

26 April 2023

FSREC Property Fund
Portfolio Update and Fund Distribution Announcement

Fort Street Real Estate Capital Pty Limited, as the Investment Manager for FSREC Property Fund ("the Fund"), is pleased to provide the following portfolio update and distribution announcement for the period ending 31 March 2023.

Portfolio Update

Growth in the Australian economy is slowing with evidence that the combination of higher interest rates, cost-of-living pressures and a decline in housing prices is leading to a slowdown in household spending. While some households have substantial savings buffers, others are experiencing a squeeze on their finances. Positively, the labour market remains very tight with unemployment at near 50-year lows however this has potential to increase as economic growth slows.

Despite the more challenging operating conditions, the Fund is continuing to achieve strong results with the leasing team closing 18 deals across the portfolio over the quarter. Additionally, agreement has been reached with Kmart to extend their lease at Keilor Central for a further five years. Major tenant supermarket sales are trending well above the prior year, which is expected to positively impact Fund returns through higher turnover rent over the coming quarters. Portfolio occupancy and weighted average lease expiry (WALE) remained stable at 96.7% and 4.3 years respectively.

On major projects, work will shortly commence at Northpoint Shopping Centre to extend the rooftop solar by an additional 200kW which will offset the majority of the Funds electricity usage at the asset. At Toormina Gardens, remediation works following damage from the hailstorm in October 2021 is now complete with the centre fully open and operational again.

Fund Distribution

The Fund is pleased to announce the following distribution for the quarter ending 31 March 2023.

Distribution	1.85 cents per stapled security
Record Date	26 April 2023
Expected Payment/Distribution Date	On or around 8 May 2023

The distribution is in line with the December 2022 quarter. The Fund will continue to remain prudent in its assessment of distributions, with a view to provide sustainable distributions and long-term growth for securityholders.

This communication has been prepared by Fort Street Real Estate Capital Pty Limited (ACN 164 101 731) (Investment Manager or FSREC) an authorised representative (AFS Representative 440307) of Fort Street Capital Pty Ltd ("FSC"; ACN 164 101 704; AFSL 497000) as investment manager of 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), which collectively form a stapled group known as the 'FSREC Property Fund' or 'Fund'. Equity Trustees Limited ("Equity Trustees") (ABN 46 004 031 298), AFSL 240975, is the Responsible Entity for the Fund. Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company of the Australian Securities Exchange (ASX:EQT). This communication 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. Future performance and return of capital are not guaranteed.