Core Property
Fund Research & Ratings
www.coreprop.com.au

Unlisted Property Trust Report

Centuria 348 Edward Street Fund

November 2019

Prime Brisbane CBD office asset targeting 6.25%+ p.a. distributions

Centuria 348 Edward Street Fund

Contents

About Core Property Research

Core Property Research Pty Ltd was established in July 2017 to provide market leading and insightful research on the property funds sector for its clients and investors. Our ratings and research cover sector level research, ratings and recommendations on listed and unlisted property funds, and is built upon the extensive research experience of its staff.

The Core Property team collectively, has over 50 years' experience across property, financial services and investment markets. The team has also evaluated over 500 different funds across multiple sectors and a range of investment structures over the last decade.

IMPORTANT NOTICE

Centuria 348 Edward Street Fund

November 2019

The Centuria 348 Edward Street Fund ("the Fund") is an unlisted property fund that provides an opportunity to invest in a prime office building located in the Brisbane CBD. The Fund's Responsible Entity, Centuria Property Funds No.2 Limited (RE or "the Manager") is seeking to raise $57.2M through the offer of 57.2M units at $1.00 per unit ("the Offer"). Funds raised will be used in conjunction with bank debt to acquire the office asset at 348 Edward Street, Brisbane QLD ("the Property").

The Property provides a well located, A-grade, core CBD office exposure with a strong tenant profile and staggered leasing structure. The asset was constructed in 1986 and has recently undergone refurbishments in 2018/2019. It currently is 88% occupied (increasing to 100% after including a rental guarantee for 18 months). 348 Edward Street is a 16-level office building featuring ground floor retail and 3 floors of split accommodation of car spaces and office use. It is anchored by Deswik, BMT WGM, Citadel Group and First Mortgage Services.

The Property provides attracted investment metrics for the Fund with: (1) a Weighted Average Lease Expiry (WALE) of 5.1 years (by income, including rental guarantee and Heads of Agreements); (2) Staggered leasing profile; and (3) lease profiles with fixed annual rent increases between 3.5% - 4.0% p.a.

The Fund provides a Core investment strategy to invest in a prime CBD office building in the Brisbane CBD. The value of the Property will be dependent on the Manager maintaining strong occupancy levels, which includes leasing up the vacant space during the 18-month rental guarantee. Additionally, the Property is expected to benefit from favourable economics in Queensland, supporting the office market in the Brisbane CBD. This includes significant investment in infrastructure in Queensland, growth in white collar employment and a 75-bps yield premium to key markets Sydney and Melbourne.

The Fund will have an initial five-year debt facility with an average cost of debt of 2.82% p.a. The Manager intends to fully hedge the interest rate for up to five years. The initial Loan to Valuation Ratio (LVR) of 39.7% is below the bank covenant of 60.0% and the initial Interest Coverage Ratio (ICR) of 3.9x is above the bank ICR covenant of 2.0x.

The Fund will have an initial NTA of $0.88 per unit, with most of the costs coming from stamp duty and acquisition costs.

Fees charged by the Fund are at the low-end of what Core Property has seen in the market, however it is noted that the Performance Fee hurdle is an IRR of 8%, which is at the lower end of the range of what Core Property has currently seen in the market.

The Manager is forecasting a 6.25% (annualised) distribution yield in FY20, 6.50% in FY21.

Core Property estimates the Fund to deliver an Internal Rate of Return (IRR) of between 5.6% - 10.7% based on the Manager's assumptions and assuming a +/- 50 bps movement in capitalisation rates over the initial five-year term. Investors should note the calculates are based on the Manager's assumptions and a change in tenancy may impact distributions, the value of the Property and investor returns. The analysis includes the potential that investors may receive a capital gain or loss, based on market conditions and investor returns are dependent on the sale price of the Property.

Investor Suitability

Core Property considers the Fund will appeal to investors seeking a core property investment underpinned by a prime CBD office asset with strong corporate tenants.

Capital gains will be dependent on the Manager's ability to maintain and enhance the asset, manage and optimise lease expires as well as managing the sale of the Property to maximise investor returns.

The Fund should be considered as part of a Core investment strategy. The Fund is illiquid, and investors should expect to remain invested for the minimum initial term of five years.

Recommended

See the Appendix for a description of our ratings. The above rating must be viewed in the context of comparable Funds and not across all products

Fund Details

Offer Open:	4 November 2019
Offer Close:	29 November 2019[1]
Min. Investment:	$50,000[2]
Unit Entry Price:	$1.00
Net Tangible Asset per unit:	$0.88
Liquidity:	Illiquid
Forecast Distributions:	6.25 cpu (FY20 annualised) 6.50 cpu (FY21)[3]
Distribution Frequency:	Monthly
Initial Investment Period:	5 years to 13 December 2024

1. The Manager may close the Offer at any time when sufficient commitments have been received.
2. The Manager may accept lower amounts at its discretion.
3. Based on the Manager's forecasts.

Fund Contact Details

Doug Hoskins
Fund Manager
doug.hoskins@centuria.com.au
Phone: 02 8923 8923

Ben Harrop
Head of Distribution
ben.harrop@centuria.com
Phone: 02 8923 8923

Trust – Website

www.centuria.com.au

Note: This report is based on the Centuria 348 Edward Street Street Fund Product Disclosure Statement dated 31 October 2019, together with other information provided by Centuria Property Funds.

Key Considerations

Management: Well-regarded fund manager with a solid track record of managing property funds, corporate governance, and maintaining and improving occupancy rates.

Fund Structure: The assets will be acquired and placed in a separate sub-trust known as the "Holding Trust". The Centuria 348 Edward Street Fund will have 100% interest in the Sub-Trust.

Fund Strategy: The Fund primarily offers a Core investment strategy to invest in a prime CBD office asset that is well positioned to benefit from the increase in infrastructure spending and growth in white collar industries.

The Property: The Fund will invest in the office building at 348 Edward Street, Brisbane QLD. Constructed in 1986, the 16-storey prime grade commercial office building includes ground floor retail and three levels of split floors featuring car spaces. The property is currently 88% occupied (100% including rental guarantee), with a WALE of 5.1 years (by income) and an NLA of 11,067 sqm. Key corporate tenants include Deswik, BMT WGM, Citadel Group and First Mortgage Services. The Property will be acquired for $89M, which equates to a price of $8,042 per sqm, at the mid-to-upper range of recent transactions in the Brisbane CBD. ($5,697 - $9,533 per sqm).

Capital Expenditure: During the first 12 months the Fund intends to spend $1.5M to rectify and replace the building's façade which features Aluminium Composite Panels (ACP), and $1.0M to replace the lifts. A further $1.2M of capex is budgeted across the five-year term. Capex is to be funded by a drawdown of debt with the LVR forecast to peak at 45.5% over the term of the Fund.

Location: The Property is in Brisbane's CBD, located in the Uptown Precinct. The area is expected to benefit from surrounding development including a mixture of retail, medical and office premises. Additionally, the asset is opposite the proposed Brisbane Metro extension on the existing King George Square underground bus station. The property is located 260m away from Central Station with bus stops surrounding the asset.

Rental Guarantee: The asset has a rental guarantee for 18-months in place from the vendor. The ability of the Manager to lease up the vacant space during this period will impact distributions and capital value.

