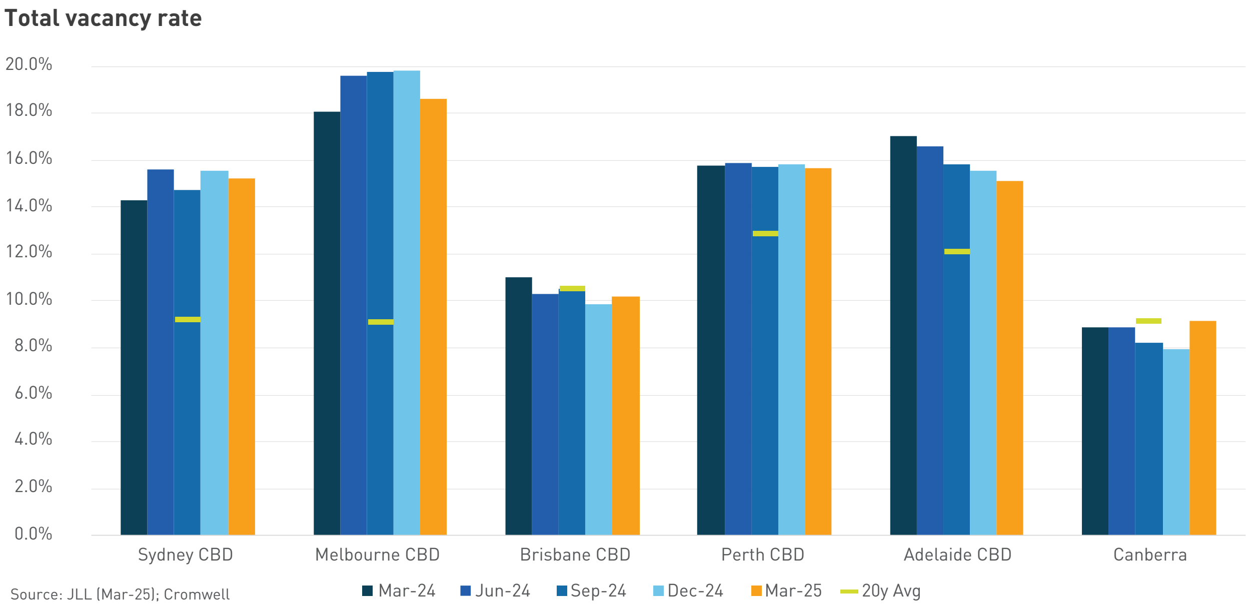
The positive demand result and limited supply completions combined to lower the national CBD vacancy rate from 15.2% to 14.9%. Melbourne CBD was the big winner, with vacancy tightening by 1.2%pts. Sydney CBD vacancy also decreased, with every precinct except the Western Corridor tightening. Softer demand over the quarter led to Brisbane CBD's vacancy rate rising, however it remains lower than the long-term average. The increase in Brisbane was driven entirely by Secondary grade stock – Prime vacancy remained at 7.3% and is below the long-term average, while Secondary vacancy increased by 0.8%pts. Canberra maintained its position as the tightest market in the country, however the vacancy rate did increase due to the completion of a new A grade development.

National CBD prime net face rent growth (+1.9%) accelerated over the quarter, taking annual growth to +5.6% which is its strongest pace since early 2018. While face rents in Perth and Adelaide were unchanged, all of the other CBD markets recorded quarterly growth well in excess of the long-term average. Prime incentives decreased in the Sydney CBD Core as some Premium assets recorded strong leasing outcomes.

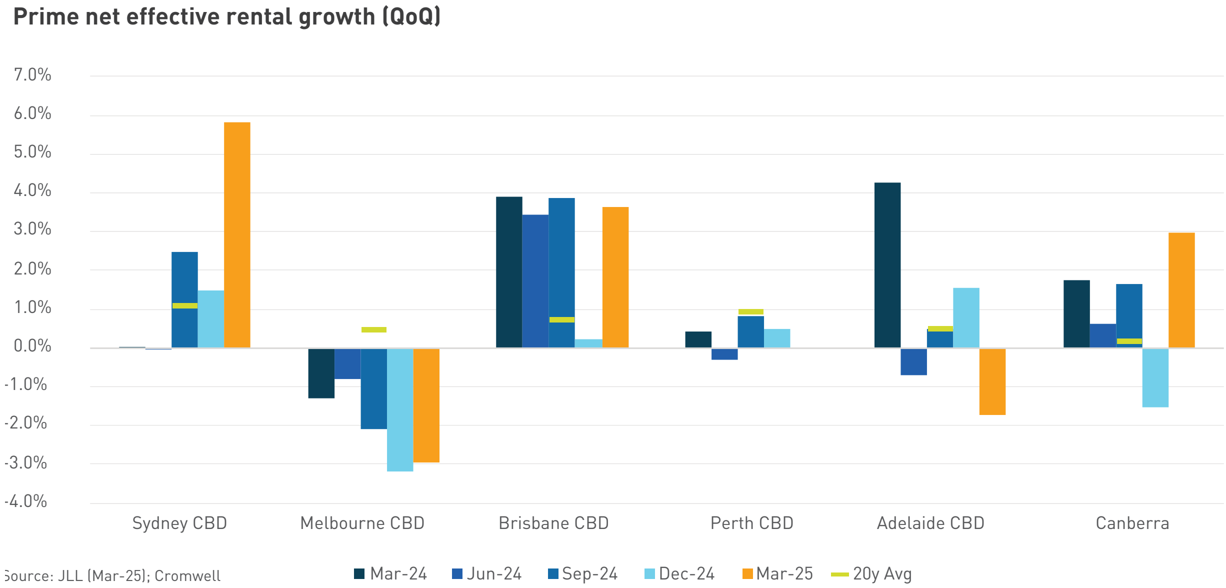
4. Large occupiers are those greater than 1,000 sqm

As a result, Sydney CBD Core delivered its strongest net effective rental growth since 2017 and the best outcome across the major CBDs. Incentives also declined slightly in Brisbane CBD, ensuring effective rental growth stayed in double-digit territory on an annual basis. Elevated vacancy in Melbourne CBD continued to put upwards pressure on incentives, dragging effective rental levels lower.

