

Australian Securities Exchange – Company Announcements Platform

Centuria Capital Group

Shaw and Partners Emerging Leaders Conference Presentation

Wednesday, 15 May 2019

Centuria Capital Group (ASX: **CNI** or **Centuria**) provides a presentation that will be used at the Shaw and Partners Emerging Leaders Conference today.

– Ends –

For more information or to arrange an interview, please contact:

John McBain

Group CEO

Centuria Capital Limited

Phone: 02 8923 8910

Email: john.mcbain@centuria.com.au

Tim Mitchell

Group Head of Investor Relations

Centuria Capital Limited

Phone: 02 8923 8923

Email: tim.mitchell@centuria.com.au

Gigi Shaw

Senior Consultant

BlueChip Communication

Phone: 02 9018 8603

Email: gigi@bluechipcommunication.com.au

About Centuria Capital Group

Centuria Capital Group (CNI) is an ASX-listed specialist investment manager with \$5.6 billion of assets under management. We offer a range of investment opportunities including listed and unlisted property funds as well as tax-effective investment bonds. Our drive, allied with our in-depth knowledge of these sectors and intimate understanding of our clients, allows us to transform opportunities into rewarding investments.

www.centuria.com.au

Disclaimer

This announcement contains selected summary information and does not purport to be all-inclusive, comprehensive or to contain all of the information that may be relevant, or which a prospective investor may require in evaluations for a possible investment in CNI. It should be read in conjunction with CNI's periodic and continuous disclosure announcements which are available at www.centuria.com.au.

This announcement is provided for general information purposes only. It should not be relied upon by the recipient in considering the merits of CNI or the acquisition of securities in CNI.

Before making an investment decision, the recipient should consider its own financial situation, objectives and needs, and conduct its own independent investigation and assessment of the contents of this announcement, including obtaining investment, legal, tax, accounting and such other advice as necessary or appropriate.

This announcement may contain forward-looking statements, guidance, forecasts, estimates, prospects, projections or statements in relation to future matters ('Forward Statements'). No independent third party has reviewed the reasonableness of any such statements or assumptions. No member of CNI represents or warrants that such Forward Statements will be achieved or will prove to be correct or gives any warranty, express or implied, as to the accuracy, completeness, likelihood of achievement or reasonableness of any Forward Statement contained in this announcement.

Centuria Capital Group

SHAW AND PARTNERS EMERGING LEADERS CONFERENCE

ASX:CNI | 15 MAY 2019



201-203 PACIFIC HWY,
ST LEONARDS NSW

Centuria is an established ASX-listed specialist investment manager

Centuria Capital Group

\$541m Market Capitalisation¹

\$5.6bn

Assets Under Management (AUM)

\$0.4bn²

Co-Investments

\$4.8bn

Property Funds Management AUM

\$0.8bn

Investment Bonds AUM

Centuria Metropolitan REIT
(CMA)

Centuria Industrial REIT
(CIP)

Listed Property \$2.6bn

Unlisted Property \$2.2bn

APRA Regulated Friendly Society
Bond Issuer (Investment Bonds)

\$225m^{2,3}

\$196m^{2,3}

24.9%³

24.2%³

Investment Bonds are tax
effective long term investment
vehicles

LifeGoals investment bond menu

Centuria
Metropolitan REIT
(CMA)

\$1.4bn

AUM

Centuria
Industrial REIT
(CIP)

\$1.2bn

AUM

Fixed term funds

15

Centuria
Diversified
Property Fund

¹ Based on CNI closing price of \$1.41 on 3 May 2019

² Based on CMA closing price of \$2.53 and CIP closing price of \$2.99 on 3 May 2019

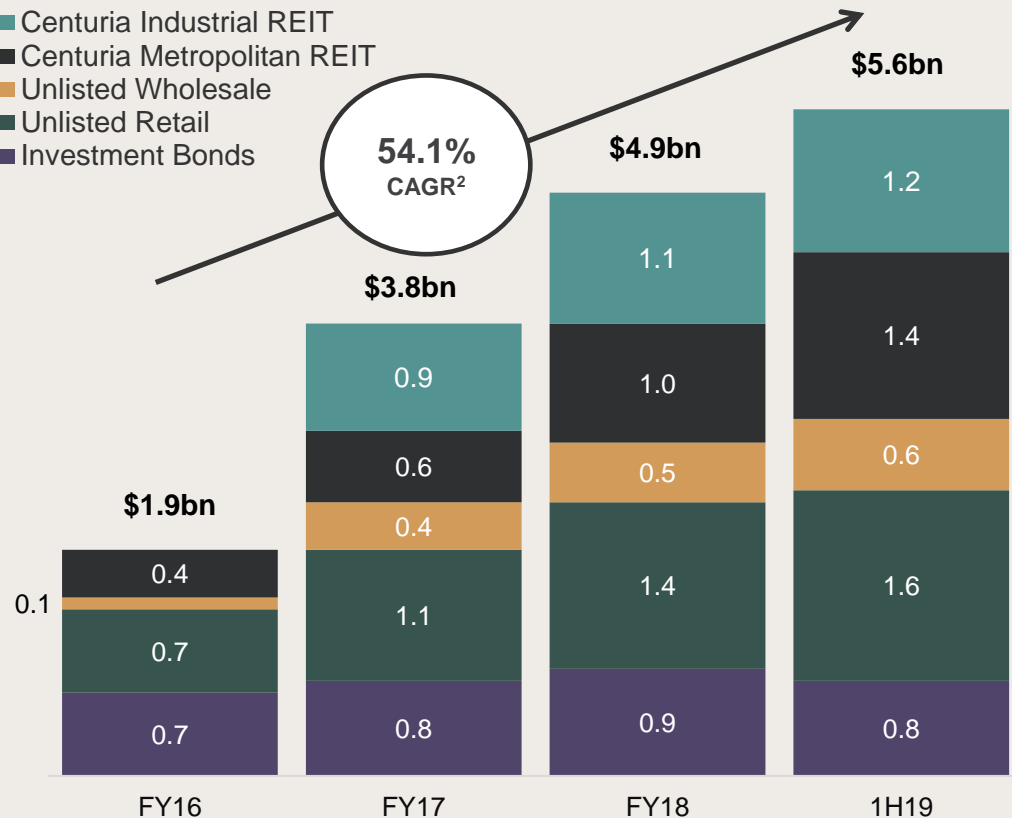
³ Co-investment ownership percentage includes the ownership by associates of Centuria Capital Group