Debt Profile: The Fund has received credit approved terms for a five-year debt facility of $46.7M, fully hedged for five-years at an assumed average cost of 2.82% p.a. The initial Loan to Valuation Ratio (LVR) is 39.7%, against a bank LVR covenant of 60.0%. The initial Interest Coverage ratio (ICR) of 3.9x is above the bank ICR covenant of 2.0x. The Fund will also undertake a short-term bridge loan with Centuria Capital (ASX: CNI) for $5.45M at a rate of 10% p.a. to fund the deposit and provide security for the forward interest rate swap.

Initial NTA: The Fund's initial NTA is $0.88 per unit, which includes $0.01 per unit of capitalised interest costs.

Distributions: The Manager is forecasting FY20 distributions of 6.25% p.a. (annualised), FY21 distributions 6.50% p.a., increasing to 7.25% p.a. (annualised) at the end of five years.

Fees: Core Property considers the management fees to be at the low-end of what has been seen in the market (*see Figure 5: Fees in Perspective*). Performance Fees are 20% over an 8% IRR hurdle, with the hurdle rate at the lower end of what is currently seen in the market.

Total Returns: Core Property estimates the Fund to deliver a five-year IRR of 5.6% - 10.7% based on the Fund's +/- 50 bps sensitivity to capitalisation rates (see the *Financial Analysis section*). Investors should be aware the Fund is exposed to a capital gain or loss based on the sale price of the asset and the overall market conditions, which may deliver an IRR outside this range.

Illiquid investment: Investors must accept that by their very nature, unlisted property funds are illiquid and expect to remain invested for the initial five-year term of the Fund. The Manager may extend the Fund for two years subject to an Ordinary Resolution (50% of votes in favour). At the end of the extended period the Manager may further extend the Fund, if it receives the approval of 100% of votes, or where there is less than 100% of votes then investors who vote against the extension are provided the opportunity to exit at the prevailing Withdrawal Price.

Investment Scorecard

Management Quality

★★★★★

Governance

★★★★☆

Portfolio

★★★☆☆

Income Return

★★★☆☆

Total Return

★★★☆☆

Gearing

★★★☆☆

Liquidity

★☆☆☆☆

Fees

★★★☆☆

Key Metrics

Trust Structure	
An unlisted property fund investing in a prime office building located in Brisbane's core CBD precinct.	

Management
Centuria is a subsidiary of the ASX-listed specialist investment manager, Centuria Capital (ASX: CNI). It is a well-regarded Australian fund manager with demonstrable experience in property and finance. Greater representation of non-executive directors' lead to a balance of decision making.

Property Portfolio	
No. of Properties:	1
Valuation:	$89M (gross valuation)
Property Location:	348 Edwards Street, Brisbane, QLD
Property Sector:	Office
Key Tenants:	Deswik (23.7% of NLA) IBM (9.6% of NLA)
Occupancy:	88% (100% including rental guarantee for 18-months)
WALE:	5.1 years (by income)

Return Profile	
Forecast Distribution:	6.25% (FY20 annualised) 6.50% (FY21)
Distribution Frequency:	Monthly
Tax advantage:	100% tax deferred in FY20 and FY21
Estimated Levered IRR (pre-tax, net of fees):	5.6% - 10.7%
Investment Period:	5 years (Initial Fund Period)

Risk Profile	
Property/Market Risk:	Capital at risk will depend on an office building in Brisbane, QLD. Investors will be exposed to a potential capital gain or loss, based on market conditions.
Interest Rate Movements:	The Manager intends to fix the interest rates for up to five years. Any extension of the Fund beyond this period may be impacted by interest rate movements.
Property Specific Risks:	Property investments are exposed to a change in vacancy rates (including a key tenant lease expiries), prevailing market rents, and economic supply and demand.

For a more detailed list of the key risks, refer to the "Investment Considerations and Risks" section of the Product Disclosure Statement.

Fees Paid	
Core Property considers the Fees charged by the Fund to be at the low-end of what has been seen in the market (see Figure 5: Fees in Perspective).	
Entry Fees:	Nil
Exit Fees:	Nil
Management Upfront Fee (Property Acquisition Fee):	2.0% of purchase price.
Divestment Fee (Property Disposal Fee):	1.0% of sale price.
Management Fees:	- Management Fee: 0.8% p.a. of GAV. - Custodian Fee: The minimum of 0.015% p.a. of GAV or $15,000 p.a. - Property Expenses: 0.09% p.a. (est.) of GAV
Performance Fee:	20% of the outperformance over an IRR of 8.0%.

Debt Metrics – Indicative Terms	
Initial Debt / Facility Limit:	$32.7M / $46.7M
Loan Period:	5 years[1]
Initial LVR / LVR Covenant:	39.7% / 60.0%
ICR / ICR Covenant:	3.9x / 2.0x

Note 1: 5-year loan term with a 5-year interest rate swap.

Legal	
Offer Document:	Centuria 348 Edward Street Fund Product Disclosure Statement, dated 31 October 2019
Wrapper:	Unlisted Property Trust
Trustee:	Centuria Nominees No.3 Pty Limited
Custodian:	Perpetual Corporate Trust Limited (ABN 99 000 341 533)
Responsible Entity & Manager:	Centuria Property Funds No.2 Limited (ABN 38 133 363 185, AFSL No. 340304)

Fund Overview

The Fund is a closed-ended, unlisted property fund that invests in a 16-storey commercial office building that includes ground floor retail and three levels of split office accommodation and car spaces. The Fund has an initial term of five years and the Manager is targeting distributions of 6.25% p.a. in the first year (annualised), and 6.50% in the second year.

Centuria Property Funds Ltd, the Responsible Entity ("the RE") is seeking to raise $57.2M in equity through the issue of 57.2M units at $1.00 per unit ("the Offer"). The Fund has a minimum investment of $50,000, however the Manager may accept lesser amounts at its discretion.

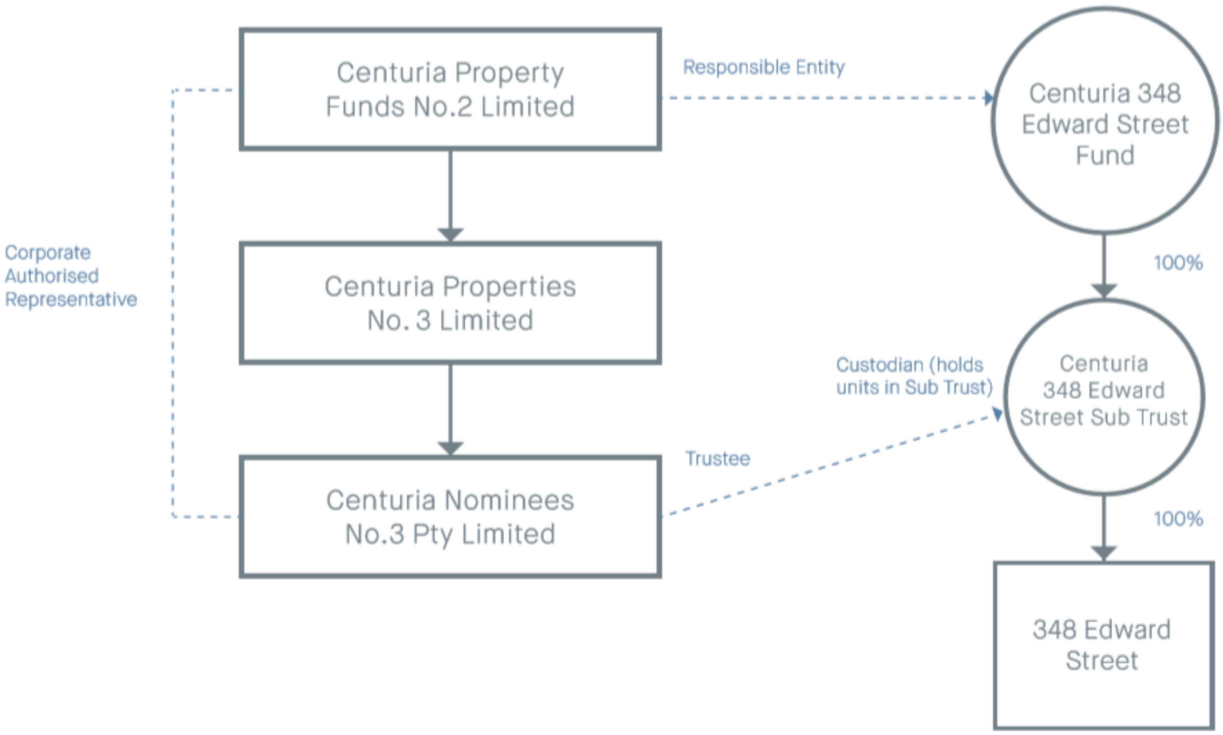
To facilitate the launch of the Fund and to secure the Property, Centuria has arranged for third parties and entities within the Centuria Group to acquire Acquisition Units at an issue price of $1.00 each. The Acquisition Units will be returned at the issue price of $1.00 per unit from the issue of units under the terms of the offer.