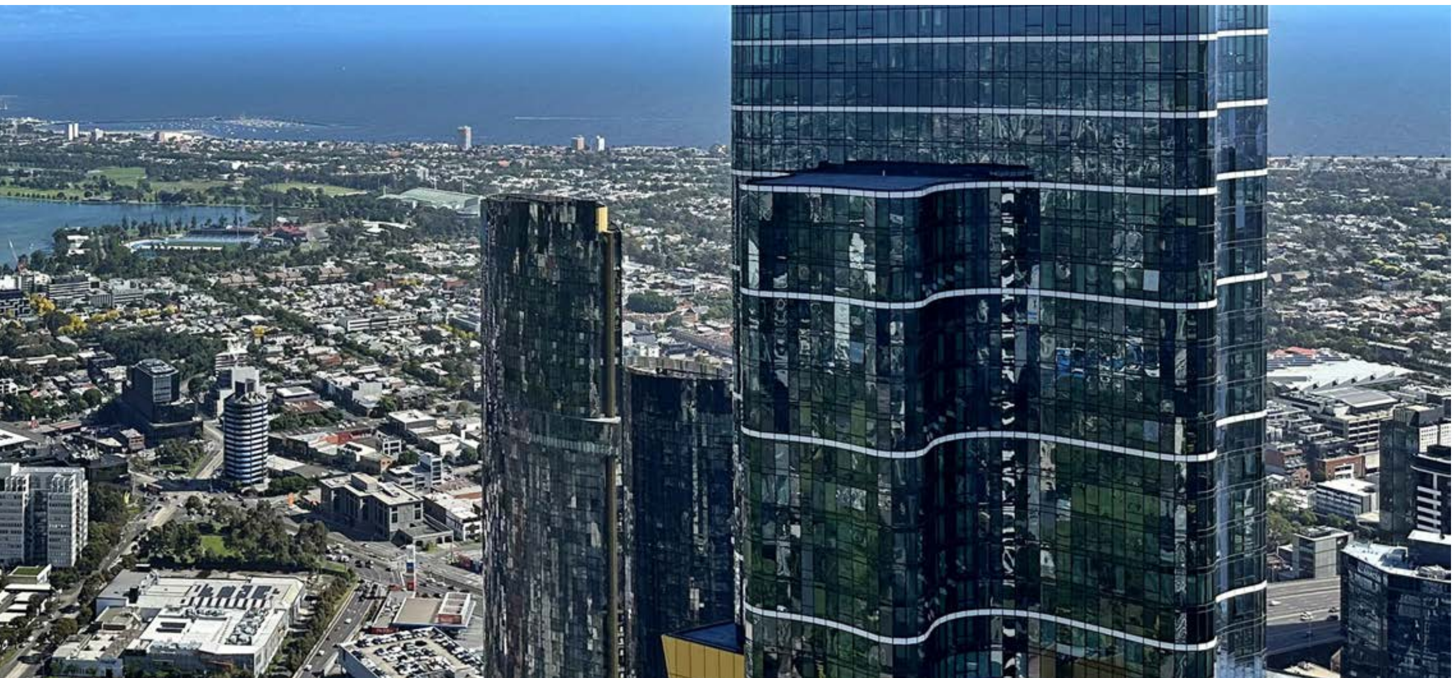
Transaction volume fell to $1.4 billion after a solid final quarter of 2024. Sydney CBD maintained its position as the top preference for capital, accounting for 73% of activity. Offshore capital was active again, with Japanese investor Daibiru making the largest acquisition of the quarter (135 King St). The trajectory of deal flow in Sydney will be watched closely over coming quarters, given it tends to act as a bellwether for the capital market cycle. Activity in Melbourne was very muted, weighed down by weaker property fundamentals and associated investor cautiousness. Average prime yields were unchanged across every CBD market and most non-CBD markets.

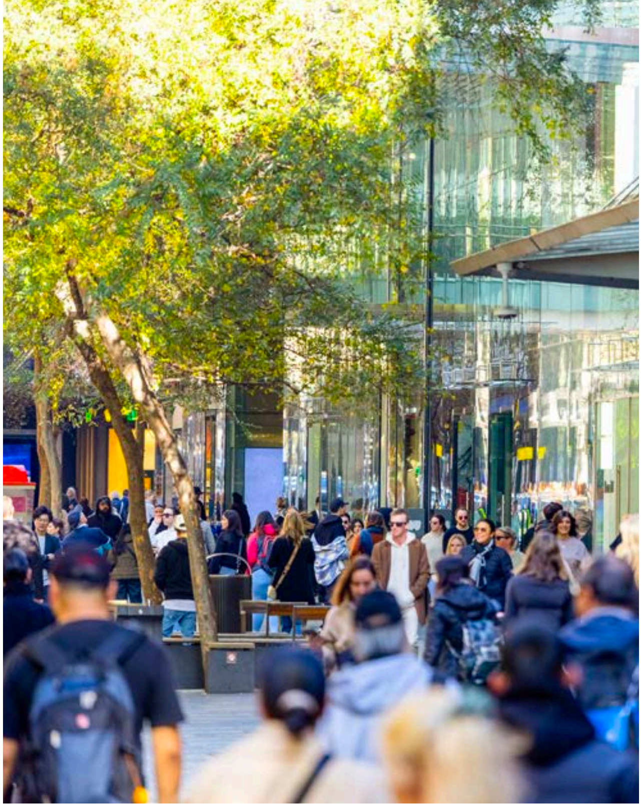


Source: JLL (Mar-25); Cromwell



Source: JLL (Mar-25); Cromwell





Retail

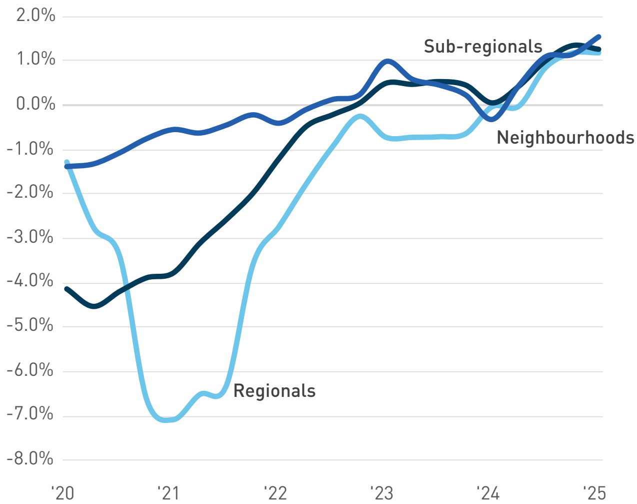
Retail sales growth has improved from the lows of 2023-24 but is yet to kick up materially. The tailwinds of moderating inflation, lower interest rates, and government cost-of-living supports are competing against a pessimistic and cautious consumer. While confidence was improving through the first quarter of the year, tariff uncertainty has now dampened sentiment.

