



PLACER PROPERTY

INVESTOR NEWSLETTER

October 2016

The Stables Property Fund



FY17 Distribution in line with PDS at 7.60% p.a.

Placer announced that the Fund's distribution forecast for FY17 is 7.60% p.a. and is in line with PDS forecasts. The distribution timetable for the 2017 calendar year is on page 5.

Minor Impact to Property from Significant Storms

On 28 September 2016, South Australia experienced volatile weather conditions across the state including thunderstorms, hail, heavy rain, flooding and high winds. Up to 22 electricity towers and three high voltage power lines were brought down and the inter connector to the Victorian power grid was shut down.

Apart from loss of power, the impact to the Centre was limited to some minor water entering into the building. The issue has

been resolved and the centre was trading the following day when power was restored to the site.

Fund Capital Raising Expected To Be Concluded By Christmas

The Stables Property Fund has attracted strong interest from investors and financial advisers alike and is expected to close by Christmas. There are a small number of units still available. If you would like to invest in the fund please call Placer Property to reserve an allocation or contact your financial adviser.

1300 132 099

info@placerproperty.com.au

www.placerproperty.com.au

DISCLAIMER:

Placer Property Limited ACN 164 635 885, AFSL 442806 (**Placer Property**) has prepared this document and is the responsible entity of, and the issuer of Units in, The Stables Property Fund ARSN 167 742 672 (**Fund**). Before making an investment decision in relation to the Fund investors should read the Product Disclosure Statement dated 9 May 2016 (**PDS**) in full. Applications for Units can only be made on the application form accompanying the PDS. The information in this document is general information only and has been prepared without taking into account individual investors' objectives, financial situation or needs. Therefore, in deciding whether to acquire Units in the Fund, potential investors should read the PDS in full and consider consulting a financial or taxation adviser. Forward looking statements in this document and the PDS are subject to both known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Fund to be materially different from those expressed or implied in such forward looking statements.

In this edition:

The Stables Property Fund



NewActon East Property Fund



End of Financial Year Matters 2017 Distribution Timetable Placer Staff Profile



Woolworths Store Closures – No Impact on Fund

Woolworths announced in July 2016 that it is closing 17 underperforming supermarkets out of a total of 960 supermarkets with a further 15 stores to close at the end of their lease terms; what is the impact on the Fund?

The recent announcement has no impact on the Woolworths tenancy at The Stables Shopping Centre. The stores targeted for closure by Woolworths are in a loss-making situation or have underperforming sales per square metre.

The number of stores being closed as a percentage of the total number of Woolworths stores is very small. Woolworths is also planning to continue developing new supermarkets with 45 planned additions over the next three years.

Placer's discussions with Woolworths in relation to The Stables have been positive.

- The store's trading performance is building and is in line with expectations.
- The Stables is a brand new format store, one of Woolworths new prototypes and is trading well. Store sales continue to increase on comparable months from when it first opened in April 2015.
- Woolworths was underrepresented in the immediate catchment area and had been seeking a presence in the area for some time.

Key Fund Information

| | |
|------------------------|--|
| Trust term | Ending on or around 30 June 2022 ¹ |
| Property asset | The Stables Shopping Centre 1495–1497 Golden Grove Road, Golden Grove SA, 5125 |
| Initial purchase price | \$28.0 million |
| Revaluation policy | From FY2016, independently revalued at 30 June each year |
| WALE (by income) | 11.0 years (at May 2016) |
| Major tenants | Woolworths – 61% of property income HealthSense Medical Centre – 9% of property income Chemmart Pharmacy – 7% of property income |
| Occupancy | 93% ² |
| Distribution | Forecast 7.60% in FY17, paid quarterly |
| Ordinary units | 16.52 million |
| NTA per unit | \$0.95 ³ |
| Trust borrowings | \$12.5 million |
| Loan expiry | 5 June 2020 |

1. See section 2.3 of the PDS for further details.
2. The Fund has the benefit of a rental guarantee over the current vacant space until May 2018, see Section 3.3 of the PDS for further details.
3. See section 2.4 of the PDS for further details.



