



Folkestone

# INVESTOR REVIEW

## FY17



## CONTENTS

FY17 Highlights	1
Chairman and Managing Directors Report	2
Listed A-REIT	6
Private Funds	7
A-REIT Securities Funds	10
Direct Investments	11
Directory	18

Folkestone's real estate expertise spans across the residential (land and apartment), non-residential and real estate related social infrastructure sectors. We own, manage and develop real estate for the benefit of our shareholders and investors in our funds.

8b Deepwater Road



WATERM  
Residence



# FY17 HIGHLIGHTS

Folkestone continued to execute on its strategy of growing its funds management platform and its on-balance sheet exposure to quality residential and non-residential developments.

## \$13.4m

NPAT<sup>1</sup>

▲ 146.1%

## 9.1c

EPS<sup>2</sup>

145.6%

## \$1.08<sup>3</sup>

TOTAL RETURN

▲ 30.1%

## \$1.3bn

FUM

▲ 21.3%

1. Statutory net profit for the 12 months to 30 June 2017.

2. Statutory earnings per share for the 12 months to 30 June 2017.

3. Share price as at 30 June 2017.

# CHAIRMAN AND MANAGING DIRECTOR'S REPORT

Folkestone delivered an excellent result in FY17 driven by a focused execution of our strategy to deliver real estate wealth solutions by growing our funds management platform and undertaking quality residential and non-residential developments on our balance sheet.

Folkestone generated a statutory net profit after tax (NPAT) of \$13.4 million for the twelve months to 30 June 2017 (FY17), an increase of 146.1 per cent over FY16. Normalised NPAT<sup>1</sup> attributable to Folkestone for FY17 was \$9.4 million, an 86.7 per cent increase compared to FY16. This represents a statutory EPS of 9.1 cents and normalised EPS<sup>1</sup> of 6.3 cents (FY16: 3.7 cents and 3.4 cents respectively).

Folkestone's net asset value (NAV) was \$1.08 per share at 30 June 2017, up from 98.9 cents per share at 30 June 2016. Net tangible asset (NTA) backing was \$1.04 per share at 30 June 2017 compared with 93.6 cents per share at 30 June 2016.

Folkestone's balance sheet is in excellent shape with more than \$21 million in cash reserves and \$17.5 million in an undrawn facility providing the Company with financial flexibility to take advantage of new investment opportunities when they arise. Gearing at 30 June 2017 remains low at 5.2 per cent, up from 4.2 per cent 12 months earlier.

Folkestone's strong operating result was also reflected in the return to shareholders, with Folkestone delivering a total shareholder return of 30.3 per cent in the year ending 30 June 2017, outperforming the S&P/ASX300 Accumulation Index which returned 13.8 per cent. Over the past five years we have delivered a total shareholder return of 27.6 per cent per annum compared to the Index return of 11.6 per cent per annum.

Consistent with the announcement made on 25 July 2017, the Board resolved to pay a final ordinary dividend in respect of the year ended 30 June 2017 of 2.75 cents per share fully franked at the rate of 30 per cent. In addition to the ordinary dividend, the Board resolved to pay a special dividend of 0.5 cents per share fully franked in recognition of the larger than forecast rezoning fee received in respect of the Wollert development project.

## FUNDS MANAGEMENT

Folkestone's Funds Management division is a specialist real estate funds manager for private clients and select institutional investors. Folkestone increased its funds under management from \$1.1 billion as at 30 June 2016 to \$1.3 billion as at 30 June 2017.

Total funds management revenue in FY17 was \$17.0 million, up 7.3 per cent on FY16.

Key features of the FY17 result are:

- a 20.2 per cent increase in recurring fee income and cost recoveries to \$7.6 million;
- a 44.5 per cent increase in transaction fees to \$3.2 million;
- a \$0.8 million performance fee in respect of the sale of The Station, Oxley; and

- a 3.7 per cent increase in distributions from FLK's co-investment in the ASX listed Folkestone Education Trust to \$4.4 million.

All Folkestone's listed, unlisted and A-REIT securities funds outperformed their respective investment performance benchmarks in FY17.

During the year, Folkestone launched two new funds, the Folkestone Seniors Living Fund No.1 (\$25.7 million) and the Folkestone Wollert Development Fund (\$25.4 million). Both funds closed significantly oversubscribed.

### Folkestone Seniors Living Fund No.1

The Folkestone Seniors Living Fund No.1 acquired Watermark Castle Cove, an award winning retirement living community on Sydney's lower North Shore. The acquisition of Watermark Castle Cove comprised a 100 per cent interest in 50 existing independent living units (ILUs) and 8 ILUs now completed and a 100 per cent interest in adjacent land for development of an additional 21 ILUs on terms whereby part of the consideration is contingent on completion and sale of the ILUs and the development is undertaken in a 50/50 joint venture with the Watermark Partnership.

Folkestone underwrote \$19.7 million of the initial \$25.7 million Fund Offer by way of a short term loan to the Fund with the capital raising closing oversubscribed in September 2016. Folkestone has co-invested \$2.5 million (10.0 per cent) in the Fund. The Fund has a target fund raising of up to \$60 million to enable it to acquire further assets consistent with the investment mandate of the Fund. The Fund has a target forecast equity IRR of 15.0 per cent per annum (pre-tax, net of fees) on drawn equity.

Our entry in to the seniors living sector is an extension of our strategy to expand our real estate related social infrastructure platform. Australia's ageing demographics and growing recognition of seniors living communities as a lifestyle choice, will underpin demand in this sector going forward.