As at 31 December 2018

An established platform with \$4.8 billion¹ property AUM

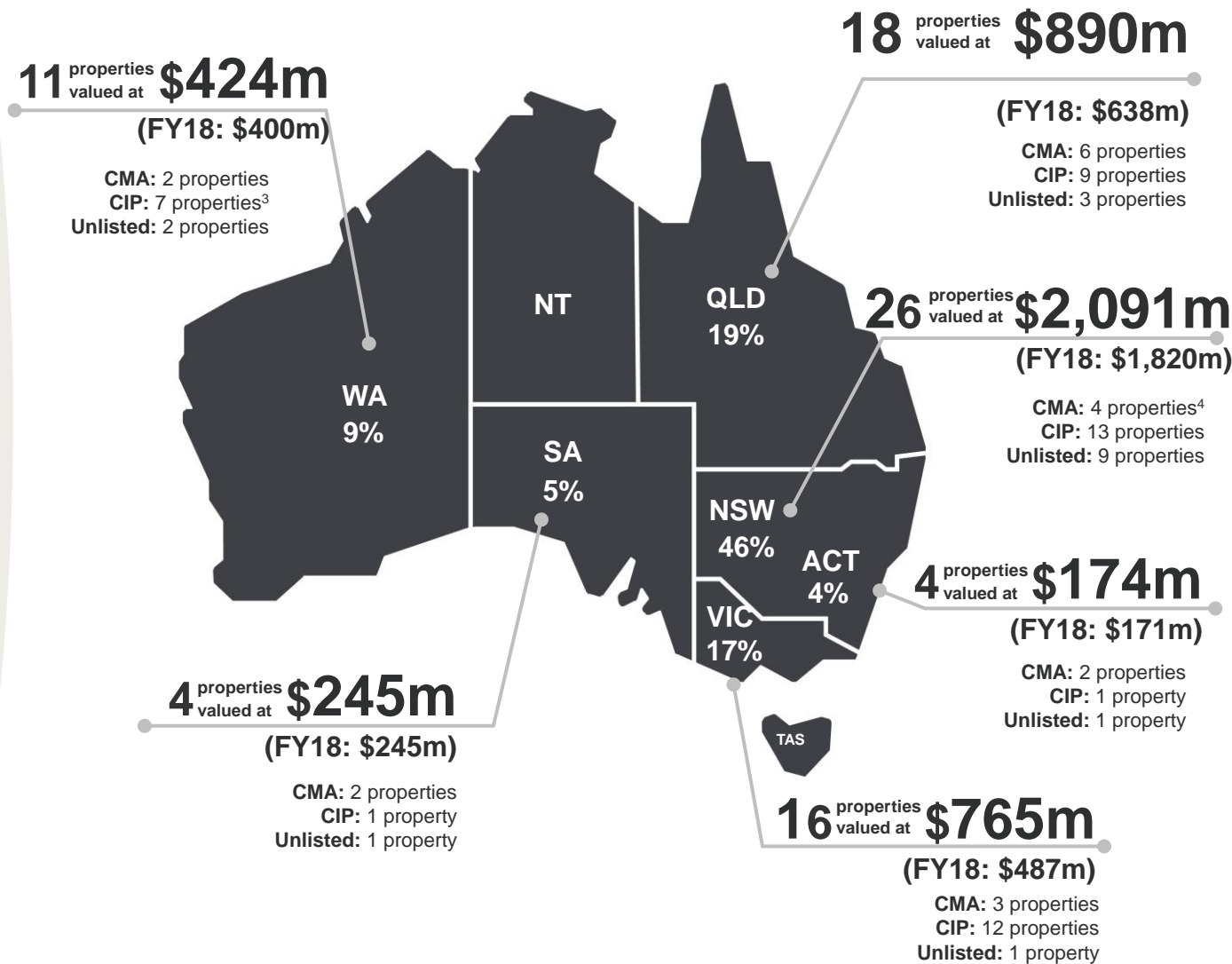
ASSETS UNDER MANAGEMENT (\$BN)

- Centuria Industrial REIT
- Centuria Metropolitan REIT
- Unlisted Wholesale
- Unlisted Retail
- Investment Bonds



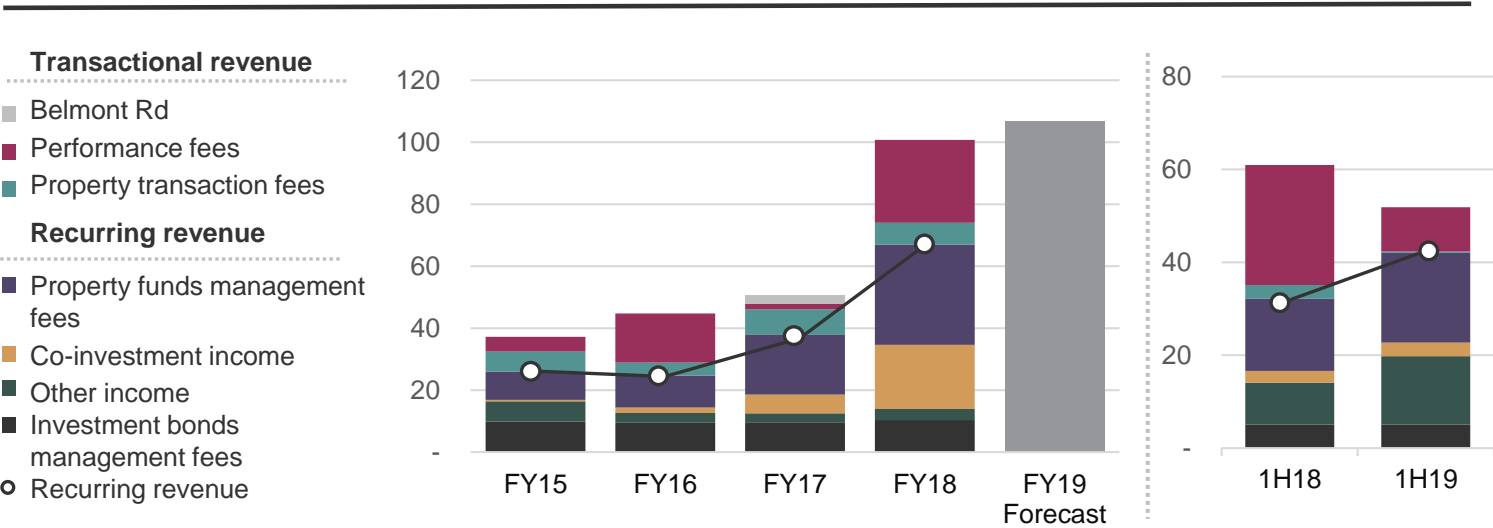
- Includes cash and other financial assets
- Past performance is not indicative of future performance
- Excludes acquisition of 16-18 Baile Road, Canning Vale, WA in February 2019
- Includes 13 Ferndell St, Granville held for sale (Settled 31 January 2019)

