

Trilogy Industrial Property Trust investors benefit from ongoing momentum



9.01% p.a.

Total return
since inception^{1,2}



\$326M

Gross asset value ¹



8 Years strong

Last month, the Trilogy Industrial Property Trust (**Trust**) marked eight years since its January 2018 inception. Over this time, the Trust has built considerable momentum, compiling a \$326 million industrial property portfolio and paying investors an annualised total return (income and growth) of 9.01% per annum since inception^{1,2}.

Over the past two years, that momentum has increased, underpinned by continued industry recognition and the execution of initiatives that deliver positive investor outcomes. Key milestones that have supported this momentum are outlined below.



May 2024: Acquisition of large-scale warehouse and showroom in Brendale

On 30 May 2024, the Trust added 35-53 South Pine Road, Brendale to its portfolio for \$29 million.

Located on the 2.7-hectare site is a warehouse and showroom that is fully leased to Modern Star. Modern Star is a market leader in educational resources and toys, with a 70-year track record and have occupied the site for more than 20 years.

Brendale is one of Southeast Queensland's premiere industrial precincts, located 18 kilometres from the Brisbane CBD and with efficient access to Brisbane Airport, Port of Brisbane, the Bruce Highway, Gateway Arterial and M1 Pacific Motorway.

The longstanding tenancy, strong covenant and prime industrial location provide the Trust with a stable, income-producing asset that supports dependable investor outcomes over time.

October 2024: Sale of multi-warehouse site in Gillman

On 31 October 2024, Trilogy Funds settled the sale of 113-117 Bedford Street, Gillman in South Australia for \$20 million.

The 1.5-hectare multi-warehouse site, located 11.5 kilometres northwest of the Adelaide CBD drove long-term value for investors in the Trust since its November 2018 acquisition. Trilogy Funds purchased the site for \$14 million, with the sale price representing a 43% increase on the initial purchase price and a 13% premium to the most recent external valuation at the time of sale.



[Read the full media announcement here](#)



November 2024: Acquisition of Quiksilver distribution centre in North Geelong

On 15 November 2024, Trilogy Funds acquired 75-95 and 105 Corio Quay Road in North Geelong for \$33.5 million.

Positioned on a 3.76-hectare site directly opposite Geelong Port, the asset comprises two warehouse / office buildings totalling 21,302 sqm of highly functional space, including full drive-around access, multiple loading solutions and extensive hardstand, all designed to enable efficient, large-scale distribution operations.

The asset was purpose-built for, and is fully leased to, Quiksilver Australia Pty Ltd. The property benefits from fixed annual rental increases of 3%, supporting reliable, income-focused performance for the Trust.

North Geelong's logistics credentials are compelling, with immediate adjacency to Victoria's second-largest port, new Spirit of Tasmania passenger and freight terminal. Excellent connectivity to the Princes Freeway and Geelong Ring Road provides access to the Geelong CBD inside five minutes, while Melbourne is accessible in under an hour.

The location's scarcity value, which combines port frontage, multimodal access and a large landholding, supports tenant operations across national and international supply chains. This reinforces the Trust's strategy of owning industrial assets that deliver consistent income and long-term growth potential for investors.

[Learn more about our rationale surrounding the acquisition of this property here](#)





**HIGHLY
COMMENDED**

Direct Property



September 2025: 'Highly Commended' at the Financial Newswire / SQM Research Fund Manager of the Year Awards

The Trust was 'Highly Commended' in the Direct Property category at the 2025 Financial Newswire / SQM Research Fund Manager of the Year Awards. The 2025 awards marked the fourth consecutive year that Trilogy Funds was a finalist in the Direct Property category, having won the category's Fund Manager of the Year award in 2023, as well as being 'Highly Commended' in 2024.

2025 A YEAR OF PORTFOLIO GROWTH

The portfolio grew by

\$17.2M

OF THIS

\$9.92M

was an outcome of strategic acquisition activities.

\$7.28M

was due to valuation uplifts – reflecting our history of strong asset selection, and broader economic developments and cap rate movements that we anticipated in 2024.

December 2025: Acquisition of modern distribution centre in Darwin

Acquired in December 2025 for \$6.912 million, this modern distribution facility is a strategic addition to the Trust's portfolio.

Located within the Berrimah Industrial Estate, which sits in Darwin's key logistics corridor, the property occupies a prominent 6,612 sqm corner site and features a 3,192 sqm high-specification warehouse and office complex.

