



PLACER PROPERTY

INVESTOR NEWSLETTER

September 2015

NewActon East Property Fund

The fund has continued to perform in line with expectations.



Strong Interest From Investors

During the quarter, the fund attracted interest from investors and financial advisers alike. Placer attributes this ongoing interest to the following factors:

- **FY16 distribution increased to 8.60% p.a.**

Placer announced an increase in the fund's distribution forecast from 8.25% to 8.60% p.a for FY16. The distribution increase was as a result of savings achieved from lower interest costs after entering into interest rate hedging arrangements and efficiency gains and cost savings achieved in running the property such as building services and insurance premiums.

- **Net tangible asset value uplift to \$0.95 per unit**

The annual property revaluation was completed in June this year. The property revaluation was conducted by Knight Frank and resulted in the property's value increasing to \$47.25 million, up from \$45.1 million in September 2014. The Net Tangible Asset value per unit increased from \$0.87 to \$0.95 per unit as at 30 June 2015.

Australian Institute of Architects – National Award for Urban Design 2015

The NewActon precinct won the national Australian Institute of Architects Award for Urban Design on 5 November 2015, an award eight years in the making. The Walter Burley Griffin Award for Urban Design takes into account all the buildings and outdoor spaces, and ties all the components of NewActon together. You may watch a video clip of the developer discussing how they developed the group's vision for NewActon. [Click here to watch the video.](#)

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Placer Staff Profile



NewActon East NABERS Improvement Program

In August 2015, Placer commenced a review of the property's Building Management Systems (BMS), and where appropriate made changes to improve the operating performance. The BMS incorporates all the plant and equipment required to operate and maintain the working environment of a modern office building such as NewActon East and includes items such as chilled and heated water plants, condensers, air handling plants, fans, ventilation systems, electrical monitoring systems, switchboards, etc. The objectives of the review were:

- to optimize the energy efficiency and reduce operating costs; and
- to ensure that the building achieved a 4.5 star NABERS rating on an ongoing basis.

The National Australian Built Environment Rating System (NABERS) is a national rating system that measures the environmental performance of Australian buildings. The higher the NABERS star rating, the more environmentally friendly the building is. NewActon East was designed to achieve a NABERS rating of 4.5 stars.

Placer recently completed the project with some changes to the BMS identified and subsequently actioned. The changes have resulted in immediate and significant benefits that will reduce the environmental impact of the building and also reduce operating costs over the long term. An example of the improvements includes delaying the commencement of the boilers and chillers based on the operating hours of the building and seasonality conditions. The review highlighted that plant and equipment were turning on automatically too early. The changes we implemented have also led to a reduction in the operation of the air-handling units.

2015 Year End Financial Results Available on Placer Web

We recently completed the fund's financial report for the year ended 30 June 2015; a copy is available on the Placer Property web site, www.placerproperty.com.au.

Annual RG46 Return Available on Placer Web

The Australian Securities and Investments Commission (ASIC) requires fund managers to provide investors with a biannual report that includes specific investment information, as stipulated by ASIC, in its Regulatory Guide 46 (RG46) - Unlisted Property Scheme: improving disclosure for retail investors. For example, the report includes information about gearing, net tangible assets, distributions, withdrawals, related party transactions, and so on. The purpose of the report is to update investors on the status of this key information for their fund. You can find a copy of the report on our website www.placerproperty.com.au, under Investor Communications, in the News and Media section. Placer makes this guide available to all investors on a six monthly basis.

End of Financial Year Matters

Tax statements for the 2015 financial year were made available to investors in August 2015 together with the final distribution payment for the 2015 financial year. The income distribution for financial year to 30 June 2015 was declared 100% tax deferred. The statements are available online by logging into your NewActon East Property Fund investment account held by 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**.



FY16 distribution increased to 8.60% p.a.



Net tangible asset value uplift to \$0.95 per unit



2016 Distribution timetable

The distribution timetable for calendar 2016 is as follows:

Quarter ending	31 Dec 2015	31 Mar 2016	30 Jun 2016	30 Sep 2016
Distribution payment	8 Feb 2016	9 May 2016	8 Aug 2016	8 Nov 2016