PDS and Flyer now
available on Placer website.
(Click on the pictures below to download)

Investment Details

Investment Type Unit trust in an unlisted, single asset property trust

Responsible Entity Placer Property Limited
ACN 164 625 885, AFSL 442806

Forecast Distributions FY16: 7.60%, 100% Tax Deferred
FY17: 7.60%, 65% Tax Deferred

Distribution Frequency Quarterly

Minimum Application Amount \$100,000, issued at \$1.00 per Unit

Capital Raising \$16.48 million

Investment Term 6.2 years ending on or around 30 June 2022¹

Valuation \$28 million²

Centre Occupancy 93%, with two year Rental Guarantee for existing vacant space³

WALE 11.2 years by income

Debt Term To June 2020, with interest rate exposure 100% hedged for the debt term

The Stables

The Stables Property Fund (Fund) owns The Stables Shopping Centre (The Stables or Centre), a new 5,606 square metre convenience based, neighbourhood shopping centre anchored by a large format Woolworths Supermarket and BWS liquor outlet. The Stables also accommodates a medical centre and pharmacy, and a range of specialty tenants including cafes, a discount variety store, a hardware and take away food outlets. The Stables provides parking for 250 cars directly in front of the Centre.

The Stables Shopping Centre is located in Golden Grove, approximately 22 kilometres north-east of the Adelaide CBD. It is located on a highly visible corner site at the intersection of Golden Grove Road and Crouch Road in an affluent trade area. The Centre's 11.2 year Weighted Average Lease Expiry (WALE) is underpinned by a 15 year lease to Woolworths and 10 year leases to HealthSense Medical Centre and Chemmart Pharmacy.

Together, Woolworths, BWS, HealthSense, and Chemmart account for 74% of the Centre's gross rental income, providing the Fund with a stable and secure income stream.

For more information, please contact us
1300 132 009 info@placerproperty.com.au
PO Box 128117, Melbourne, VIC 3001

www.placerproperty.com.au

THE STABLES PROPERTY FUND

9 MAY 2016
Product Disclosure Statement

Responsible Entity: Placer Property Limited
ACN 164 625 885
AFSL 442806

- 7.6% Forecast Distribution Yield
- New Woolworths-anchored Shopping Centre
- Long Term Leases
- Quality Asset in Excellent Location

Centre surrounded by substantial
residential development



NewActon East Property Fund



The Fund continues to perform strongly since its launch in September 2014 with many positive developments:

- The property remains 100% leased;
- Distribution rates have exceeded the original PDS forecast and continue to grow.
- A \$4.3 million or 9.5% increase in the property valuation since acquisition.
- With the NTA now at \$1.01 per unit, investors have recovered all the original property acquisition and fund establishment costs in less than two years.

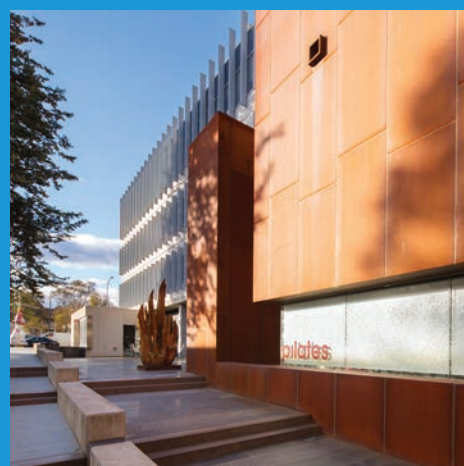
The following table highlights a comparison of the key metrics of the fund since inception in September 2014:

| Key Fund Details | Fund Start Sep 2014 | 30 June 2015 A | 30 June 2016 B | Change A vs. B |
|---|------------------------|----------------------|----------------------|-------------------|
| Property valuation | \$45.10m | \$47.25m | \$49.40m | +4.6% |
| Distribution rate | 7.75% | 7.75% | 8.60% | +11.0% |
| Occupancy | 98.5% | 100% | 100% | - |
| Gearing | 49.3% | 45.9% | 44.6% | -2.8% |
| NTA per unit ¹ | \$0.87 | \$0.95 | \$1.01 | +5.3% |
| NTA per unit - adjusted for interest rate swaps ¹ | \$0.87 | \$0.96 | \$1.03 | +7.3% |

