

8 August 2024

Dear Investor,

**ASA Diversified Property Fund (Fund) ARSN 106 724 038 APIR YOC0018AU  
Fund Update – Change to Operation of Capped Withdrawal Facility**

We are writing to inform you of an important change to the operation of the Fund's Capped Withdrawal Facility (**CWF**).

The Fund's gearing level (its ratio of borrowings to assets) has continued to remain beyond the upper end of the target gearing range of 35-45% as outlined in the Product Disclosure Statement for the Fund (**PDS**). While initiatives have and continue to be implemented to reduce gearing including potential asset sales, the Board of the Responsible Entity of the Fund (**Board**) has made the decision to temporarily suspend offering withdrawals under the CWF at this time as it believes it is in the best interests of investors to do so.

The RE has the discretion to alter the CWF amount, frequency, suspend or cancel the CWF.

The Fund's target gearing range is designed to ensure the Fund remains in a strong financial position. Over the past 24 months, the Fund has returned over \$63 million to investors through the ongoing operation of the CWF. The Fund has managed its gearing which has enabled this operation of the CWF largely through the disposal of Woodvale Boulevard Shopping Centre, 620 Mersey Rd Osborne and more recently the sale of the Fund's investment in the Australian Unity Office Fund.

Unitholders who have sought to redeem their investment via the CWF represent a distinct minority of all investors in the Fund. The Board remains committed to its obligation of delivering stable returns to all investors over the long term and believes that the suspension of the CWF at this point in time will best support this objective.

The Fund's monthly cash distributions will continue as normal at a rate of 0.6 cents per unit per month or 7.20 cents per unit per year (this reflects a distribution yield of approximately 6.80% per year on the FY25 starting unit price). The Fund remains in a strong position with portfolio occupancy in excess of 98%, a weighted average lease expiry of over 10 years and approximately 85% of the Fund's portfolio allocated to convenience-based retail properties to some of Australia's largest and best-known businesses including Ampol, Coles, Woolworths and ALDI.

Providing liquidity for investors who wish to redeem their investment in the Fund continues to be a key priority. Given this, the Responsible Entity currently intends to recommence the CWF at a later date, when it is appropriate to do so. Any such decision will have regard to market conditions, the Fund's gearing ratio relative to its target range and the best interests of investors as a whole. The Responsible Entity will provide notice of any further changes to the CWF (including its recommencement) on the Fund's website at [www.asarep.com/dpf](http://www.asarep.com/dpf). A Supplementary Product Disclosure Statement for the Fund and new Target Market Determination for the Fund are also available on the website.

For those investors who have already elected to participate in the CWF and the Carry Forward Facility, this election will be carried forward to the next CWF offer (on its recommencement), the timing of which will be

communicated to investors in due course. Should investors wish to cancel their redemption election, they may do so at any time by contacting us at the details below.

If you have any queries in relation to this letter, please contact the Investor Services team on 1300 556 635 or +613 9909 9909 if calling from overseas or [registry@registrydirect.com.au](mailto:registry@registrydirect.com.au) or Peter Adaley from ASA Real Estate Partners at [peter.adaley@asarep.com](mailto:peter.adaley@asarep.com) or on +61 400 401 667 or contact your financial adviser.

We regularly provide up to date information about the Fund, including quarterly Fund Updates and continuous disclosure information on the Fund's website at [www.asarep.com/dpf](http://www.asarep.com/dpf). These contain current information about the Fund's gearing, interest cover, borrowings, diversification, valuation policy, related party transactions, distribution practices and withdrawal rights.

The most recent Fund update for the quarter ending June 2024 is expected to be available on the website later today.

Thank you for your continued support of the Fund.

Yours sincerely,

**Howard Brenchley**

Chairman

ASA Funds Management Limited

**Jonathon Senior**

Fund Manager

ASA Diversified Property Fund

[www.asarep.com](http://www.asarep.com)

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