The Property consists of a 16-storey office building at 348 Edwards Street, Brisbane QLD. It features ground floor retail and car spaces coupled with three split levels of car spaces and office accommodation. The building was constructed in 1986 and underwent refurbishments in 2018/2019. The office building is currently 88% occupied with a Weighted Average Lease Expiry (WALE) of 5.1 years as at December 2019. The assets will be acquired by a holding trust which the Fund will own 100% of the units in.

The Fund should be considered illiquid and investors should expect to remain invested for the Fund's initial term of five years to benefit from potential returns. The term of the Fund may extend beyond the initial five-year term by up to 2 additional years if approved by more than 50% of votes cast. An extension beyond this will require a Unanimous Vote (100% of votes cast), or where a Unanimous Vote is not received, investors who voted against an extension are provided the opportunity to exit at the prevailing Withdrawal Price.

A summary of the Fund structure is provided below.

Figure 1: Fund structure



Source: Centuria

Fund strategy

The Fund provides a core investment strategy by investing in a well located, prime A-grade office building in the Brisbane CBD. During the first 18 months, the Manager will actively seek to lease up the vacant spaces while the rental guarantee is in place. Further lease initiatives and building maintenance will occur to improve the value of the Property. These initiatives are supported by a strong demand for quality assets as white-collar industries continue to grow boosted by major infrastructure development and investment.

Liquidity / exit strategy

Investors should view the Fund as illiquid in nature and expect to remain invested for the initial five-year term of the Fund. The Manager may also extend the Fund for two years subject to an Ordinary Resolution (50% of votes in favour).

The Fund may be extended beyond seven years for up to two years at a time, where a Unanimous Resolution (100% of votes cast in favour) is needed, or, where there is not a Unanimous Resolution, those who voted against the extension are provided the opportunity to exit the Fund at the prevailing Withdrawal Price (being the net asset value of the Fund based on an independent valuation and taking into account estimated transaction costs).

Sources & Application of funds

The PDS sets out the sources and application of funds under the terms of the Offer.

Figure 2: Sources and Application of Funds

	$M	% of purchase price	% of total funds
Sources of funds			
Equity subscriptions	$57.2M	70.1%	63.6%
Bank debt	$32.7M	40.0%	36.4%
Total sources of funds	**$89.9M**	**110.1%**	**100.0%**
Application of funds			
Purchase price	$89.0M	100.0%	90.8%
Adjustment for Lease Incentives	-$7.4M		
Costs (Acquisition Costs, Fees)	$8.2M	10.0%	9.1%
Working Capital & Capital Expenditure Reserves	$0.1M	0.1%	0.1%
Total application of funds	**$89.9M**	**110.1%**	**100.0%**

Source: Centuria, Core Property

Debt Facility & Metrics

The Manager has received indicative terms for a five-year debt facility of $46.7M. The initial drawn debt is $32.7M. The Manager intends to fully hedge the interest rate for up to five-years at an assumed average cost of 2.82% p.a. If the LVR increases above 55.0%, the total cost of interest increases by 0.2%.

The initial Loan to Valuation Ratio (LVR) is expected to be 39.7%, against a bank LVR covenant of 60.0%. Core Property calculates that the value of the Property must fall by 33.9% for the bank LVR covenant to be breached. The initial LVR is calculated using the initial drawn debt of $32.7M and a valuation of $82.4M (being the acquisition price of $89M adjusted for the present value of lease incentives). The initial Interest Coverage ratio (ICR) is 3.9x against a bank ICR covenant of 2.0x. Core Property calculates the net operating income must fall by 43.3% for this covenant to be breached,

The Fund will also undertake a short-term loan with Centuria Capital (ASX: CNI) for $5.45M at a rate of 10% p.a. for approximately two months, to fund the deposit for the purchase of the Property and to provide security for the forward interest rate swap. The total interest on the loan is estimated at $103,027 and has been included in the costs of the transaction.

Investors should be aware that any change in the final debt terms may impact final returns provided by the Fund. A change in the terms and cost of debt may impact investor returns of the Fund.

Figure 3: Debt Metrics

Details	Metric
Bank	Westpac Banking Corporation
Security	First ranking mortgage over the Property and a general security deed over the assets in the Fund. The financier will also hold a first ranking general security deed over the assets of the Holding Trusts.
Debt Facility drawn / Limit	$32.7M / $46.7M
Loan Period	5 Years from settlement
% Hedged / Fixed	The Manager intends to fully hedge for up to 5 years
Average cost of debt	2.82%
Initial LVR / Peak LVR / LVR Covenant	39.7% / 45.5% / 60.0%
Initial interest covered ratio (Lowest ICR) / ICR covenant	3.9x / 2.0x
Amount by which valuation will have to fall to breach LVR covenant	33.9%
Decrease in rent income to breach ICR covenant	43.3%

Source: Core Property, Centuria

Fees Charged by the Fund

Overall, Core Property considers the fees charged to be at the low-end of what has been seen in the market (see All-in fee analysis below). Core Property notes that the Performance Fee on the Fund is calculated at 20% of the Fund's performance above an IRR of 8.0% p.a. The threshold of 8.0% p.a. is at the lower end of what Core Property currently has seen in the market.

Figure 4: Summary of Fees charged by the Fund

Fee Type	Fee Charged	Core Property Comment
Entry Fee:	Nil	
Exit Fee:	Nil	
Manager Upfront Fee (Acquisition Fee):	2.0% of purchase price.	Core Property considers the Fee to be at the high end of the industry average of 1.0% - 2.0%.
Sale Fee (Disposal Fee):	1.0% of sale price.	The Disposal Fee covers any external agency selling costs and is in the low end of the industry average of around 1.0% - 2.0%.
Fees & Expenses – Management Fee, Property and Facilities, Expenses, Custody Fees:	- Management Fee of 0.8% of GAV. - Custodian Fee: The greater of 0.015% p.a. of GAV or $15,000 p.a. (with annual CPI increases) - 0.09% p.a. (est.) of Gross Assets for Expenses.	Core Property considers the Management Fee to be at the low end of what we have typically seen in the industry (0.7% - 1.1% p.a. of GAV). Other Fees appear appropriate.
Performance Fee:	20% of the Fund's outperformance over an IRR of 8.0%.	Core Property considers the IRR threshold of 8% to be at the lower end of what has been seen in the market.

