

14 October 2022

**FSREC Property Fund**  
**Portfolio Update and Fund Distribution**

E&P Investments Limited, as the Responsible Entity (**RE**) for FSREC Property Fund (**Fund**), is pleased to provide the following portfolio update and distribution announcement for the period ending 30 September 2022.

**Portfolio Update**

The portfolio performed well over the quarter, with retail trade and operations remaining steady despite concerns of a slowdown in consumer retail spending due to a rising inflation and interest rate environment. The leasing team remained busy with a total of 14 deals agreed during the quarter and positive momentum on a number of the remaining vacant tenancies across the portfolio. Portfolio occupancy and weighted average lease expiry (WALE) remained stable at 97.6% and 4.2 years respectively.

Following the most recent withdrawal offer completed in July, withdrawal offers and placements totalling over \$510 million have been provided to investors since the merger, a significant milestone for the Fund, and completing the major strategic initiatives announced at the time of the merger.

One of the key highlights during the quarter has been the completion of the mall refurbishment at Noosa Village. Included in these works was the retiling of the internal mall, new signage, new specialty shop fit outs and a complete refurbishment to the amenities. Additionally, Woolworths are currently undertaking an expansion of their tenancy and significant in-store upgrades with completion expected to be in December 2022.

Works at Toormina Gardens have significantly progressed over the last few months including the completion of structural roof works above all remaining specialty tenancies, as well as the final hand back of tenancies to operators who have not been able to occupy or trade out of their premises since the hailstorm in October 2021. The remainder of works being carried out throughout the centre are on track to be completed by early 2023.

**Fund Distribution**

Economic headwinds increased over the quarter due to rising inflation and the recent increases in interest rates by the Reserve Bank of Australia, impacting the Funds borrowing costs. E&P Investments Limited, has decided to adopt a prudent approach in distribution of earnings for the quarter ending 30 September 2022 and announces a distribution of 1.85 cents per security, a reduction of 7.5% when compared to the prior quarter, largely due to increases in interest rates over the first quarter.

Distribution	1.85 cents per stapled security
Record Date	14 October 2022
Expected Payment/Distribution Date	On or around 4 November 2022

The RE board will continue to remain prudent in its assessment of Fund distributions, with a view to providing sustainable distributions and long-term growth for securityholders.

This information has been prepared by E&P Investments Limited (Responsible Entity) (ACN 152 367 649, AFSL 410 433), as responsible entity for the Fort Street Real Estate Capital Fund I (ARSN 163 688 346), Fort Street Real Estate Capital Fund II (ARSN 169 190 498) and Fort Street Real Estate Capital Fund III (ARSN 605 335 957), together stapled to form FSREC Property Fund.

This information may contain general advice. Any general advice provided has been prepared without taking into account your objectives, financial situation or needs. Before acting on the advice, you should consider the appropriateness of the advice with regard to your objectives, financial situation and needs. Past performance is not a reliable indicator of future performance.

This information may contain statements, opinions, projections, forecasts and other material (forward-looking statements), based on various assumptions. Those assumptions may or may not prove to be correct. The Responsible Entity and its advisers (including all of their respective directors, consultants and/or employees, related bodies corporate and the directors, shareholders, managers, employees or agents of them) (Parties) do not make any representation as to the accuracy or likelihood of fulfilment of the forward-looking statements or any of the assumptions upon which they are based. Actual results, performance or achievements may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward-looking statements and the Parties assume no obligation to update that information. The Parties give no warranty, representation or guarantee as to the accuracy, completeness or reliability of the information contained in this report. The Parties do not accept, except to the extent permitted by law, responsibility for any loss, claim, damages, costs or expenses arising out of, or in connection with, the information contained in this report. Any recipient of this report should independently satisfy themselves as to the accuracy of all information contained in this report.