As at 31 December 2018

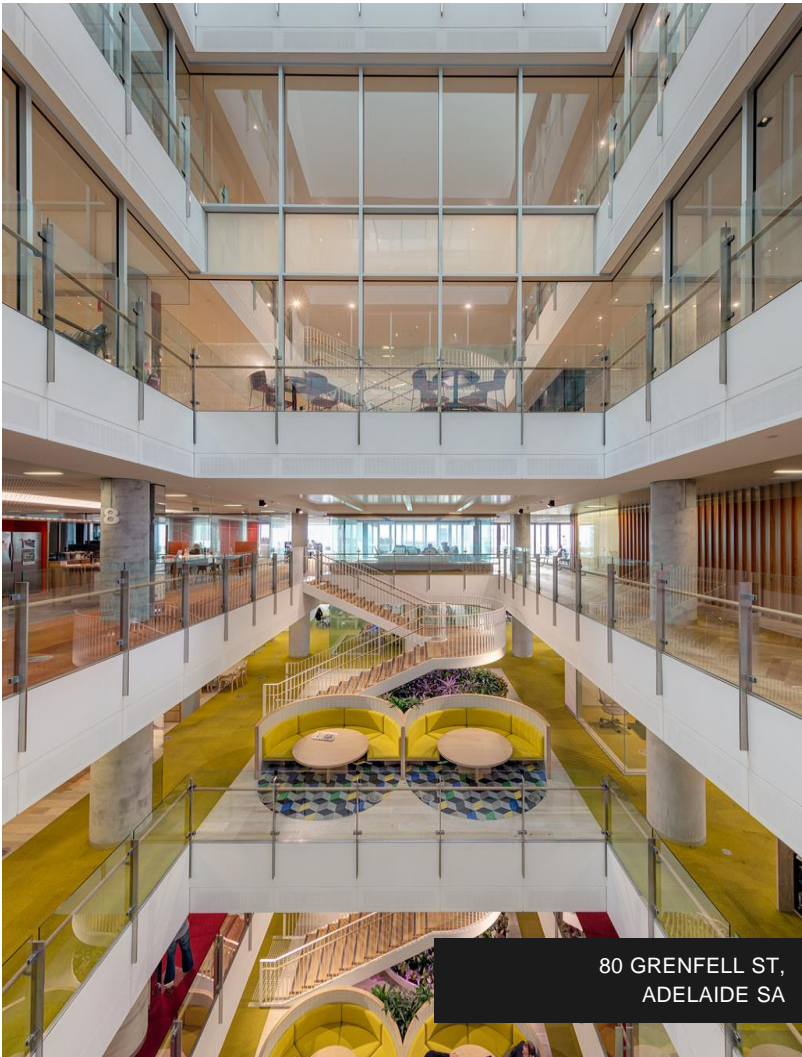
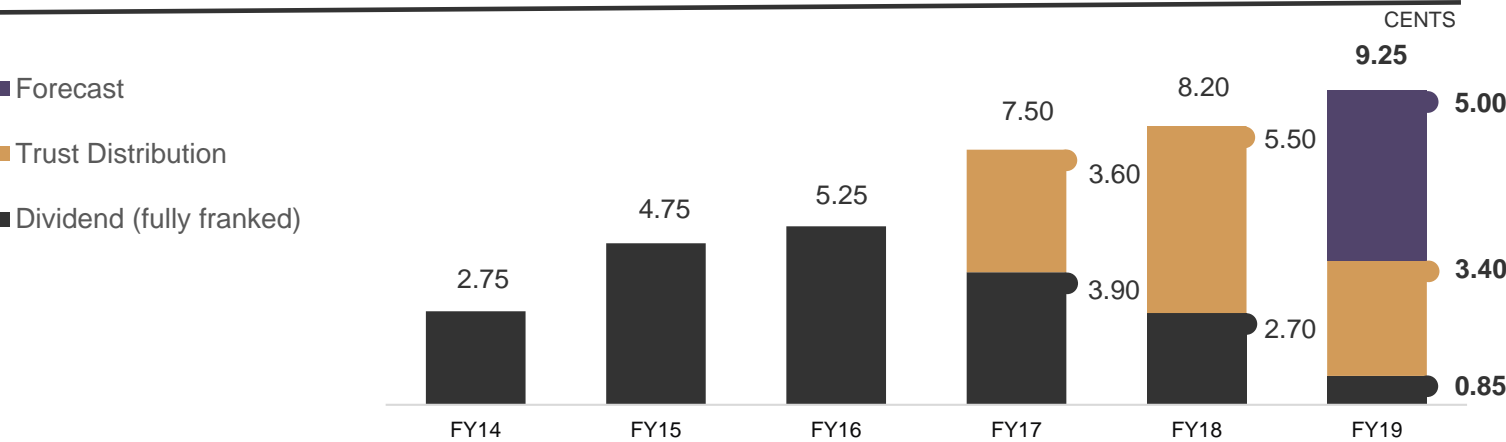


Increased recurring revenues underpin distributions

CNI REVENUE COMPOSITION (\$M)



DISTRIBUTION PER SECURITY ATTRIBUTION (CPS)



1. Past performance is not indicative of future performance

SECTION TWO

Divisional Overview



8 CENTRAL AVENUE,
EVELEIGH, NSW

Real Estate Funds Management Platform

PLATFORM



\$4.8bn

1H19 Assets under management



2

Listed REITs
CMA & CIP



15

Unlisted fixed term funds
& CDPF



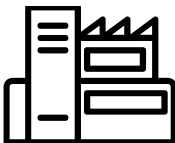
Social / Affordable Housing
&
Debt Funds