Source: Centuria, Core Property

All-in fee analysis

Core Property has analysed the fees that accrue to the RE over the term of the Fund as a percentage of all cash flow generated after deducing interest costs but before management fees and performance fees.

Core Property estimates that Centuria is entitled to 7.5% of the total cash flow. Core Property considers the fees paid to the Manager to be in the low end when compared to similar products, which are typically around 7% - 9%. In terms of fees paid to the Manager, Core Property estimates that 27.8% of the estimate fee is paid upfront and the remainder relates to ongoing management fees. Core Property stresses that these estimates of how much investors will receive are not guaranteed amounts. For further details, please refer to the *Financial Analysis* section.

Figure 5: Fees in Perspective – over an estimated five-year period

Core Property estimates that for every $1.00 of equity invested the Fund can return:	Amount per $1.00 unit
Principal repayment to investors:	$1.00
Income and capital gains to investors:	$0.38
Total cash to investors:	**$1.38**
Acquisition fee:	$0.03
Base management fee:	$0.06
Disposal fee:	$0.02
Debt Arrangement fee:	$0.00
Fees for the RE (excluding disposal/admin):	**$0.11**
Total cash generated by Fund:	**$1.49**
Fees = % of total cash generated (before fees)	7.5%
Up-front fee vs total fees	27.8%

Source: Core Property estimates

The Property

The Property located at 348 Edward Street is a Prime A-grade building located in the Brisbane CBD. Constructed in 1986, the building has recently undergone refurbishments to the lobby and end-of-trip facilities in 2018/2019. The 16-storey office building features ground floor retail, with 3 upper levels having split office and car park accommodation.

Located in 'Uptown Precinct' of Brisbane CBD, the asset is well located in the proximity of public transport being 260m from Central Railway Station and neighbouring bus stops.

The Property is currently 88% occupied (rental guarantee bringing it to 100%) and has a WALE of 5.1 years (by income). It is anchored by corporate tenants such as Deswik and BMT WBM, underpinning approximately 56% of gross income.

Figure 6: 348 Edward Street, Brisbane QLD

Source: Centuria, Google

Property Valuation

The Fund's Valuation policy requires the Property to be valued by an independent valuer at least once every two years. However, the Manager Centuria typically has an independent valuation conducted annually for all its properties.

An independent valuation was undertaken by Colliers in December 2019 valuing the Property at $89M. The valuation is in line with the acquisition price of $89M.

Figure 7: Valuation Metrics

348 Edward Street, Brisbane QLD	
Title	100% Freehold
Acquisition date:	12 December 2019 (estimated Fund establishment date)
Ownership	100%
Site Area	1,394 sqm
Net Lettable Area	11,067 sqm
Major Tenants	Deswik – 2,619 sqm (23.7% of NLA) IBM - 1,061 sqm (9.6% of NLA) Dealer Solutions – 874 sqm (7.9% of NLA) Citadel Group - 874 sqm (7.9% of NLA)
Weighted Average Lease Expiry	5.01 years by income (12 December 2019)
Occupancy	89.1% (by income) (100% including rental guarantee)
Initial net passing income	$5.9M p.a. (fully leased)
Net Market income (fully leased)	$5.6M p.a.
Purchase price	$89M
Valuation	$89M
Passing initial yield	6.67%
Capitalisation rate	6.00%
Valuer	Colliers (December 2019)
Valuer's Discount rate	6.50%
Value/sqm	$8,042
Valuer's unleveraged 10-year IRR	6.51%

Source: Colliers

Leases, tenants and income

The Property has a diverse tenant portfolio with a Weighted Average Lease Expiry (WALE) of 5.1 years (by income) as at 12 December 2019. The Property is 88% occupied (100% including rental guarantee for 18 months) with rent reviews of between 3.5% and 4.0%.

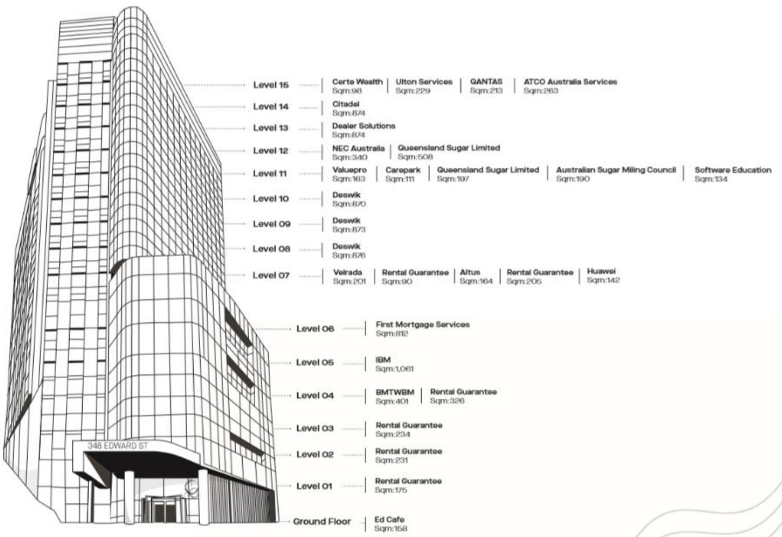
The largest tenant, Deswik, has 2,619 sqm (23.7% of NLA) across 3 floors with the lease expiring in 30 November 2027 and net passing rent of $464 per sqm with rent reviews fixed at 3.50% p.a. IBM occupies 1,061 sqm (9.6% of NLA) with lease expiring in October 2020. Existing tenant BMT WGM (currently 401 sqm, or 3.6% of NLA) has signed a Heads of Agreement to take IBM's space when it falls due, thereby increasing its total space to 1,462 sqm (or 13.2% of NLA). A summary of the tenancies is provided in the table below.

Figure 8: Tenant Metrics

Type	Lease Expiry	Average Passing Rent (per sqm)	Rent Review	Area (sqm)	% of NLA
Deswik	30 Nov 27	$464	3.50%	2,619	23.7%
IBM[1]	30 Oct 20[1]	$635		1,061	9.6%
Dealer Solution	31 Aug 23	$619	4.00%	874	7.9%
The Citadel	31 Jan 25	$575	3.75%	874	7.9%
First Mortgage Services	30 Sep 25	$587	3.75%	812	7.3%
Queensland Sugar Limited	31 Apr 23	$600	3.50%	705	6.4%
BMT WGM	31 Jan 28	$600	3.50%	401	3.6%
NEC Australia	31 Oct 25	$595	3.50%	340	3.1%
ATCO Australia Services	12 May 21	$677	3.75%	263	2.4%
Ulton Services	30 Sep 25	$617	3.75%	229	2.1%
QANTAS	31 May 23	$626	3.50%	213	1.9%
Velrada Capital	30 Sep 24	$600	3.50%	201	1.8%
Australia Sugar Milling Council	30 Apr 23	$600	3.50%	190	1.7%
Altus Group	14 May 22	$584	3.50%	164	1.5%
ValuePRO	11 May 21	$617	3.75%	163	1.5%
Ed Cafe	31 Jan 23	$295	3.50%	158	1.4%
Software Education	30 Nov 22	$644	4.00%	134	1.2%
Carepark	30 Nov 20	$648		111	1.0%
Certe Wealth	31 Dec 23	$629	4.00%	98	0.9%
Huawei	30 Sep 22	$605		142	1.3%
Rental Guarantee	11 Jun 21	$567		1,315	11.9%
Total		**$617**		**11,067**	**100%**