Purpose-built for Tyremax, one of Australia's largest independent tyre wholesalers, the facility includes high-clearance warehousing with full-height concrete panel construction, multiple roller doors, recessed loading docks and a dedicated hardstand for trucks. The office component offers meeting rooms, staff amenities and parking for 36 vehicles, ensuring operational efficiency for the tenant.

The asset is fully leased to Tyremax on a long-term agreement, providing income security and structured rental growth. Tyremax plays a critical role in servicing Northern Australia's mining and agribusiness sectors, and this facility strengthens their distribution capabilities in a region where industrial supply is limited.

Darwin's position as a northern logistics hub, combined with scarcity of comparable industrial properties, underpins the long-term value of this investment.

The combination of a long-term tenancy, essential-service occupier and a supply-constrained industrial market positions this asset as a stable, income-generating holding that supports consistent investor outcomes over the long term.



[Read the full media announcement here](#)





Industrial property market house view and outlook

Industrial property entered 2026 as one of Australia's most structurally supported and strategically important real asset classes. Following a cyclical downturn beginning in mid-2022, driven largely by rising interest rates, the sector has now moved into a stabilisation and early-recovery phase. This is supported by improving capital market conditions, long-term demand drivers and the rapid expansion of data, defence, automation and AI-enabled logistics networks.

How the industrial property sector is currently placed

The industrial sector as it stands is characterised by several key factors.

The cycle is close to / has reached its trough and confidence is returning

According to Trilogy Funds' long-term cycle analysis, industrial property capitalisation (cap) rates reached all-time lows in 2022, aligning with a historically low cash rate. Across 2023 and 2024, as the cash rate increased, cap rates subsequently softened (increased). Importantly, this softening reflected cyclical adjustment, rather than structural deterioration.

As of early 2026, cap rates have stabilised and evidence suggests the cycle is close to troughing as transactional activity begins to recover and confidence improves.

The impact of the Reserve Bank of Australia's (RBA) consecutive rate hikes on cap rates remains to be seen. However:

The RBA's 50 basis point cash rate hike is not expected to be transformational (at this stage)

On 3 February and 17 March 2026, the RBA increased the cash rate by 25 basis points as a result of persistently high inflation. The current cash rate now sits at 4.10%. Across all commercial property, the industrial sector remains the best equipped to absorb this monetary tightening due to low vacancy and sustained rental growth, albeit with some pressure likely on valuations.

As noted in the previous section, how cap rates respond to this change in the cash rate remains to be seen. If the cash rate remains only temporarily higher, the spread between the risk-free rate and industrial yields may narrow only temporarily. For example, should inflation moderate quickly, spreads are likely to re-expand sooner rather than later.

Importantly, the market has already priced and absorbed a material portion of higher debt costs throughout 2023 to 2025. Therefore, Trilogy Funds' view is that the recent 50 basis point increase is meaningful, but not transformational.



Capital has re-engaged, but 2026 requires sharper selectivity

The recovery phase through 2025 saw widespread re-engagement from syndicators, domestic institutions and offshore capital. Transactional volumes rose significantly, with buyers returning across the entire spectrum of industrial and logistics assets. While positive, 2026 will require more discerning underwriting.

The rebound in activity encouraged pockets of speculative development, nudging vacancy higher (albeit still below the long-term equilibrium). This shift requires greater discipline regarding tenant quality, rental growth assumptions, incentives and the durability of income streams when assessing new acquisitions.

Despite an increase in speculative developments, supply constraints – particularly high construction costs in the Northern Territory, Queensland and parts of regional Australia – persist and will continue to protect existing asset values.

In Darwin, for example, prohibitively expensive construction makes oversupply unlikely. Meanwhile, increasing automation and AI integration will require significant capital investment in new facility formats, further reinforcing demand for existing modern industrial stock.

More broadly, where speculative industrial development was already forecast to reduce in 2026, the increased cost of debt off the back of the RBA's rate hike reduces the feasibility of new builds.

Income remains the sector's anchor

Industrial income continues to underpin valuations. Despite minor increases in vacancy, Australia still boasts some of the lowest industrial vacancy rates globally. Rental growth, pre-commitments and elevated replacement cost dynamics continue to support existing assets.

This aligns with Trilogy Funds' experience. Industrial tenants, particularly those operating across logistics, manufacturing and freight, continue to value long lease security, modern amenities and the operational efficiencies those facilities enable. This has helped maintain 'sticky' tenant profiles (those who are likely to remain in a property over the long term, rather than relocate at the end of a lease) across metro-adjacent and regional industrial hubs.