Amidst stable demand, supply remains very constrained. There were only 13,000 sqm added to national core retail stock over the quarter, comprising two greenfield Neighbourhood centres servicing new housing estates. Muted supply has supported retail space market fundamentals and rental growth over the past year. While rents were largely unchanged across Regional and Sub-Regional centres this quarter, Neighbourhood centres recorded solid growth of 0.4% led by Sydney and Perth.

While retail transaction volume fell compared to last quarter, the $1.6 billion of deals done represented the second-strongest March quarter result in the history of the data series (back to 2007). The strong outcome was largely driven by large format retail and Regionals, with solid support from Sub-Regionals. Centuria's acquisition of Logan SuperCentre ($115 million) was the dominant large format trade, while Northland Shopping Centre and Cockburn Gateway comprised the Regional deals. Northland was notable in being Victoria's largest retail transaction since 2018.

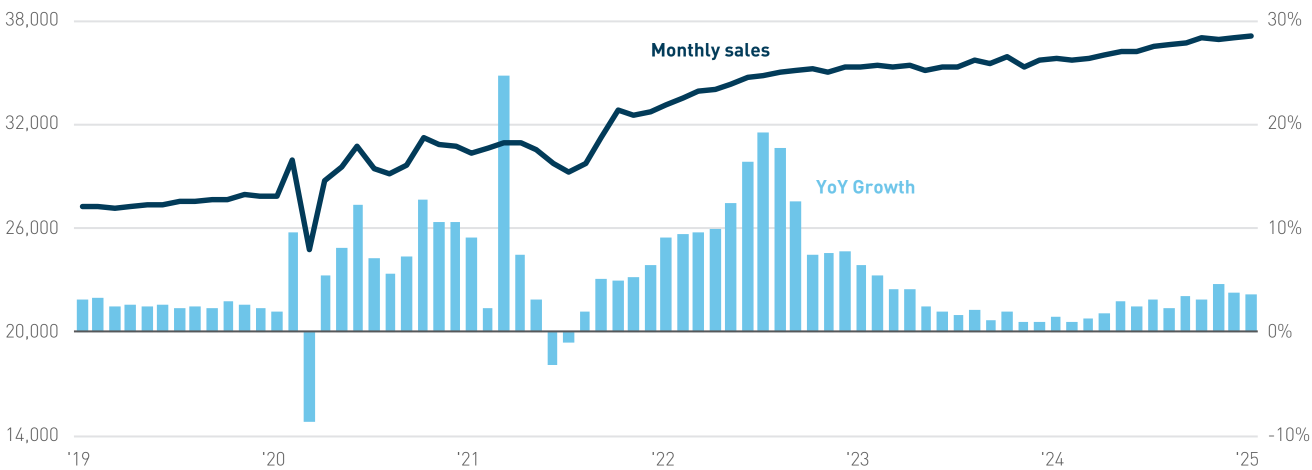
This quarter provided further evidence that the cycle has started to turn for the retail sector. Regional shopping centre yields compressed in every market, while Sub-Regional yields compressed in every market bar Sydney.

Retail net rent YoY change (excl. Canberra)



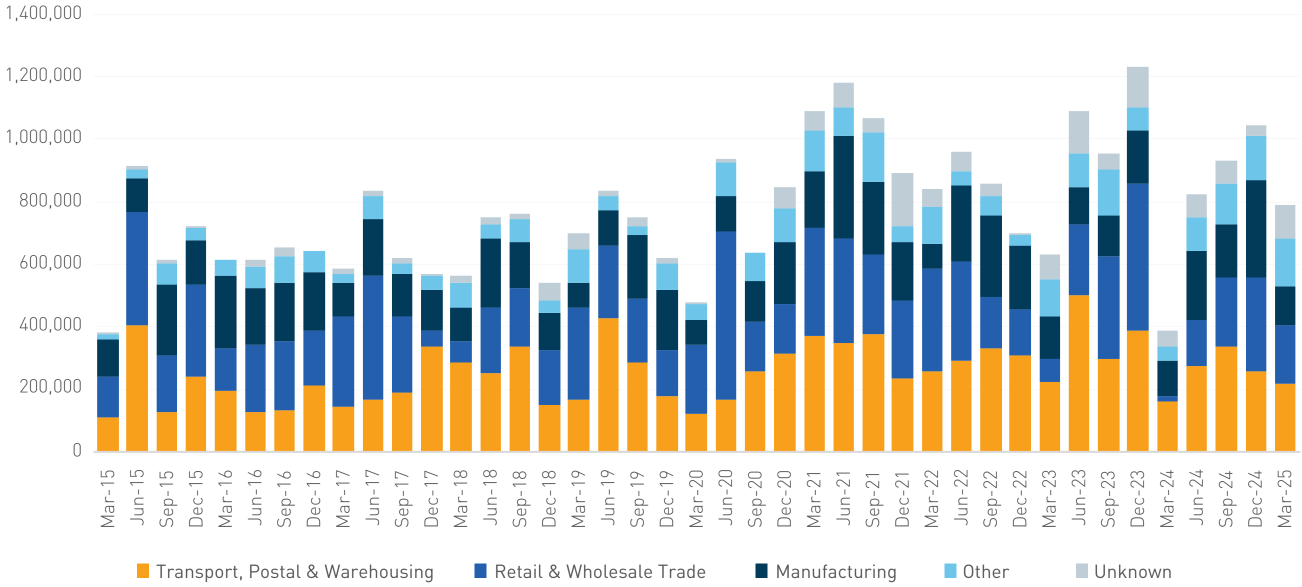
Source: JLL (Mar-25); Cromwell

Monthly nominal retail trade ($m) and YoY growth (%)



Source: JLL (Mar-25); Cromwell

Gross occupier take-up by industry (sqm)



Source: JLL (Mar-25); Cromwell

Industrial

Occupier take-up (gross demand) continued to hold up, totalling just under 800k sqm which was the strongest March quarter in three years. While Transport & Warehousing, Manufacturing, and Retail Trade remained the top three industries from a demand perspective, it was the smaller and more volatile industries such as Professional Services, Mining, and Construction which experienced the strongest increase in demand relative to historical levels. Sydney recorded the highest level of gross space demand, headlined by Aldi's pre-lease of an 87,000 sqm cold storage facility which is due to complete in 2027. The precinct this site is located in, Sydney Outer Central West, accounted for 37% of national demand and 86% of Sydney demand over the quarter.

Rent growth remains above the long-term average despite a weakening of demand relative to supply. Growth was more broad-based than last quarter, with face rents increasing in 17 of 22 precincts. The smaller markets of Adelaide and Perth recorded the strongest rental growth over the quarter, with Adelaide providing all of the top three precincts. Prime incentives continued to nudge higher across the east coast and Perth, reflecting a more competitive leasing environment.