Note: 1: BMT WGM have signed a Heads of Agreement to occupy the space at expiry, 30 October 2020. Source: Centuria, Colliers

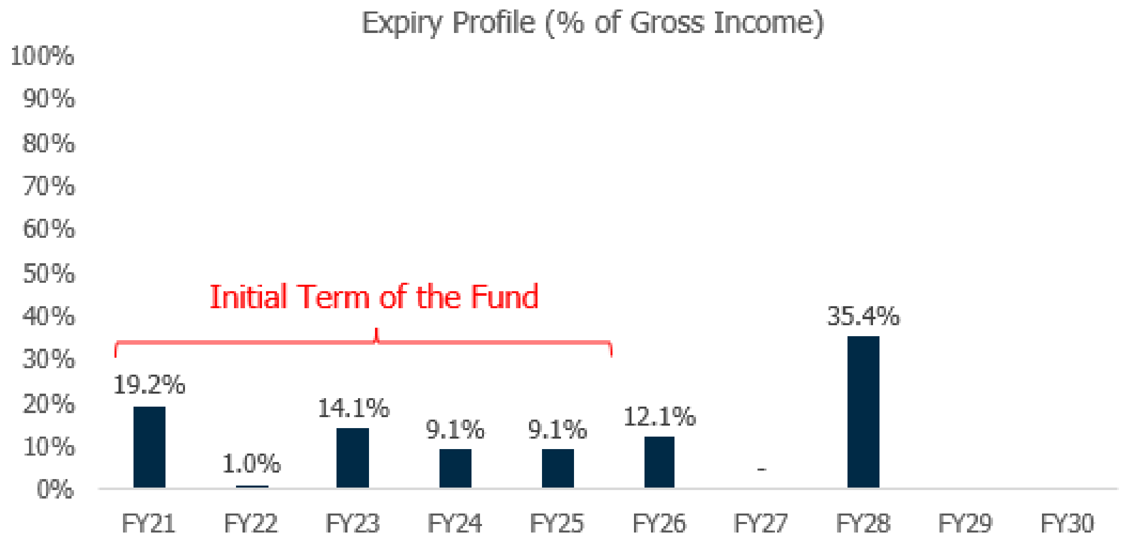
Figure 9: Tenant Stack



Source: Centuria

The figure below represents the Fund's weighted average lease expiry by income.

Figure 10: Property lease expiry (by income)



Source: Core Property

Market Sales Evidence

The table below shows the comparable sales transactions for similar assets that were sold recently in the last two years. The independent valuer has attributed a valuation for the office building at $8,042 per sqm, which is at the mid to upper end of comparable transactions in the Brisbane CBD office market of $5,697 - $9,533 per sqm.

Figure 11: Recent transaction evidence

Property	State	Sale Date	Sale Price	IRR	Equivalent Initial Yield (%)	Price per sqm
420 George Street, Brisbane	QLD	Jul - 19	$42.1M	6.12%	6.33%	$6,995
239 George Street & 15 Adelaide Street, Brisbane	QLD	Jun - 19	$214.1M	6.87%	7.09%	$6,013
201 Charlotte Street, Brisbane	QLD	Apr - 19	$126.7M	6.87%	6.18%	$9,533
30 Makerston Street, Brisbane	QLD	Mar - 19	$103.0M	6.96%	7.40%	$7,036
288 Edward Street, Brisbane	QLD	Dec - 18	$113.6M	6.98%	6.35%	$5,697
179 North Quay, Brisbane	QLD	Nov - 18	$52.6M	6.60%	6.70%	$6,170
133 Mary Street, Brisbane	QLD	Sep - 18	$96.5M	5.27%	5.34%	$6,712
Average			**$106.9M**	**6.5%**	**6.5%**	**$6,879**
Range			**$42.1 - $214.1M**	**5.27% - 6.98%**	**5.3% - 7.4%**	**$5,697 - $9,533**
348 Edward Street	**QLD**		**$89.0M**	**8.2%**	**6.67%**	**$8,042**

Source: Colliers

Market Rental Evidence

The main office tenants, Deswik, BMT WGM and IBM (subleased from BMT WGM) are currently leased at $464, $600 and $635 per sqm (gross) respectively. The Deswik lease is below recent comparable office rentals of $525 - $650 per sqm (average $570 per sqm). The BMT WGM and IBM leases are above the comparable market rent.

The current retail tenant, Ed Café, pays $295 per sqm. This sits below what has been seen in the market.

The following tables are a summary of comparable office and retail lease deals as provided by the independent valuer.

Figure 12: Recent rentals – Brisbane CBD office market

Property Address	Tenant	Commence Date	Area sqm	Rent per/sqm
144 Edward Street, Brisbane	Gallagher Basset	Jan-20	2,307	$600
300 Adelaide Street, Brisbane	Care Agency Services	Jan-20	138	$585
	French Beauty Academy	Dec-19	654	$560
116 Adelaide Street, Brisbane	Seek Migration	Dec-19	208	$550
	Measured Consulting	Sep-19	380	$525
100 Edward Street, Brisbane	Arcadia Landscape	Dec-19	84	$600
316 Adelaide Street, Brisbane	One Bookkeeping	Sep-19	98	$550
140 Ann Street, Brisbane	Adaptive Insights	Sep-19	506	$650
127 Creek Street, Brisbane	Mulpha Education Group	Sep-19	787	$595
119 Charlotte Street, Brisbane	QLD Government	Aug-19	833	$570
420 George Street, Brisbane	Legal Aid	Aud-19	468	$595
288 Edward Street, Brisbane	Health Workforce QLD	Jul-19	515	$570
Average				**$579**
348 Edward Street, Brisbane	**Deswik**	**Dec-19**	**2,619**	**$464**
	BMT WGM	**Dec-19**	**401**	**$600**
	IBM	**Oct-17**	**1,061**	**$635**

Figure 13: Recent rentals – Brisbane retail market

Property Address	Tenant	Commence Date	Area sqm	Rent per/sqm (Gross)
119 Charlotte Street, Brisbane	Formosa Asian Market	Aug-19	157	$637
119 Charlotte Street, Brisbane	Mary Street Print	Apr-19	60	$900
310 Ann Street, Brisbane	Ann Street Food Group	Mar-19	115	$696
Ground, 111 Eagle Street, Brisbane	GG Leasing	Feb-19	275	$575
Mezzanine, 111 Eagle Street Brisbane	GG Leasing	Feb-19	77	$1,000
120 Edward Street, Brisbane	JR Sushi	Aug-18	47	$1,100
95 North Quay, Brisbane	Timothy Fischer (Coffee)	Mar-18	49	$1,034
420 George Street, Brisbane	Allens Coffee	Feb-18	55	$855
348 Edward Street, Brisbane	**Ed Cafe**	**Feb-18**	**158**	**$295**

Source: Colliers

The Brisbane Office Market

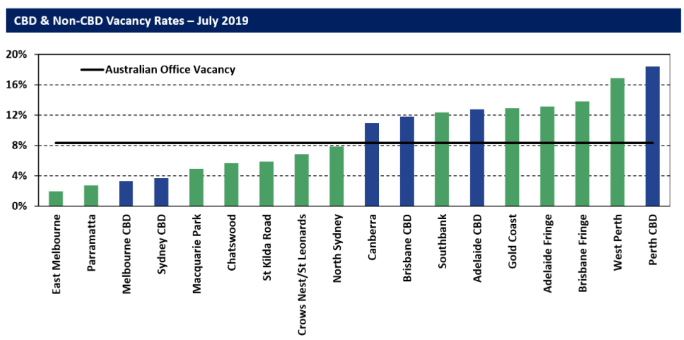
Brisbane is the capital of Queensland, with a population of around 2.5M (as at July 2018, ABS). The city's GDP growth of 3.4% (December 2018) continues to be just below the state of 3.5% (June 2019), yet is still above the nation-wide growth of 1.4% (June 2019). This growth is expected with the Queensland economy forecasted to outperform the nation due to infrastructure investment, population growth and an increase in overseas exports.