1. The Fund fixed (hedged) its interest rate exposure to September 2019 through the use of interest rate swaps in order to provide greater certainty to investors. Subsequently, interest rates have fallen which has resulted in an out of the money position of \$777,932 at 30 June 2016, which is recorded on the Statement of Financial Position as a liability. The increase in the liability has the impact of reducing the Fund's NTA by \$0.02 per Unit. Note this is a non cash item and does not impact the Fund's distributions.

FY17 Distribution Increased to 8.70% p.a.

Placer announced an increase in the Fund's distribution forecast to 8.70% p.a. for FY17. The distribution timetable for the 2017 calendar year is on page 5.



Canberra Office Market Update

Canberra has approximately 2.37 million square metres of office stock and is the third largest national market after Sydney and Melbourne. There are four sub office markets in Canberra with the CBD area, known as Civic, being the largest sub market at about 30% of total stock. Investment grade offices are classified generally as either A Grade or secondary. NewActon East is an A-Grade office located in the Civic (CBD) office market.

The Canberra office market leasing fundamentals continue to improve with the withdrawal of a number of secondary offices from the market. The Canberra vacancy rate is expected to trend downwards.

There has been minimal development activity in the past 12 months. In gross terms there have been approximately 8,000 sqm added to the market, the lowest for many years with a number of older offices having been withdrawn from the market for residential conversion. Over the next two years, the supply of new office buildings will also be limited.

The overall Canberra leasing market is continuing to show signs of improvement with the vacancy rate down to 13.0% in July 2016 from 15.1% the previous year. A-Grade office buildings that are located in the Civic, Town Centres and Parliamentary sub markets continue to record low vacancy rates at 3.5%. The decline in the overall vacancy rates has also resulted in a 1.4% increase in gross rents from 12 months prior and a slight decline in the amount of incentives paid to attract new tenants.

Investment demand in Canberra has picked up considerably throughout 2016 with local and offshore investors drawn to the higher yields when compared to Melbourne and Sydney. To date in 2016 sales of offices valued greater than \$10 million totalled \$241.6 million, up 83% from last year. Given fewer buying opportunities in the A-Grade market, investors have been more active in the secondary market.

Key Fund Information

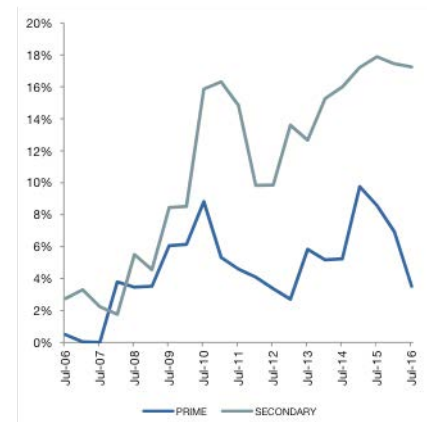
| | |
|--------------------------------|---|
| Trust term¹ | Ending on or around 30 June 2021 |
| Property asset | NewActon East 21-23 Marcus Clarke Street, Canberra ACT |
| Property purchase price | \$45.01 million |
| Valuation | \$49.40 million (at June 2016) |
| Revaluation policy | Independently revalued at 30 June each year |
| WALE (by income) | 7.3 years (at June 2016) |
| Major tenants | Australian Competition & Consumer Commission (ACCC) – 80% of property income Colliers International – 10% of property income |
| Occupancy | 100% |
| Distribution | Forecast 8.70% in FY17, paid quarterly |
| Issued units | 26.5 million |
| NTA per unit | \$1.01 at June 2016 - With mark to market of interest rate hedging ² \$1.03 at June 2016 - Without mark to market of interest rate hedging ² |
| Trust borrowings | \$22.5 million |
| Loan expiry | 31 August 2019 |

- See section 2.4 of the PDS for further details.
- The Fund fixed (hedged) its interest rate exposure to September 2019 through the use of interest rate swaps in order to provide greater certainty to investors. Subsequently, interest rates have fallen which has resulted in an out of the money position of \$777,932 at 30 June 2016, which is recorded on the Statement of Financial Position as a liability. The increase in the liability has the impact of reducing the Fund's NTA by \$0.02 per Unit. Note this is a non cash item and does not impact the Fund's distributions.

