

INSIGHT

MAGAZINE



STRATEGIC ASSET ENHANCEMENT: UNLOCKING LONG-TERM VALUE AT 400 GEORGE STREET

PAGE 8

6

Cromwell unveils
landmark
development

14

Stock in focus -
BWP Trust

18

Stock in focus -
Hammond
Manufacturing

22

Direct property
update

28

Listed market
update

CROMWELL PHOENIX GLOBAL OPPORTUNITIES FUND



Phoenix Portfolios

ARSN 654 056 961 | APIR Code CRM0245AU | PRODUCT FLYER | JUNE 2025

Key benefits for investors



Award-winning manager

Access the expertise of Phoenix Portfolios, a boutique investment manager



Global opportunities

Exposure to small cap global equities with assets trading at attractive discounts to valuations



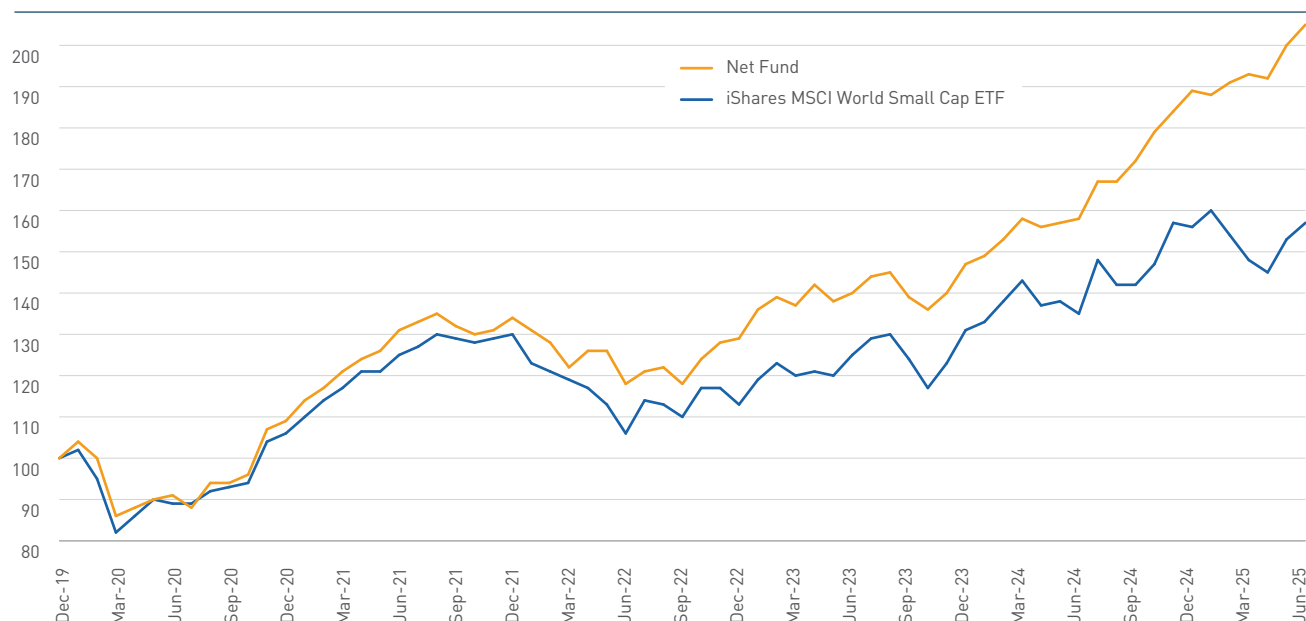
Diversification

Diversification to typical large cap managers and ETFs



Aligned interests

Significant co-investment by investment manager. Fees only paid when your investment increases in value



Past performance is not indicative of future performance.

Exposure to a diversified portfolio of international securities trading at a discount to their observable net asset values (NAVs).

Focused on small-cap stocks where analyst coverage is often low, and pricing discrepancies present the best opportunities.

Performance¹ (Annualised as at 30 June 2025)

	1 Year	2 Years	3 Years	Inception (Dec 2019)
Fund Performance After fees & costs	30.0%	21.2%	20.1%	14.2%
iShares MSCI World Small Cap ETF	16.0%	12.3%	14.0%	8.7%

Past performance is not indicative of future performance.

1. After fees and costs. Performance data for periods longer than one year have been annualised. Past performance is not a reliable indicator of future performance.

Cromwell Funds Management Limited ABN 63 114 782 777 AFSL 333 214 (CFM) has prepared this notice and is the responsible entity of, and the issuer of units in, the Cromwell Phoenix Global Opportunities Fund ARSN 654 056 961 (Fund). In making an investment decision in relation to the Fund, it is important that you read the product disclosure statement dated 26 October 2021 (PDS) and the target market determination (TMD). The PDS and TMD are issued by CFM and are available from www.cromwell.com.au/gof or by calling Cromwell's Investor Services team on 1300 268 078. This notice has been prepared without taking into account your objectives, financial situation or needs. Before making an investment decision, you should consider the PDS and TMD and assess, with or without your financial or tax adviser, whether the Fund fits your objectives, financial situation or needs. CFM and its related bodies corporate, and their associates, do not receive any remuneration or benefits for the general advice given in this notice. If you acquire units in the Fund, CFM and certain related parties may receive fees from the Fund and these fees are disclosed in the PDS. 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, the amount you will receive on withdrawal, your income or capital return or the tax consequences of investing.

Please note: Any investment, including an investment in the Fund, is subject to risk. If a risk eventuates, it may result in reduced distributions and/or a loss of some or all of the capital value of your investment. See the PDS for examples of key risks. Past performance is not a reliable indicator of future performance. Forward-looking statements in this notice are provided as a general guide only. Capital growth, distributions and tax consequences cannot be guaranteed. Forward-looking statements and the performance of the Fund are subject to the risks and assumptions set out in the PDS.

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

- 4 Latest news
- 6 Cromwell unveils landmark development
- 8 Strategic asset enhancement:
Unlocking long-term value at 400 George Street
- 14 Stock in focus: BWP Trust
- 18 Stock in focus: Hammond Manufacturing
- 22 Direct property update
- 28 Listed market update
- 30 **QUARTERLY FUND REPORTS**
- 32 Cromwell Phoenix Property Securities Fund
- 33 Cromwell Phoenix Global Opportunities Fund
- 34 Cromwell Direct Property Fund
- 35 Cromwell Riverpark Trust
- 36 Cromwell Cromwell Property Trust 12
- 37 Cromwell Phoenix Opportunities Fund
- 38 Cromwell Property Group Quarterly Snapshot
- 38 Cromwell Property Group Key Events Calendar

INSIGHT

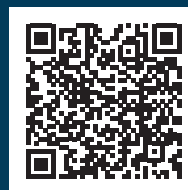
MAGAZINE

EDITION 51

Welcome to the latest edition of Insight Magazine.

In this edition, we take a closer look at two standout performers in our Stock in Focus series—BWP Trust and Hammond Manufacturing—examining their market positioning and future potential. We also hear from our property team and partnering architects as they reveal the vision and transformation journey behind 400 George Street, offering a glimpse into how thoughtful design can reimagine commercial spaces.

A monthly digital version of Insight is also available to all subscribers - so, if you would like to receive 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.



This document has been prepared by Cromwell Funds Management Limited ABN 63 114 782 777, AFSL 333214 (CFM) and Cromwell Property Securities Limited ABN 11 079 147 809, AFSL 238052 (CPSL), both of which are wholly owned subsidiaries of Cromwell Corporation Limited ABN 44 001 056 980. All statistics, data and financial information are prepared as at 30 June 2025 unless otherwise indicated. All dollar figures shown are in Australian dollars unless otherwise indicated. While every effort is made to provide accurate and complete information, Cromwell does not warrant or represent that the information is free of errors or omissions or is suitable for your intended use and personal circumstances. Subject to any terms implied by law that cannot be excluded, Cromwell accepts no responsibility for any loss, damage, cost or expense (whether direct or indirect) incurred by you as a result of any error, omission or misrepresentation in the document. This document is not intended to provide investment or financial advice or to act as any sort of offer or disclosure document. It has been prepared without taking into account any investor's objectives, financial situation or needs. Any potential investor should make their own independent enquiries, and talk to their professional advisers, before making investment decisions. Past performance is not a reliable indicator of future performance. In particular, distributions and capital growth are not guaranteed. Various unlisted funds are referred to in this document. At the date of this document, the funds are not offered outside of Australia and, in some cases, New Zealand. Neither CFM nor CPSL receive any fees for the general advice given in this document. Cromwell Property Group (Cromwell) comprises Cromwell Corporation Limited ABN 44 001 056 980 (CCL or the Company) and the Cromwell Diversified Property Trust ARSN 102 982 598 (DPT or the Trust), the responsible entity of which is CPSL.

LATEST NEWS



Cromwell secures lease renewal for key tenant at 700 Collins Street

We're proud to share that Cromwell Property Group has successfully renewed a long-term lease with a key government tenant at our flagship Melbourne asset, **700 Collins Street**.

The Bureau of Meteorology, a valued Commonwealth Government partner, has committed to a further 10-years, continuing its occupancy across approximately 10,000 sqm of office space in our A-grade tower.

Located adjacent to Southern Cross Station in the vibrant Docklands precinct, 700 Collins Street offers exceptional connectivity, amenity access, and a high standard of service delivery—making it a sought-after workplace destination.

Tessa Morrison, Cromwell's Head of Property Operations, shared:

"This renewal reflects the strength of our relationship with the Bureau and the enduring appeal of 700 Collins Street. It's a testament to the quality of the asset and our commitment to tenant engagement."

We're actively managing this asset with a focus on long-term performance and sustainability, aligned with our net zero by 2035 target. Through ongoing upgrades and operational improvements, we're future-proofing 700 Collins Street to meet the evolving needs of our tenants.



Cromwell sells interest in Chatswood joint venture

Cromwell has signed a conditional sale contract¹ to exit its 50% stake in **475 Victoria Avenue, Chatswood, NSW**. We will sell our 50% share for approximately \$87 million², with a positive impact on FY26 earnings and a reduction in the Group's gearing of approximately 3%.

The sale reflects a 9% discount to the most recent valuation³. Since purchasing the asset in 2006 for \$110 million and selling 50% to joint venture partner in 2020 for \$120 million, the Group will realise a property IRR of over 8.5% over the investment period. The transaction is anticipated to complete in 1Q FY26.