Brisbane's $150B economy is predicted to grow to $250B by 2031 and reflects a 6.6% forecast of white-collar employment growth. This is underpinned by the $49.5B investment in infrastructure and an increase in population growth of 29% by 2031. Additionally, the increase in overseas exports by $12B over FY19 further underpins expectations of outperformance. As Queensland's economy begins to transition away from relying on the mining sector and shifting towards the service sector, the economy is expected to continue to strengthen.

The Brisbane CBD has a vacancy rate of 11.9% (at July 2019), a reduction of 110bps in the past six months (13.0% in January 2019) as overall demand continues to increase faster than new stock.

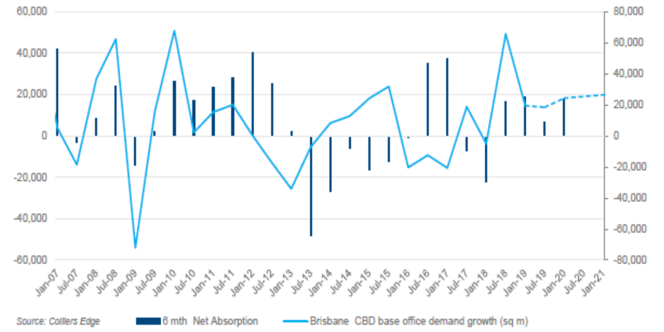
The leasing market continues to strengthen due to lower vacancy rates and increasing demand. It is expected Premium gross effective rents to continue to increase from $524 per sqm (June 2018) to $579 per sqm (forecast June 2020), representing a 10% growth over this period. Additionally, A-grade assets are expected to exhibit similar growth in rents from $462 per sqm to $497 per sqm (forecast June 2020), representing a 7.4% increase.

Figure 14: Australian Office Vacancy Rates



Source: PCA/OMR

Figure 15: Net Supply/Demand - Historical



Source: Colliers

Capex

The Manager has indicated $3.7M of capital expenditure over the term of the Fund.

As part of the acquisition, the Manager has identified the building's façade feature Aluminum Composite Panels (ACP) as classing. ACP is a material where there have been public concerns in recent times with respect to potential flammability and the Fund has made an allowance of $1.5M to rectify and replace the ACP during the first 12 months.

The Fund will also look to replacing the lifts in the Property at an estimated cost of $1.0M during the first 12 months.

The balance of $1.2M of capex is expected to be spent on general upkeep at the Property over the five-year term.

The capital expenditure budget is expected to be funded through an additional drawn down of the debt facility over the term. Core Property estimates the additional debt will result in a peak LVR of 45.5% based on the Manager's assumptions and capitalisation of costs.

Financial Analysis

Core Property has reviewed the financial forecasts by the Manager as provided in the PDS. The key observations are:

- The Manager is forecasting distributions of 6.25% (annualised) in FY20, increasing to 6.50% p.a. in FY21;
- Forecasts assume that debt is fixed for five years at 2.82% pa;
- Assumes the Property is maintained at 100% occupancy at the expiry of the rental guarantee;
- Assumes lease renewals are undertaken at market levels, with 75% probability, 35% incentives and 9 months downtime.
- Based on contracted annual rent increases of 3.50% to 4.00% p.a.;
- Forecasts assumes $3.7M of capex is funded from an additional draw down of the debt facility.
- Core Property notes the Fund does not forecast the payment of all its Distributable Earnings in certain periods in order to ensure it has sufficient working capital over the full five year term of the Fund.

A summary of the Manager's forecasts from the PDS is presented below for both the Holding Trusts as well as the Fund.

Figure 16: Profit & Loss Forecast & Balance Sheet

Profit & Loss - Forecast $M	**FY20 (13 December 2019 to 30 June 2020)[1]**	**FY21**
Holding Trust		
Gross Property Income	3.7	6.8
Property Expenses	-0.8	-1.7
Net Operating Income	2.9	5.1
Straight Lining of Rental Income	-0.2	-0.3
Distributable Funds	2.7	4.7
Centuria 348 Edward Street Fund		
Trust Income	**2.7**	**4.7**
Fees, Expenses	-0.5	-0.9
Net Operating Income	**2.2**	**3.9**
Net Interest Expense	-0.8	-1.3
Amortised Borrowing Cost Paid at Settlement	0.1	0.1
Distributable Funds	**1.5**	**2.7**
Distributions from working capital	0.4	1.0
Interest on Centuria Capital Funding	0.1	-
Net Distributions Received by Investors	**2.0**	**3.7**
Distribution Yield % (annualised)	**6.25%**	**6.50%**
Estimated Tax Deferral	**100%**	**100%**

Balance Sheet – $M – Holding Trust	**On acquisition (est 13 Dec 2019)**
Investment Property	89.0
Less: Adjustment for Lease incentives	-6.6
Total Assets	**82.4**
Total Liabilities	**-**
Net Assets	**82.4**
Centuria 80 Flinders Street Fund	
Units in Holding Trusts	82.4
Accumulated Cash, Receivables and Prepayments	0.1
Total Assets	**82.5**
Borrowings	32.7
Capitalised Borrowing Costs	-0.5
Total Liabilities	**32.2**
Net Assets	**50.3**
NTA per Unit	**$0.88**
Debt/ Total assets	**39.6%**

Source: Centuria, Core Property

Initial NTA

The starting NTA is an important consideration. It should be assessed in the context of statutory costs and fees paid to the Manager, which dilute investors' return over the term of the Fund. In this case, the starting NTA is $0.88 per unit, with most of the dilution coming from acquisition costs. Core Property notes that Centuria capitalises debt costs in its calculation of initial NTA. If debt costs were not capitalised the Fund's initial NTA would be $0.87 per unit.

Figure 17: Initial NTA

Amount per unit	$ per unit
Issue Price	$1.00
Less:	
Stamp Duty/Acquisition Costs	-$0.09
Acquisition Fee	-$0.03
Debt & Fund Establishment costs	-$0.01
Working Capital and Capitalised costs	+$0.01
NTA per unit (with capitalised costs)	**$0.88**

Source: Core Property

Expected Future Performance (IRR Sensitivity)

The three main performance drivers in a property syndicate are:

1. The property income profile (lease structure);
2. The terminal value upon the sale of the property (asset quality + market conditions); and
3. The cost of debt (depending on leverage).

Core Property has estimated the total return from the Fund based on the assumptions provided by the Manager.

Using these assumptions Core Property expects the Fund to deliver a 5-year Internal Rate of Return (IRR) in the range of 5.6% - 10.7%. The calculation is based on the Manager's forecasts and assumes a +/- 50bps movement in the terminal capitalisation rate and interest rates are fixed (the debt is fully hedged for the duration of the Fund).

Investors should be aware the sensitivities include the potential for the valuation of the assets to increase or decrease (depending on market conditions) which will result in either a capital gain or loss for investors.

