

10 June 2015

NewActon East - FY16 Distribution Forecast Increase to 8.60%

Placer Property is pleased to announce the NewActon East Property Fund ("Fund") forecast distribution for FY16 has increased to 8.60% p.a.

Placer Property Joint Managing Director, Mario Papaleo said, "Since acquiring the property, we have been able to implement operational improvements to achieve cost savings and realise additional income earlier than forecast. Proactive asset management by Placer Property in achieving 100% occupancy earlier than anticipated as well as extracting operating expense savings, have resulted in the FY16 net operating income budget exceeding the initial forecast.

Importantly, the 8.60% forecast distribution is fully covered by the property's budgeted operating cash flow."

This is the second increase to FY16 forecast distribution rates announced by Placer Property. Savings achieved from entering interest rate hedging arrangements to September 2019 provided an initial lift in the FY16 distribution forecast, which was announced in April this year.

David Omond, Joint Managing Director said, "NewActon East Property Fund continues to exceed our initial expectations. The higher FY16 forecast distribution rate of 8.60% p.a. compares even more attractively to the current low cash deposit rates on offer."

The Fund is still accepting new investment applications.

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.

Key investment highlights:

- 8.60% FY16 Forecast Distribution
- Commonwealth Government tenant, ACCC, provides 80% of the property income
- The property is now 100% leased
- Fund gearing is 49%, and interest rate exposure is 100% hedged
- SMSF friendly investment



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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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