ASSETS



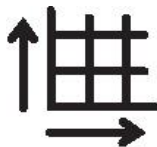
35

Office assets



42

Industrial assets



1.26m

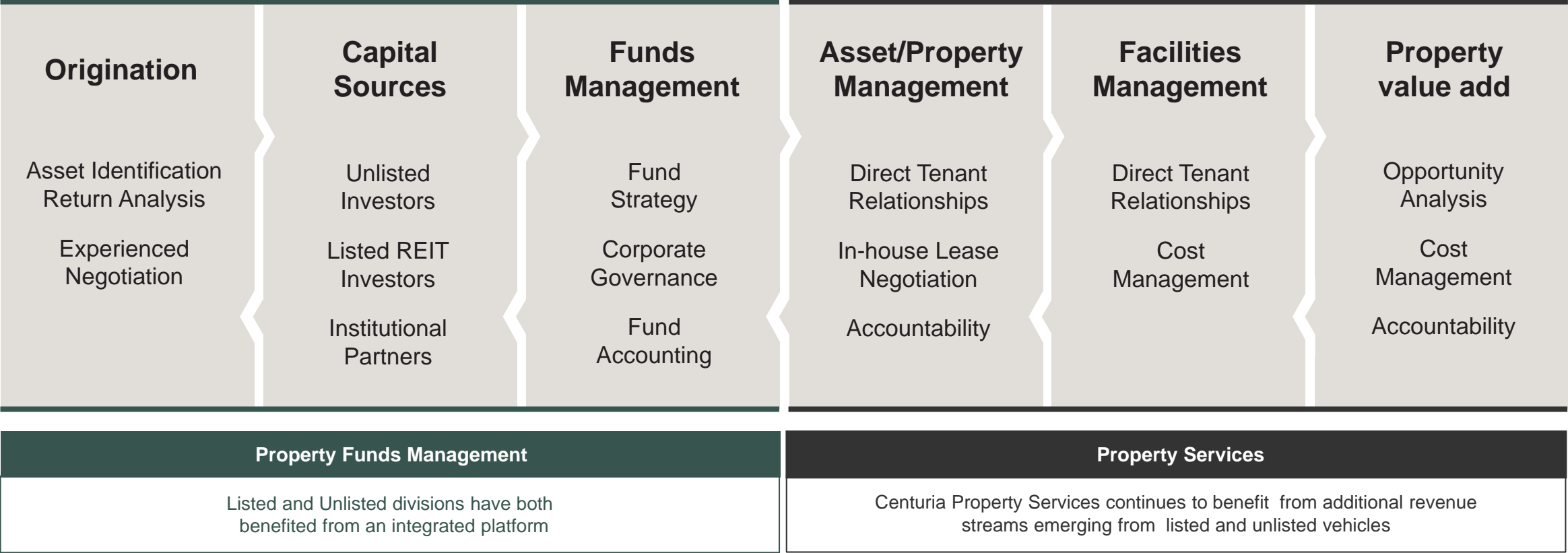
Square metres

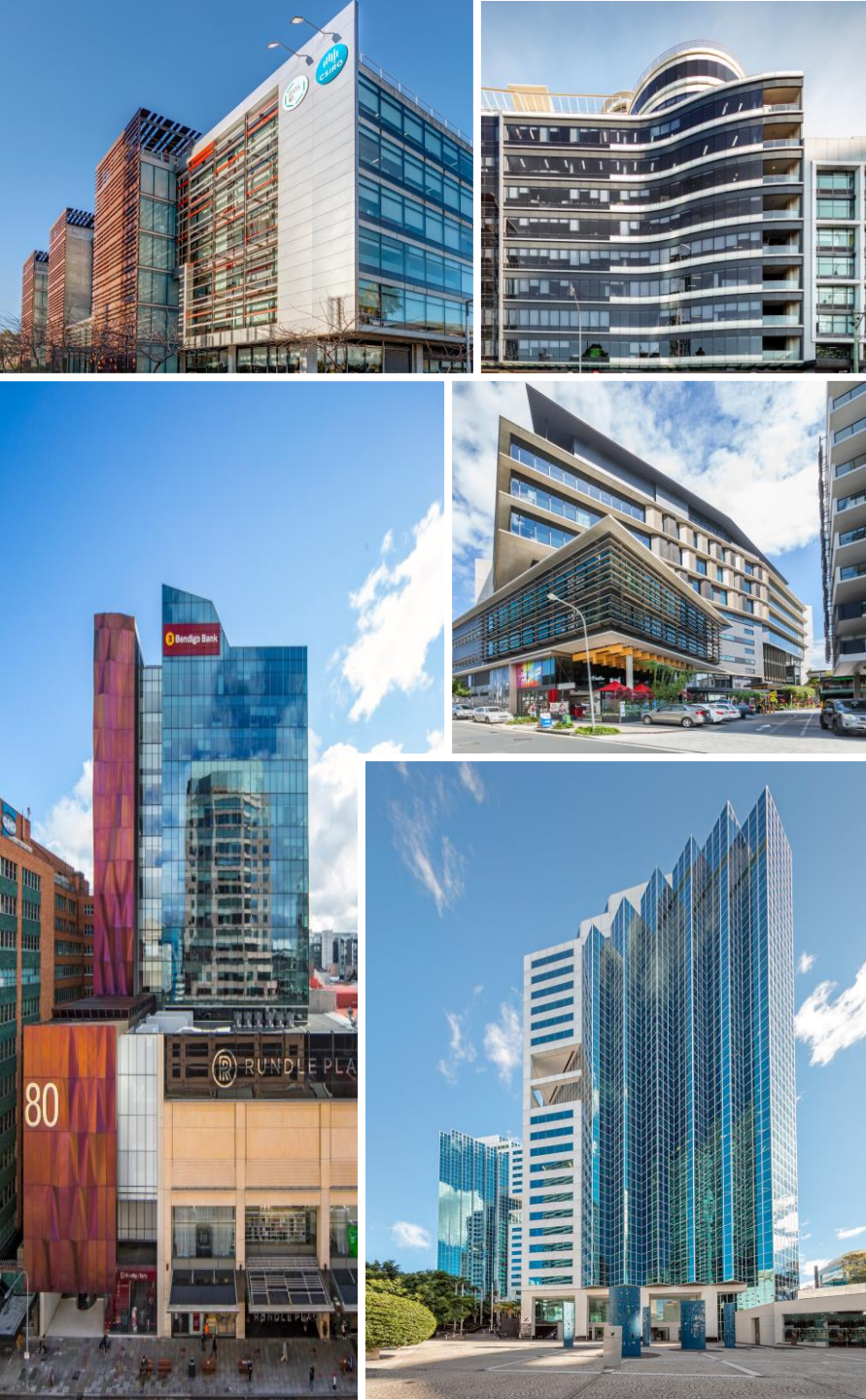


>500

Tenants

Centuria’s integrated property platform leverages deep real estate skills and experience across the group





