

15 July 2015

## **NewActon East Property valuation increase**

The NewActon East property (“the Property”) has increased in value by \$2.15 million to \$47.25 million, since Placer Property acquired it less than a year ago.

Mr. Mario Papaleo, Joint Managing Director of Placer Property, the Responsible Entity of the NewActon East Property Fund (“the Fund”), said: “We are very satisfied with the performance of the Fund. The first year’s income return of 7.75% is forecast to increase to 8.60% in FY2016. The increase in the Property value reflects the solid underlying performance of the Property and Placer’s ability to drive net income growth.”

The valuation of the Property was completed by Knight Frank, Australia. Following the completion of the valuation, the Net Tangible Asset Backing of the Fund increases by 9.2% from 87 cents to 95 cents per unit<sup>1</sup>. The Fund’s gearing reduces from 49.3% to 46.0%.

Mr. Shane Dudley, Head of Distribution, said: “Since the Fund was launched late last year, there have been many positive developments:

- the property is 100% leased;
- interest rate hedges have been put in place to September 2019; and
- the forecast distribution rate has increased by 11% to 8.60% for FY2016.

“The property valuation increase is another positive outcome for investors who are able to buy into an iconic and award winning building and precinct.”

Mr. Dudley added: “The investment remains open to new investors and, despite all the improvements to the Property and Fund, they are able to invest at the same price as previous investors, with the application price remaining unchanged at \$1.00 per unit.”

A comparison of the key Fund metrics over the past ten months is as follows:

<b>Key Fund Details</b>	<b>24 Sep 2014</b>	<b>30 June 2015</b>	<b>Change</b>
Property valuation	\$45.1m	47.25m	+4.8%
Distribution	7.75%	8.60% <sup>2</sup>	+11.0%
Occupancy	98.5%	100%	+1.5%
Gearing	49.3%	46.0%	-6.7%
Interest rate hedging (100%)	30 Jun 2016	30 Sep 2019	+ 39 months
NTA per unit <sup>1</sup>	87 cents	95 cents	+9.2%
Investment term <sup>3</sup>	6 yrs, 10 mths	6 years	- 10 months
WALE (by income)	9.2 years	8.3 years	- 11 months



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### **About the NewActon East Property Fund**

NewActon East is located at 21-23 Marcus Clarke Street, NewActon, Canberra, and is only three kilometres from Parliament House. NewActon East is a modern mixed-use building comprising retail, offices, 32 residential apartments on the upper levels and 176 car parking spaces. The Fund has acquired the commercial part of NewActon East.

### **About Placer Property**

Placer Property Limited holds an Australian Financial Services License (AFSL 442806) by the Australian Securities and Investment Commission.

As a specialist property fund manager, the primary objective of Placer Property is to facilitate quality property investment opportunities, such as NewActon East Property Fund, for investors seeking regular and reliable income derived from the ownership of commercial property.

Placer Property draws on the skills and knowledge of senior management who are specialists in unlisted property funds management and the extensive experience of its Directors.

Placer Property is focused on Australian property investment opportunities, primarily in the office and retail sectors.

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### Notes

1. The 30 June 2015 NTA unit value is subject to final audit of the 30 June 2015 Fund's financial statements. The NTA unit values are quoted following conversion of Acquisition Units to Ordinary Units as detailed in Section 2.3 of the NewActon East Property Fund Product Disclosure Statement dated 24 September 2014.
2. 8.60% forecast distribution from 1 July 2015
3. Ending on or around 30 June 2021