Figure 18: Pre-tax, 5-year IRR (after fees) sensitivity analysis – Manager's assumptions

Terminal cap rate	Cost of Debt (assuming cost of debt is fixed at 2.82% for 5 years)
5.50%	10.7%
5.75%	9.5%
6.00% (base)	**8.3%**
6.25%	7.0%
6.50%	5.6%

Source: Core Property

Management & Corporate Governance

The Manager, Centuria Property Funds Limited ("CPFL") is a wholly owned subsidiary of the ASX listed-Centuria Capital Limited (ASX: CNI). CPFL, formerly Century Funds Management, was formed in 1999 with the specific focus on the purchasing if high quality, growth oriented commercial property investments.

At present, ASX listed Centuria Capital Limited manages 16 closed end funds, a diversified property fund and two listed A-REITS.

Core Property has reviewed the composition of the RE Board and senior executive team and consider it has the relevant skills and experience to operate the Fund successfully. Core Property notes the Board of the RE consists entirely of independent non-executive directors which provides a higher level of corporate governance.

Figure 19: The Board of the Responsible Entity

Name & Role	Experience
Peter Done **Non-Executive Chairman** Bachelor of Commerce (Accounting) UNSW and Fellow of Chartered Accountants Australia and New Zealand	Peter was appointed to the Board of Centuria Property Funds in 2007 and has 27 years' experience as a partner at KPMG from 1979 until retirement in 2006. During his years at KPMG, Peter was the lead audit partner for many clients, including those involved in property development, primary production and television and film production and distribution. Peter holds a Bachelor of Commerce (Accounting) from the University of New South Wales and is a fellow of Chartered Accountants Australia and New Zealand.
Nicholas Collishaw **Non-Executive Director** Dip Val, FAPI, FRICS, GAICD, SAFin.	Nicholas was the former CEO of Centuria Listed Property Funds from May 2013 to December 2017. Prior to this Nicholas was the CEO and Managing Director of Mirvac Group (ASX: MGR) from 2005 to 2012 and was responsible for successfully guiding the business through the impact of the global financial crisis and implementing a strategy to position the real estate developer and investor for sustained growth. With over 30 years' experience, he has held senior positions with James Fielding Group, Paladin Australia, Schroders Australia and Deutsche Asset Management.
Mathew Hardy **Non-Executive Director** Bachelor of Science (Urban Estate Surveying), ARICS, GAICD	Mathew has over 30 year's experience at a senior level in direct real estate, equities and funds management. He was a founding Director of real estate specialist Executive Search and consultancy Conari Partners. In addition, Mathew has worked as a valuer and consultant in varies global groups in the UK and Australia, and has held senior real estate positions at global institutions including Barclays Global Investors, Richard Ellis and Jones Lang Wootton. Mathew was General Manager of Mirvac managed, listed REIT, Capital Property Trust, and Head of Investments and Developments for Mirvac Funds Management. Mathew has been a Non-Executive Director of Centuria Property Funds since 2013 and is a member of Centuria's Audit, Risk Management and Compliance Committee.
Darren Collins **Non-Executive Director** Bachelor of Commerce and an Associate of Chartered Accountants Australia and New Zealand	Darren was a former executive of Computer Sciences Corporation (CSC) from 1997 to 2013 where he was Vice President of Finance and Administration of several operating divisions. From 2004 to 2009 Darren was also a non-executive director of three IT services companies listed on the Singapore, Hong Kong, and Kuala Lumpur stock exchanges. Darren has extensive experience in accounting, audit and financial management as well as a strong background in corporate governance and regulation and is also a member of Centuria's Audit, Risk Management and Compliance Committee.
Roger Dobson **Non-Executive Director** Master of Laws and Bachelor of Law (Hons)	Roger is the head of Jones Day's Business Restructuring & Reorganisation practice in Australia. He has extensive experience in working on large, complex restructuring and insolvency matters in Australia. Over the past decade he has represented main banking syndicates, offshore funds holding a substantial debt position, companies experiencing financial distress, liquidators, administrators, and receivers. Roger was appointed to the Board of Centuria Property Funds Limited and Centuria Property Funds 2 Limited in October 2017. Roger holds a Master of Laws from Columbia University in the City of New York and a Bachelor of Law from the University of Adelaide.

Source: Centuria

Figure 20: Management Team

Name & Role	Experience
John McBain **Joint CEO** Dip.Tech (Valuations), Diploma in Urban Valuation	John joined the Centuria Capital Board (formerly Over Fifty Group) on 10 July 2006 and was appointed as Chief Executive Officer in April 2008. John has built an extensive reputation over the years within the property industry. John founded property funds manager Waltus Investments Australia Limited and Hanover Group Pty Limited a specialised property consultancy and boutique funds manager. Waltus was formed in 1995 and was one of the first dedicated property funds managers in Australia. Prior to 1990, John held senior positions in a number of property development and property investment companies in Australia, New Zealand, and the United Kingdom.
Jason Huljich **Joint CEO** Bachelor of Commerce (Commercial Law)	Jason became the Centuria Group Joint CEO in June 2019 after previously leading Centuria's Real Estate and Funds Management business. Jason was also a founding director and major shareholder in boutique funds manager Century Funds Management, which was established in 1999 and acquired by Over Fifty Group in July 2006. He is an Executive Director of Centuria Capital Group. Jason has extensive experience in the commercial property sector, with specialist skills in property investment and funds management. He is also a past President of the Property Funds Association (PFA), which represents the $125 billion direct property investment body in Australia and continues to serve on their national executive. Jason holds a Bachelor of Commerce (Commercial Law) from the University of Auckland, New Zealand.
Doug Hoskins **Fund Manager** Masters pf Business Administration (MBA), Master of Operations Management, Diploma in Property Development, and a full property licence	Dough joined Centuria in 2006. He has diverse experience in the commercial property sector spanning over 10 years. He is responsible for the performance and management of several unlisted property funds. He is responsible for the performance and management of several unlisted property funds. He has oversight over the fund establishment process, fund strategies, investor communications and daily operations. He works with the Asset management team to develop fund strategies, liaises with financiers to secure and renew debt facilities, and works with the distribution team during the capital-raising process.
Ross Lees **Head of Funds Management** Bachelor of Business (Property Economics), Master of Applied Finance	Ross is the Head of Centuria's Real Estate Funds Management business, which is responsible for both listed and unlisted property funds. This includes two ASX listed REITs as well as 16 unlisted funds. Ross was previously the Fund Manager, Centuria Industrial REIT (ASX:CIP). Ross joined Centuria in 2017 and has over 15 years of industrial investment management experience having joined from Dexus where he held senior transactional and portfolio management roles. Prior experience includes over six years at Stockland (ASX: SGP) and four years at Logos Property Australia having established and led their asset management platform.
Andrew Essey **Head of Transactions** Bachelor of Business Admin	Andrew joined Centuria Property Funds in February 2013 as National Leasing Manager, was appointed Fund Manager in November 2015, and transitioned to the role of Head of Transactions in July 2017. As Head of Transactions, he is responsible for originating and managing the Group's property transactions and oversight of the Group's acquisitions team. Prior to joining Centuria, Andrew worked for DTZ in Sydney's North Shore Agency from 2007, most recently holding the position of Director. While at DTZ, Andrew's focus was on leasing and sales within Sydney's North Shore industrial and office park markets. Andrew holds a Bachelor of Business Administration from Radford University, Virginia, USA with a Major in Marketing and Economics.
Ben Harrop **Head of Distribution** Bachelor of Economics, Graduate Diploma in Applied Finance, Diploma of Financial Planning, Postgraduate Certificate in Management, Diploma from the Australian Institute of Company Directors	Ben has spent 25 years in wealth management in various senior leadership positions. Ben brings broad market experience across the full advice and product spectrum. Prior to joining the Centuria Group, Ben worked at ANZ Wealth as Head of Strategic Accounts Management and managed the distribution and research of investment, platform, private client and insurance solutions at firms such as AMP Capital, Zurich, Bankers Trust and Macquarie Bank. Ben commenced his career working in his family insurance broking business. Ben is a Senior Associate with FINSIA (the Financial Services Institute of Australasia), and an active member of industry associations having been a judge for the AFA Rising Star of the year award.
Victor Georos **Head of Portfolio & Asset Management** BA (Land Economy), Graduate Dip. (Finance & Investment) (FINSIA)	Victor joined Centuria as Senior Portfolio Manager in April 2013 and was appointed Head of Portfolio and Asset Management in July 2015. He is responsible for overseeing portfolio and asset management of Centuria's portfolio, including the development and implementation of strategies to enhance value through active asset management and development. Victor has extensive experience in asset and investment management, development and funds management, across the office, retail and industrial sectors, with a key focus on results and ability to build high performance teams across all sectors. Prior to joining Centuria, Victor held senior positions with GPT Group and Lend Lease, including Head of Industrial & Business Parks at GPT.