Cromwell debt refinance

Following the successful sale of our European platform, Cromwell has taken further positive steps to strengthen its financial position. We have successfully renegotiated our bilateral debt facilities, resulting in more favourable terms plus flexible covenants and longer duration.

The renegotiation has resulted in a decrease in Cromwell's weighted average drawn credit margin from 1.77% to 1.31%. Negotiation of this improvement in Cromwell's debt terms was supported by the significantly reduced net debt and gearing position of the Group.

1. Standard conditions including FIRB and finance.

2. Subject to standard settlement adjustments.

3. 30 June 2025 independent valuation currently in draft form. Valuation as at 31 December 2024 of \$101.5m for 50%



Cromwell portfolio achieves 4-Star Green Star performance rating

Building on our commitment to achieve net zero emissions across scopes 1, 2, and 3 by 2045, Cromwell has achieved a **4 Star Green Star Performance Rating certification (v1.2)** for building operations, representing best practice in better, healthier and more responsible buildings.

Green Star Rating System is a nationally recognised certification from the Green Building Council of Australia that independently assesses the operational sustainability of existing buildings across categories such as energy, water, waste, indoor environment quality, and management.

This result reflects the tangible progress we've made across our portfolio and reinforces our dedication to continuous improvement in energy efficiency, emissions reduction, and environmental outcomes.

CROMWELL PROPERTY GROUP FY25 RESULTS BRIEFING

Cromwell releases its full year results for the period ending 30 June 2025 on Thursday 28 August 2025. An online briefing will cover FY25 financial results, hosted by Chief Executive Officer Jonathan Callaghan and other members of the Cromwell team.



Visit the Cromwell website for more details:
<https://www.cromwellpropertygroup.com/fy25-results/>

CROMWELL UNVEILS LANDMARK DEVELOPMENT

Barton, ACT development

In July Cromwell announced a major milestone in our strategic growth phase.

We have entered into an agreement for lease with a Commonwealth Government entity to develop a 19,800 sqm office building in Barton, ACT.

The six-level facility, designed to achieve a 6.0-star NABERS Energy and 6.0-star Greenstar rating, will be 100% occupied by a key Commonwealth Government department under a 15-year lease with an option for a 5-year extension, providing long-term income stability.

The site is located in a premier location within the Parliamentary Precinct and enables the consolidation of multiple Commonwealth tenancies into a single building, close to important counterparts and Capital Hill.

Jonathan Callaghan, Cromwell CEO commented: "While broader market conditions have made new developments challenging, this project stands out as a compelling opportunity and is a strategic step forward after the completion of our business simplification process. The project will be led by Cromwell's skilled inhouse Development team, ensuring the delivery of a top-of-the-line facility."





With a long lease to the Australian Commonwealth Government, a AAA-rated, low risk tenant, this initiative is expected to drive strong returns.”

While the project will initially be funded by Cromwell, ultimately the outstanding quality of this project, and current lack of comparable opportunities, will make this asset very attractive to future capital partners as the Group transitions to a capital light investment management model continues.

The anticipated total cost of the development is \$201 million. This includes land, construction costs, fees, finance costs, and a tenant incentive which is commensurate with market, to be taken in instalments during the delivery of the project. The projected yield on cost is expected to be greater than 6.3%.

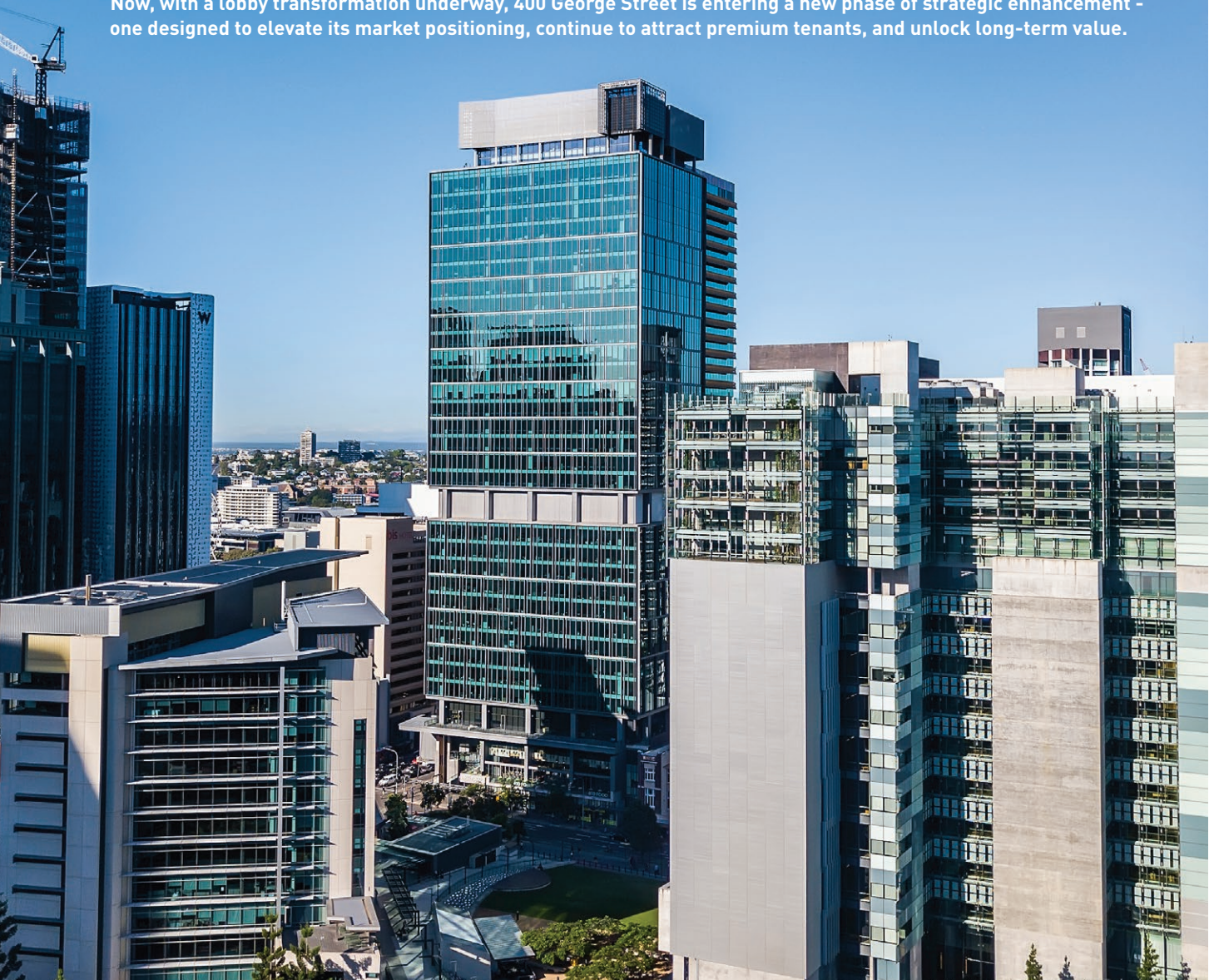
Gary Weiss, Cromwell Chair commented that “The journey to simplify Cromwell’s business has taken some time. We are pleased that the focus is now shifting to deployment of the Group’s strengthened balance sheet into careful and considered growth initiatives. Our business is ready and well equipped for the next stage of our journey”. ■



STRATEGIC ASSET ENHANCEMENT: UNLOCKING LONG-TERM VALUE AT 400 GEORGE STREET

Located in Brisbane's prestigious North Quarter, 400 George Street is a 35-level commercial tower offering 43,978 square metre (sqm) of net lettable area across office, retail, and childcare. With an 89.8% occupancy rate supported by blue-chip corporate and government tenants, the building is a cornerstone of the precinct's commercial landscape.

Now, with a lobby transformation underway, 400 George Street is entering a new phase of strategic enhancement - one designed to elevate its market positioning, continue to attract premium tenants, and unlock long-term value.





THE REFURBISHMENT STRATEGY

Scope of works

400 George Street is undergoing a comprehensive redevelopment of its ground floor lobby, designed to modernise the space and elevate both its functionality and visual appeal. Key upgrades include a new street-facing entryway, an internal staircase and a new terrace, creating a more seamless and welcoming arrival experience.

The refurbishment will introduce flexible zones that support both informal and formal meetings, catering to the diverse needs of tenants and visitors. Additionally, a new 235 sqm food and beverage retail tenancy—featuring indoor and outdoor access—will be integrated into the lobby, enhancing social interaction and lifestyle convenience within the building.

“So what we’re trying to do with the lobby is to create spaces for informal, formal, and serendipitous interaction”

Chris Field, Senior Associate, Woods Bagot

Design vision

Led by renowned architect, **Woods Bagot**, in collaboration with **Cromwell Property Group**, the lobby refurbishment is set to focus on creating a seamless, welcoming, and functional space. The vision is to emphasise connectivity, natural light, and a premium finish. “The design concept is conceived as a landscaped garden portal which creates a unique urban subtropical experience that is enriched through the natural stone cladding, the generous landscape provision, and the integration of public art.”

The space is created with multi-purpose spaces for the modern working environment. “The flexibility of the modern working environment really questions the role that cities play, and the workplaces within them. So what we’re trying to do with the lobby is to create spaces for informal, formal, and serendipitous interaction”

This aligns with findings from Hassell’s Workplace Futures Survey 2024, which show that tenants increasingly value domestic-style amenities such as green spaces, fresh air, and wellness-focused environments—features that are central to the new lobby design¹.

1. Hassell. The Big Calm: 2024 Workplace Futures Survey. Retrieved from RP_20240910_TheBigCalm_Whitepaper_FINAL.pdf

STRATEGIC VALUE CREATION

Repositioning 400 George

Rewinding the clock to 2009, to the time of construction, the North Quarter was an emerging precinct with limited amenities. A food court was installed on Level 1 to meet tenant needs, accessed via an escalator at the building's entrance.

Today, the precinct is thriving, with abundant amenities and major occupiers like Suncorp, KPMG, Telstra, Microsoft and Santos. This evolution has enabled the transformation of the former level 1 food court into a purpose-built wellbeing and third-space. This upgraded area now includes a boardroom, training room, 200 sqm breakout/function space, multi-faith room, and 38 additional lockers—providing flexible environments for collaboration, learning, and reflection.