Competition for assets has intensified, but this has created opportunities

Institutional capital flowed aggressively into industrial and logistics assets in 2025, intensifying competition for tightly held metropolitan assets. Trilogy Funds' approach, however, has been to focus on metro-adjacent and regional logistics hubs that share the same tenant quality and asset fundamentals, but are less crowded due to their smaller market size.

Large institutions often struggle to deploy sufficient capital in these markets, creating pricing inefficiencies and stronger return profiles for active managers.

The structural drivers strengthening demand for industrial property

While the industrial property state of play is strong, there are several drivers shaping the long-term demand of the sector.

Data, defence, AI and automation are reshaping industrial real estate

The strongest tailwinds currently shaping industrial demand are structural, not cyclical. In a recent interview with Livewire Markets, Head of Direct Property, Laurence Parisi, highlighted:

- Data volumes are exploding
- Defence spending is rising
- Automation is accelerating
- AI is reshaping supply chains in real time

Most investors express these themes through shares, but industrial real estate is the physical infrastructure that enables them. The acceleration of automation and AI-driven logistics is increasing demand for:

- Larger, high-clearance facilities
- Advanced racking and robotics-compatible environments
- Greater power capacity and digital connectivity
- Distribution hubs capable of higher throughput and more frequent parcel movements.

This is an acceleration of the trend whereby facilities are becoming operational infrastructure, not passive storage.

Accommodating e-commerce and inventory shifts

According to CBRE, online retail penetration in Australia has reached 14.3%, representing a structural shift in how goods are moved, stored and delivered rather than simply a change in consumer preferences. While this marks an all-time high domestically, penetration remains below that of many developed markets, indicating further growth potential. As online retail expands, logistics networks become more complex and transport-intensive, increasing demand for modern industrial facilities that can accommodate:

- Higher order volumes
- Faster fulfilment
- Higher clear spans
- Increased automation
- Faster throughput
- More fragmented delivery profiles
- Greater storage for 'just-in-case' inventory strategies that emerged post-pandemic

Distribution centres are increasingly required to function as fulfilment hubs rather than passive storage, integrating inventory management, transport coordination and last-mile delivery within a single facility. As these pressures build, industrial assets with scale, flexibility and proximity to population centres play an increasingly central role in retail supply chains. This dynamic is further reinforced by broader forces shaping inventory strategies and supply chain resilience.

Geopolitical risk and the 'just-in-case' economy

Heightened geopolitical risk has re-emerged as a meaningful macro-overlay. Escalating tensions in the Middle East, including conflict involving Iran and increased instability across the region, have heightened concerns over the security of key energy transit routes such as the Strait of Hormuz, reintroducing sustained upside volatility to global oil markets.

Any sustained lift in energy costs would likely feed through to higher transport, production and utility inputs, complicating the global disinflation narrative. For Australia, this creates a risk that inflation proves stickier than currently forecast, increasing the probability that the RBA is required to keep policy restrictive for longer than markets presently assume.

From an industrial property perspective, these dynamics reinforce structural trends already established since COVID-19, rather than reversing them.

Elevated supply-chain risk, higher freight costs and geopolitical fragmentation continue to support the shift from 'just-in-time' to 'just-in-case' inventory management, alongside the selective onshoring and regionalisation of critical logistics and manufacturing functions. This favours greater demand for modern,

well-located industrial assets, particularly warehousing tied to domestic distribution, essential goods and energy-adjacent supply chains.

While higher interest rates may weigh on near-term pricing sentiment, the medium-term fundamentals for industrial property remain underpinned by these resilience-driven occupier behaviours, providing a degree of insulation relative to more cyclical property sectors.

Surging population will drive further industrial property demand

Cushman & Wakefield estimates that for every new person added to the population either through birth / death rates or net migration, an additional 4 sqm of warehouse space is required.

The Centre of Population Projections forecasts that Australia's population will grow by approximately 400,000 each year between now and mid-2035, resulting in a total population growth of 4 million people.

Based on these figures, demand for industrial floorspace is forecast to grow by approximately 1.6 million square metres annually, for a total increase of 16 million square metres by mid-2035.

The time for industrial is now

The cyclical correction has now largely ceased, meaning the industrial sector's 2026 outlook is defined less by recovery and more by positioning for the next wave of structural demand. Data infrastructure, defence logistics, automation, artificial intelligence, e-commerce penetration and evolving inventory strategies are reshaping the sector in real time.