Creating value through active management

- Broad capital sources established through retail, high net worth and select wholesale capital partners

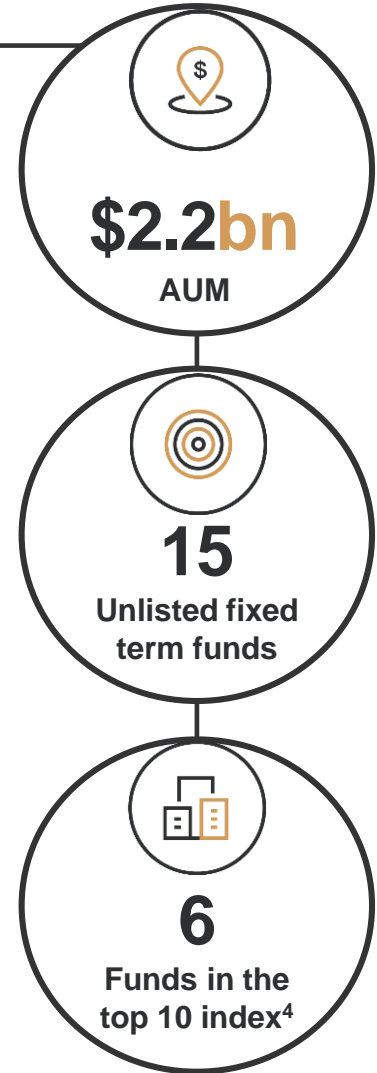
Centuria diversified property fund (CDPF):

- Multi asset open-ended fund with limited monthly liquidity facility¹, \$50.7 million AUM at 1H18
- Accepted on 12 investment and superannuation wrap platforms²
- Contract exchanged for first direct asset acquisition at 381 Macarthur Avenue, Northshore Hamilton, QLD
 - \$19.74 million, A-Grade office property
 - 5.1 year WALE³, 7.0% initial yield

Performance fees within the unlisted division

- Potential sale of Zenith tower would trigger CNI performance fee
- Additional embedded performance fees within other maturing unlisted funds

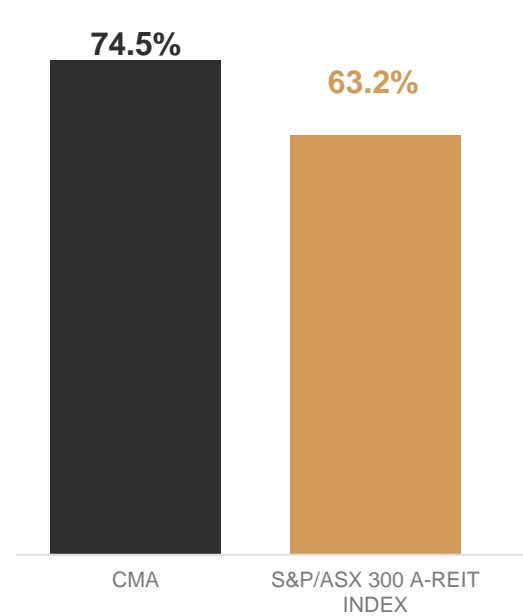
1. Limited to the terms detailed in the PDS and are subject to the fund's liquidity policy
2. As at May 2019. Follows consolidation of two wrap platforms
3. As at 1 April 2019. This includes a 12-month rental guarantee on approximately 288 sqm (around 10% by net lettable area) of the property and 35 car bays
4. Top 10 Property Council/IPD Australia Unlisted Core Retail Property Fund Index for the 12 months to 31 March 2019 and each quarter for the last seven quarters (overall investment for the twelve months to the end of each quarter)



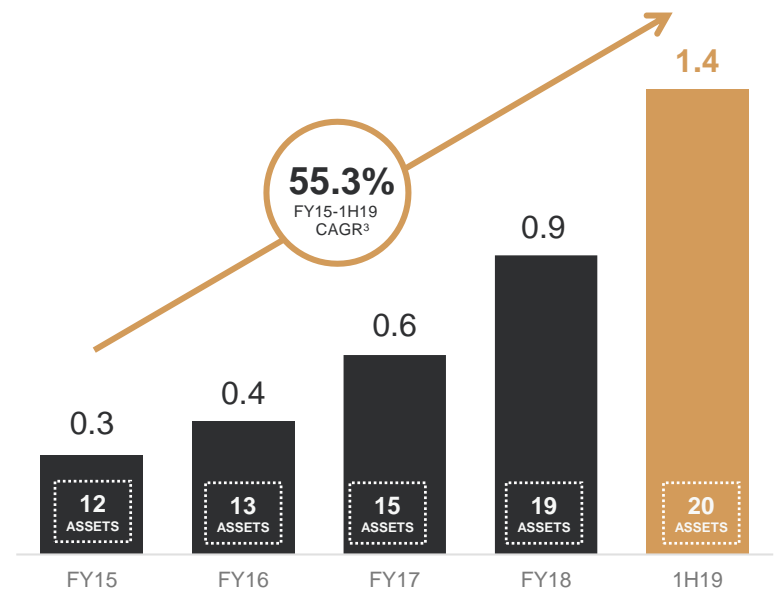
Centuria management – creating unitholder value since inception

