



August 29, 2025

Unico Strategic Opportunity Fund VIII: One Nashville

Second Quarter 2025 – Report to Investors

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LETTER TO INVESTORS

August 29, 2025

Enclosed please find the financial report for Unico Strategic Opportunity Fund VIII (the “Fund”) for the quarter ended June 30, 2025. This report serves to update investors on the activities of the Fund.

Property Financial Highlights

Year-to-date net operating income (NOI) at the Property as of June 30, 2025 was \$3.5M, approximately \$500K lower than Q2 2024. This is primarily due to vacates from tenants TikTok and Boston Consulting Group in Q4 2024 and Q1 2025, respectively. The Property closed Q2 2025 with approximately \$676K in cash, with an additional \$3.4M in lender-held cash. Interest payments have been suspended since the loan modification in March, freeing up working capital to build speculative suites and aggressively pursue leasing opportunities.

	Q1 2025	Q2 2025	Net Change	At Disposition (<i>Projected Mar 2030</i>)
Debt Balance	\$100,253	\$100,253	—	\$100,253
Accrued Interest	\$5,194	\$5,946	\$752	\$21,871
Lender-held Cash	\$2,404	\$3,446	\$1,042	\$16,975
Asset Value*	\$70,158	\$70,364	\$206	\$135,656

**Asset Value is based upon an internal valuation as of December 31, 2024 plus YTD capital.*

Leasing

One Nashville (“the Property”) was 61% leased as of Q2 2025, with a weighted average lease term of 3.6 years. Occupancy decreased 2% following Boston Consulting Group’s (6,200 SF) recent vacate. Occupancy is trending to 48% once Regions Bank vacates their remaining spaces at the end of 2025. Regions Bank physically vacated their space in December 2024 and officially closed the branch in January 2025. They are in the process of removing their signage at the top of the Property. There were no signed leases this past quarter, but we are presently engaged in early extension/relocation negotiations with four existing tenants totaling 17,700 SF. Tour activity remains strong in the Nashville CBD. The Property is trading proposals with two prospects totaling 16K SF and is pursuing another 30K SF prospect with an unsolicited offer. It is noted that the existing cocktail club operator in the Printer’s Alley facing suite (5,645 SF; 3/2034 exp.) has struggled this year. We are presently determining if the operator can turn it around and are pursuing a short term percentage rent structure to help stabilize operations in the interim.

The table below details actual leasing activity in comparison to underwritten occupancy projections at the time of the 2025 loan modification. This will be updated on a quarterly basis to compare targeted annual occupancy versus actual leasing.

	<i>Actual</i>	<i>Projections</i>			
Year	2025	2026	2027	2028	2029
Current Leased SF*	255,471	224,030	297,571	261,491	335,233
Current Leased SF (%)	61 %	54 %	71 %	62 %	80 %
Contractual Rollover	65,635	30,622	25,238	51,719	8,227
Target Renewal	0%**	70 %	70 %	70 %	70 %
Actual Renewal	0 %	—	—	—	—
Target New Leasing	29,380	29,458	29,193	20,581	17,695
Actual New Leasing	7,978	—	—	—	—
*Leased SF based on 2017 BOMA Area Study; Leased SF actuals and projections are as of Q2 for each year					
**All tenants expiring in 2025 have indicated intent to vacate as of the date of this report					

Capital Expenses

The Property is proceeding with the 2025 capital plan following the loan modification. The 2025 capital plan includes 8,500 SF of speculative suites to help drive leasing momentum, as they have historically performed well at the Property. Additional capital projects include HVAC and elevator improvements and concrete repairs in the parking garage. All of these are items that were previously deferred have been deemed critical items for 2025. 2025 capital expenses are tracking to \$1.5 M (inclusive of speculative suites) and will be funded by lender reserves.

Tax Loss Recognition

Earlier this year, several investors expressed interest in recognizing a loss on their investment in One Nashville Place in the near term rather than continuing with the longer-term hold strategy. In response, management has explored potential options to facilitate this outcome, including a scenario where investors may elect to sell their partnership interest for a nominal amount (e.g., \$1). We are presently compiling investor interest in these potential options and will follow up with a more detailed summary of the structure and tax considerations later this year.

Market Update

Nashville

INVENTORY	VACANCY	NET ABSORPTION
21.3 M SF in Nashville Urban Core	22.9% Direct	319 K SF YTD
	24.3% Total	1.5% of Inventory
RENTAL RATES	NEW CONSTRUCTION	UNDER CONSTRUCTION
\$46.69 /SF Gross	554 K SF Delivered YTD	60 K SF
0.9% QoQ Increase		

The Nashville CBD and midtown submarkets (together, the "Urban Core") closed out the second quarter of 2025 with positive net absorption of 107 K SF and accounted for 57% of Nashville's leasing activity. Holland & Knight's 141 K SF lease at Symphony Place in a move from Nashville City Center led a strong quarter of activity in the Nashville Market, though notably is a downsize from their former footprint. Despite over 500 K SF of new construction hitting the market, the second quarter of 2025 marked the third consecutive quarter of positive net absorption. An additional 60 K SF is under construction in the midtown submarket.