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

Key fund information table

Responsible entity	Placer Property Limited
Custodian	Perpetual Corporate Trust Limited
Trust structure	Fixed-term unlisted property trust
Trust term¹	Ending on or around 30 June 2021
Property location	NewActon East, 21-23 Marcus Clarke Street, Canberra, ACT
Property type	A-Grade Office
Property purchase price	\$45.01 million
Property valuation	\$47.25 million (at June 2015)
Valuation policy	Independently valued at 30 June each year
WALE² (by income)	8.5 years (at June 2015)
Major tenants	ACCC – 80% of Property Income Colliers International – 10% of Property Income
Occupancy	100%
Distribution	Forecast 8.60% in FY16
Distributions	Quarterly
Issued units	26.5 million
NTA per unit³	\$0.95 (at June 2015)
Trust borrowings	\$22.5 million
Loan expiry	31 August 2019
LVR⁴	47.6% (at June 2015)
ICR⁵	3.72 times (at June 2015)

1. See section 2.4 of the PDS for further details.

2. Weighted average lease expiry (WALE).

3. Net Tangible Asset per unit (NTA).

4. Loan to value ratio (LVR).

5. Interest cover ratio (ICR).

Placer Property Staff Profile



Shane Dudley Chief Financial Officer

Shane joined Placer in 2013 as its Chief Financial Officer and Head of Distribution.

Shane first became involved in the unlisted property funds industry in 1998 with the launch of the Roselands Property Trust. Since that time, Shane has been actively involved in over 20 unlisted property funds at different companies and in a variety of different roles including accounting, funds management, property acquisitions and investment, development, distribution and investor services. With 25 years' experience in the unlisted property fund industry, Shane has seen the industry evolve, become more regulated and institutionalized. Having talked to thousands of investors over the years, Shane is aware of what investors are seeking from their commercial property investment and can translate this knowledge into helping to develop Placer Property investment opportunities.

In his role at Placer, Shane is primarily responsible for the company's and funds' accounting functions including financial reporting, budgeting, accounts payable, accounts receivable, etc.

Also, Shane has overall responsibility for compliance and distribution at Placer.

Prior to Placer Property, Shane worked for Grosvenor, a privately owned United Kingdom property group, at their Shanghai office helping to establish and manage a China Wholesale Property Fund. Before Grosvenor, Shane had several roles at Centro Property including being the group's National Retail Distribution Manager as well as establishing and managing a number of property syndications. Shane has also held senior accounting roles at Yarra Valley Water and Melbourne Water.

Shane has a Bachelor of Business (Accounting) from RMIT University and is a Certified Practising Accountant.

The Stables Shopping Centre

Following on from a successful opening of the Woolworths Supermarket at The Stables Shopping Centre in April this year, the centre has made great progress with additional stores opening for trade.

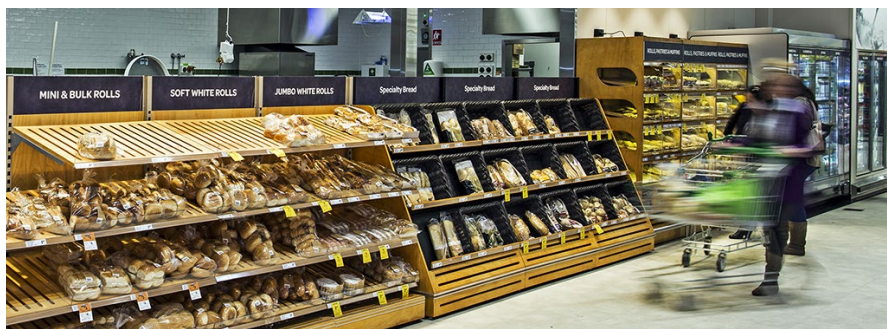


Other tenants that have recently opened for business include Chemmart Pharmacy and Health Sense Medical Centre, BWS (Woolworths Liquor), Fresh Hair and Body, Newpower, Café Aroma, Sushi Bar, and The Chicken Shop.

Placer Property has managed the development of the Stables Shopping Centre, which commenced in May 2014. The Stables offers a very attractive investment opportunity to potential investors, and Placer Property believes that The Stables exhibits strong investment fundamentals. The Stables Shopping Centre:

- Is a brand new centre, developed to a very high standard
- Is in an excellent demographic location with:
 - Higher than national average earnings
 - No other supermarket within a 5km radius
- Has Woolworths Supermarket and BWS as the anchor tenant
- Offers a pharmacy and a medical centre
- Has several specialty stores
- Has long leases in place with contracted rental growth

Placer Property is considering the launch of The Stables Shopping Centre as a new investment opportunity to the market in early 2016.



Developed to a very high standard



Anchored by Woolworths Supermarket and BWS

Contact Us

Should you have any questions, please contact Placer Property.

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