Figure 1

Canberra Vacancy Major Precincts*

Per six month period (%) - by grade



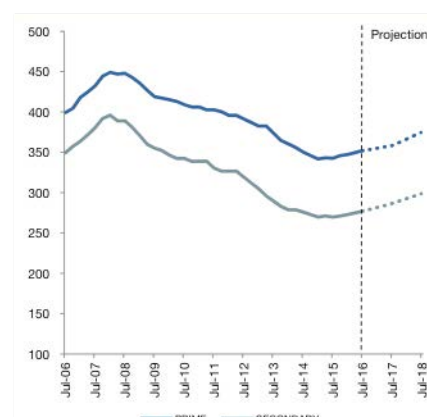
Source: Knight Frank Research/PCA

*Incorporates Civic, Parliamentary Precinct & Town Centres

Figure 2

Civic Gross Effective Rent

By Grade (\$/m²)



Source: Knight Frank Research



End of Financial Year Matters

2016 Year End Financial Statements

The financial reports for both The Stables Property Fund and NewActon East Property Fund for the year ended 30 June 2016 are now available on the Placer Property web site www.placerproperty.com.au.

2016 Annual Taxation Statements

Tax statements for the 2016 financial year were made available to investors in August 2016. The statements are available online by logging into your investment account held with BoardRoom Registry. If you do not know how to log into your BoardRoom account please contact BoardRoom on 1300 737 760 or +61 2 9290 9600.

NewActon East Property Fund - The income distribution for financial year to 30 June 2016 was declared 77.81% tax deferred.

The Stables Property Fund - The income distribution for financial year to 30 June 2016 was declared 100% tax deferred.

Annual RG46 Return

The annual Regulatory Guide 46 - Unlisted property scheme: Improving disclosure for retail investors (RG46) has been completed for NewActon East Property Fund and can be found on our website www.placerproperty.com.au under Funds Reports in the Investor Centre section.

Placer is required to complete and make this guide available to all investors on a six monthly basis.

An update to The Stables Property Fund RG46 will be undertaken at the conclusion of the capital raising however we will continue to update our website for any continuous disclosure matters.

2017 Distribution Timetable

The distribution timetable for The Stables and NewActon East property funds for calendar year 2017 is as follows:

| Quarter ending | Dec 2016 | Mar 2017 | Jun 2017 | Sep 2017 |
|----------------------|--------------|--------------|--------------|--------------|
| Distribution payment | 8th Feb 2017 | 8th May 2017 | 8th Aug 2017 | 8th Nov 2017 |

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



Placer Property Staff Profile

David Omond Joint Managing Director

David is a founding member of Placer Property and is Joint Managing Director. David has more than 30 years' involvement in commercial property.

David has extensive experience in managed investment schemes and has specialised in unlisted property particularly in the area of property syndication. David has held numerous senior management positions with a number of direct property specialists

commencing with Heine Investment Management in 1997 then moving to MCS Property and Centro MCS. David was an executive committee member of Australian Direct Property Investment Association (ADPIA) between 2006 to 2007. David has been responsible for the establishment or management of more than 20 unlisted property funds.

David's main focus is fund establishment and asset management of the portfolio. David was responsible for delivering the development of The Stables Shopping Centre including construction, leasing and project financing.

Prior to establishing Placer, David held a number of property roles ranging from Property and Asset Manager through to Senior Fund Manager, Property Investment Manager and Corporate Finance Executive.

David holds a Bachelor of Business (Property) from the University of South Australia and is a licensed real estate agent.

Contact Us

Should you have any questions, please contact Placer Property.

 1300 132 099

 info@placerproperty.com.au

 www.placerproperty.com.au

 Po Box 18317, Melbourne, VIC 3001