Annual total unitholder return 13.5%p.a. since IPO^{1,2,3}

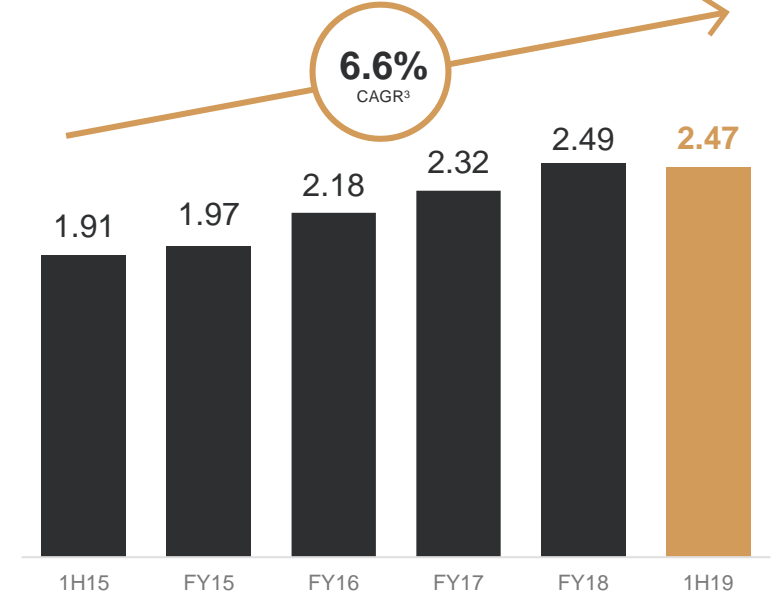
TOTAL RETURN SINCE IPO^{1,2,3}



PORTFOLIO VALUE (\$BN)



NTA (\$) PER UNIT⁴



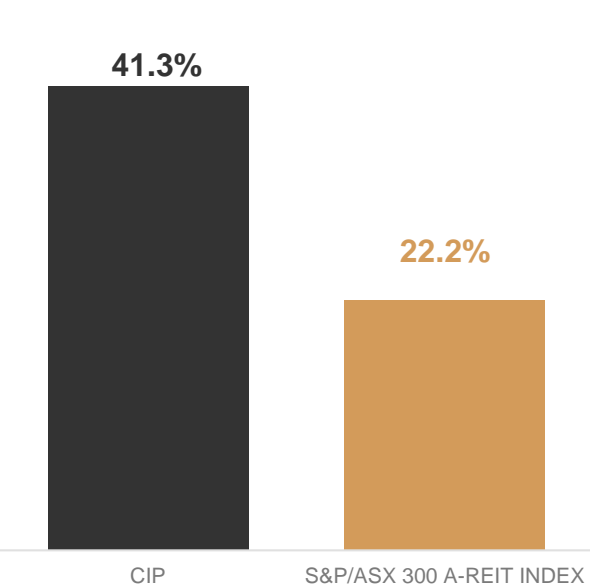
1. IPO December 2014
2. Source: Moelis Australia, April 2019
3. Past performance is not indicative of future performance
4. NTA per unit is calculated as net assets less goodwill divided by closing units on issue

CIP: AUSTRALIA'S LARGEST DOMESTIC PURE PLAY INDUSTRIAL REIT

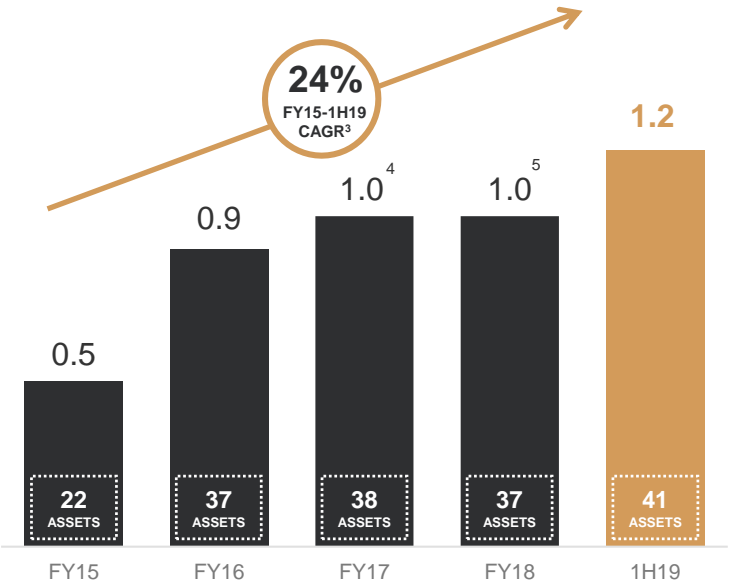
Centuria management – creating unitholder value

Annual total unitholder return 16.2% p.a. under Centuria's management^{1,2,3}

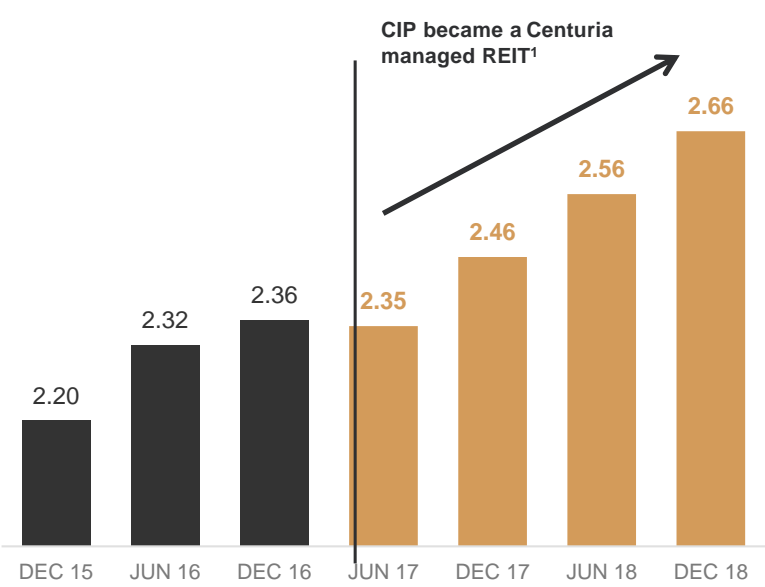
TOTAL RETURN SINCE UNDER CENTURIA'S MANAGEMENT OF CIP^{1,2,3}



PORTFOLIO VALUE (\$BN)



