

Trilogy Essential Retail Fund

INVESTMENT REPORT



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INVESTMENT REPORT | DECEMBER 2025

MONTHLY DISTRIBUTION¹

7.00 CPU P.A.

Distributions are variable. Past performance is not a reliable indicator of future performance. Monthly distribution yield, annualised. Based on the most recent unit price.

CURRENT YIELD²

7.00% P.A.

FUND INVESTMENT FEATURES

- ✓ Monthly tax-effective distributions
- ✓ Capital growth potential
- ✓ Fund seeded by Brighton Village Shopping Centre asset
- ✓ Ability for value-add initiatives at Brighton Village

INVESTMENT STRATEGY

The investment strategy of the Trilogy Essential Retail Fund (Fund) is to build a portfolio of real estate assets located in regional and metropolitan areas of Australia, by primarily seeking to acquire convenience retail properties such as neighbourhood shopping centres and large format retail (LFR) centres that have the potential to provide long-term cashflows to investors and / or could offset the opportunity to add value through capital appreciation or asset enhancement.

Secondarily, the Fund will also seek to acquire assets occupied by tenants who typically co-locate with convenience retail properties and support retail trade. Such assets may include childcare centres, self-storage assets and medical assets.

ABOUT THE MANAGER

Trilogy Funds Management Limited (Trilogy Funds) is an alternative asset manager specialising in the real estate sector. Trilogy Funds Asset Management Pty Ltd, a related party and corporate authorised representative of Trilogy Funds, is investment manager of the Trust

APIR

Ordinary units

TGY9366AU

FUND INFORMATION

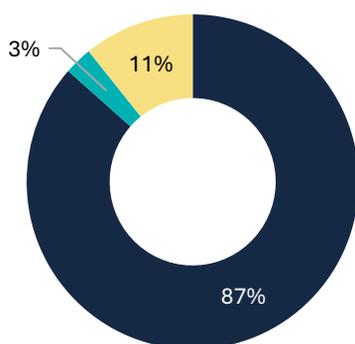
Inception	October 2025
Unit price⁶	\$1.0000
Distribution frequency	Monthly
Liquidity events	
First Limited Liquidity Event	Forecast to occur in September 2028. See PDS for full details.
First Primary Liquidity Event	Forecast to occur in September 2029. See PDS for full details.
Management fee	0.45% (excl. GST) p.a. of the Fund's GAV

KEY METRICS (AS AT 31 DECEMBER 2025)

\$25.3M ASSET VALUE ³	100% OCCUPANCY ³	1 NUMBER OF ASSETS ³
6.82YRS WALE BY INCOME ⁵	53.55% FUND LVR ⁴	3,833^{SQM} NET LETTABLE AREA ³

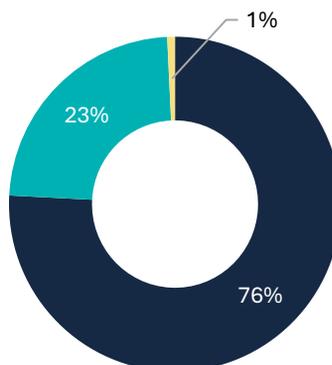
FUND SNAPSHOT (AS AT 31 DECEMBER 2025)⁶

Tenant expiry profile – By income



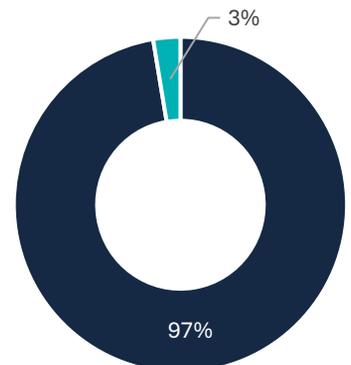
■ 5 + years ■ 3 - 4 years ■ 0 - 2 years

Tenant income breakdown



■ Major ■ Specialty ■ Licence

Fund exposure



■ Direct Real Property ■ Cash



MARKET CONDITIONS AND OUTLOOK

In December 2025, the Trilogy Essential Retail Fund delivered an annualised net distribution rate of 7.00 cents per unit (CPU) p.a., consistent with the previous month.

The Australian retail investment market delivered a notably strong performance in 2025, underpinned by resurgent capital flows, improving sentiment and a clear tilt toward scale. Retail transaction volumes reached ~\$11.3 billion⁷, making retail the standout sector of the year and signalling that investor confidence has meaningfully improved compared to 2024. This step up was supported by a return of larger investors and competitive bidding for prime assets, especially in regional centres where the ability to secure income at scale drew capital back into the segment.

