

INVESTOR NEWSLETTER

YEAR ENDED 30 JUNE 2018

IN THIS ISSUE:

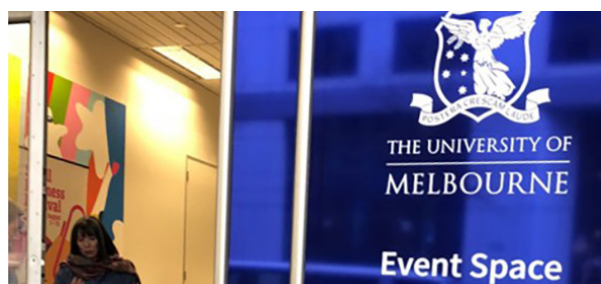
- News in brief
- Fund updates
- Investor reports

NEWS IN BRIEF

Over the six months to 30 June 2018 your team at Placer Property has worked actively on behalf of investors to provide positive results across the portfolio of funds.

Key highlights for the period were:

- The acquisition of 333 Exhibition Street, Melbourne (333 Exhibition) has been completed and the capital raising is well advanced following strong investor interest.
- The tenant of 333 Exhibition, the University of Melbourne, has commenced a significant and value enhancing refurbishment of the space, at its own cost.
- The independent valuer recorded an uplift in valuation of 333 Exhibition from the original acquisition price of \$38.4 million to \$40.5 million in the six months to 30 June 2018.
- In line with expectations, there was steady progress at NewActon East (ACT). Placer Property completed the refinancing of the loan facility extending it to the scheduled fund term which significantly de-risks the investment.
- Placer Property is also pleased to announce that a preliminary agreement is in place with Master Chef Sean McConnell to lease a sizeable café space which will act as a major draw card to NewActon.
- The Stables Shopping Centre (SA) recorded a sound performance for the period noting the solid performance of Woolworths.
- A new childcare centre has been opened on the neighbouring site directly in front of The Stables Shopping Centre experiencing strong take up of places, reinforcing the precinct as the major community hub within Golden Grove.
- Placer Property has acquired a childcare development site at Sunbury in Victoria. While no capital raise has been announced, **interested investors are requested to contact Placer Property directly for more information.**
- Given the unprecedented demand for commercial property in all capital cities, Placer Property, in conjunction with Core Property Research and ratings, hosted investor events in Sydney on September 11 and in Melbourne on September 13, 'The Past, Present and Future of Commercial Property in the CBD'. Stand by for an update on those events, or for a copy of the various presentations please contact us on 1300 132 099.



NEWACTON EAST PROPERTY FUND

The Fund continued to perform in line with expectations over the 12 months to 30 June 2018.

Leasing and tenant update

Over the course of the six months to 30 June 2018, Placer Property agreed terms with celebrity Master Chef, Sean McConnell for a new café and restaurant, Rebel Rebel, to occupy part of the space vacated by Café TwentyOne. The agreement with McConnell is an important milestone; it acts as a drawcard to the property for restaurant patrons and the NewActon precinct. It could also act as a catalyst to attract other tenants in the future.

Placer Property has also agreed terms, with EzyMart, over the remaining part of the tenancy providing the precinct residents and workers with a convenient supermarket offering within the NewActon East building. The quick leasing of the ground floor tenancy provides another example of our 'active management' approach to the property and the Fund.

Valuation

The property's valuation increased from \$50.75 million to \$51.0 million in the year ended 30 June 2018. The valuation was completed by JLL Canberra.

Financing

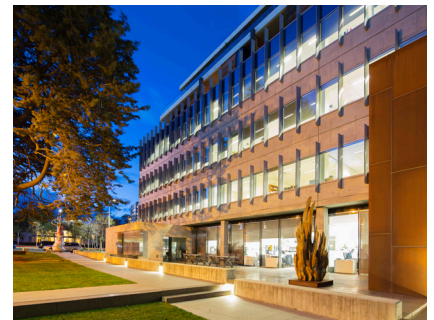
Placer Property recently extended the loan maturity date and hedging of future interest rates to coincide with the expected maturity date of the Fund. The extension of the loan and hedging of interest rates are a prudent risk mitigation strategy to remove refinancing risk and underpin future interest expenses to be incurred by the Fund. The Fund's borrowings of \$22.5 million now equate to a LVR level of 44%.

Key fund information

Details	24 Sep 2014 (launch date)	30 Jun 2015	30 Jun 2016	30 Jun 2017	30 June 2018
Property valuation	\$45.10 million	\$47.25 million	\$49.40 million	\$50.75 million	\$51.00 million
Distribution rate p.a.	7.75%	7.75%	8.60%	8.70%	8.70%
Occupancy rate	99%	100%	100%	100%	98.2%**
LVR	49%*	46%	45%	44%	44%
NTA per unit	\$0.87	\$0.96	\$1.01	\$1.06	\$1.07

* As at first close date.

** Subject to finalisation of lease agreements, otherwise 92.6%.



THE STABLES PROPERTY FUND

The Fund continued to perform soundly and has done so since its launch in May 2016.