Complementing this is a class-leading end-of-trip facility, designed to support active commuting and wellness. Naturally lit and ventilated, the facility features 26 showers with Smart Fixtures, 530 lockers, 200 secure bike parking spaces, touchless entry, Dyson and GHD hair tools, a wellbeing room, and a dedicated yoga/workout space.

Together, these amenities are far better aligned with the expectations of the buildings occupants. They reflect a strong commitment to tenant wellbeing and sustainability both of which are increasingly recognised as key drivers of leasing decisions. As highlighted in JLL's *Tenant Perspectives 2024*, organisations are prioritising high-quality, ESG-aligned workplaces that support employee experience, operational efficiency, and long-term business goals².



END-OF-TRIP FACILITY

With key leasing milestones on the horizon in 2025 and 2026, the timing of the lobby refurbishment is strategic. It ensures the ground floor presentation matches the quality of amenity offered throughout the building and positions the asset competitively alongside Prime Grade offerings in the area. As part of the initial upgrade phase, the now-redundant escalator has been removed to create a more prominent and inviting street-level entryway—enhancing visibility, accessibility, and overall appeal.

Importantly, the refurbishment also plays a key role in repositioning 400 George Street as a premium commercial destination within Brisbane's North Quarter. The upgrade aligns with broader precinct improvements, including the redevelopment of Roma Street Station, further enhancing the building's connectivity, appeal, and long-term competitiveness.

Once complete, the lobby transformation will reinforce 400 George Street's standing as one of the leading A-Grade assets in the precinct—delivering lasting value for tenants and investors alike.



THIRD SPACE

2. JLL. Tenant Perspectives 2024. Retrieved from [jll-tenant-perspectives-2024.pdf](#)

PROPOSED NEW ENTRYWAY



EXISTING ENTRYWAY





LONG-TERM BENEFITS

Occupancy and rental growth

The lobby refurbishment is expected to play a key role in strengthening tenant retention by enhancing the overall experience and amenity offering. By delivering a premium arrival experience and modern, flexible spaces, the upgrade positions 400 George Street as a highly attractive option for tenants seeking quality and convenience in a CBD location.

JLL's research shows that tenants are increasingly consolidating into prime-grade buildings to meet employee experience and sustainability goals. These improvements also create the opportunity for rental uplift, driven by enhanced presentation, upgraded facilities, and the introduction of prime retail space on the ground floor².

ESG and sustainability alignment

400 George Street's strong sustainability credentials—including a 5.5-Star NABERS Energy rating, 4.5-Star NABERS Water rating, and a 5.0-Star Green Star As-Built rating—continue to make it an attractive option for government and blue-chip tenants seeking environmentally responsible workplaces.

The lobby refurbishment further reinforces Cromwell's commitment to health-focused design and urban sustainability. By integrating natural materials, enhancing access to daylight, and creating spaces that support wellbeing and social connection, the upgrade contributes meaningfully to the building's ESG performance and long-term environmental goals.

CONCLUSION

The lobby refurbishment at 400 George Street is more than a facelift—it's a strategic investment in the future of Brisbane's commercial landscape. With visionary design and premium amenities, the project is set to elevate the building's status and deliver long-term value to tenants and investors alike. ■



STOCK IN FOCUS: BWP TRUST

No more Bunnings snags!



Stuart Cartledge

Managing Director
Phoenix Portfolios



Phoenix has long discussed the importance of assessing governance in its investment process. The much-repeated Charlie Munger quote “show me the incentives and I will show you the outcome,” rings as true today as when he first said it. As such, we have maintained a preference for internally managed vehicles over those managed externally by fund managers focused on growing their funds under management. In June, BWP Trust (BWP) announced a major transaction, comprising the internalisation of management, along with a lease reset for many of the Bunnings tenanted properties owned by the trust. These interlinked transactions removed two of the key “snags” that were holding back our investment in the stock.

Brief history

BWP conducted an initial public offering (IPO) in 1998, initially comprising 16 hardware retail properties tenanted by Bunnings Warehouse and 4 properties under development, to be tenanted by Bunnings. These properties were vended into the trust by Wesfarmers, the owner of the Bunnings Warehouse business. 99 million units were to be issued to public shareholders, with 33 million units

subscribed to by Wesfarmers, all at an offer price of \$1.00 per unit. Of the 20 initial properties, 15 are still owned by BWP. Their valuation has increased from \$133.1 million to \$644 million today, representing growth of 6% per annum. The IPO portfolio was vended to BWP at an initial yield of ~9.0%, whilst the most recent valuation showed a capitalization rate of 5.4%. Despite this, much of the value appreciation has been driven by rent growth, with increases in rental payments growing 4.3% per annum for the properties held since IPO. Returns to shareholders have also been solid, with BWP producing a total return of 11.8% per annum since IPO.

It is not only per share metrics that have grown. The units on issue have grown to 713.5 million, increasing more than 4x when compared to 1998. Much of this equity issuance did occur in capital raises above, or near net tangible asset backing. This growth may well have served BWP unitholders well, diversifying the portfolio and creating a more relevant entity, but it is worth acknowledging that on a per share basis, unitholders would have done perfectly well merely holding onto the initial portfolio. It is not questionable that the external manager of BWP, Wesfarmers, has very clearly benefited from this growth, as the recent transaction proves.

SNAPSHOT: BWP TRUST

Key Update In June, BWP Trust announced two major changes:

1. **Internalisation of management:** Ending its external management by Wesfarmers, BWP paid \$142.6 million (10.6x FY26 EBIT) to take control.
2. **Lease reset:** Extended lease terms on 62 Bunnings properties, increasing the WALE from 4.6 to 9.5 years, boosting property value by an estimated \$50 million.

Why it matters



Better alignment:

Internal management means decisions now serve unitholders directly, as opposed to serving the dual interests of unitholders and the external manager.



Cost savings:

Expected to save over \$5 million annually, with 2% dividend accretion in FY26.



Improved asset quality:

Longer leases make properties more attractive and saleable.



Capital investment:

\$86 million committed to property upgrades, with \$56 million rentalised and \$30 million co-funded with Bunnings.

Valuation & Outlook

- BWP now trades at \$3.52/unit, a 7% discount to its pro-forma NTA of \$3.79/unit.
- Historically traded at a premium due to strong tenant (Bunnings) and reliable dividends.
- Due to the above changes, Phoenix has started buying BWP units again.

These interlinked transactions removed two of the key “snags” that were holding back our investment in the stock.

Coming to today

How much has Wesfarmers benefitted from BWP’s growth? In June, BWP announced it would internalise management of the company, paying Wesfarmers \$142.6 million, representing 10.6x the management company’s estimated 2026 Financial Year (FY26) earnings before interest and tax (EBIT). In FY26 this will produce cost savings to BWP of more than \$5 million, however this likely understates the true savings, as this includes transaction costs (associated with this deal) and does not include benefits of additional scale. The deal is also 2% accretive to the FY26 dividend. As fees are charged as a percentage of assets under management, growth under the old structure would naturally lead to an increase in management costs. Adding an additional Bunnings property to an internally managed vehicle, however, should barely make a difference to administration costs. This creates a better alignment of interests, meaning any decision to grow is more likely to be solely in the interests of unitholders, as opposed to serving the dual interests of unitholders and the external manager.



Connected to this deal is the announcement of an extension and reset of the lease terms of 62 Bunnings leases. This increases the weighted average lease expiry (WALE) of Bunnings tenanted properties owned by BWP from 4.6 years to 9.5 years. An independent expert has assessed that this is likely to increase the value of the properties owned by BWP by ~\$50 million. This may understate the true value uplift as it does not directly consider the optionality inherent in the leases. Bunnings tend to have options embedded in their leases to extend the lease. The options have a cap and collar of 10%, meaning the rent can only increase or decrease as much as 10% upon option exercise. As Bunnings controls the option, they will likely exercise it on any strongly performing stores and likely won’t on any underperforming stores, which are more likely to be in inferior locations. With the WALE having decreased to 4.6 years this was a key concern. The lease extension does not extinguish this concern, however, it does push it out 5 years. Additionally, Bunnings properties with longer WALEs are meaningfully more saleable, with recent transactions very supportive of independent valuations.

The final element of the transaction is a commitment to capital expenditure by BWP. \$56m of this is to be rentalised at a fair rate, whilst an additional \$30m will be equally and jointly funded by BWP and Bunnings to improve some older properties. This amount won’t be rentalised, however should support asset values and prove a commitment by Bunnings to stay in that space.



What to do about it?

For much of its history, BWP has traded at a premium to its net tangible asset backing. A strong, prominent covenant and steadily growing dividends attracted a large retail shareholder base to the stock, supporting valuation over time. Given elevated share prices, along with an awareness of negative optionality and an external management structure with poor incentives, Phoenix has very rarely held any position in BWP¹. As at the end of June, BWP traded at \$3.52 per unit, approximately a 7% discount to the pro-forma net tangible asset backing of \$3.79 per unit. The capitalization rate used to deduce this value compares favourably to recent transactions. All told, this transaction removes two “snags” with investing in BWP.

Namely, a relatively short WALE, creating a large degree of uncertainty in the short to medium term and perhaps more importantly, aligns incentives between BWP’s management and those of independent unitholders². Phoenix has also been impressed with the quality of BWP management and board members and the transactions they have undertaken.

Given this and the stock’s reasonable valuation, the portfolio has begun purchasing BWP units for the first time in a long time. Owning a rock solid portfolio of properties leased to one of the strongest tenants in Australia, with a strong, efficient and aligned management team, at a discount to somewhat conservative independent valuations, seems like a worthy investment. ■

ABOUT CROMWELL PHOENIX PROPERTY SECURITIES FUND



Read more about Cromwell Phoenix Property Securities Fund, including where to locate the product disclosure statement (PDS) and target market determination (TMD) at www.cromwell.com.au/psf. Investors should consider the PDS and TMD in deciding whether to acquire, or to continue to hold units in the Fund.

1. Phoenix has briefly held positions in BWP in times of temporary weakness, but quickly reduced the position as it returned to fair value.
2. The proposed remuneration framework laid out in the meeting booklet is top quartile for property companies under coverage, with remuneration outcomes closely linked to shareholder returns.