Supply completions over the quarter were concentrated in Melbourne, as has generally been the case over the past five years. The West precinct was again the main provider of new space, however Melbourne South East was not far behind. It was a particularly muted quarter for development in Sydney, with only 43k sqm reaching completion versus the five-year quarterly average of more than 170k sqm. While a substantial pipeline of 1.5m sqm remains under construction and due to complete in 2025, actual supply delivered may prove to be spread out over a longer horizon given projects continue to be delayed.

Industrial transaction volume fell below the quarterly average of the last five years as no major portfolio deals occurred. While Sydney accounted for the largest share of transactions by dollar value, Brisbane was the most active market compared to its historical average. Despite a relatively quiet quarter of dealmaking, there are signs the valuation cycle is starting to turn for industrial. Sydney, the bellwether market, recorded yield compression across most precincts.

Outlook

Where the global economy lands as a result of trade protectionism will depend on the duration barriers are in place, the extent of any retaliatory measures, and outcomes of trade negotiations. The situation is shifting on a daily basis, and the resultant uncertainty is having a dampening effect on economic activity.

While Australia is less exposed to the economic consequences than many other countries, there is a risk that growth weakens, and this could soften leasing demand in the near-term as companies take a cautious approach to investment and expansion. In this kind of environment, high-quality assets providing stable income from blue chip, resilient tenants are desirable.

Increased uncertainty may also affect liquidity in commercial property capital markets. Positively, Australia's standing as a stable and reliable investment destination offering attractive returns has arguably been enhanced over the past month, and this could support acquisition activity from offshore capital. During this period of heightened volatility, focusing on underlying property fundamentals and sticking to a long-term strategy should hold investors in good stead.

CROMWELL FUNDS MANAGEMENT

Cromwell Direct Property Fund

March 2025 Quarterly Update

Below is the latest quarterly update for the Cromwell Direct Property Fund (the Fund), where we share key developments, portfolio performance, and what's coming up in the months ahead.

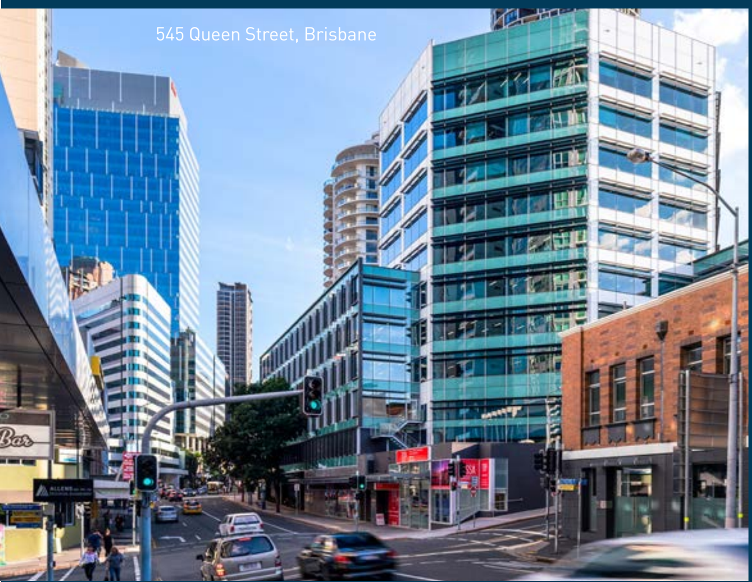
Portfolio performance

Occupancy
96.5%

WALE
3.6 years

The Fund's portfolio continues to perform strongly, with occupancy at 96.5% and a weighted average lease expiry (WALE) of 3.6 years.

Our expert in-house Facilities Management team demonstrated exceptional responsiveness in early March as Cyclone Alfred approached South-East Queensland. Although downgraded to an ex-tropical cyclone by landfall, the storm caused damage to glazing at the **545 Queen Street building in Brisbane** due to airborne debris. Emergency safety works were completed within days, with repairs managed efficiently in collaboration with specialist consultants and insurers.


545 Queen Street, Brisbane

Upcoming Liquidity Event - Periodic Withdrawal Opportunity

Proposed Start Date
July 2025

The Fund's next Liquidity Event—its Periodic Withdrawal Opportunity—is scheduled to commence in July 2025. Investors will receive an information pack in May, which will include market commentary and helpful insights to support your decision on whether to redeem some or all of your investment or remain invested as the market enters the recovery phase.

The Liquidity Event is designed to occur every five years, although the timing can be adjusted under certain circumstances. Under the current indicative timetable, investors will be able to submit withdrawal requests between 1 July and 5pm (AEST) on 31 July 2025.

Requests must be submitted to our registry provider, Boardroom Limited, using the specific form included in your information pack and available on the Fund's webpages.

Redemptions will be processed in accordance with the Fund's rules and may be funded through a mix of new capital, debt (subject to gearing limits), and potential asset sales. Depending on the number of requests received, and the liquidity available to the Fund from those sources, withdrawals may be paid in instalments over time, rather than as a single lump sum.

Full details will be provided in the information pack. If you have any questions about the Liquidity Event or would like to discuss your options, our Investor Services Team is here to assist.

Contact our Investor Services Team

T: 1300 268 078 E: invest@cromwell.com.au


420 Flinders Street, Townsville

Tenant engagement and Environmental, Social, and Governance (ESG) initiatives

Cromwell Funds Management continues to prioritise tenant engagement and ESG performance across the Fund's assets. A variety of tenant-focused initiatives were delivered this quarter, including Welcome Back to Work, Valentine's Day activations, International Women's Day, the Share the Dignity drive, and Earth Hour. These events enhance tenant satisfaction and support strong lease renewals in a competitive market.

There were also several ESG milestones achieved:

- Flinders Street, Townsville received its first 6-star NABERS Energy rating, a 5.5-star Water rating, and increased its Renewable Energy Indicator to 99.3%, thanks to its use of 100% green power since January last year.
- Solar installations across multiple assets have led to reductions in base building electricity consumption by up to 27% over the past 6–9 months.
- Results from the latest tenant survey showed that 61% of respondents consider ESG factors important or very important in their leasing decisions.

Recent building enhancement

A major upgrade to the heating system at 100 Creek Street, Brisbane, was completed during the quarter. This project included the installation of electric duct heaters, mechanical switchboards, and an upgrade to the Building Management System (BMS), ensuring a comfortable environment for tenants during the winter months.