Asking rates in the Urban Core increased by 0.9% this past quarter, returning to average rates reported in late 2024. Class A product was the primary driver, increasing 2.5% while Class B rates decreased by 7.8% quarter-over-quarter.

Healthcare led all industry sectors in leasing activity for the quarter, followed by Finance and Business Services. Fifth Third Center, a ~500 K SF building located in the urban core, is still under contract to sell but has yet to close. The building will be losing its namesake tenant, Fifth Third Bank, who is moving its local headquarters to the Neuhoff District. It is a trophy asset located in the Germantown neighborhood north of downtown that has re-branded itself as an creative arts district in recent years.

Source: JLL Q2 2025 Nashville Office Insight Report

Conclusion

We wish you well in 2025 and look forward to keeping all parties apprised on One Nashville's status over the coming year. If you have any questions, please contact us at your convenience.

Sincerely,



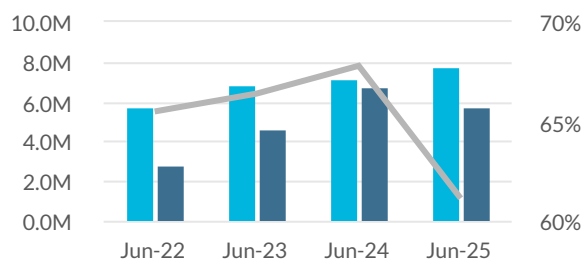
Dan Lowen
Portfolio Manager

ONE NASHVILLE PLACE

Nashville, TN



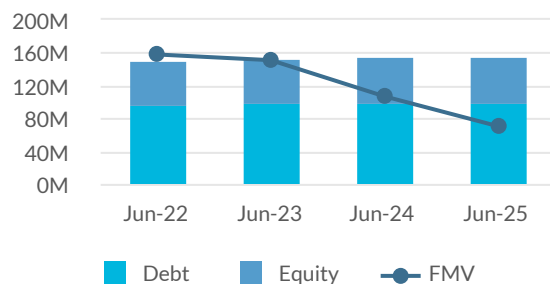
NOI and Debt Service (\$) vs Occupancy (%)*



■ NOI ■ Debt Service — Occupancy

*Debt service reflected on accrual basis through loan mod period

Cost Basis vs FMV



■ Debt ■ Equity — FMV

Asset Level Capitalization

	Cost Basis			Fair Market Value ¹		
	\$ PSF	%		\$ PSF	%	
Asset	\$88,213	\$211	100 %	\$70,364	\$168	100 %
Property NBS	\$68,164	\$163	77 %	(\$3,832)	(\$9)	(5)%
Debt	(\$100,253)	(\$240)	(114)%	(\$100,253)	(\$240)	(142)%
Non-recourse debt adj (2)	\$—	\$—	— %	\$33,721	\$81	48 %
Property Equity	\$56,124	\$134	63 %	\$—	\$—	1 %
Less: TIC Interest	(\$17,724)	(\$42)	(20)%	\$—	\$—	— %
Fund NBS	\$374	\$1	— %	\$573	\$1	1 %
Fund Equity	\$38,774	\$93	43 %	\$573	\$1	2 %

¹Fair Market Value is based upon an internal valuation as of December 31, 2024 plus YTD capital.

⁽²⁾ Adjustment takes into consideration the value of the underlying property to ensure that the value of the non-recourse debt does not exceed the fair value of the real estate and net balance sheet.

Property Information & Financing

Investment Date:	9/19/2018	Lender:	GIM Commercial Mortgage
Location:	Nashville, TN	Amortization:	30 Years
Description:	Class A-, Office	Fixed / Floating:	Fixed
Square Feet:	418,566	Rate / Spread:	3.00%
Occupancy at Close:	85%	Hedge:	N/A
Occupancy / Leased:	61% / 61%	Maturity Date:	3/1/2028
WALT:	3.59	Extensions:	Two 1-year extensions*

*7% Debt Yield hurdle on 1st Extension; 8% Debt Yield hurdle and LTV of <65% on 2nd extension

Investment Summary

The Fund (68.4%) and ALCO Nashville, LLC (31.6%) acquired One Nashville Place in September 2018 for \$139.5 million under a Tenants in Common Agreement. The original investment thesis was to access cash dividends derived from stabilized occupancy while capitalizing on mark-to-market rents in the interim. Although this plan has been impacted by COVID-19, ONP remains a desirable asset in a growing market. A discretionary capital plan aimed at bringing a market-leading amenity package and tenant experience helped in achieving additional rental premium, and despite the market's softening has helped differentiate ONP to attract tenancy.