While volumes rose, the number of transactions remained close to long run norms, an indicator that 2025's strength came from fewer but larger trades rather than a surge in deal count. Quarterly evidence shows substantial activity through Q2 (~\$2.35bn) and Q3 (~\$2.09bn) for deals above \$5 million, with momentum into Q4 consistent with a strong finish even as broader capital markets volatility reemerged late in the year, as reported by CBRE. This pattern supports the narrative of elevated average deal sizes, led by regional centre transactions and select portfolios, and aligns with the year-end total approaching \$11 billion.⁸

Regional shopping centres were the focal point for capital deployment. Research commentary through 2025 consistently highlights regional centres as leading quarterly volumes, with investor appetite for scale and income security outstripping the available stock. The segment's activity helped lift average deal size and reinforced retail's appeal as yields rebased and income visibility improved.

On pricing, retail yields compressed in 2025, albeit gradually and unevenly by sub sector. More broadly, cap rate outlook commentary into year-end reinforced that 2025's rate cut dynamics and scarcity of high-quality stock improved pricing tension across the sector. Geographically, activity was concentrated in the eastern states. New South Wales continued to anchor deal flow, with Queensland and Victoria also posting strong quarters.⁹

The buyer profile also shifted. Institutional participation rebounded notably in 2025, regaining a majority share in several quarterly snapshots as funds recycled capital and reweighted toward core retail exposure. Savills' "Market in Minutes" reports show institutional activity climbing to ~58% by late 2025, following a period in which private capital dominated.

Within single tenant and large format segments, Bunnings anchored assets recorded elevated activity. Market updates document renewed investor demand, tight pricing (often around ~5% yields) and at least one portfolio trade that contributed materially to 2025 volumes.

Finally, momentum strengthened late in the year, helping set constructive tailwinds for 2026. Retail still finished as the star performer, buoyed by limited new supply, improving pricing alignment between buyers and vendors, and a pipeline of structured transactions expected to carry into early 2026. On balance, the outlook remains favourable: high-quality, well-located retail assets are positioned to benefit from ongoing population growth, resilient income profiles and tighter replacement economics that underpin rental growth potential. The Investment Manager is actively sourcing high-quality retail properties to grow the portfolio and to continue to deliver reliable income and long-term value potential for investors.

RECENT MARKET TRANSACTIONS

Address	Classification	Sale Date	Price	Yield
Morayfield Village, QLD	Large Format Retail	NOV 2025	\$24.6m	6.89%
Windsor Exchange, QLD	Supermarket anchored Neighbourhood Centre	NOV 2025	\$28.5m	4.91%
Woolworths Portarlington, VIC	Supermarket anchored Neighbourhood Centre	OCT 2025	Undisclosed	Sub 5%
Bluewater Square, QLD	Supermarket anchored Neighbourhood Centre	SEP 2025	\$32.0m+	6.36%
The Gateway, Alkimos, WA	Supermarket anchored Neighbourhood Centre	MAR 2025	\$30.1m	6.74%
Coles Currabine, WA	Supermarket anchored Neighbourhood Centre	DEC 2024	\$25.0m	6.00%
Coles Florida Beach, WA	Supermarket anchored Neighbourhood Centre	DEC 2024	\$31.4m	6.03%

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1. Monthly distributions annualised. All distribution rates quoted are variable, net of fees, costs and taxes and assumes no distribution reinvestment. 2. Monthly distribution yield, annualised. Based on 31 December 2025 unit price. Past performance is not a reliable indicator of future performance. Total returns measured from first. 3. Data updated as at 31 December 2025. 4. LVR is defined as loan to valuation ratio. 5. WALE is defined as weighted average lease expiry. Calculated based on the gross income of the properties as at 31 December 2025. 6. Graph figures may not sum to 100% due to rounding. 7. <https://www.commo.com.au/news/2025/12/18/retail-emerges-australia%E2%80%99s-star-property-performer-cbre-capital-flows-report> 8. <https://www.colliers.com.au/en-au/research/cmiretail-q3-2025-snapshots> 9. Stonebridge, EOFY 2025 Market Update (2025)

This Investment Report is issued by Trilogy Funds Management Limited ABN 59 080 383 679 AFSL 261425 (**Trilogy Funds**) as responsible entity for the Trilogy Essential Retail Fund ARSN 687 648 068. Application for investment can only be made on the application form accompanying the Product Disclosure Statement (**PDS**) dated 22 July 2025. The PDS and Target Market Determination (**TMD**) dated 22 July 2025 for the Trilogy Essential Retail Fund ARSN 687 648 068 are available at www.trilogyfunds.com.au. The PDS contains full details of the terms and conditions of investment and should be read in full, particularly the risk section, prior to lodging any application or making a further investment. All investments, including those with Trilogy Funds, involve risk which can lead to no or lower than expected returns, or a loss of part or all of your capital. Trilogy Funds is licensed to provide only general financial product advice about its products and therefore recommends you seek personal advice on the suitability of this investment to your objectives, financial situation and needs from a licensed financial adviser. Investments with Trilogy Funds are not bank deposits and are not government guaranteed. Past performance is no indicator of future performance.

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