



PLACER PROPERTY

INVESTOR NEWSLETTER

March 2015



Welcome to Placer Property's inaugural quarterly fund report.

Topics covered in this report:

- NewActon East Property Fund
- The Stables Shopping Centre
- New Staff Appointment

NewActon East Property Fund



Key highlights:

- Forecast distribution yield for FY16 increased to 8.25% p.a.
- Property is 100% leased

The Stables Shopping Centre



Key highlights:

- Development completed
- Strong local community support and attendance

NewActon East Property Fund – Quarterly Report



Placer Property is pleased to report that, since inception in September 2014, the Fund has achieved a number of milestones and is ahead of its stated financial forecasts.

The capital raising for the Fund continues to be well supported by investors and their financial advisers.

Placer attributes the interest in the Fund to a number of factors including:

- Attractive income distribution;
- Strong tenancy and lease profile; and
- An award winning property.

The Fund is expected to close to new investments by mid-year.

FY16 Forecast Distribution Upgrade – 8.25% p.a.

Placer Property recently announced the increase for FY16 Forecast Distributions to 8.25% p.a.. The increase is attributable to both improved property performance and lower interest costs.

The Fund has benefited by recently locking in interest rates at current historically low levels, and below forecast.

Debt and Interest Rate Hedging – Completed

Borrowings have been reduced to \$22.5 million, representing gearing of 49%. New interest rate cover was obtained that fixes 100% of the interest expense exposure, against potential future increases in interest rates, for the remaining term of the loan facility which ends on 30 September 2019.

NewActon East 100% Leased

The leasing of the one vacant tenancy was achieved earlier than internally forecast, following the launch of the NewActon East Property Fund in late September 2014.

The 109 square metre tenancy was leased to ED., a web design, development and branding agency. The lease commenced on 1 December 2014, which is ahead of schedule with respect to timing and budget, and demonstrates the appeal of the property and the NewActon precinct as a desirable office location.

Property Operations On Track

The property is performing in line with expectations. There was no material capital expenditure during the period and income and expenses are in line with budget expectations.

Management is pleased to report the fitout of the ED. tenancy is of a high quality and complements the creative aspects of the NewActon precinct.

FY16 Forecast Distribution upgrade to 8.25% p.a. is attributable to improved property performance and lower interest costs



Interest rate cover was obtained to fix 100% of the interest exposure against potential future increases in interest rates for the remaining term of the loan facility

NewActon East Property Fund – Quarterly Report

Distribution Timetable

The timing of distributions to Investors for the 2015 calendar year is as follows:

Quarter Ending	Mar 2015	Jun 2015	Sep 2015
Distribution Payment	8 May 2015	7 Aug 2015	9 Nov 2015

The distribution payment dates listed in the table above are indicative only and may be subject to change.

Key Fund Information

Fund Status	Open for Investment
Investment Type	Units in an unlisted, single asset Property Trust
Main Tenants	The Australia Consumer and Competition Commission (ACCC), Colliers International
Property Valuation	\$45.1 million (as at 1 August 2014)
Property Occupancy	100%
WALE	8.5 years by income (as at 31 March 2015)
Issue Price per Unit	\$1.00
Distribution Yield	FY15 - 7.75% p.a. FY16 – 8.25% p.a. (forecast)
Fund Maturity	On or around 30 June 2021 ⁽¹⁾

(1) The Fund term may be extended by special resolution (see PDS Section 2.4)

NewActon Nishi building wins international project of the year at the 2015 building awards in London

Sitting to the west of NewActon East, NewActon's Nishi building has been awarded the International Project of the Year at the 2015 Building Awards in London, confirming the quality of the NewActon precinct.

The building was competing with projects from Cyprus, Hong Kong, Switzerland, United Arab Emirates and Norway in its category of the prestigious awards that recognise excellence in the building industry.

The recognition of the building underlines the quality of the NewActon Precinct, which was also awarded the 2014 National Australia Award for Urban Design for a completed large-scale project. The award recognises and rewards only the highest quality urban design.

As well as the precinct having won numerous awards, NewActon East¹, the property owned by the fund, has also won many awards including:

Royal Australian Institute of Architects (ACT) (2008)

- Canberra Medallion Award, the Institute's highest architectural accolade, previously awarded to such Canberra buildings as the Science Dome and the High Court
- Commercial Architecture Award
- Art in Architecture Award

Australian Institute of Architects (AIA) (2008)

- National Award for Commercial Architecture

¹ The NewActon East Property Fund owns the commercial part of the building.

Property performance is
in line with expectations



NewActon East and Nishi in the background
(Nishi is not part of the NewActon East Property Fund)

The Stables Shopping Centre Development Update

The first stage of the Stables Shopping Centre development was rolled out on 14 April 2015 with Woolworths opening its doors for the first time to its customers at a VIP night. The Stables is located approximately 22 km north east of Adelaide on the corner of Golden Grove Road and Crouch Road, Golden Grove, South Australia.

The Woolworths store was officially opened by Kevin Night, Mayor of the local council of Tee Tree Gully in front of a capacity crowd. Customers were treated to entertainment and activities which continued throughout the week and culminated in a car giveaway competition.

Since opening, the community has embraced the Centre with strong attendance. The modern full size Woolworths supermarket has been well received by local customers who previously had to travel up to six kilometers to the nearest full size supermarket.

A number of specialty shops are completing their shop fitouts and will commence trading in the coming weeks. Retailers include The Stables Newsagent, Fresh Hair and Body, The Chicken Home, Aroma's Café and Manzoku Sushi.

A 600 square metre Health Sense Medical Centre and Chemmart Pharmacy and BWS are expected to open in a few months following licensing approvals.

Joe Ranello of Health Sense said "We are very excited to be opening a Health Sense Medical Centre as well as a Chemmart Pharmacy conveniently located within the new Stables Shopping Centre. It will provide the local community with a one stop high quality health precinct inclusive of doctors, physiotherapist, podiatrist, dietician, pathology and pharmacy. Chemmart Pharmacy is expected to open in late July and Health Sense Medical Centre will open early August."

The Stables Shopping Centre Development Project commenced in February 2014 following the acquisition of the site. Construction commenced immediately and in a little over 12 months Placer Property has successfully delivered a Woolworths-anchored neighbourhood shopping Centre for the local community.

Key Information

Property Type	Neighbourhood Shopping Centre
Property Address	Corner of Golden Grove Road and Crouch Road, Golden Grove, South Australia
Location	Approximately 22 km north east of the Adelaide CBD
Population	15,106 persons at 2011, with no major supermarket competition in the primary or secondary catchments
Lettable Area	5,550 square metres
Tenancy	3,884 sqm Woolworths supermarket (70% of GLA) anchors the property with an additional 14 tenancies comprising 1,666 square metres
Car Parking	266 on-grade car spaces
Opening	Woolworths commenced trading on 14 April 2015.



Placer Property Staff Appointment

Placer Property is pleased to welcome **Bernadette Spiteri** as Head of Investment Services. Bernadette joined the Placer team in January 2015 and brings a wealth of experience to funds management distribution and marketing as well as adviser and investor services.

Bernadette has over 25 years of experience in the financial services industry. Prior to joining Placer, Bernadette worked with Orchard Funds Limited, Portfolio Partners Limited, MCS Properties and Bankers Trust Australia. As Head of Investment Services, Bernadette will be responsible for Placer Property's managed fund services to financial advisers and investors including distribution, communications and marketing.

Contact Us

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