Jordan Lipson

Managing Director
Portfolio Manager, Cromwell Phoenix
Global Opportunities Fund

STOCK IN FOCUS: **HAMMOND** MANUFACTURING

More than 100 years ago, Oliver Hammond was on the way to supporting a nine-person family in a small house behind train tracks in Guelph, Ontario, Canada. Seeking to improve the family's life, Oliver set up a pedal-powered lathe in a backyard shed. Oliver and his two sons worked in the business until Oliver's early death, at which point his wife, Lillian, continued the business with her sons and daughters. Foot power soon gave way to electricity, and the company, then known as O.S. Hammond and Son, began producing radio sets, battery chargers and related devices.

In the 1930s, Hammond created its first electrical racks and cabinets, the products that make up the core of Hammond Manufacturing's business today. With the exploding demand for electrification in the 1950's and 1960's, Hammond became a meaningful supplier of electrical transformers, alongside its enclosures, racks and cabinets. In 2001, the business was split, with the transformer division spun into a new company, Hammond Power Solutions (HPS), and the enclosures business remaining with Hammond Manufacturing (HMM). Robert Hammond is Chair and CEO and controlling shareholder of HMM, while William Hammond is Chair and controlling shareholder of HPS. Both businesses are listed on the Toronto Stock Exchange, serve similar end markets and have similar growth drivers, yet their valuations could not be more different.

1. All currency in this commentary refers to Canadian Dollars unless otherwise noted

A tale of two Hammonds

HPS has unequivocally delivered great results in recent times, with growth driven by demand from data centres as well as other industrial applications. HPS also has a highly professional investor relations function, with detailed quarterly results presentations, slick ESG reporting and analyst coverage by major Canadian investment banks. HPS has been rewarded with a fair valuation. It has a market cap above \$1.5 billion¹ and trades on a price to earnings ratio above 17x.

While HMM's business hasn't quite kept pace with HPS's eye watering growth, over the past seven years it has grown revenues at approximately 10% per annum and earnings before interest and tax (EBIT) at a rate of approximately 25% per annum. For all this good work, HMM has been "rewarded" with a price to earnings ratio of approximately 6x. HMM's market capitalisation is just above \$100 million, and shares are almost 40% owned by Robert Hammond leaving limited free float, partly explaining the cheap valuation. Furthermore, HMM's investor relations function is almost non-existent, with a website out of the early 2000s and major updates from the Chairman limited to concise yearly letters in a mostly black and white annual report. As an example, the entirety of the most recent letter can be found at the end of this article. The lack of shiny presentations is not of concern.

SNAPSHOT: HAMMOND MANUFACTURING

Background

Founded over 100 years ago in Guelph, Ontario, Hammond Manufacturing (HMM) started as a family-run business making radio sets and battery chargers. Today, it focuses on electrical enclosures, racks, and cabinets. In 2001, the company split into two:

- HMM (enclosures) with Robert Hammond as Chair and CEO and controlling shareholder of HMM
- Hammond Power Solutions (HPS) (transformers) with William Hammond as Chair and controlling shareholder of HPS

Both are listed on the Toronto Stock Exchange and serve similar markets, but their valuations differ significantly.

Valuation Gap: HMM vs. HPS

- HPS: Market cap over \$1.5 billion¹, trades at 17x earnings, with strong investor relations and analyst coverage.
- HMM: Market cap just over \$100M, trades at 6x earnings, with minimal investor outreach and limited public float (40% owned by CEO Robert Hammond).

Despite HMM's solid growth (10% revenue and 25% EBIT CAGR over 7 years), it remains undervalued.

Strengths of HMM

- Conservative, long-term focus: CEO Robert Hammond emphasizes security and stakeholder value.
- Customer-first approach: High inventory levels and custom solutions ensure fast delivery and strong relationships.
- Property ownership: Owns over 500,000 sq ft of facilities, held at depreciated cost—adding hidden value.
- Clean financials: Transparent reporting and disciplined capital allocation.

Valuation Potential

- Comparable company: Nvent (owner of Hoffman, HMM's main competitor) trades at 18x EBITDA.
- Recent deal: Nvent bought Trachte (similar business) for 12x EBITDA.
- If HMM were valued similarly, its share price could be 4x higher.

Outlook

- HMM trades at a deep discount to both earnings and book value.
- While a takeover is unlikely (due to Robert Hammond's conservative approach), the business is well-positioned for long-term value creation.

Investors may need patience, but the current price offers a compelling opportunity.



The financial statements are remarkably clean and understandable, and capital allocation priorities are clear, reasonable and focused on long term stakeholder outcomes. This is preferable to well marketed presentations, with highly adjusted earnings figures, which do not resemble the earnings power of the business. Despite this, it may in part explain some of HMM's cheap valuation.

A safe and secure business

Despite the fast pace of growth, Robert Hammond values running a secure, conservative business. He ends each yearly letter stating, "we continue to build long term security and success for all our associates". Still retaining family business values, there is a focus on promoting within and allowing "associates" to build a career at HMM. As Robert Hammond describes, "Grandma Lillian" taught the importance of customer service excellence and making your word your bond. This can be clearly seen in the strategy of HMM. It maintains significantly higher inventory levels than competitors so customers can receive their mission critical products in quick time. This held the company in relatively good stead during the COVID-affected period when supply chains came under pressure and demand meaningfully accelerated. The customer focus can be seen in the hands-on customisation options provided to customers and deep relationships with distributors, with sales staff even going on some distributor's podcasts to spruik their wares.

Beyond this, HMM owns most of its manufacturing and corporate property footprint. This property is held at depreciated cost on its balance sheet. These properties have been acquired over a long period of time, including its main facility and corporate head office in Edinburgh Rd, Guelph, which was built in 1953. More recently, a 97,000 square foot facility was built when it became clear the existing

production facilities were a constraining factor to the business. The property portfolio totals more than 500,000 square feet. HMM trades at a discount to its unadjusted book value, however applying a (very) conservative valuation to its property portfolio, HMM trades at a more than 40% discount to its book value, despite a strong return on assets and quality reinvestment opportunities. This exercise is somewhat theoretical as it is unlikely HMM will sell its properties, but ownership does allow for the security the business craves and increases the quality of its earnings.

The financial statements are remarkably clean and understandable, and capital allocation priorities are clear, reasonable and focused on long term stakeholder outcomes.

A comparison

The largest competitor to HMM's electrical enclosure business is Hoffman, which is wholly owned by US-listed business Nvent. The entire company has a market capitalisation of more than USD\$12 billion and owns related businesses such as those that produce cable management and power management products. Nvent recently acquired Trachte, a business that manufactures control buildings, for USD\$695 million, or a price of 12x its forecast earnings before interest, tax, depreciation and amortisation (EBITDA). The company was at pains to equate the quality of this business to its enclosures business, with the CEO stating, "these control buildings are essentially larger enclosures." If HMM were to be valued at Trachte's acquisition multiple its share price would be four times higher (without adjusting for HMM's property ownership). Nvent itself is valued at an enterprise value to EBITDA ratio of approximately 18 times. Valuing HMM at this multiple produces silly outcomes for HMM's potential equity returns. Nvent's enclosure business does have higher earnings margins and return on assets than HMM, but much of this is attributable to the fact this segment does not include apportioned centralised costs. In addition, Nvent runs with a leaner inventory profile and does not own its property.

Nvent has refined its portfolio acquiring new businesses and selling those it that no longer fit into its "connect and protect" businesses. In Nvent's most recent earnings call, its CEO stated, "And on the acquisition M&A pipeline question, I would like to say that where we play in this Connect and Protect space, it's about a \$100 billion opportunity. And remember, at \$3-plus billion, we're one of the larger players. So it's very fragmented. And I think there's a lot of opportunities." HMM's business would fit perfectly for Nvent's desires, as there would no doubt be an abundance of synergies to extract. It is highly likely that this would be anathema to Robert Hammond, who prefers to run a more secure, but less efficient business focussed on all stakeholders, including customers and employees. However, it is likely that Nvent would pay many multiples of today's share price to acquire HMM.



Where to from here?

These valuation exercises are important to do, but an instant realisation event is highly unlikely. HMM does however trade at a price to earnings ratio of approximately 6x and a meaningful discount to any assessment of true book value. These valuation levels imply the business is antagonistic to shareholders or that earnings aren't sustainable. On the first count, Robert Hammond is a major shareholder and receives below market remuneration. He has also previously discussed that HMM shares are owned by hundreds of employees. On the second, while HMM's end markets are very much cyclical, the business has produced operating profits each year since 2002 and is the beneficiary of some industries facing an elongated period of secular growth. One such example is the growth in data centre development.

All in all, it is hard to say when and if HMM's shares will reflect fair value. Its management are long-term oriented and clearly care about all stakeholders. Similarly, precisely assessing HMM's fair value is challenging and will likely be different to an acquirer, relative to a continuation of the status quo. What can be said is the current share price reflects a very meaningful discount to fair value. We will wait patiently for this value to be reflected while Robert Hammond and the HMM team work to make the business even more valuable in the future. ■

REPORT TO SHAREHOLDERS

Dear fellow shareholders, employees, and stakeholders:

We are pleased to communicate the results for 2024.

The strong performance of our US operations contributed to the solid results described in the attached statements.

As we enter the uncertainties of 2025, our strength to respond as a team will continue to be important.

We supply good products with super service and competitive prices to global customers. This is our strategy for security and continued growth.

We continue to build long term security and success for all our associates and once again want to express our appreciation for everyone's involvement in the year's success.

Sincerely,

Robert F. Hammond
Chairman & CEO

Alex Stirling
Executive VP

HMM's investor relations function is almost non-existent, with a website out of the early 2000s and major updates from the Chairman limited to concise yearly letters in a mostly black and white annual report. Above is an example of the 2024 yearly letter.

**ABOUT CROMWELL
PHOENIX GLOBAL
OPPORTUNITIES FUND**



For more in-depth performance commentary on select undervalued international securities, sign up to the Cromwell Global Opportunities Fund quarterly update!

DIRECT PROPERTY UPDATE

JUNE 2025 QUARTER

Economy

The June quarter was notable for its geopolitical instability, headlined by Israel's strikes on Iran and the subsequent involvement of the US. While Iran's parliament voted to close the Strait of Hormuz and impede oil supplies in retaliation, the closure has not been enforced, and Brent Crude prices are only 4% higher than a month ago¹. Tensions have cooled to some degree and economic implications have been limited, however the situation could deteriorate and affect economic growth and/or inflation in the months and quarters ahead.