The works were delivered with minimal disruption and came in just under budget—a testament to the expertise of our Projects Team. ■


100 Creek Street, Brisbane

LISTED MARKET UPDATE

MARCH 2025 QUARTER

Stuart Cartledge
Managing Director
Phoenix Portfolios

Market Commentary

The S&P/ASX 300 A-REIT Accumulation Index fell 6.6% over the March quarter under-performing the broader equity market, despite all the geopolitical tensions gripping investors' minds.

The benchmark is dominated by Industrial heavyweight Goodman Group (GMG), which performed poorly over the quarter, closing down just over 20%. For more on GMG, see the Performance Commentary of the latest Cromwell Phoenix Property Securities Quarterly Update. Sticking with the Industrial sub-sector, while a very different investment proposition to GMG, recently listed DigiCo REIT, with its focus on digital infrastructure including data centres was also a very weak performer, down 32.6%. There is little doubt around the demand for ever increasing data centre capacity, but we also expect a significant supply response around the world, and like all things technology related, making long term forecasts is difficult. Anchored by more traditional industrial sheds, both Dexus Industria REIT (DXI) and Centuria Industrial REIT (CIP) posted positive returns of 2.0% and 3.6% respectively. CIP comprises 87 high quality assets, located in core urban infill markets and delivered like-for-like income growth of 6.4% for the first half of the 2025 financial year. The stock is benefitting from striking new leases at material premiums to expiring leases. That premium averaged 50% for the 7% of the portfolio that re-leased during the 6 months to December 2024. CIP closed the quarter at a 25% discount to its underlying book value and is well held in the Fund.

Office property owners saw a rebound from the very weak December quarter, with Dexus (DXS) up 6.3%, Centuria Office REIT up 4.6% and Mirvac Group (MGR), which holds an office-heavy investment portfolio up 11.5%. Other office names were more subdued with Abacus Group (ABG) and Cromwell Property Group both posting less than 1% falls. There is growing chatter, along with some fundamental improvements in office metrics, that the turning point in office markets is close. Depending on your perspective, it seems that owners of quality prime assets such as MGR are in the "flight to quality" camp, while owners of a wider range of office assets point to a "flight to value". Phoenix has a blend of exposures to the office sector but is predominantly in the young and prime end of the market where cashflows look strongest.

Among the larger style shopping centre owners, Unibail-Rodamco-Westfield (URW), which owns Westfield branded centres in the USA, UK and continental Europe rose 10.3%. URW has a December year-end, so the results announced in February were for the full year. Tenant sales were up 4.5% and footfall up 2.6% over the prior year. The company

also made a somewhat surprising announcement to retain its exposure to its US assets, having previously indicated a "radical reduction" in that geography. Scentre Group (SCG), owner of the domestic Westfield-branded malls, did less favourably and posted a small positive return for the quarter. Interestingly, SCG is looking to rezone many of its vacant land sites around its malls, having already received rezoning approval at Westfield Hornsby in Sydney and Westfield Belconnen in Canberra that now provides the opportunity for large scale residential development at both sites. Vicinity Centres (VCX) and Charter Hall Retail REIT produced solid returns over the quarter, up 7.6% and 13.7% respectively.

Property fund managers showed huge variation in outcomes over the quarter. Aside from GMG referred to elsewhere, Qualitas Limited (QAL) which focuses largely on real estate debt products, closed down 12.2%, Centuria Capital closed down 10.4%, while at the other end of the spectrum was Charter Hall Group (CHC) which closed up 12.8%. With asset values stabilising, and strong inflows via the wholesale partnerships channel, CHC upgraded guidance for the full year and now expects to deliver earnings growth of approximately 7%.

Market Outlook

The listed property sector is in good shape and provides investors with the opportunity to gain exposure to high quality commercial real estate at a discount to independently assessed values. While share market volatility may be uncomfortable at times, the offset is liquidity, enabling investors to rebalance portfolios without the risk of being trapped in illiquid vehicles.

Rising interest rates have been a headwind for many asset classes, with property, both listed and unlisted, a particularly interest rate sensitive sector. In February, the Reserve Bank of Australia made its first cut to the cash rate target since November 2020, heralding a more buoyant environment for the property sector. The February reporting season also saw stocks providing solid updates, valuation stability and an expectation of liquidity returning to the property transaction market. Long term valuations are driven by "normalised" interest costs, meaning the impact of short term hedges maturing is mostly immaterial. Should current expectations for further interest rate cuts eventuate, the sector should perform well.

The industrial sub-sector continues to be the most sought after, given the tailwinds of e-commerce growth, the potential onshoring of key manufacturing categories and the decision by many corporates to build some redundancy into supply chains to cope with current disruptions. All of these factors are contributing to ongoing demand for industrial space, which has been evidenced by rapidly accelerating market rents and vacancy rates at historic lows of around 2% in many markets. While rental growth has recently cooled, construction costs remain elevated making additions to supply difficult and thereby prolonging robust conditions.

We remain cognisant of the structural changes occurring in the Retail sector with the growing penetration of online sales and the greater importance of experiential offering inside malls. Recent performance of shopping centre owners has however been strong, with consumers showing resilience and share prices moving higher. It is interesting to note the juxtaposition of very high retail sales figures despite very low levels of consumer confidence, no doubt impacted by rising costs of living. Importantly, we are also now seeing positive re-leasing spreads in shopping centres, indicating strengthening demand from retail tenants.

The jury is still out on exactly how tenants will use office space moving forward, but demand for good quality well located space remains solid and there is growing momentum from companies to get staff back into the office. Leasing activity is beginning to pick up, and transactional activity is also returning, with discounts to book values materially reduced. Incentives on new leases remain elevated.

We expect to see limited further downside to asset values in office markets but elsewhere expect market rent growth to largely offset cap rate expansion, particularly in industrial assets. Listed pricing provides a buffer to such movements. ■

QUARTERLY FUND REPORTS

Investment Report to 31 March 2025

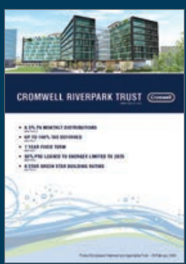
OPEN FOR INVESTMENT

CROMWELL PHOENIX PROPERTY SECURITIES FUND

CROMWELL PHOENIX GLOBAL OPPORTUNITIES FUND

CLOSED TO INVESTMENT

CROMWELL DIRECT PROPERTY FUND



CROMWELL RIVERPARK TRUST

CROMWELL PROPERTY TRUST 12

CROMWELL PHOENIX OPPORTUNITIES FUND (CLOSED)

Any investment, including an investment in Cromwell-managed Funds, is subject to risk. If a risk eventuates, it may result in reduced distributions and/or a loss of some or all of the capital value of your investment. See the disclosure document issued for the Fund for examples of key risks. Capital growth, distributions and tax consequences cannot be guaranteed.

