12 February 2021

Dear SCA Unlisted Retail Fund 2 (SURF 2) Investor,

We refer to our December 2020 Fund Update regarding SURF 2 where we advised that SURF 2 had entered into a contract to sell Katoomba Marketplace to SCA Property Group for a sale value of $55.1 million (before selling costs).

We are pleased to confirm that the sale of Katoomba Marketplace, the final property held in SURF 2, is expected to complete in mid-February 2021. A successful sale at $55.1 million (before selling costs) would be 17.2% above the independent valuation at December 2019 ($47.0 million) and the carrying value at June 2020 ($47.0 million). This also represents a gain of 23.0% on the original purchase price of $44.7 million, paid in 2017. After repayment of debt, selling costs and other liabilities, this is expected to be equivalent to over $1.20 per unit and an internal rate of return of around 12% per annum.

Subject to completion of the sale of Katoomba Marketplace in mid-February 2021, the Board of SCA Unlisted Retail Fund RE Limited, as responsible entity of SURF 2, will then commence the wind up of SURF 2 in accordance with the terms of its constitution.

If the Board resolves to wind up SURF 2, the proceeds from the sale of Katoomba Marketplace, less all of the Fund's liabilities (**Net Proceeds**), will be distributed to members in proportion to the number of SURF 2 units held. Assuming the sale of Katoomba Marketplace completes as anticipated by mid-February 2021, we expect that an initial distribution (including return of capital) of around $1.20 per unit will be made by late February or early March 2021. We expect the final residual distribution which will be a much smaller distribution to be made in April or May 2021. The final winding up and de-registration of SURF 2 is expected to be completed by the end of calendar year 2021.

We will provide unitholders with a further update concerning the sale of Katoomba Marketplace and the proposed winding up of SURF 2 in due course.

Thank you for investing in SURF 2.