The other most newsworthy events, since our last market update, occurred after the completion of the June quarter – the RBA's July rate decision and Trump's 'Liberation Day 2.0'. A cautious RBA elected to adopt a "wait and see" approach, going against market pricing and economists' expectations to keep the cash rate steady at 3.85% in a split vote (6:3). The Monetary Policy Board wanted to see more evidence that inflation is likely to stay within the target band – namely June quarter CPI (released July 30th) and June employment data (July 17th). These data points will be released prior to the next RBA decision in August and,

absent a shock outcome, are expected to pave the way for the third cut of 2025. The market is now expecting 64bps of cuts over the remainder of the year².

In its decision statement, the RBA flagged elevated global uncertainty and the unknown final scope of US tariffs and associated policy responses – on this front, there has been little respite. Reciprocal tariff rates were set to come into force on 8th July (US time) following a 90-day suspension, however the pause was extended until August 1st. Adding to the complexity, Trump proposed several new tariffs in early July including a 50% tariff on copper imports, 200% on pharmaceuticals from countries with "unfair" pricing mechanisms, and 50% on all imports from Brazil. These measures do not distinguish between ally or foe, and while the announcements may be negotiating bluster, the resulting uncertainty further diminishes confidence in the US as a stable and reliable investment destination. Fortunately, the RBA has plenty of capacity to stimulate the Australian economy if this global uncertainty leads to softer domestic growth.

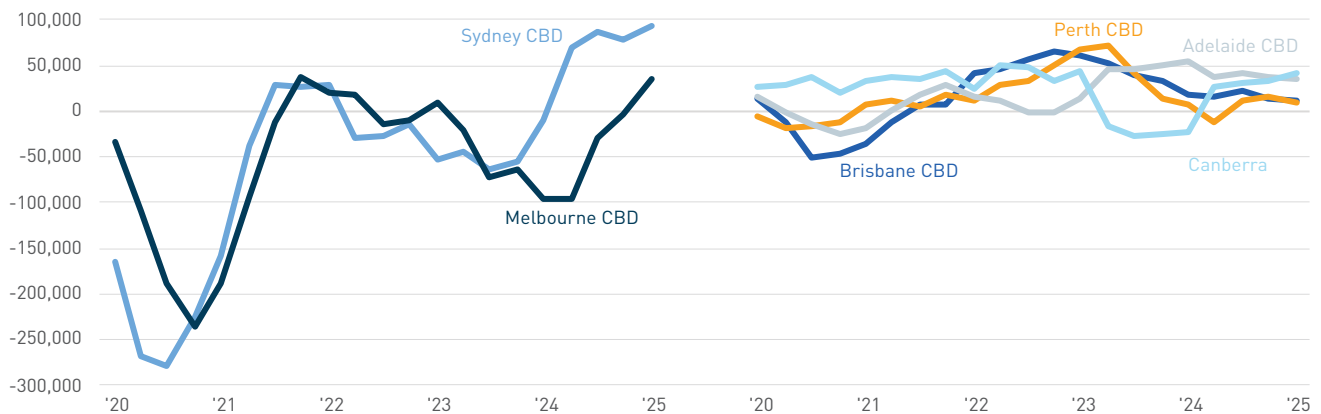
1. Cromwell analysis of MarketWatch data (9 July)

2. ASX (8 July)

Brent Crude oil price



Source: U.S. Energy Information Administration, retrieved from FRED (9th Jul); Cromwell

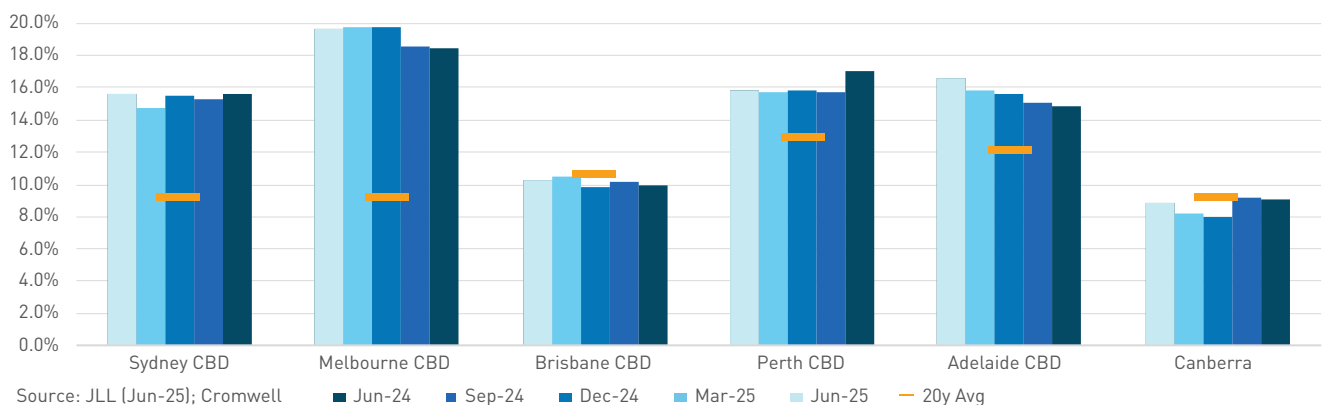
Net absorption YoY (Sqm)

Source: JLL (Jun-25); Cromwell

Office

Analysis of JLL Research data indicates nearly 57,000 square metres (sqm) of positive net absorption was recorded across Australia's major CBD markets in Q2 2025, marking the first quarter since 2021 where all markets saw demand for space grow. National CBD office demand has now been in positive territory for 11 of the past 12 quarters. Sydney CBD was comfortably the top performing market from a demand perspective, with 23,500 sqm of net absorption and 92,400 sqm over the last 12 months. Melbourne's CBD benefitted from tenants centralising from Fringe markets, while the Brisbane CBD saw a number of large occupiers expand their footprint.

Despite the positive demand result, the national CBD vacancy rate edged 0.1% higher to 15.0% due to supply completions. Perth CBD saw the largest increase in total stock following Cbus/Brookfield's completion of the premium development 'Nine The Esplanade'. The rest of the increase in supply largely came from the Sydney CBD market, where a major refurbishment in Circular Quay and a luxury mixed use development were completed. While the vacancy rate increased in these two markets, the Brisbane and Adelaide CBDs both saw a tightening of 0.3% pts. In Canberra, the vacancy rate continues to vary significantly by precinct.

**Total vacancy rate**



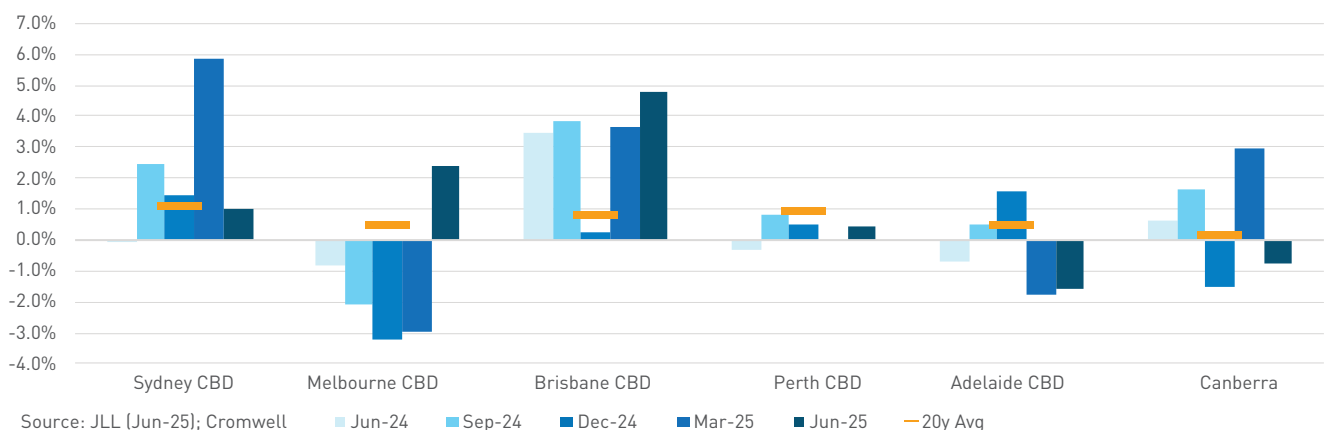
National CBD prime net face rent growth maintained its strong pace (+1.4%), taking annual growth to +6.0%. Brisbane recorded the strongest growth, reflecting the market's low vacancy rate. Performance was also strong in the Melbourne CBD, where headline rents saw the biggest quarterly jump since 2019. Prime incentives were largely unchanged across all of the CBD markets, with Brisbane CBD (-0.3% pts) and Canberra (+0.3% pts) seeing the biggest movements. This resulted in effective rents – headline rents adjusted for incentives – growing most strongly in Brisbane and Melbourne.

Transaction volume fell to \$0.9 billion for the quarter, representing the second-lowest June quarter result since the start of the data series (2007). The weak volume

figure was due to a lack of major assets changing hands – the largest transaction this quarter was c\$290 million, compared to more than \$600 million last quarter. However, on a number of deals basis, this quarter saw more activity than last quarter. From a market perspective, Sydney CBD comprised the greatest share of national volume, while the Brisbane Fringe was the only market where volume exceeded the 10-year average.

There was further evidence that the office valuation cycle is at, or close to, the bottom. Average prime yields were unchanged in every CBD market except Brisbane, where a slight expansion of 6.5bps was recorded.

Prime net effective rental growth (QoQ)



Source: JLL (Jun-25); Cromwell

Jun-24 Sep-24 Dec-24 Mar-25 Jun-25 20y Avg

Retail

Getting a read on the strength of the consumer has become more challenging over recent months, with Cyclone Alfred (March), and the unusual timing of the Easter/Anzac Day long weekends both introducing some noise in the data. Purchases of winter clothing supported growth in the most recent monthly data (May), however the pace of growth continues to lag expectations. With the RBA choosing to remain on hold, the drag of consumer pessimism may persist a while longer.

