MPG funds management®

ACN: 102 843 809 AFSL:227114

RG46 INVESTMENT UPDATE

MPG Essential Services Property Trust

ARSN: 160 633 205

6-star NABERS rating achieved for 96 George St, Beenleigh!

96 George Street, Beenleigh (Qld).

We are pleased to provide you with an update to the Product Disclosure Statement (PDS) of the MPG Essential Services Property Trust (ARSN 160 633 205) (Trust) dated 27 February 2018. This Investment Update is issued by MPG Funds Management Ltd (MPG or RE) (AFSL 227114, ACN 102 843 809) in its capacity as Responsible Entity for the Trust and should be read in conjunction with the PDS.

The MPG Essential Services Property Trust continues to perform to expectations and has proven to be popular with Investors drawn to the high proportion of Government tenants and strong cash returns.

We are pleased to announce that our commitment to sustainability and excellence at 96 George Street, Beenleigh, Qld has been recognised with a 6-star NABERS rating. This achievement highlights our continuing dedication to environmental performance.

In terms of tenant developments, we have received positive news from several Centrelink tenants.

Centrelink Echuca, Vic has extended their Lease until November 2028, ensuring stability and continuity for this asset.

Centrelink Wallsend, NSW has exercised their option for a further three years, with the new Lease now expiring in April 2028. Similarly, Centrelink Woodridge, Qld has also opted for a three-year extension, pushing their lease expiry to May 2028.

Additionally, the Commonwealth Government at Ballina, NSW has exercised their option for an additional three years, with their lease now set to expire in February 2028.

The Trust contains 23 properties that are 93% occupied and predominately leased to government tenants. We are actively working towards filling the vacancies and will continue to keep Investors updated on our progress.

Centrelink Woodridge (Qld).


Centrelink Echuca (Vic).


Centrelink Ballina (NSW).


Centrelink Wallsend (NSW).

RG46 Best Practice Disclosure Principles

In September 2008 and updated in March 2012, the Australian Securities and Investment Commission issued Regulatory Guide 46 'Unlisted property schemes - improving disclosure for retail investors' (RG46). RG46 sets out six benchmarks and eight disclosure principles which, if followed, ASIC believes will help investors understand, compare and assess risks and returns across investments in unlisted property schemes.

Set out below is a table which lists each benchmark and disclosure principle. The information will be updated whenever there is a material change to the Trust and not less than each half year. Updated information will be available at **www.mpgfm.com.au.**

Benchmarks		Benchmarks Met?
1. Gearing Policy	MPG maintains and complies with a written policy that governs the level of gearing at an individual credit facility level.	Yes
2. Interest Cover Policy	MPG maintains and complies with a written policy that governs the level of interest cover at an individual credit facility level.	Yes
3. Interest Capitalisation	Any interest expense of the Trust is not capitalised.	Yes
4. Valuation Policy	MPG maintains and complies with a written valuation policy in relation to the assets of the Trust.	Yes
5. Related Party Transactions	MPG maintains and complies with a written policy on related party transactions, including the assessment and approval processes for such transactions and arrangements to manage conflicts of interest.	Yes
6. Distribution Practices	The Trust will only pay distributions to Investors from its cash from operations (excluding borrowing) available for distribution.	Yes

GEARING RATIO

This indicates the extent to which the Trust's property assets are funded by interest bearing liabilities. It gives an indication of the potential risks the Trust has in terms of its level of borrowings due to, for example, an increase in interest rates or reduction in property values. The gearing ratio is a risk factor that retail investors should weigh up against the Trust's rate of return.

The gearing ratio of the Trust is 49% based on the latest unaudited financial statements at 31 March 2025 and calculated by dividing total interest bearing liabilities by total assets.

INTEREST COVER RATIO

This indicates the Trust's ability to meet its interest payments on borrowings from earnings. Interest cover measures the ability of the Trust to service interest on debt from earnings. It provides an indication of the Trust's financial health and is used to analyse the sustainability and risks associated with the Trust's level of borrowing.

