

Centuria Launches its Largest Single-Asset Unlisted Fund

- **A-Grade Office, 100% occupancy with 11.8-year WALE¹ secured for \$224m**
- **Australia's largest single-asset unlisted fixed-term fund retail capital raise in 15 years² - \$133m equity target**
- **Forecast FY22 distribution yield of 5.25%^{3,4}, growing to 5.35%⁴ in FY23**
- **Strong tenant covenants, c.90% leased to Victorian Government departments and agencies**
- **CNI is one of Australasia's largest property fund managers with c.\$10bn unlisted AUM and \$16bn total AUM⁵**

SYDNEY (Thursday, 10 June 2021) – Centuria Capital Group (**ASX: CNI** or “Centuria”), has acquired a 14-level, \$224million office building in Footscray, Victoria, for a new unlisted fixed-term, single-asset fund, Centuria Government Income Property Fund (CGIPF or “Fund”)⁴.

CGIPF will seek to raise \$133million, which is Australia's largest single-asset retail capital raise within the past 15 years².

The A-Grade office building, located at 1 McNab Avenue, Footscray, was secured with 100% occupancy on a 11.8-year Weighted Average Lease Expiry (WALE)¹ on a market capitalisation rate of 4.7%. The 20,191sqm building was constructed in 2014 and includes nine levels of commercial accommodation, four levels of secure parking and benefits from strong sustainability credentials, including 5.5-Star NABERS energy and water ratings.

The asset is underpinned by strong tenant covenants with 91% of the building leased to Victorian Government departments and agencies, including City West Water (32.5%), State Trustees Limited (31.1%) and the Victorian Government's Treasury and Finance Department (27.5%).

CGIPF forecasts a 5.25% starting yield^{3,4}. It will be held for an initial five-year term⁶.

Jason Huljich, Centuria Joint CEO, said, “Centuria has a 22-year track record for delivering successful fixed-term unlisted funds. This will be our largest capital raise to date for a single-asset unlisted fund with a target of approximately \$133million. In fact, it's the largest retail equity raise undertaken in Australia for a single-asset fixed-term unlisted fund within the past 15 years².

“In this low interest rate environment, there is a strong appetite from retail investors who are searching for investments with compelling yields. We continue to witness this strong appetite with the oversubscription of our recent unlisted fundraisings. In FY21 to date, our unlisted division has executed six capital raises across four single and multi-asset fund mandates. Combined, we have raised over c.\$184 million to deploy across attractive unlisted real estate opportunities throughout Australasia.

“With rising white-collar employment and workforces increasingly returning to the office, we believe office asset investments will increasingly deliver strong results. Already within the past few months, we've witnessed several large office transactions in the domestic market.”

Following the merger with Primewest becoming unconditional, Centuria will be one of the largest unlisted property fund managers in Australasia with c.\$10billion of AUM across its unlisted platform and more than \$16 billion of AUM across the Group platform⁶.

CGIPF's capital raise is expected to open from Thursday 1 July 2021 and anticipated to close 28 July 2021.

– Ends –

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Announcement authorised by Anna Kovarik, Company Secretary.

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Centuria Capital Group (CNI) ASX Announcement

Centuria

About Centuria Capital Group

Centuria Capital Group (CNI) is a leading real estate funds manager with a unique Australasian focus and over \$16 billion of assets under management⁵. We offer a range of investment opportunities including listed and unlisted real estate 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 meaningful investments.

www.centuria.com.au

Disclaimer

Issued by Centuria Property Funds No. 2 Limited ABN 38 133 363 185 AFSL 340 304 (CPF2L). CPF2L has applied to register the Centuria Government Income Property Fund (Fund) with the Australian Securities and Investments Commission as a registered managed investment scheme. CPF2L expects to issue a Product Disclosure Statement (PDS) for the Fund on or about 1 July 2021 (once issued, the PDS will be available at www.centuria.com.au). All investments in unlisted property funds carry risk. As the Fund invests in commercial property it carries the market and property risks associated with investing in property. As a geared investment, the Fund also carries associated financial and leverage risks. Risks can impact on distribution and capital returns over the term of the Fund. It is important that you read the PDS and understand the risks of investing. This information is general information only and does not take into account the objectives, financial situation or particular needs of any person. You should consider whether this information is appropriate for you and consult your financial or other professional advisor before investing. You should obtain and read a copy of the PDS relating to the Fund before making a decision to invest. Centuria and its associates will receive fees in relation to an investment in the Fund as disclosed in the PDS. Investment in the Fund is subject to risk including possible delays in payment or loss of income and principal invested. Centuria does not guarantee the performance of the Fund.

¹ As at 1 August 2021

² Source: Core Property Fund Research & Ratings

³ Annualised distribution yield for the period 1 September 2021 to 30 June 2022

⁴ Forecast returns are predictive in nature and are calculated in accordance with a number of underlying assumptions set out in the Product Disclosure Statement (expected to be issued on or around 1 July 2021). As such, returns may be affected by incorrect assumptions or by known or unknown risks and uncertainties and may differ materially from results ultimately achieved. Returns are not guaranteed

⁵ Pro forma AUM as at 31 December 2020 adjusted for post balance date revaluations and acquisitions. Prepared on the basis of 100% acquisition of Primewest Securities by Centuria. Includes the 50% acquisition of Bass Capital as well as 140 St Georges Terrace, and Centuria Industrial REIT (ASX:CIP) revaluations

⁶ Subject to assumptions and risks set out in CGIPF's Product Disclosure Statement (PDS) (expected to be issued on or around 1 July 2021) and over the initial five-year term