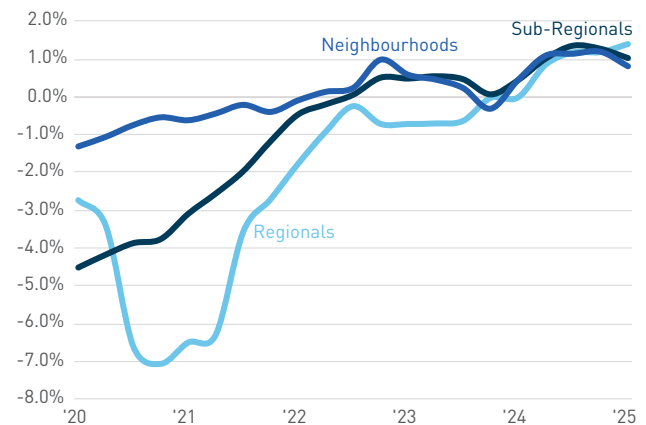
Positively for retail real estate, the biannual vacancy rate was largely unchanged over the last six months. Regional shopping centres saw vacancy decrease from 1.6% to 1.5%, while Neighbourhoods saw a significant decrease of 0.8% pts from December to June. These improvements were offset by a large increase in vacancy rate across the Sub-Regional centre type. From a market perspective, conditions tightened across every centre type in Sydney, while Melbourne was the main driver of higher Sub-Regional vacancy.

Supply remains muted with only 13,600 sqm of Neighbourhood space added to national core retail stock over the quarter. The limited supply pipeline is supporting retail fundamentals, however rents were largely unchanged over the latest quarter. On an annual basis, growth has been strongest in S.E. Queensland.

Retail transaction volume strengthened again over the quarter to total \$2.4 billion. The result was buoyed by the Neighbourhood sub-sector which recorded its second biggest quarter of deal volume in history at just over \$860 million. The elevated volume was skewed by the \$450 million sale of St Ives Shopping Village, an unusually large transaction which included some adjoining residential properties and presents development potential. Large Format Retail continued to record elevated deal volume, with significant single tenant assets such as IKEA, Costco, and Bunnings, comprising the majority of this quarter's activity.

Sub-Regional yields compressed across every market except S.E. Queensland. This centre type has seen the biggest recovery in yields since pandemic highs, and pricing is now approaching pre-COVID levels. Neighbourhood yields also decreased in Perth, while there was no movement across the Regional shopping centre type.

Retail net rent YoY change (excl. Canberra)



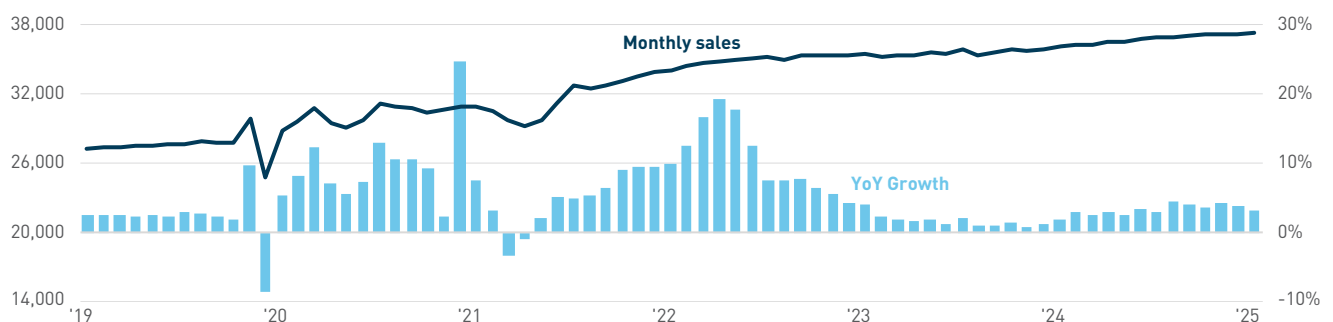
Source: JLL (Jun-25); Cromwell

Industrial

Occupier take-up (gross demand) was in line with last quarter at nearly 800,000 sqm. Transport & Warehousing was the main driver of the result with over 300,000 sqm of gross demand recorded. It was also a solid result across Retail & Wholesale Trade, with demand underpinned by Kmart's preleasing of a new major distribution centre at Sydney's Moorebank Intermodal Precinct. This leasing deal contributed to Sydney demand outpacing its five-year average and comprising nearly 40% of national take-up. Perth was the only other market to outperform recent history, with a number of occupiers expanding into larger premises.

Rent growth slowed significantly over the quarter with 16 of 22 markets staying unchanged compared to March. All precincts across Sydney and Perth were flat, while the South East was the only sub-market in Melbourne where rents grew (+0.6%). Adelaide also only had one precinct record growth, the Outer North, which was the top performer nationally (+3.3%). Adelaide has comfortably been the top performing market over the last 12 months, but it was Brisbane that topped the growth charts in June with average growth across its three precincts rising to 1.8%. There was a slight increase in prime incentives in select markets along the East Coast.

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



Source: JLL (Jun-25); Cromwell



Just over 800,000 sqm of supply was completed over the quarter, around 30% more than the quarterly average of the past five years. While supply was below average in Melbourne and Perth, Adelaide saw its second largest quarter of development in history. There is currently nearly 950,000 sqm of space under construction and due to complete in 2025. Even if all of these projects are delivered on time, 2025 will see the lowest level of new supply since 2021. Additionally, actual delivery may slip into subsequent periods given construction delays are persisting.

Industrial transaction volume strengthened after last quarter's unusually soft showing, totalling over \$2.4 billion across 90 deals. Brisbane was a standout as Chinese e-commerce giant JD.com made its first industrial investment in Australia – the Wacol Logistics Hub – for around \$250 million. Adelaide also saw elevated transaction activity with the dollar volume running 33% higher than the quarterly average of the past five years. Strong demand for Brisbane assets was reflected in market yields, which compressed by 12-20bps across its three precincts. Perth saw the largest movement in yields with every precinct compressing 25bps, while Sydney and Adelaide also recorded some instances of compression.

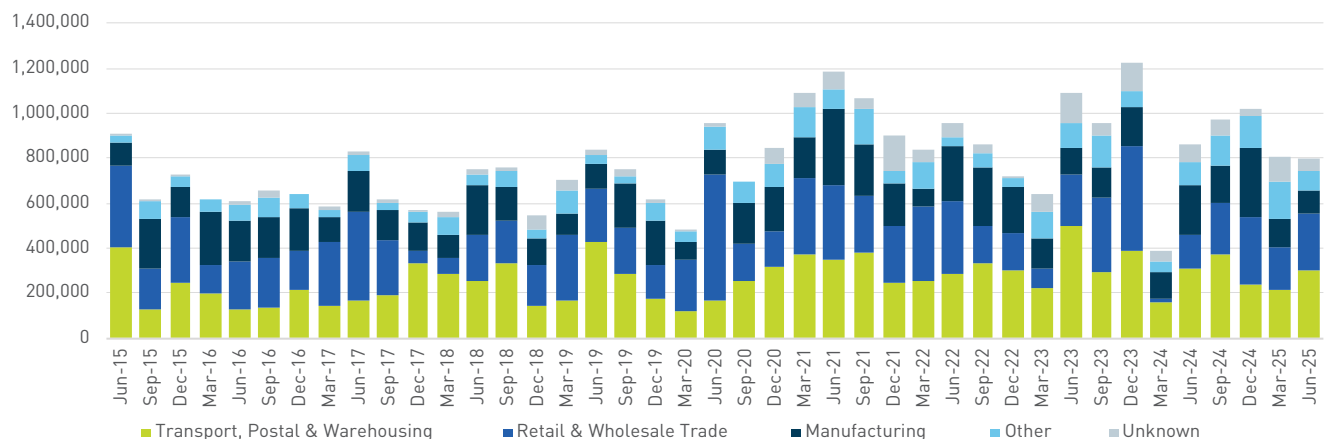
Outlook

The global economy moved from alert to alarmed when higher-than-expected tariffs were announced in early April. While the ultimate trajectory of trade policy remains a key uncertainty, market anxiety has eased somewhat in recent months as Trump has signalled a readiness to back down if economic conditions deteriorate too sharply. Economists now expect the worst-case scenarios to be avoided, however growth is forecast to be weaker than if trade destabilisation had not occurred.

Australia is somewhat insulated from the impacts of global volatility. Most attention domestically is focused on the RBA and its willingness to stimulate the economy. Growth green shoots were seen in 2024, but momentum has slowed, particularly in consumer-oriented sectors. If a more supportive monetary policy environment is not delivered soon, the transition of the economy from public sector demand to private business investment may become bumpy.

The commercial property market continues to stabilise, with improving sentiment evident in both capital flows and leasing fundamentals. Office appears to have reached an inflection point, while retail and industrial pricing continues to firm. As confidence returns to the asset class and institutional capital re-engages, identifying compelling opportunities will increasingly depend on a deep understanding of asset quality and positioning. ■

Gross occupier take-up by industry (sqm)



Source: JLL (Jun-25); Cromwell



Cromwell Direct Property Fund

June 2025 Quarterly Update



ASSET PORTFOLIO VALUE

\$537.2 million

OCCUPANCY

96.6%

WALE

3.4 years

Cromwell Direct Property Fund (DPF, the Fund)

The entire DPF portfolio underwent a valuation in advance of the Fund's Liquidity Event. Compared to prior valuations completed between June and October 2024, the six directly held assets fell by 0.60%. Two assets saw an uplift and one remained flat, primarily due to strong rental growth across Queensland markets.

Considering DPF's partial ownership of Energex House in Brisbane (Cromwell Riverpark Trust), and the ATO building in Dandenong (Cromwell Property Trust 12), the total change was just 0.90%. Energex House remained flat, while the ATO building declined by 13%, attributed to a 1% increase in the capitalisation rate. This adjustment was made by the independent valuer based on comparable sales evidence in the Melbourne office market.

As at 30 June, DPF's portfolio, now valued at \$537.2 million on a look-through basis, is 96.6% occupied with a weighted average lease expiry of 3.4 years.

Most assets within the DPF portfolio are multi-tenanted buildings, with a significant concentration located in Brisbane. In the current market, particularly in Brisbane, we continue to observe strong effective rental growth. The portfolio's shorter Weighted Average Lease Expiry (WALE) presents a strategic advantage, enabling the Fund to capitalise on rental reversion opportunities as leases expire and are renegotiated.

This staggered lease expiry profile allows space to be progressively repriced to current market rates, supporting

earnings growth. Additionally, the shorter WALE provides flexibility to reposition assets and attract higher-paying tenants, further enhancing the portfolio's income potential and long-term value.