Cromwell Funds Management Limited ABN 63 114 782 777 AFSL 333214 (CFM) has prepared these reports and is the responsible entity of, and the issuer of units in, the funds and trusts referred to in these reports (the Funds). In making an investment decision in relation to a Fund, it is important that you read the disclosure document for that Fund. The report for each Fund refers to the disclosure document (product disclosure statement and any supplementary product disclosure statement) and if applicable the target market determination (TMD) issued for that Fund. The disclosure document and TMD for each Fund is issued by CFM and is available from www.cromwell.com.au or by calling Cromwell's Investor Services Team on 1300 268 078. Not all of the Funds are open for investment. Applications for units in open Funds can only be made on application forms accompanying the disclosure document for the Fund.

These reports have been prepared without taking into account your objectives, financial situation or needs. Before making an investment decision, you should consider the report and the disclosure document for the particular Fund and assess, with or without your financial or tax adviser, whether the Fund fits your objectives, financial situation or needs. Past performance is not a reliable indicator of future performance. Forward-looking statements (provided here as a general guide only) and the performance of a Fund are subject to the risks and assumptions set out in its disclosure document. CFM and its related bodies corporate, and their associates, do not receive any remuneration or benefits for the general advice given in these reports. If you acquire units in a Fund, CFM and certain related parties may receive fees from the Fund and these fees are disclosed in the disclosure document for that Fund. Performance data for Cromwell-managed Funds are calculated based on unit prices for each Fund, which may differ from underlying net asset values. Performance data for periods longer than one year have been annualised. Distribution rates and yields are based on the 31 March 2025 unit price and are subject to change. The proportion of distributions that are tax deferred will depend on a number of factors (for example, building amortisation and depreciation of plant and equipment) and may vary from year to year. Deferred tax may be payable, in whole or in part, on the sale, transfer or redemption of units in the Fund.

OPEN FOR INVESTMENT

CROMWELL PHOENIX PROPERTY SECURITIES FUND ORDINARY UNITS

Investment Report to 31 March 2025

The Fund is one of the top performing property securities funds in Australia, with underlying investments chosen by Phoenix Portfolios using a 'best ideas' approach.

Please visit the Fund webpage for the latest performance figures: www.cromwell.com.au/psf

KEY STATISTICS

as at 31 March 2025

Status	**OPEN**[1]
Unit Price	**$1.2115**[2]

PERFORMANCE

	1 Year	3 years	5 years	10 years	Inception (Apr-08)
Fund Performance After fees & costs	2.7%	3.3%	13.9%	7.2%	7.9%
Benchmark S&P/ASX 300 A-REIT Accumulation Index	(5.4%)	3.3%	13.8%	6.9%	5.0%
Excess Returns After fees & costs	8.1%	0.0%	0.1%	0.3%	2.9%

Past performance is not a reliable indicator of future performance.

TOP TEN STOCK HOLDINGS[3]

- ABACUS STORAGE KING
- CENTURIA I REIT
- CHARTER HALL GROUP
- CHARTER HALL SOC IN
- GARDA PRPTY GROUP
- GOODMAN GROUP
- GPT GROUP
- MIRVAC GROUP
- PEET LIMITED
- STOCKLAND

FUND UPDATE

- Since inception in April 2008, the Fund has delivered an annualised return, net of fees, of 7.9%, outperforming the S&P/ASX 300 A-REIT Accumulation Index by 2.9% pa.
- The Fund fell 1.9% over the quarter, materially outperforming the S&P/ASX 300 A-REIT Accumulation Index which fell 6.6%.
- February reporting season was solid, with Charter Hall Group delivering a surprise upgrade and Goodman Group also surprising investors with an A$4bn capital raise.
- The Fund added value in a relative sense, via a material underweight position in Goodman Group and a large overweight position in Charter Hall Group.
- The Fund's position in Qualitas detracted value along with nil holdings in Scentre Group and Dexus.

In addition to the footnotes below, please read the important disclaimer at the beginning of the Quarterly Reports section on page 34.

1. Withdrawals cannot be guaranteed and are subject to the assumptions and risks set out in the Product Disclosure Statement dated 15 November 2023 (PDS).
2. Unit price as at 31 March 2025. Unit prices are calculated daily. See the PDS for further information and www.cromwell.com.au/psf for latest pricing.
3. As at 31 March 2025. Positions in the Fund are subject to change.

See www.cromwell.com.au/psf for further information.

OPEN FOR INVESTMENT

CROMWELL PHOENIX GLOBAL OPPORTUNITIES FUND

Investment Report to 31 March 2025

The Fund invests in a portfolio of internationally listed, predominantly small capitalisation securities, which at the time of their acquisition, are considered to be trading at discounts to their observable net asset values (NAVs).

Please visit the Fund webpage for the latest performance figures: www.cromwell.com.au/gof

KEY STATISTICS

as at 31 March 2025

Status	**OPEN**[1]
Unit Price	**$1.5873**[2]
Distributions	**Annually**

PERFORMANCE

	1 Year	2 Year	3 Years	Inception (Dec 2019)
Fund Performance After fees & costs	21.8%	18.7%	16.3%	13.5%
Benchmark MSCI World Microcap AUD	3.3%	11.0%	7.6%	7.8%

Past performance is not a reliable indicator of future performance.

FUND UPDATE

The Fund is now over 5 years old!

- Since inception in December 2019, the Fund has delivered an annualised return of 13.5% net of fees, outperforming both large and small cap global equities benchmarks.
- The Fund added 2.1% in absolute terms over the quarter while most global indices posted negative returns.

Contributing positively to performance over the quarter were positions in:

- Nam Cheong Limited (SGX:1MZ)
- Sanken Limited (TSE:6707)
- ASA Gold and Precious Metals Ltd (NYSE:ASA)
- Super Group Limited (NYSE:SGHC)

Detracting from performance over the quarter were positions in:

- International Money Express (NASDAQ:IMXI)
- Park Hotels & Resorts (NYSE:PK)

In addition to the footnotes below, please read the important disclaimer at the beginning of the Quarterly Reports section on page 34.

1. Withdrawals cannot be guaranteed and are subject to the assumptions and risks set out in the Product Disclosure Statement dated 26 October 2021 (PDS).
2. Unit prices are calculated monthly. See the PDS for further information and www.cromwell.com.au/gof for latest pricing.

See **www.cromwell.com.au/gof** for further information.

CLOSED FOR INVESTMENT

CROMWELL DIRECT PROPERTY FUND

Investment Report to 31 March 2025

The Fund's investment portfolio provides exposure to unlisted, direct property throughout Australia. The Fund aims to provide a monthly tax-advantaged income stream and future capital growth potential.