The Interest Cover Ratio of the Trust is 2.02 times based on the latest unaudited financial statements at 31 March 2025 and calculated by dividing EBITDA (earnings before interest, tax, depreciation and amortisation) by the interest expense.

SCHEME BORROWINGS

This disclosure helps investors understand the significant risks associated with the Trust as a result of borrowing as well as the maturity dates of borrowings.

Borrowing maturity and credit facility expiry profiles are important information where a Trust borrows to invest. Credit facilities that are due to expire within a relatively short time frame can be a significant risk factor, especially in periods where credit is more difficult and expensive to obtain. A failure to renew borrowing or credit facilities can adversely affect the Trust's viability. Breaches of a loan covenant may result in the lender being able to require immediate repayment of the loan or impose a freeze on further drawdowns on the credit facility. Amounts owing to lenders and other creditors of the Trust rank before an investor's interest in the Trust.

The Trust has bank borrowings of $113.25 million as at 31 March 2025 which is secured against the properties held by the Trust as a first ranking charge. The amount owing to lenders and other creditors rank before other investors in the Trust. The Bank borrowings are currently 99% hedged up until June 2026.

The LVR covenants of the loan are 55% of the value of the properties and the Interest Cover Ratio covenant is 1.5 times. MPG confirms that the Trust is within these covenants and no breaches of these covenants have occurred to date. In the event that MPG is replaced as RE this will trigger a default event and the loan may be immediately due and payable to the lender.

PORTFOLIO DIVERSIFICATION

This information addresses the Fund's investment practices and portfolio risk.

The quality of the properties held by the Trust, including the quality of leases entered into over these properties, is a key element in the financial position and performance of the Trust. Generally, the more diversification in the portfolio, the lower the risk that an adverse event affecting one property or one lease will put the overall portfolio at risk.

The Trust is 93% occupied and has a weighted average lease expiry of 2.8 years. The properties contained in the Trust have a combined carrying value of $223.42 million.

The geographical diversification by State by property value is: VIC (39%), QLD (35%) NSW (22%), NT (3%) and SA (1%).

The top five tenants by income are:

Commonwealth Government 34%

Victorian State Government 19%

State of Queensland 16%

Northern Territory Government 5%

Victorian Centre Against Sexual Assault 3%

Centre for Non-Violence Inc 3%

RELATED PARTY TRANSACTIONS

This will help investors understand and assess the approach MPG takes to transactions between MPG and its related parties.

All related party transactions have been approved by the Board of Directors of MPG and are undertaken on an arm's length basis under normal terms and conditions. All related party transactions are outlined on page 24 of the PDS. MPG is in compliance with its stated policies and procedures for related party activities.

DISTRIBUTION PRACTICES

This will help investors understand how the Trust will help fund distributions to Unitholders and whether distributions are sustainable.

MPG will make distributions to Unitholders on a quarterly basis in arrears or such other time as MPG is permitted to do so under the Constitution. Anticipated distributions for future periods will be sourced from net Trust income. The distribution for the quarter ended 31 March 2025 is 1.5 cents per unit which equates to an annualised rate of 6.00[1] cents per unit.

WITHDRAWAL ARRANGEMENTS

Information on how and when Investors may be able to exit their investment in the Trust.

The Constitution allows Unitholders to withdraw in limited circumstances. An investment in the Trust is to be considered illiquid. The Trust is to be considered a long term investment of seven years with the exit mechanism as outlined on page 14 of the PDS. The MPG Essential Services Property Trust is due to rollover in the June 2025 quarter.

NET TANGIBLE ASSETS

The net tangible assets (NTA) value disclosure gives investors information about the value of the tangible or physical assets of the Trust and is calculated as (net assets-intangible assets+-other adjustments) divided by the number of units on issue.

Based on the most recent unaudited financial statements as at 31 March 2025, the NTA of the Trust is $0.97 per unit.

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[1] Forecasts are estimates only and are not guaranteed to occur