Just under half of the gross passing income is derived from Government and Listed companies or their subsidiaries. Cromwell's asset management team have negotiated over 10,000sqm of leasing this financial year across 23 transactions, with several larger deals currently in advanced stages of negotiation. The largest completed deals occurred at 545 Queen Street in Brisbane, including a 6-year lease on over 2,100sqm to a new tenant, and a 2-year lease extension on 1,600sqm to an existing Federal Government tenant.

Cromwell Property Trust 12 (C12)

Cromwell Property Trust 12 is nearing the end of its second term in October this year. In September, investors in C12 will receive a Notice of Meeting and Explanatory Memorandum, which will propose an extension of the Fund's term through to December 2027. The Explanatory Memorandum will contain market data and commentary to help investors decide whether they wish to extend the trust term or take the asset to market. The ATO building remains 99.3% leased, with only minor ground floor vacancy and a WALE of 5.1 years. Since its inception in 2012 with an initial portfolio of three assets, C12 has delivered strong performance. Despite recent valuation adjustments, the Fund has achieved an equity internal rate of return (IRR) of approximately 11.7%, reflecting its long-term success. ■

LISTED MARKET UPDATE

JUNE 2025 QUARTER



Stuart Cartledge
Managing Director
Phoenix Portfolios

Market Commentary

The S&P/ASX 300 A-REIT Accumulation Index rose 13.4% over the June quarter outperforming the broader equity market, despite the S&P ASX 300 Index returning a creditable 9.5%. During the period, many of the global macroeconomic and geopolitical fears that were gripping the market somewhat dissipated, at least in terms of stock market returns.

The benchmark is dominated by Industrial heavyweight Goodman Group (GMG), which recovered strongly over the quarter, closing 21.0% higher, almost recovering to where it began 2025. The more conducive market environment also helped other property fund managers. Qualitas Limited (QAL), led the way, gaining 45.6%, despite limited company specific news. Solid residential house price growth is supportive of QAL's business. Charter Hall Group (CHC) was also an outperformer, adding 20.1%. A more stable valuation environment and lowered macroeconomic concerns are a pleasant change for CHC's business. Alternatively, HMC Capital Limited (HMC) was a meaningful underperformer, losing 18.1%, with ongoing issues across its healthcare property business, due to major tenant, Healthscope's receivership process, along with a delayed settlement of a key asset that was to seed its Energy Transition business.

The CEO of that business also departed HMC. It appears as if this will no longer be the growth driver for HMC, that was once anticipated.

Office property owners were underperformers in the quarter. Recently released external valuations saw limited movement for office properties, with the bulk of portfolios moving within a +/- 2% band. This was characterised by face rent growth offsetting a marginal expansion in capitalisation rates. Mixed rental data however tempered returns. Recent data showed the Melbourne CBD has had the strongest net absorption, but is facing the weakest effective rent growth, with a decline of more than 8% over the past 12 months. These stats were somewhat dominated by Coles planning a move of its head office from its current suburban location to an office building near Southern Cross Railway Station. Absorption numbers were less impressive in Sydney, however effective rents grew 10% over the year, driven by a reduction in incentives. Cromwell Property Group (CMW) lost 6.1% in the quarter, whilst Dexs (DXS) gave up 3.5%. Centuria Office REIT (COF) finished 2.2% higher and Perth-exposed GDI Property Group (GDI) rose 3.9%, still meaningfully underperforming the property index.

Shopping centre owners rose sharply in the June quarter, but still managed to underperform the index.



Unibail-Rodamco-Westfield (URW) gained 12.4%, with a positive response to its investor day. Somewhat sadly for local investors, URW announced it would delist from the ASX. After a multigenerational run, this marks the end of offshore Westfield-branded shopping centres' association with Australia. Locally, Vicinity Centres (VCX) moved 12.3% higher and domestic Westfield shopping centre owner Scentre Group (SCG) lifted 6.0%. Owners of smaller neighbourhood shopping centres also produced solid returns, with Region Group (RGN) up 9.7% and Charter Hall Retail REIT (CQR) adding 10.7%.

Uniformly positive house price growth around the country supported residential property developers during the period. Cedar Woods Properties Limited (CWP) jumped 36.6% higher, as it upgraded full year earnings guidance and restocked its land bank. Peet Limited (PPC) also outperformed, gaining 19.7%, supported by the announcement of a strategic review process. AV Jennings Limited (AVJ) rose 9.9% as it heads towards completion of its takeover. Finbar Group Limited (FRI) underperformed the index, up 0.7%, as its previously announced CEO transition occurred in June.

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. A second 25bp interest rate cut was delivered in May 2025. 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. ■

OPEN FOR INVESTMENT



CROMWELL PHOENIX
PROPERTY SECURITIES
FUND

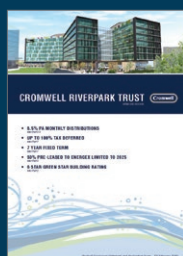


CROMWELL PHOENIX
GLOBAL OPPORTUNITIES
FUND

CLOSED TO INVESTMENT



CROMWELL DIRECT
PROPERTY FUND



CROMWELL
RIVERPARK
TRUST



CROMWELL
PROPERTY
TRUST 12



CROMWELL PHOENIX
OPPORTUNITIES FUND

QUARTERLY FUND REPORTS

Investment Reports to 30 June 2025

- 32 Cromwell Phoenix Property Securities Fund
ARSN 129 580 267
- 33 Cromwell Phoenix Global Opportunities Fund
ARSN 654 056 961



- 34 Cromwell Direct Property Fund
ARSN 165 011 905
- 35 Cromwell Riverpark Trust
ARSN 135 002 336
- 36 Cromwell Property Trust 12
ARSN 166 216 995
- 37 Cromwell Phoenix Opportunities Fund
ARSN 602 776 536

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 30 June 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 30 June 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 30 June 2025

Status	OPEN¹
Unit Price	\$1.3273²

PERFORMANCE

	1 Year	3 years	5 years	10 years	Inception (Apr-08)
Fund Performance After fees & costs	26.7%	14.9%	13.5%	9.0%	8.7%
Benchmark S&P/ASX 300 A-REIT Accumulation Index	13.8%	14.8%	12.5%	8.5%	5.7%
Excess Returns After fees & costs	12.9%	0.1%	1.0%	0.5%	3.0%

Past performance is not a reliable indicator of future performance.

TOP TEN STOCK HOLDINGS³

CENTURIA I REIT
CHARTER HALL GROUP
CHARTER HALL SOC IN
GARDA PRPTY GROUP
GOODMAN GROUP
GPT GROUP
MIRVAC GROUP
PEET LIMITED
QUALITAS LIMITED
STOCKLAND

FUND UPDATE

- Since inception in April 2008, the Fund has delivered an annualised return, net of fees, of 8.7%, outperforming the S&P/ASX 300 A-REIT Accumulation Index by 3.0% pa.
- The Fund rose strongly over the quarter, up 14.9%, outperforming the S&P/ASX 300 A-REIT Accumulation Index by 1.5%.
- Property valuations were marginally higher, in line with rental growth and stable capitalisation rates.
- The Fund added value in a relative sense, via positions in Qualitas, Abacus Storage King and Peet Limited.
- The Fund's position in Lend Lease detracted value, as did a significant underweight position in Goodman Group.

In addition to the footnotes below, please read the important disclaimer at the beginning of the Quarterly Reports section on page 30.

Phoenix Portfolios Pty Ltd ABN 80 117 850 254 AFSL 300302 (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. 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 30 June 2025. Unit prices are calculated daily. See the PDS for further information and www.cromwell.com.au/psf for latest pricing.
3. As at 30 June 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 30 June 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 30 June 2025

Status	OPEN¹
Unit Price	\$1.5065²
Distributions	Annually

PERFORMANCE

	1 Year	3 Years	5 Years	Inception (Dec 2019)
Fund Performance After fees & costs	30.0%	20.1%	17.7%	14.2%
Benchmark MSCI World Microcap AUD	16.0%	14.0%	12.1%	8.7%

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 14.2% net of fees, outperforming both large and small cap global equities benchmarks.
- The Fund added 6.6% in absolute terms over the quarter outperforming most global indices.
- Contributing positively to performance over the quarter were positions in:
 - JD Wetherspoon (LSE:JDW)
 - Industrial Logistics Property Trust (NASDAQ:ILPT)
 - Molten Ventures (LSE:GROW)
 - Ocean Wilsons Holdings Limited (LSE:OCN)
- Detracting from performance over the quarter were positions in:
 - Nam Cheong Limited (SGX:1MZ)
 - Japan Exploration Co Ltd (TSE:1662)
 - Lionsgate Studios (NYSE:LION)
 - Keck Seng Investments Limited (SEHK:184)

In addition to the footnotes below, please read the important disclaimer at the beginning of the Quarterly Reports section on page 30.

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 30 June 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 30 June 2025

Status	CLOSED¹
Unit Price	\$0.7053²
Distribution Yield	6.73% p.a.³
WALE	3.4 years⁴

PERFORMANCE

	1 Year	3 Years	5 Years	Inception (Aug-13)
Fund Performance After fees & costs	(9.6%)	(14.1%)	(5.1%)	3.0%
Benchmark PCA / MSCI Unlisted Retail Property Fund Index (Unfrozen)	0.3%	(6.9%)	1.7%	11.2%
Excess Returns After fees & costs	(9.9%)	(7.2%)	(6.8%)	(8.2%)

Past performance is not a reliable indicator of future performance.

FUND UPDATE

- See page 22 for an understanding of what is happening in the commercial real estate market.
- The whole portfolio was re-valued externally as at 31 May 2025. New valuations have resulted in a 0.9% decrease and a 0.396% weighted average capitalisation rate expansion from the prior valuations, on a look-through basis.
- The portfolio continues to experience positive leasing outcomes, with a current weighted average lease expiry of 3.4 years and occupancy of 96.6% as at 30 June 2025.
- Over the last quarter, the Fund entered into a new \$55 million interest rate swap. The additional hedge is effective from 15 September 2026 and expires in September 2027.
- Since inception, the Fund has delivered an annualised return of 3.0% per annum with 12-month performance of -9.6%. The Fund has delivered an annualised income return of 6.0% since inception.
- The second full Liquidity Event for the Fund ran between 1 July 2025 and 31 July 2025. The Notification Period for the Cromwell Direct Property Fund Liquidity Event closed at 5pm (AEST) on 31 July 2025. The Fund's registry provider, Boardroom Pty Limited, is currently processing all withdrawal requests received. Results will be communicated to all Unitholders as soon as possible after Boardroom have completed their internal review process.