Please visit the Fund webpage for the latest performance figures: www.cromwell.com.au/dpf

KEY STATISTICS

as at 31 March 2025

Status	**CLOSED**[1]
Unit Price	**$0.7467**[2]
Distribution Yield	**6.36% p.a.**[3]
WALE	**3.6 years**[4]

PERFORMANCE

	1 Year	3 Years	5 Years	Inception (Aug-13)
Fund Performance After fees & costs	(12.6%)	(12.7%)	(4.6%)	3.4%
Benchmark PCA / MSCI Unlisted Retail Property Fund Index (Unfrozen)	(8.5%)	(5.7%)	2.3%	11.4%
Excess Returns After fees & costs	(4.1%)	(7.0%)	(6.9%)	(8.0%)

Past performance is not a reliable indicator of future performance.

FUND UPDATE

- See page 24 for an understanding of what is happening in the commercial real estate market.
- The portfolio continues to experience positive leasing outcomes, with a current weighted average lease expiry of 3.6 years and occupancy of 96.5% as at 31 March 2025.
- Since inception, the Fund has delivered an annualised return of 3.4% per annum with 12-month performance of -12.6%. The fund has delivered an annualised income return of 6.0% since inception.
- In the lead-up to the Fund's Periodic Withdrawal Opportunity, which is expected to occur in or around July 2025, Cromwell Funds Management Limited (CFML), as responsible entity of the Fund, has temporarily suspended accepting applications into the Fund and offering the CDPF Distribution Reinvestment Plan (DRP), effective from 13 January 2025.

In addition to the footnotes below, please read the important disclaimer at the beginning of the Quarterly Reports section on page 34.

1. The Fund is not currently offering the Limited Monthly Withdrawal Facility, effective from 1 October 2023. In the lead up to the Fund's Periodic Withdrawal Opportunity, anticipated to occur in or around July 2025, the fund from the 13th January 2025 has temporarily suspended accepting applications and offering the Distribution Reinvestment Plan (DRP). See Continuous Disclosure Notices for more details.
2. Unit prices are calculated daily. See the PDS for further information and www.cromwell.com.au/dpf for latest pricing.
3. Based on current distributions of 4.75 cents per unit p.a. as at 31 March 2025.
4. Figures as at 31 March 2025. Calculated on a 'look-through' gross passing income basis.

See www.cromwell.com.au/dpf for further information.

CLOSED TO INVESTMENT

CROMWELL PHOENIX OPPORTUNITIES FUND

Investment Report to 31 March 2025

This value orientated fund invests in ASX-listed microcaps using Phoenix Portfolios' 'best ideas' approach and aims to find hidden value in under-researched stocks.

Please visit the Fund webpage for the latest performance figures: www.cromwell.com.au/pof

KEY STATISTICS

as at 31 March 2025

Status	**CLOSED**
Unit Price	**$2.4320**[1]
Distributions	**Quarterly**

PERFORMANCE

	1 Year	3 years	5 years	Inception (Dec-11)
Fund Performance After fees & costs, inclusive of the value of franking credits	13.7%	6.4%	21.0%	17.4%
Fund Performance After fees & costs, excluding the value of franking credits	12.6%	4.5%	18.8%	15.6%
Benchmark S&P/ASX Small Ordinaries Accumulation Index	(1.3%)	(0.8%)	10.2%	5.2%

Past performance is not a reliable indicator of future performance.

FUND UPDATE

- Since inception in December 2011, the Fund has delivered an annualised return of 17.4% net of fees and inclusive of franking credits.
- The Fund delivered a return of 2.1% net of fees and inclusive of franking credits over the quarter, outperforming the small capitalisation indices which returned -2.0% (Small Ordinaries) and -2.9% (Emerging Companies) respectively.
- Positive contributions to the Fund's performance came from positions in Alkane Resources, Fleetwood and Austral.
- Negative contributions to the Fund's performance came from positions in Hillgrove Resources and dental products business SDI.

In addition to the footnotes below, please read the important disclaimer at the beginning of the Quarterly Reports section on page 34.

Phoenix Portfolios Pty Ltd ABN 80 117 850 254 AFSL 300 302 (Phoenix) is the investment manager of the Fund. None of CFM, Phoenix nor their related entities, directors or officers makes any promise or representation, or gives any guarantee as to the success of the Fund, distributions, amount you will receive on withdrawal, income or capital return or the taxation consequences of investing.

1. Unit price as at 31 March 2025. Unit prices are calculated monthly. See the PDS dated 29 September 2017 for further information and www.cromwell.com.au/pof for latest pricing.

See **www.cromwell.com.au/pof** for further information.

CLOSED TO INVESTMENT

CROMWELL RIVERPARK TRUST

Investment Report to 31 March 2025

This was the first of Cromwell's next generation 'back to basics' single property trusts and served as a bellwether for the type of investments being sought in an uncertain economic environment.

Please visit the Fund webpage for the latest performance figures: www.cromwell.com.au/crt

KEY STATISTICS

as at 31 March 2025

Status	**CLOSED**
Unit Price	**$1.58**
Distribution	**7.73% p.a.**
WALE	**5.1 years[1]**

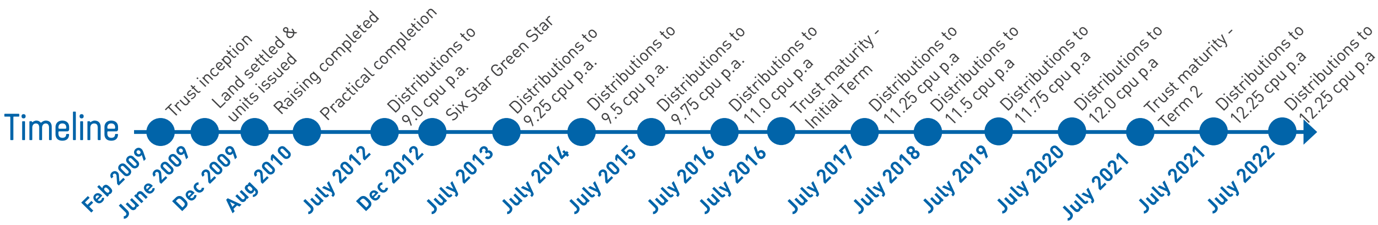
PERFORMANCE

	1 Year	3 Years	5 Years	7 Years	Inception (July-09)
Trust Performance After fees & costs	(6.4%)	(8.4%)	1.4%	3.8%	10.4%

Past performance is not a reliable indicator of future performance.

