

**MPG**funds  
management

®

ACN: 102 843 809 AFSL:227114

# MPG INVESTMENT UPDATE

## MPG Property Income Trust

Forecast  
distribution for  
FY26 is 6.00%<sup>1</sup>



Seacrest Shopping Centre, Wandina (WA) - MPG Retail Brands Property Trust

We are pleased to provide you with an update to the Information Memorandum (IM) of the MPG Property Income Trust (Trust) dated 1 September 2023. This Investment Update is issued by MPG Funds Management Ltd (MPG) (AFSL 227114, ACN 102 843 809) in its capacity as Trustee for the Trust and should be read in conjunction with the IM.

The MPG Property Income Trust consists of unlisted property trusts managed by MPG and cash.

The current portfolio includes units in MPG Retail Brands Property Trust, MPG KM Trust and MPG Hardware Trust 2. Some of the key tenants of these property Trusts include: Bunnings, Coles, Kmart and many known ASX-listed and other known national retailers.

The Trust intends to have a benchmark incidental investment allocation of 10-20% in ASX-listed property securities, liquid investments and cash managed by MPG Funds Management.

Distributions were paid monthly in arrears for the year ending 30 June 2025, at a rate of 6.00%. Distributions are forecast to remain at 6.00%<sup>1</sup> for the financial year ended 30 June 2026.



# Investment Update Best Practice Disclosure Principles

As part of MPG's best practice policy we have set out six benchmarks and eight disclosure principles which, if followed, we believe 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 once a year. Updated information will be available at [www.mpgfm.com.au](http://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 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 asset values. The gearing ratio is a risk factor that investors should weigh up against the Trust's rate of return.

This Trust currently has no borrowings.

## 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.

This Trust currently has no borrowings. Therefore this is not relevant at this time.

## 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 timeframe 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 interests in the Trust.

This Trust currently has no borrowings.

## PORTFOLIO DIVERSIFICATION

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

The quality of the assets held by the Trust, is a key element in the financial position and performance of the Trust. Generally, the more diversified the portfolio, the lower the risk that an adverse event affecting one property or one lease will put the overall portfolio at risk.

This Trust holds units in MPG Retail Brands Property Trust, MPG KM Trust and MPG Hardware Trust 2.

The most recent NTA valuations of the units held in other MPG property trusts, put the value of the current investment at \$3.6m. This is an increase of \$155k from the original purchase price of the units.

## 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 11 of the IM.

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 monthly basis in arrears or such other time as MPG is permitted to do so under the Trust Deed. Anticipated distributions for future periods will be sourced from net Trust income. The distribution for the year ended 30 June 2025 was 6.00 cents per unit. The forecast distribution for the financial year ended 30 June 2026 is 6%<sup>1</sup>.

## WITHDRAWAL ARRANGEMENTS

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

The Trust Deed 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 with an initial term of five years with the exit mechanism as outlined on page 9 of the IM. The MPG Property Income Trust will rollover in the June quarter of 2029.

## 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) / number of Units on issue.

Based on the most recent unaudited financial statements as at 30 June 2025, the NTA is \$1.00 per unit.