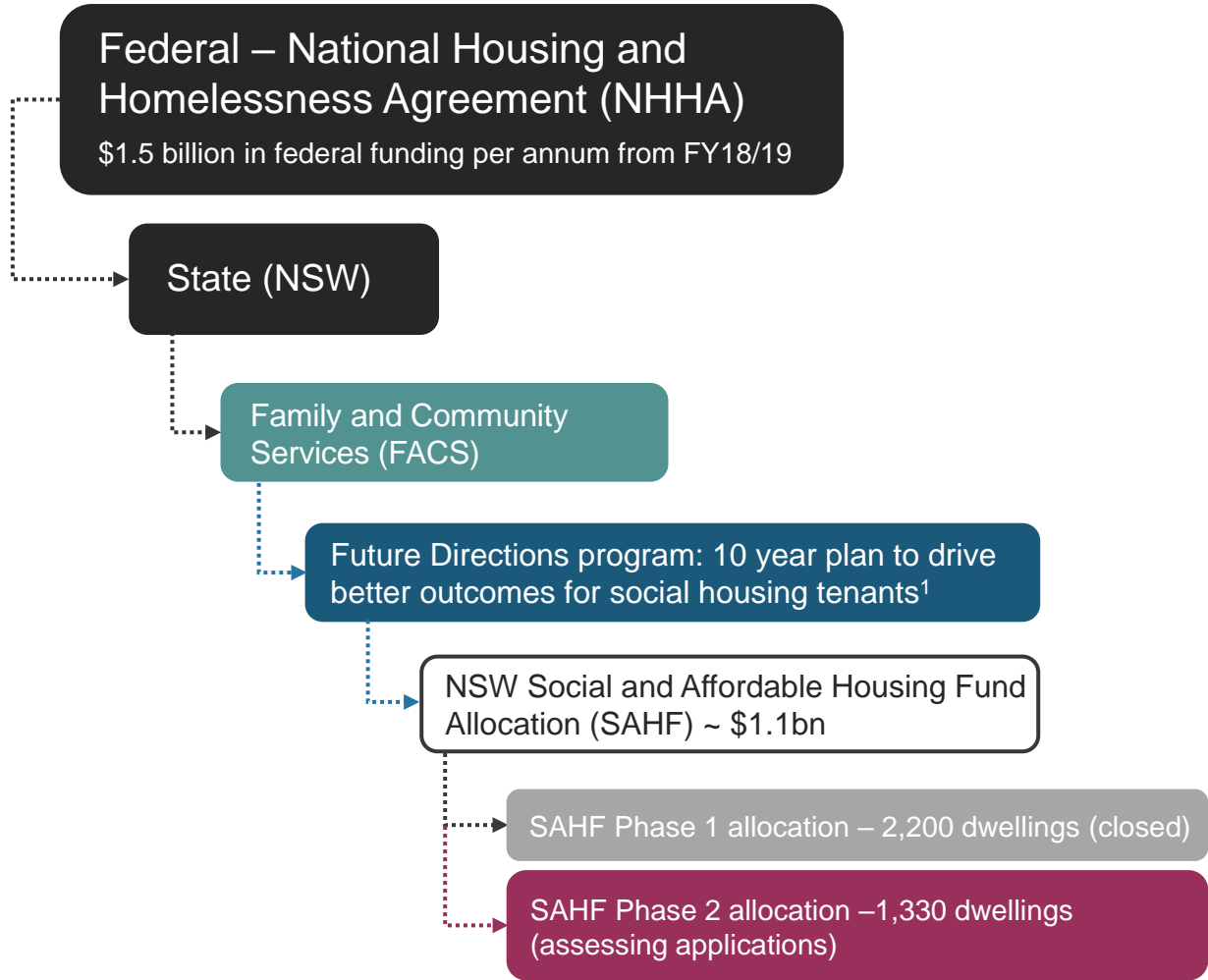
NTA (\$) PER UNIT⁶



1. Centuria management of CIP since 7 January 2017
2. Source: Moelis Australia, April 2019
3. Past performance is not indicative of future performance
4. Includes acquisition of Lot 14 Sudlow Rd, Bibra Lake and 207-219 Browns Rd, Noble Park, which exchanged on 29 June 2017
5. Excludes 39-45 Wedgewood Dr, Hallam, VIC, divested on 13 July 2018
6. NTA per unit is calculated as net assets less goodwill divided by closing units on issue

SOCIAL AND AFFORDABLE HOUSING

Market overview



- Limited number of securitised and institutional real estate managers servicing Social and Affordable Housing
- Established operators seeking partnership opportunities



- Both major Australian federal political parties have a focus relating to social and affordable housing
- Current national shortfall of over 650,000² social and affordable homes
- Existing government commitment and new budget policies don't satisfy shortfall

1. Source: NSW Family and Community Services
2. Source: UNSW Estimating need and costs of social and affordable housing delivery report

Centuria's Current Projects

- **Established partnership with Compass Housing and Tetris Capital**
 - Largest provider of social and affordable housing in the Hunter region and one of the largest in NSW (Tier 1 service provider)
- **Pre-agreed, government backed, take-out price**
 - Delivered through Social and Affordable Housing Fund 1 (SAHF)
- **Four projects in the NSW Hunter & Central Coast regions**
 - 192 Dwellings
 - CNI equity contribution c.\$20 million
 - Centuria: Developer
 - Compass: Community home provider
 - Tetris: Upfront take out party

Artist Impressions



Cardiff



Mayfield



West Gosford



North Gosford

Centuria LifeGoals – new product launched January 2019

Rules v benefits explored

RULE



Tax rate



125% rule



Distributions
remain within fund



Life insurance product



Assignment

BENEFIT

- Tax paid at maximum 30%; no tax paid after 10 years
- No capital gains tax on switching
- No stamp duty on transfer
- Unlimited total contributions in first year
- 125% of prior year's contribution allowed annually
- Access to funds at any time
- No need to declare earnings
- No TFN or annual tax reporting required
- Trusts & companies can invest to minimise distributions
- Bankruptcy protection
- Does not form part of the estate
- Nominate anyone as beneficiary or life insured, paid at 0% tax
- Funds can be transferred to any other investor at anytime without the 10 year period recommencing

SOME OF CENTURIA LIFE'S STRATEGIC PARTNERSHIPS







T.RowePrice®



PENDAL



One of Australia's largest listed external real estate and investment bond managers

	An established ASX-listed specialist investment manager	<ul style="list-style-type: none">• \$5.6bn AUM at 1H19, 54.1% CAGR¹ since FY16• Broad recurring revenue streams underpin distributions
	Established real estate platform, strong offering across listed REITs and unlisted funds	<ul style="list-style-type: none">• \$4.8bn AUM at 1H19, aligned to strong performing industrial and office sectors• Integrated property platform leverages deep real estate skills and experience across the group• Centuria Diversified Property Fund executing first direct real estate acquisition• Potential to unlock embedded performance fees in mature unlisted funds
	Contemporary, allied investment options	<ul style="list-style-type: none">• Entrance into Social and Affordable Housing Sector, largest provider in the Hunter region and one of the largest in NSW• Centuria LifeGoals launched
	Well positioned to consider further growth opportunities	<ul style="list-style-type: none">• Direct asset and corporate transactions that make sense and are strategically aligned• Continue to assess new opportunities to establish new retail and wholesale capital sources• Redeployment of PLG co-investment proceeds into real estate and capital management initiatives

¹ Past performance is not indicative of future performance

Definitions

Operating Segments: Group has five reportable operating segments. These reportable operating segments are the divisions which report to the Group's Chief Executive Officer and Board of Directors for the purpose of resource allocation and assessment of performance.