UNAUDITED FINANCIAL STATEMENTS (in \$000s)

CONSOLIDATED BALANCE SHEETS

	June 30, 2025	December 31, 2024
ASSETS		
Investment in unconsolidated entity ⁽¹⁾	\$ —	\$ —
Cash	579	615
Total assets	<u>\$ 579</u>	<u>\$ 615</u>
LIABILITIES AND EQUITY		
Accounts payable and accrued expenses	\$ 6	\$ 14
Total liabilities	<u>6</u>	<u>14</u>
Commitments and contingencies		
Owners' equity	573	601
Total liabilities and owners' equity	<u>\$ 579</u>	<u>\$ 615</u>

⁽¹⁾ Under US GAAP, equity method should be suspended and losses should not be recognized in excess of total investment. As of June 30, 2025 and December 31, 2024, total investment was reduced to zero.

CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended June 30,		Year to Date June 30,	
	2025	2024	2025	2024
Revenues:				
Equity in loss of unconsolidated entity	\$ —	\$ (3,448)	\$ —	\$ (3,947)
Operating expenses:				
State and local taxes ⁽¹⁾	—	—	—	58
General and administrative	15	(37)	26	33
Asset management fees	1	97	2	193
Total operating expenses	16	60	28	284
Net operating loss	(16)	(3,508)	(28)	(4,231)
Net loss	<u>\$ (16)</u>	<u>\$ (3,508)</u>	<u>\$ (28)</u>	<u>\$ (4,231)</u>

⁽¹⁾State and local taxes represent franchise and excise taxes assessed by the state of Tennessee on the Fund's proportional share of operations at One Nashville Place. The state of Tennessee changed how franchise tax is calculated during 2024. Under the new calculation method, the Fund has no estimated franchise tax payment due at this time. The Fund also has no estimated excise tax payment due for Q1-Q2 2025. No accrual was recorded for the three months ended June 30, 2025.

CONSOLIDATED STATEMENTS OF OWNERS' EQUITY

	Unico One Nashville Place Investor LLC	Limited Partners	Total
Balance, January 1, 2024	\$ 3,020	\$ 25,967	\$ 28,987
Net loss	(2,957)	(25,429)	(28,386)
Balance, December 31, 2024	\$ 63	\$ 538	\$ 601
Net loss	(3)	(25)	(28)
Balance, June 30, 2025	<u>\$ 60</u>	<u>\$ 513</u>	<u>\$ 573</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year to Date June 30,	
	2025	2024
Cash flows from operating activities		
Net loss	\$ (28)	\$ (4,231)
Adjustments to reconcile net loss to net cash used in operating activities:		
Equity in loss of unconsolidated entity	—	3,947
Equity in asset management fee of unconsolidated entity	—	191
Distributions from unconsolidated entity	—	125
Changes in operating assets and liabilities:		
Accounts payable and accrued expenses	(8)	(119)
Net cash used in operating activities	(36)	(87)
 Net change in cash	 (36)	 (87)
 Cash at beginning of period	 615	 96
 Cash at end of period	 \$ 579	 \$ 9

EXHIBIT A: ONE NASHVILLE PLACE STATEMENTS OF OPERATIONS¹

	Three Months Ended June 30,		Year to Date June 30,	
	2025	2024	2025	2024
Revenues:				
Lease Revenue	\$ 2,246	\$ 2,219	\$ 4,549	\$ 4,606
Other property income	708	909	1,339	1,816
Total revenues	2,954	3,128	5,888	6,422
Operating expenses:				
Depreciation and amortization	842	5,110	1,674	6,140
Property operating	684	757	1,399	1,460
Real estate taxes	471	477	941	954
Asset management fees	140	139	278	279
Total operating expenses	2,137	6,483	4,292	8,833
Net operating income (loss)*	817	(3,355)	1,596	(2,411)
Other Income (Expenses):				
Interest expense, net	(775)	(1,823)	(3,213)	(3,637)
Net other expense	(775)	(1,823)	(3,213)	(3,637)
Net income (loss)	<u>\$ 42</u>	<u>\$ (5,178)</u>	<u>\$ (1,617)</u>	<u>\$ (6,048)</u>

⁽¹⁾The combined statement of operations includes the operating results attributed to the two co-Tenants under the Tenancy-in-Common Agreement. Each co-Tenant will determine how to capitalize, depreciate, and amortize real estate assets based on their accounting policies. Amounts recorded above are in accordance with the accounting policies of Unico Properties, LLC as manager and are presented in order to show the operating results of the Property as a collective whole.

*Excluding asset management fees and depreciation/amortization expense, property NOI is approx. \$3.5 million and \$4.0 million for 2025 and 2024, respectively.

DISCLAIMER

Certain economic, financial market and real estate market information contained in the Letter to the Investors has been obtained from published sources. While such information is believed to be reliable, none of the Fund, the General Partner or any of their respective affiliates, agents or representatives assumes any responsibility for, or makes any representation or warranty, express or implied, with respect to, the accuracy of such information.

Certain information contained herein represents or is based upon forward-looking statements or information, including descriptions of anticipated market changes, projected returns from unrealized investments and expectations of future activity. Certain forward -looking statements can be identified by the use of forward-looking terminology such as “may,” “can,” “will,” “would,” “seek,” “should,” “expect,” “anticipate,” “project,” “estimate,” “intend,” “continue,” “target” or “believe” or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements. Therefore, undue reliance should not be placed on such forward-looking statements and information.

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