In addition to the footnotes below, please read the important disclaimer at the beginning of the Quarterly Reports section on page 30.

1. When available, withdrawals are limited to monthly. However, redemptions under the Limited Monthly Withdrawal Facility are not currently being offered. See Continuous Disclosure Notices for more details. For further information, see Section 7.4 of the PDS. Effective 13 January 2025, CFML has temporarily suspended accepting applications into CDPF, and offering the CDPF Distribution Reinvestment Plan. Refer to Fund Updates for further information: [Continuous Disclosure & Updates - Cromwell Funds Management](#)
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 30 June 2025.
4. Figures as at 30 June 2025. Calculated on a 'look-through' gross passing income basis.

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

CLOSED TO INVESTMENT

CROMWELL RIVERPARK TRUST

Investment Report to 30 June 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 30 June 2025

Status	CLOSED
Unit Price	\$1.58
Distribution	7.73% p.a.
WALE	4.9 years¹

PERFORMANCE

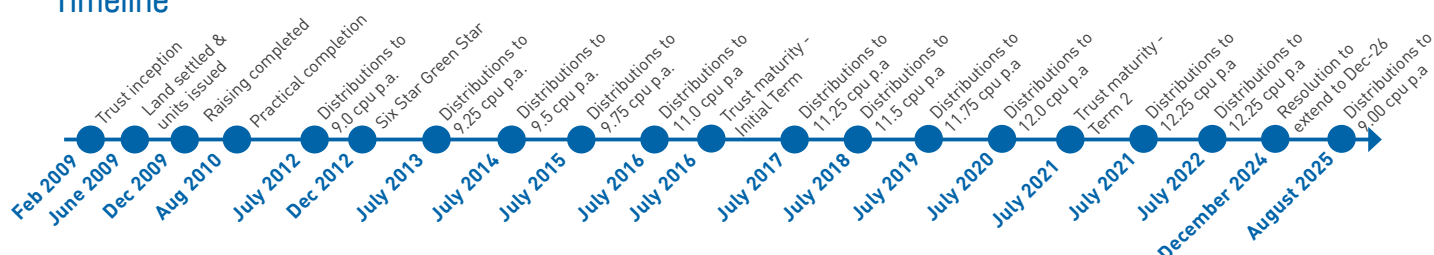
	1 Year	3 Years	5 Years	7 Years	Inception (July-09)
Trust Performance After fees & costs	9.2%	(5.0%)	1.1%	3.1%	10.4%

Past performance is not a reliable indicator of future performance.

TRUST UPDATE

- See page 22 for an understanding of what is happening in the commercial real estate market.
- A new external valuation has been obtained for Energex House, Newstead, as at 31 May 2025. The property's valuation remains unchanged from the 30 June 2024 valuation at \$270 million. The capitalisation rate has softened by 25 basis points to 7.00%.
- Over the last quarter, Cromwell Funds Management Limited (CFM) finalised an extension of the current debt facility for the Cromwell Riverpark Trust (Trust) until May 2028.
- The asset remains 100% occupied, with a weighted average lease expiry of 4.9 years as at 30 June 2025.
- The Trust's unit price is \$1.58 as at 30 June 2025.
- As detailed in the Explanatory Memorandum, distributions from August 2025 will be lowered to 9.00 cents per unit p.a.
- Since inception, the Trust has delivered an annualised return of 10.4% per annum.

Timeline



In addition to the footnotes below, please read the important disclaimer at the beginning of the Quarterly Reports section on page 30.

1. As at 30 June 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 30 June 2025



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

KEY STATISTICS

as at 30 June 2025

Status	CLOSED
Unit Price	\$0.58
Distribution Yield	11.21% p.a.
WALE	5.1 years¹

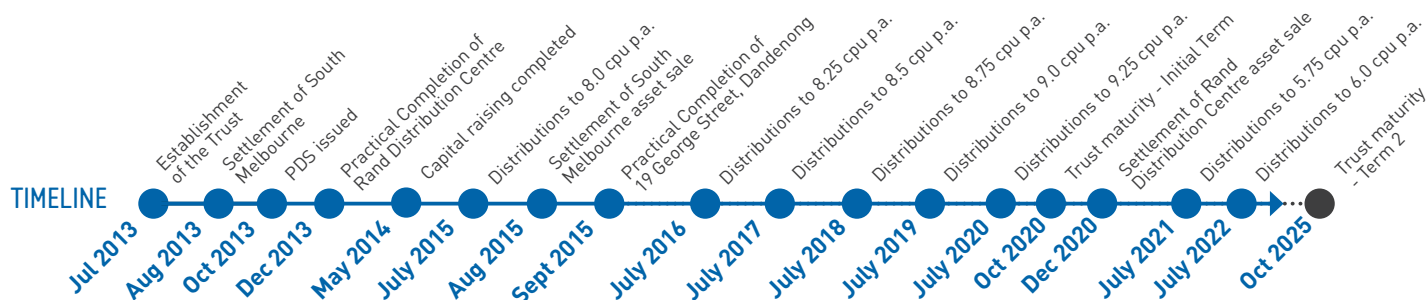
PERFORMANCE

	1 Year	3 Years	5 Years	7 Years	Inception (Oct-13)
Trust Performance After fees & costs	(17.0%)	(15.6%)	(0.8%)	2.3%	7.2%
Benchmark PCA / MSCI Australia Unlisted Retail Quarterly Property Fund Index (Unfrozen)	0.3%	(6.9%)	1.7%	4.7%	11.1%
Excess Returns After fees and costs	(17.2%)	(8.7%)	(2.6%)	(2.4%)	(4.0%)

Past performance is not a reliable indicator of future performance.

FUND UPDATE

- See page 22 for an understanding of what is happening in the commercial real estate market.
- A new external valuation has been obtained for 19 George Street, Dandenong, as at 31 May 2025. The property's valuation has fallen to \$81.0 million, which is a 13.4% decrease from the 30 June 2024 valuation of \$93.5 million. This is primarily due to the capitalisation rate softening by 1.00% to 7.50%.
- The asset remains 99.3% occupied, with a weighted average lease expiry of 5.1 years as at 30 June 2025.
- The Trust's unit price is \$0.58 as at 30 June 2025.
- Distribution rate was 6.50 cents per unit for the 2025 financial year, reflecting an income yield of 11.2% based on the unit price as at 30 June 2025.
- Since inception, the Trust has delivered an annualised return of 7.2% per annum.



In addition to the footnotes below, please read the important disclaimer at the beginning of the Quarterly Reports section on page 30.

1. As at 30 June 2025. Calculated by gross income. See the Product Disclosure Statement dated 29 October 2013 (PDS).

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

CLOSED TO INVESTMENT

CROMWELL PHOENIX OPPORTUNITIES FUND

Investment Report to 30 June 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 30 June 2025

Status	CLOSED
Unit Price	\$2.5333¹
Distributions	Quarterly

PERFORMANCE

	1 Year	3 years	5 years	Inception (Dec-11)
Fund Performance After fees & costs, inclusive of the value of franking credits	20.6%	13.5%	18.5%	17.6%
Fund Performance After fees & costs, excluding the value of franking credits	19.4%	11.5%	16.4%	15.8%
Benchmark S&P/ASX Small Ordinaries Accumulation Index	11.3%	9.7%	7.2%	5.7%

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 17.6% net of fees and inclusive of franking credits.
- The Fund delivered a return of 6.4% net of fees and inclusive of franking credits over the quarter, underperforming the Small Ordinaries Index (up 7.7%) and outperforming the Emerging Companies Index (up 2.6%).
- Positive contributions to the Fund's performance came from positions in Catapult Group, Shape Australia and Korvest.
- Negative contributions to the Fund's performance came from positions in Ariadne Australia, Mount Gibson Iron and Boom Logistics.

In addition to the footnotes below, please read the important disclaimer at the beginning of the Quarterly Reports section on page 30.

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 30 June 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.

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)

14 April 2025	Change of Registry Address	28 May 2025	Change in substantial holding
22 May 2025	ESR reduces ownership in Cromwell	29 May 2025	Ceasing to be a substantial holder
26 May 2025	Becoming a substantial holder	23 June 2025	Dividend/Distribution - CMW
28 May 2025	Change in substantial holding		

CROMWELL PROPERTY GROUP KEY EVENTS CALENDAR

Friday 15 August	June 2025 quarter payment date
Thursday 28 August	FY25 results announcement
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


Cromwell Property Securities Limited ABN 11 079 147 809 AFSL 238052 (CPSL) has prepared this report and is the responsible entity of the Cromwell Diversified Property Trust ARSN 102 982 598 (DPT). This report is issued by CPSL as responsible entity of DPT and on behalf of Cromwell Corporation Limited ABN 44 001 056 980. In making an investment decision, you should consider all available information and assess, with or without your financial or tax adviser, whether the product fits your objectives, financial situation or needs. Past performance is not a reliable indicator of future performance. Forward-looking statements in this report are provided as a general guide only. These statements are not guarantees of future performance. Actual results could differ materially from those expressed. CPSL does receive fees as responsible entity of DPT.


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.

DIRECT INVESTORS CONTACT:

 1300 268 078 (within Australia) +61 73225 7777 (outside Australia)

 invest@cromwell.com.au

 www.cromwell.com.au



Jonathan Bredin
Relationship Manager

jonathan.bredin@cromwell.com.au

FINANCIAL ADVISERS CONTACT:



Daniel Thomas
National Manager - Adviser Distribution (VIC, SA, WA, TAS)
+61 438 046 893 | daniel.thomas@cromwell.com.au



Narelle Avery
State Manager - Adviser Distribution (QLD, NSW, ACT, NT)
+61 467 284 727 | narelle.avery@cromwell.com.au

INSTITUTIONAL INVESTORS CONTACT:



Libby Langtry
Investor Relations Manager
+61 432 753 926 | libby.langtry@cromwell.com.au

Contact

1300 268 078 (within Australia)
+61 7 3225 7777 (outside Australia)
invest@cromwell.com.au
www.cromwell.com.au

Brisbane

T: +61 7 3225 7777
A: Level 10
100 Creek St
Brisbane QLD 4000
Australia

Sydney

T: +61 2 8278 3610
A: Suite 2, Level 14
167 Macquarie St
Sydney NSW 2000
Australia



CROMWELL
PROPERTY GROUP