The reportable operating segments are:

Property Funds Management: Management of listed and unlisted property funds

Investment Bonds Management: Management of the Benefit Funds of Centuria Life Limited and management of the Over Fifty Guardian Friendly Society Limited. The Benefit Funds include a range of financial products, including single and multi-premium investments

Co-investments: Direct interest in property funds and other liquid investments

Corporate: Overheads supporting the Group's operating segments

Non-operating segments: Non-operating items comprises transaction costs, mark-to-market movements on property and derivative financial instruments, and all other non-operating activities. Includes Benefits Funds and Controlled Property Funds. Represents the operating results and financial position of the Benefit Funds which are required to be consolidated in the Group's financial statements in accordance with accounting standards

Controlled Property Funds: Represents the operating results and financial position of property funds which are controlled by the Group and consolidated under accounting standards

AUM: Assets under management

CAGR: Compound annual growth rate

CIP: Centuria Industrial REIT comprises the Centuria Industrial REIT ARSN 099 680 252 and its subsidiaries. The Responsible Entity of CIP is Centuria Property Funds No. 2 Limited ACN 133 363 185

CMA: Centuria Metropolitan REIT comprises the Centuria Metropolitan REIT ARSN 124 364 718 and its subsidiaries. The Responsible Entity of CMA is Centuria Property Funds Limited ACN 086 553 639

CNI, CCG or the Group: Centuria Capital Group comprises of Centuria Capital Limited ABN 22 095 454 336 (the 'Company') and its subsidiaries and Centuria Capital Fund ARSN 613 856 358 ('CCF') and its subsidiaries. The Responsible entity of CCF is Centuria Funds Management Limited ACN 607 153 588, a wholly owned subsidiary of the Company

CPFL: Centuria Property Funds Limited

CDPF: Centuria Diversified Property Fund

DPS: Distribution per stapled security

EPS: Earnings per stapled security

IRR: Internal Rate of Return

NPAT: Net Profit After Tax

NTA: Net Tangible Assets

REIT: Real Estate Investment Trust

WACR: Weighted Average Capitalisation Rate

WALE: Weighted Average Lease Expiry

This presentation has been prepared by Centuria Capital Limited and Centuria Funds Management Limited as responsible entity of Centuria Capital Fund (together the stapled listed entity CNI).

Centuria Property Funds Limited (ABN 11 086 553 639, AFSL 231 149) ('CPFL') and Centuria Property Funds Management No. 2 Limited (ABN 38 133 363 185, AFSL 340 304) ('CPF2L') are fully owned subsidiaries of CNI. CPF2L is the responsible entity for the Centuria Industrial REIT (ARSN 099 680 252) (ASX: CIP) and the Centuria Retail Fund (ARSN 601 486 668). CPFL is the responsible entity for the Centuria Metropolitan REIT (ARSN 124 364 718) (ASX: CMA), the Centuria Diversified Property Fund (ARSN 611 510 699) and the rest of Centuria's unlisted property funds. Investment in Centuria's property funds is subject to risks that are set out in the Product Disclosure Statement ('PDS') for the fund. The PDS for any open fund is made available Centuria's website (centuria.com.au). Investors should read the PDS in full before making a decision to invest.

Past performance is not a guarantee of future performance.

This presentation is provided for general information purposes only. It is not a prospectus, product disclosure statement, pathfinder document or any other disclosure document for the purposes of the Corporations Act and has not been, and is not required to be, lodged with the Australian Securities & Investments Commission. It should not be relied upon by the recipient in considering the merits of CNI or the acquisition of securities in CNI or its subsidiaries. Nothing in this presentation constitutes investment, legal, tax, accounting or other advice and it is not to be relied upon in substitution for the recipient's own exercise of independent judgment with regard to the operations, financial condition and prospects of CNI.

The information contained in this presentation does not constitute financial product advice. Before making an investment decision, the recipient should consider its own financial situation, objectives and needs, and conduct its own independent investigation and assessment of the contents of this presentation, including obtaining investment, legal, tax, accounting and such other advice as it considers necessary or appropriate.

This presentation has been prepared without taking account of any person's individual investment objectives, financial situation or particular needs. It is not an invitation or offer to buy or sell, or a solicitation to invest in or refrain from investing in, securities in CNI or any other investment product. The information in this presentation has been obtained from and based on sources believed by CNI to be reliable. To the maximum extent permitted by law, CNI and the members of the Centuria Capital Group make no representation or warranty, express or implied, as to the accuracy, completeness, timeliness or reliability of the contents of this presentation. To the maximum extent permitted by law, CNI does not accept any liability (including, without limitation, any liability arising from fault or negligence) for any loss whatsoever arising from the use of this presentation or its contents or otherwise arising in connection with it. This presentation may contain forward-looking statements, guidance, forecasts, estimates, prospects, projections or statements in relation to future matters ('Forward Statements'). Forward Statements can generally be identified by the use of forward looking words such as "anticipate", "estimates", "will", "should", "could", "may", "expects", "plans", "forecast", "target" or similar expressions. Forward Statements including indications, guidance or outlook on future revenues, distributions or financial position and performance or return or growth in underlying investments are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. No independent third party has reviewed the reasonableness of any such statements or assumptions.

Neither CNI nor any member of Centuria Capital Group represents or warrants that such Forward Statements will be achieved or will prove to be correct or gives any warranty, express or implied, as to the accuracy, completeness, likelihood of achievement or reasonableness of any Forward Statement contained in this presentation. Except as required by law or regulation, CNI assumes no obligation to release updates or revisions to Forward Statements to reflect any changes. The reader should note that this presentation may also contain pro-forma financial information. Distributable earnings is a financial measure which is not prescribed by Australian Accounting Standards ("AAS") and represents the profit under AAS adjusted for specific non-cash and significant items. The Directors of CFML consider that distributable earnings reflect the core earnings of the Centuria Capital Fund. All dollar values are in Australian dollars (\$) or A\$) unless stated otherwise.