The Stables Shopping Centre commenced trading in April 2015 with Woolworths officially launching its new supermarket at the centre.

Leasing and tenant update

In our last correspondence, we noted that the occupancy rate at The Stables Shopping Centre had risen to 98.6%. We also highlighted the fact new tenants had formed a 'medical precinct' with the combination of HealthSense Medical Centre, Terry White Pharmacy, Golden Grove Chiropractor, My Local Physio, and Pro Smile Dentist. We are pleased to advise that all the new tenants are trading in line with expectations.

We also noted previously that the childcare centre would commence trading in this half and pleasingly, the childcare centre has had strong take up of the 130 available spaces since it opened in early 2018. The childcare centre is operated by AMIGA Montessori and offers preschool programs for one to three year olds and three to six year olds.

The combined usages of the supermarket, medical services, food, and beauty at the shopping centre, now complemented by the childcare centre, makes the Stables Shopping Centre a local community activity centre and local asset for the residents of Golden Grove.

Valuation

The Property is now valued at \$29.2 million, an increase of 1.4% from the prior valuation of \$28.8 million. The independent valuation was completed by m3property.

Financing

Placer continues to engage with its financiers about the loan facility secured by the property. At the time of writing, the terms for the extension of the loan are still being discussed with the lender.

Key fund information

Details	9 May 2016 (Launch date)	30 Jun 2017	30 Jun 2018
Property valuation	\$28.0 million	\$28.8 million	\$29.2 million
Distribution rate p.a.	7.6%	7.6%	7.6%
Occupancy rate	93.0%	98.6%	98.6%
LVR	43%	43%	43%
NTA per unit	\$0.95	\$0.98	\$1.01



333 EXHIBITION STREET PROPERTY FUND

In its first six months of operation to 30 June 2018, the Fund performed strongly across all key performance indicators.

Leasing and tenant update

The sole tenant of 333 Exhibition Street Property Fund is the University of Melbourne. The tenant is currently in the process of a significant fit-out for levels 2 and 3 of the building. The fit-out is being co-ordinated and paid for by the University of Melbourne.

Upgrades to the ground floor function and conference centre have been completed by the tenant. As part of Placer's proactive asset management strategy, Placer also replaced the ground floor air conditioning and heating, items identified during its extensive due diligence. Placer is also in the process of replacing the office building's chillers, to make the building a more environmentally and user friendly space.

The installation is planned to be completed by the end of September. The cost of these upgrades was factored into Placer's PDS forecasts.

Valuation

The 30 June 2018 valuation increased from the original acquisition price of \$38.5 million to \$40.5 million. This is on the realisation that the Property had been acquired at a discount to the market value. As a result the initial NTA has increased from \$0.93 per unit to \$0.95 per unit.

Key fund information

Details	1 Mar 2018 (launch date)	30 Jun 2018
Property valuation	\$38.5 million	\$40.5 million
Distribution rate p.a.	6.5%	6.5%
Occupancy rate	100%	100%
LVR	47%*	46.5%
NTA per unit	\$0.93	\$0.95

*As at minimum subscription date.



INVESTOR REPORTS

2018 year-end financial reports

At the end of September 2018, you will find the financial reports for NewActon East Property Fund, The Stables Property Fund, and 333 Exhibition Street Property Fund for the year ended 30 June 2018 on our website.

2018 annual tax statements

The tax statements for financial year 2018 were sent out on 20 August 2018 and are available online by logging into your investment account through Boardroom's secure online portal. If you need assistance logging into your Boardroom account please call Boardroom on 1300 737 760, and a staff member will assist you with the login process.

Below is the declared tax deferred component of the distribution for each fund, for financial year 30 June 2018.

Income distribution financial year 30 June 2018

Fund name	Declared tax deferred component
NewActon East Property Fund	62.35%
The Stables Property Fund	97.75%
333 Exhibition Street Property Fund	100.00%

Distribution timetable

The proposed distribution timetable for calendar years 2018 and 2019 is as follows:

Indicative distribution timetable

Quarter ending	Payment date
30 Sep 2018	8 Nov 2018
31 Dec 2018	8 Feb 2019
31 Mar 2019	8 May 2019
30 Jun 2019	8 Aug 2019
30 Sep 2019	8 Nov 2019
31 Dec 2019	7 Feb 2020

Please note that the distribution payment dates are indicative only and may be subject to change.



DISCLAIMER:

Placer Property Limited ACN 164 635 885, AFSL 442806 ('Placer Property') has prepared this document and is the responsible entity of 333 Exhibition Street Property Fund ARSN 624 418 051, The Stables Property Fund ARSN 167 742 672 and NewActon East Property Fund, ARSN 601 457 229. The information in this document is general information only and has been prepared without taking into account individual investors' objectives, financial situation or needs. In deciding whether to acquire Units in a Fund, 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.

CONTACT US

Should you have any questions, please contact Placer Property.

1300 132 099 | info@placerproperty.com.au
PO Box 2985, Melbourne, VIC 3001

placerproperty.com.au