TRUST UPDATE

- See page 24 for an understanding of what is happening in the commercial real estate market.
- The asset remains 100% occupied, with a weighted average lease expiry of 5.1 years as at 31 March 2025.
- The Trust's unit price was $1.58 as at 31 March 2025.
- Distribution rate is 12.25 cents per unit for the 2025 financial year, reflecting an income yield of 7.7% based on the unit price as at 31 March 2025.
- Since inception, the Trust has delivered an annualised return of 10.4% per annum.



In addition to the footnotes below, please read the important disclaimer at the beginning of the Quarterly Reports section on page 34.

1. As at 31 March 2025. Calculated by gross income.
2. Changes to MSCI's methodology for Benchmark performance reporting has resulted in an index start date that falls post the inception date of the Trust, consequently Benchmark comparison data is no longer available for the period since inception.

See the Product Disclosure Statement dated 25 February 2009 (PDS) and the Supplementary Product Disclosure Statement dated 30 June 2009 (SPDS).

See **www.cromwell.com.au/crt** for further information.

CLOSED TO INVESTMENT

CROMWELL PROPERTY TRUST 12

Investment Report to 31 March 2025

This Trust replicates many features of Cromwell's other unlisted property trusts, including the seven-year investment period, innovative construction funding structure and long lease term. Now in its second term, the Trust is underpinned by a single asset located at 19 George Street, Dandenong.

Please visit the Fund webpage for the latest performance figures: www.cromwell.com.au/c12

KEY STATISTICS

as at 31 March 2025

Status	**CLOSED**
Unit Price	**$0.75**
Distribution Yield	**8.64% p.a.**
WALE	**5.4 years[1]**

PERFORMANCE

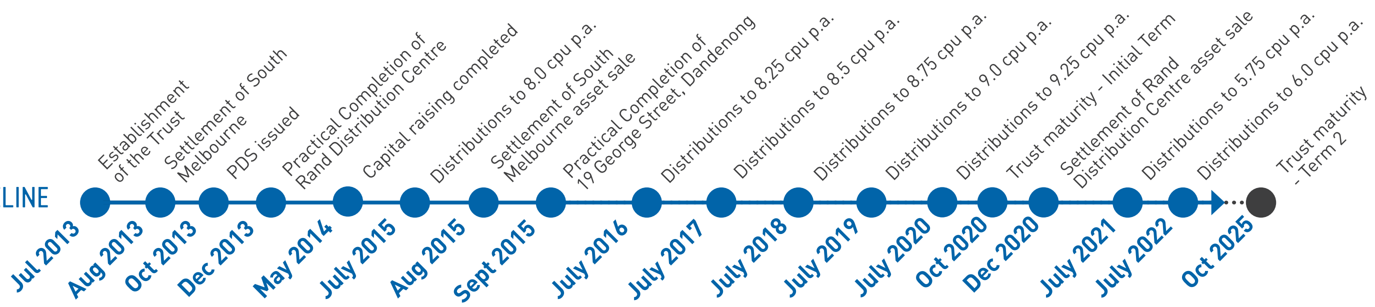
	1 Year	3 Years	5 Years	7 Years	Inception (Oct-13)
Trust Performance After fees & costs	(4.5%)	(8.1%)	4.7%	6.0%	9.5%
Benchmark PCA / MSCI Australia Unlisted Retail Quarterly Property Fund Index (Unfrozen)	(8.5%)	(5.7%)	2.3%	5.4%	11.3%
Excess Returns After fees and costs	4.0%	(2.4%)	2.4%	0.6%	(1.8%)

Past performance is not a reliable indicator of future performance.

FUND UPDATE

- See page 24 for an understanding of what is happening in the commercial real estate market.
- Over the last quarter, Cromwell Funds Management Limited (CFM) simultaneously terminated Cromwell Property Trust 12's (Trust) existing interest rate hedging and entered into a new $38 million interest rate swap. The Trust remains 100% hedged for 2.2 years.
- CFM finalised a two-year extension of the Trust's debt facility. The Trust now has a weighted average debt maturity of 2.9 years.
- The asset remains 97.9% occupied, with a weighted average lease expiry of 5.4 years as at 31 March 2025.
- The Trust's unit price was $0.75 as at 31 March 2025.
- Distribution rate is 6.50 cents per unit for the 2025 financial year, reflecting an income yield of 8.6% based on the unit price as at 31 March 2025.
- Since inception, the Trust has delivered an annualised return of 9.5% per annum.

TIMELINE



In addition to the footnotes below, please read the important disclaimer at the beginning of the Quarterly Reports section on page 34.

1. As at 31 March 2025. Calculated by gross income.

See the Product Disclosure Statement dated 29 October 2013 (PDS).

See **www.cromwell.com.au/c12** for further information.

CROMWELL PROPERTY GROUP QUARTERLY SNAPSHOT

Cromwell Property Group (ASX:CMW) is a real estate investor and manager with $4.5 billion of assets under management in Australia and New Zealand.

Cromwell is a trusted capital partner and investment manager to a range of global and local investors, capital providers and banking partners and has a strong track record of creating value and delivering superior risk-adjusted returns throughout the real estate investment cycle.

ASX announcements update - see www.asx.com.au (ASX:CMW)

22 January 2025	Valuations update
10 February 2025	Details of HY25 Results Briefing
27 February 2025	Appendix 4D and Half Year Financial Report
27 February 2025	HY25 Results Announcement
27 February 2025	HY25 Results Presentation
20 March 2025	Change of Director's Interest Notice - JP Callaghan
25 March 2025	Dividend/Distribution - CMW
14 April 2025	Change of registry address

For further information, speak to your broker or visit www.cromwellpropertygroup.com

CROMWELL PROPERTY GROUP KEY EVENTS CALENDAR

Friday 16 May	March 2025 quarter payment date
Friday 27 June	June 2025 quarter distribution ex date (tentative)
Monday 30 June	June 2025 quarter distribution record date (tentative)
Friday 15 August	June 2025 quarter payment date (tentative)
Thursday 28 August	FY25 results announcement (tentative)
Monday 29 September	September 2025 quarter distribution ex date (tentative)
Tuesday 30 September	September 2025 quarter distribution record (tentative)
Tuesday 11 November	Cromwell AGM (tentative)
Friday 14 November	September 2025 quarter distribution payment date (tentative)
Tuesday 30 December	December 2025 quarter distribution ex date (tentative)
Wednesday 31 December	December 2025 quarter distribution record date (tentative)

For further information, speak to your broker or visit www.cromwellpropertygroup.com

CONTACT US WITH ANY QUESTIONS

For the answer to any questions regarding Cromwell and our funds, please contact your financial adviser, broker or Cromwell's Investor Services Team directly.

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