Source: Centuria

Compliance and Governance

The Fund's compliance committee comprises of the three independent members of the board of Centuria Property Funds (Peter Done, Mathew Hardy and Darren Collins).

ASIC Regulatory Guide 46 "Unlisted property schemes: Improving disclosure for retail investors" and Regulatory Guide 198 "Unlisted disclosing entities: continuous disclosure obligations" describe ASIC's preferred benchmarks and principles.

Core Property has reviewed the PDS in reference to the six benchmarks and eight disclosure principles recommended by RG46. The PDS adheres to all but one of the ASIC guidelines. The guideline that it does not adhere to involves the payment of distributions from cash from operations and the Manager intends to pay a small portion of distributions from capital as a result of the impact of an adjustment for outstanding tenant incentives.

Removal of the RE

The RE can be removed and replaced with another appropriately licensed responsible entity if investors pass an extraordinary resolution to that effect at a properly convened meeting of investors. If such a resolution is successful (requiring 35% of all units on issue and 50% of all units voted to approve), the RE will be entitled to recover any deferred fees. The RE will not be eligible to receive exit fees if removed prior to the completion of the Fund. Core Property notes that this is a strong feature of the Fund and is better than industry norms.

Past Performance

Centuria Syndicate Performance

The Manager has advised that, since 1999, Centuria Capital Limited has completed 42 funds at a weighted average total return of 20.1% and an average total return of 15.6%.

Readers should note that that past performance is not a reliable indicator of future performance as each fund, and its respective underlying property, has its own specific risks and attributes.

Appendix – Ratings Process

Core Property has developed a framework for rating property and property related investment product offerings in Australia. The methodology gives consideration to a number of qualitative and quantitative factors. Essentially, the evaluation process includes the following key factors: product and underlying portfolio construction; strength and depth of management team, product structure, risk management, financial analysis, and likely outcomes.

It is important for financial planners and investors to view the recommendation and rating in the context of comparable products only and not across all products rated by Core Property.

The Ratings

Financial Advisers and investors should note that for all ratings categories, the product may not suit the risk/return profiles of all investors.

Rating	Definition
Highly Recommended	This is the highest rating provided by Core Property and is indicative of the product exceeding the requirements of our review process across a number of parameters.
Recommended	Indicates that the product has an above average grade profile across a number of Core Property's parameters and has the potential to deliver above average risk adjusted total returns.
Approved	Indicates that the product has met the aggregate requirements of Core Property's criteria. The product has an acceptable risk/return trade-off and is potentially able to generate risk-adjusted returns in line with stated investment objectives.
Speculative	Core Property believes this is a product that has a number of positive attributes; however, there are a number of risks that make investing in this product a speculative proposal. While Core Property does not rule out investing in this product, investors should be very aware of, and be comfortable with the specific risks. The product may provide unique diversification opportunities, although concerns over one or more features mean that it may not be suitable for most investors.
Not Approved	Indicates that the product has failed to meet the minimum aggregate requirements of Core Property's criteria. While the product may have some positive attributes, Trusts in this category are considered high risk.

This report has been commissioned, and, as such, Core Property has received a fee for its publication. Under no circumstances has Core Property been influenced, either directly or indirectly, in making statements and / or recommendations contained in this report.

Disclaimer & Disclosure

Core Property has received a fee from the Manager for researching the product(s) which has then been subject to a detailed review and assessment by Core Property and its analysts to produce this report. In compiling this report, Core Property's views remain fully independent of influence or conflicts of interest. Our team of analysts undertake an objective analysis of the offer and conclusions are presented to senior officers for review.

The company specified in the Report (the "Participant") has provided Core Property with information about its activities. Whilst the information contained in this publication has been prepared with all reasonable care from sources that Core Property believes are reliable, no responsibility or liability is accepted by Core Property for any errors, omissions or misstatements however caused.

Any opinions, forecasts or recommendations reflects the judgement and assumptions of Core Property as at the date of publication and may change without notice. Core Property and the Participant, their officers, agents and employees exclude all liability whatsoever, in negligence or otherwise, for any loss or damage relating to this document to the full extent permitted by law.

This publication is not and should not be construed as, personal financial product advice, an offer to sell or the solicitation of an offer to purchase or subscribe for any investment. Any opinion contained in the Report is unsolicited general information (general financial product advice) only. Neither Core Property nor the participant is aware that any recipient intends to rely on this Report or of the manner in which a recipient intends to use it. In preparing our information, it is not possible to take into consideration the investment objectives, financial situation or particular needs of any individual recipient. Investors should obtain individual financial advice from their investment advisor to determine whether opinions or recommendations (if any) contained in this publication are appropriate to their investment objectives. Investors should obtain a copy of, and consider the PDS/ Information Memorandum, which can be obtained by contacting the issuer.

This publication is not for public circulation or reproduction whether in whole or in part and is not to be disclosed to any person other than the intended recipient, without obtaining the prior written consent of Core Property. This report is intended for the residents of Australia. It is not intended for any person(s) who is resident of any other country. Core Property and/or the Participant, their officers, employees or its related bodies corporate may, from time to time hold positions in any securities included in this Report and may buy or sell such securities or engage in other transactions involving such securities. Core Property and the Participant, their directors and associates declare that from time to time they may hold interests in and/or earn brokerage, fees or other benefits from the securities mentioned in this publication.

Core Property discloses that from time to time it or its officers, employees and related bodies corporate may have an interest in the securities, directly or indirectly, which are the subject of these statements and/or recommendations (if any) and may buy or sell securities in the companies mentioned in this publication; may effect transactions which may not be consistent with the statements and/or recommendations (if any) in this publication; may have directorships in the companies mentioned in this publication; and/or may perform paid services for the companies that are the subject of such statements and/or recommendations (if any). However, under no circumstances has Core Property been influenced, either directly or indirectly, in making any statements and/or recommendations (if any) contained in this Report.

The information contained in this publication must be read in conjunction with the Legal Notice that can be located at http://www.coreprop.com.au/Public/Disclaimer.

For more information regarding our services please refer to our website www.coreprop.com.au.

Core Property
Fund Research & Ratings
www.coreprop.com.au