

Investor Update

AIMS Property Securities Fund (ASX: APW)

AIMS Property Securities Fund – Executive Summary

- Net investment income of \$7.8 million for the half-year ended 31 December 2025, underpinned by net gains on financial assets of \$7.4 million.
- Total net assets attributable to Unitholders increased to \$224.6 million (30 June 2025: \$217.6 million), reflecting a 3.2% increase.
- Net tangible asset value per ordinary unit rose to \$5.04 (30 June 2025: \$4.89), representing a 3.1% uplift.
- ASX-listed unit price increased to \$3.12 as at 31 December 2025 (30 June 2025: \$3.00), delivering a total return of 4.0% for the half-year.
- Financial assets at fair value grew to \$222.9 million (30 June 2025: \$215.1 million), with a portfolio across listed and unlisted property securities.
- Australian commercial property leasing markets are experiencing pronounced weakness, with declining occupancy rates and softening rents. This is particularly impacting B and C grade office assets, which are facing the most acute pressure from changing work patterns, subdued tenant demand, rising vacancies, increasing leasing incentives, and downward pressure on face rents, all of which are compressing net operating income. This deterioration in operating fundamentals, coupled with rising financing costs, is creating a more difficult operating and valuation environment for several underlying funds within the portfolio.
- Australian industrial / logistics real estate sector is better positioned but is also facing a slowdown in occupancy rates and rental growth.
- The macroeconomic and geopolitical landscape has become more complex. The Reserve Bank of Australia (RBA) has resumed its tightening cycle, increasing the cash rate to 3.85% in February 2026 to combat persistent inflation. This rising interest rate environment is expected to put upward pressure on capitalisation rates, potentially leading to valuation compression across the property sector and increased financing costs.
- The Singapore economy is resilient, however, the industrial / logistics real estate market is experiencing slowing rental growth and reversion.
- Heightened global geopolitical risks, including the escalating U.S. / Iran crisis, ongoing instability in the Middle East, continued conflict between Russia and Ukraine, subdued European economic growth, and global trade policy uncertainty linked to elevated U.S. tariffs, continue to weigh on investor sentiment and property markets.

AIMS Fund Management Limited

Sydney, 27 February 2026 – AIMS Fund Management Limited (the “Responsible Entity”), as responsible entity for the AIMS Property Securities Fund (“APW”), reports a change in net assets attributable to Unitholders of \$7.0 million for the half-year ended 31 December 2025.

The growth rate in APW’s net investment income has rapidly declined from \$51.0 million as at 31 December 2024 to \$7.8 million as at 31 December 2025.

Portfolio Update

As at 31 December 2025, APW’s total financial assets at fair value stood at \$222.9 million (30 June 2025: \$215.1 million), comprising \$11.3 million in listed property securities and \$211.7 million in unlisted property securities.

APW’s portfolio spans multiple real estate sectors including industrial, logistics, business parks, office, retail and small investments in childcare property funds and co-working space funds. Key holdings include the AIMS Growth Investment Fund (industrial, carrying value of \$151.8 million), AIMS Real Estate Opportunity Fund (diversified, \$38.4 million), AIMS APAC REIT (industrial, \$9.7 million), and various other real estate related securities.

During the period, the unlisted property securities portfolio recorded an unrealised fair value gain of \$7.0 million, driven by positive revaluations across several holdings. The AIMS Growth Investment Fund contributed a fair value gain of \$2.9 million, while the AIMS Real Estate Opportunity Fund contributed \$4.1 million.

Financial Position

Total assets as at 31 December 2025 were \$224.9 million (30 June 2025: \$218.6 million). APW maintained a conservative financial position with total current liabilities of \$268,000 (30 June 2025: \$1.0 million). Cash and cash equivalents stood at \$1.3 million (30 June 2025: \$2.9 million), with the decrease primarily attributable to the payment of expenses and acquisition of investments during the period.

Net assets attributable to Unitholders increased to \$224.6 million as at 31 December 2025 (30 June 2025: \$217.6 million), representing growth of 3.2%.

Outlook

The global operating environment remains subject to significant uncertainty driven by escalating geopolitical tensions and uneven economic conditions. In the Middle East, the crisis between the United States and Iran has intensified since January 2026, with the U.S. undertaking its largest military deployment to the region since 2003 amid ongoing concerns over Iran’s nuclear programme and its crackdown on domestic protests. While indirect diplomatic talks have resumed, the threat of military action continues to weigh on energy markets and investor sentiment, compounding tensions from the 2025 Israel / Iran conflict.

In Europe, eurozone growth is projected to remain constrained by high energy costs, weak industrial competitiveness, and the ongoing effects of Russia’s war in Ukraine.

Globally, trade policy uncertainty linked to elevated U.S. tariffs continues to dampen business confidence, with potential flow-on effects for property markets through higher construction costs and weaker demand. These geopolitical and macroeconomic risks reinforce the importance of APW’s conservative approach to portfolio management and zero gearing.

On the domestic front, the economic landscape has shifted. The RBA’s February 2026 rate hike to 3.85% signals that the battle against inflation is not yet won. This new phase of monetary tightening

AIMS Fund Management Limited



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presents two primary challenges for real estate. First, higher risk-free rates typically lead to a compression of asset values through expanded capitalisation rates, directly impacting the valuation of APW's underlying property holdings.

Second, for the underlying funds in the portfolio that utilise debt, increased borrowing costs will reduce net operating income and, consequently, the returns available to unitholders. This is particularly acute for assets in weaker sectors, such as B and C grade offices, where declining occupancy and falling rents are already eroding income, making it increasingly difficult to service higher debt expenses.

The Singapore economy is resilient, however, the industrial / logistics real estate market is experiencing tapered rental growth and reversion.

APW's management is aware of the uncertain macroeconomic and geopolitical environment. The headwinds facing the property sector, particularly office assets, are intensifying. Management is actively engaging with the managers of underlying funds to assess their strategies for managing leasing risk, tenant incentives, and the impact of higher debt costs on asset values.

A handwritten signature in black ink, appearing to read "George Wong", written over a horizontal line.

George Wong
Executive Chairman
AIMS Fund Management Limited

A handwritten signature in black ink, appearing to read "Claud Chaaya", written over a horizontal line.

Claud Chaaya
Company Secretary
AIMS Fund Management Limited

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