Industrial real estate, whether in high-growth east coast markets or strategic hubs like Darwin, is no longer a simple warehouse play. It is the backbone infrastructure for a data-intensive, automated, supply-chain-driven economy.





The road ahead in 2026

Trilogy Funds intends to continue to build on the Trust's momentum in 2026, with a number of workstreams currently in progress to benefit investors.

Potential sale of Mackay asset

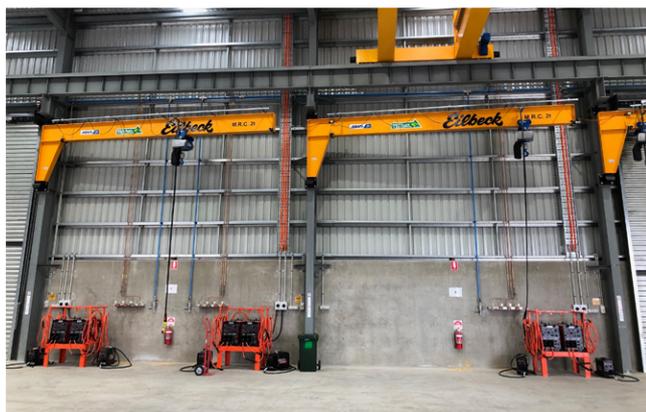
As part of ongoing Trust management, Trilogy Funds continues to actively assess market conditions and portfolio opportunities to ensure the best possible outcomes for investors. As conditions across the industrial property sector continue to improve, aligning with our analysis above, there has been ongoing inquiry regarding a number of the Trust's assets.

Following a review of these opportunities, Trilogy Funds accepted an offer for the asset located at Diesel Drive in Mackay, at pricing that is highly compelling relative to its contribution to portfolio diversification and income.

The Diesel Drive property was acquired for \$7.25 million in April 2018. At the time of the acquisition, the asset was already a substantial industrial facility located in Mackay's key heavy industrial precinct of Paget, an area servicing the Bowen Basin mining sector and known for strong tenant demand.

The 9,813 sqm site included a modern, high-clearance 1,802 sqm workshop with significant crange, a 350 sqm two-level office and extensive awnings.

Shortly after acquisition, Trilogy Funds worked closely with the tenant, Independent Mining Services to deliver a multi-million-dollar expansion program tailored to the tenant's operational requirements. These improvements represented a core component of Trilogy Funds' active asset management approach.





The expansion saw the construction of a 900 sqm workshop to house 10 electric jib cranes and two Eilbeck cranes. Additionally, a 300 sqm awning was attached to the existing workshop, allowing IMS to load and unload freight undercover and away from possible weather disruption. Further improvements across the site were also implemented, including the addition of a 470 sqm concrete hardstand to improve inter-building operational flow.

In April 2025, an independent, external valuation was undertaken, which adopted a market value of \$14.4 million.

In early-2026, a Heads of Agreement was signed to sell the Diesel Drive property for \$15.1 million, subject to

due diligence and financing. This potential sale would reflect a substantial premium to the purchase price, and is above the most recent valuation.

Importantly, entering into a Heads of Agreement does not guarantee a sale, and certainly not all transactions that reach this stage proceed to completion – this is a part of doing business in the commercial property space. However, regardless of outcome, the offer is a strong signal from the market on the demand side.

This potential transaction is a reflection of Trilogy Funds' disciplined approach to capital management: selectively realising value where it enhances overall investor outcomes, while maintaining a diversified and resilient portfolio positioned for long-term returns.

Trilogy Industrial Property Trust Withdrawal Offer

In light of this portfolio activity, and to ensure the orderly and efficient management of Trust cashflows, the anticipated Withdrawal Offer is expected to open in April 2026, with payments made in May 2026. This timing provides Trilogy Funds with appropriate flexibility to execute portfolio decisions in an orderly manner and continue to manage the Trust in the best interests of all investors.

Further details regarding the Diesel Drive sale, as well as the Withdrawal Offer, including availability and process, will be communicated in March 2026.

If you have any questions on any of the content covered in this document, please contact our Investor Relations Team on:



1800 230 099 OR

investorrelations@trilogyfunds.com.au

1. Based on the 28 February 2026 unit price. Past performance is not a reliable indicator of future performance.
2. Inception data is reported on a per annum basis.

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