### Folkestone Wollert Development Fund

In March 2017, Folkestone successfully completed the equity raising for the Folkestone Wollert Development Fund which has an 80 per cent interest in a circa 42.2 hectare residential land subdivision project known as Amber in Wollert, Victoria. Amber is located within the Wollert Precinct Structure Plan ("PSP") approximately 25 kilometres north of the Melbourne CBD and is ideally positioned between Craigieburn and Mernda. The Fund is developing, in joint venture with ID\_Land (20 per cent of the Project), approximately 560 residential lots providing a selection of lot sizes and price points to suite a range of buyers.

Folkestone underwrote the \$25.4 million Fund Offer which closed significantly oversubscribed one week after opening. Folkestone has co-invested \$6.4 million (25.0 per cent) in the Fund.

1. The normalised figures are non-statutory amounts and in Folkestone's view better reflect the underlying operating performance of the business. Normalised net profit after tax is arrived at after adjusting the Group's statutory NPAT in FY17 for the classification of \$5.8 million of the Wollert rezoning fee as a one-off as the \$8.8 million was \$5.8 million above the budgeted fee of \$3.0 million. In respect of FY16 normalised net profit after tax was calculated by classifying \$0.8 million in due diligence costs associated with transactions not proceeding and \$1.44 million in realised gains from the sale of units in Folkestone Education Trust and units that seeded a new Folkestone Maxim A-REIT Securities Managed Investment Account.



The Fund has a target forecast equity IRR of 17.0 per cent per annum (pre-tax, net of fees) on drawn equity over the life of the Fund.

On the successful completion of the equity raising, Folkestone received a rezoning fee of \$8.8 million paid by the Project and a \$0.9 million acquisition fee paid by the Fund.

Amber has experienced strong pre-sale activity with 189 sales, representing approximately 34 per cent of total lots at 30 June 2017.

#### Folkestone Education Trust (FET)

The largest fund managed by Folkestone, the ASX listed Folkestone Education Trust, with gross assets of \$903 million, continued its strong performance with a statutory profit of \$122.3 million, an increase of 14.5 per cent over the year. FET continued its active management of its portfolio with the disposal of seven non-core centres, the acquisition of 14 development sites for new centres, five developments were completed and three new 15 years leases were entered into, five year options were exercised at 112 centres and market rent reviews were completed at 127 centres.

FET's distribution for the year was 14.2 cents per unit, up 6.0 per cent on the previous year.

During FY17, Folkestone generated \$15.7 million profit contribution before tax from its investment in FET comprising:

- \$7.6 million in fees and cost recoveries charged in accordance with FET's constitution;
- \$4.4 million in trust distributions received; and
- an unrealised gain of \$3.7 million on its unitholding in FET as at 30 June 2017.

#### Folkestone Truganina Development Fund

The Folkestone Truganina Development Fund is undertaking, in a 80/20 joint venture with ID\_Land, the development of a circa 718 lot residential master planned community in Truganina, one of Melbourne's fastest growing suburbs. The joint venture has continued to see strong pre-sale activity at Elements, with 657 sales at 30 June 2017, representing approximately 91.5 per cent of total lots and 1.6 times the number forecast in the feasibility. Of these sales, 332 lots have settled as at 30 June 2017.

Folkestone has co-invested \$3.5 million (18.76 per cent) in the Fund. Due to the acceleration of the project, the Fund's current forecast equity IRR has increased from 18 per cent to 21.5 per cent per annum (pre-tax, net of fees) on drawn equity.

#### Folkestone Real Estate Income Fund at Oxley

Given the strong investor interest in neighbourhood retail centres, the current state of the retail market and the premium to book value on the offer received, Folkestone recommended in February 2017 to Unitholders in the Folkestone Real Estate Income Fund at Oxley to sell the sole asset of the Fund, The Station – Oxley and wind the Fund up three years ahead of schedule. Unitholders overwhelmingly voted in favour of the recommendation and the sale of the asset occurred at the end of March 2017.

Unitholders received an equity IRR (post fees, pre tax) of 14.6 per cent per annum over the three years the Fund owned the centre. As a result of the strong performance of the Fund (the hurdle rate was 10.0 per cent per annum), Folkestone generated a performance fee of \$0.8 million.

#### DIRECT INVESTMENTS - DEVELOPMENTS

Folkestone's development division generated a net return of \$16.7 million, up 364.0 per cent on FY16.

Key features of the FY17 result are:

- \$8.8 million rezoning fee received from the Amber residential land project at Wollert, Victoria;
- \$4.3 million share of development profits from the Millers Junction Business project at Altona North, Victoria;
- \$1.8 million share of development profits from the Northside residential land project at Officer, Victoria;
- \$1.4 million share of development profits from the Industria project at Knoxfield, Victoria;
- \$2.2 million in preferred equity interest in FY17, up 99.0 per cent on FY16 from five projects (Officer Northside, South Dural, Hornsby, Wollert and Green Square);
- (\$1.0) million share of the expensing of development costs in respect of the South Dural project in New South Wales;
- (\$0.6) million impairment provision against the Company's Investment in the Karratha project;
- continued strong sales and settlements in respect of our residential land projects and enterprise park projects in Melbourne; and
- completion of the Potter's Grove, Officer residential land subdivision project.

We continue to secure strong pre-sales across our developments. Our residential land and commercial developments in Melbourne are in the key growth corridors and are performing strongly. During the year we expanded our enterprise park business with the addition of a fourth joint venture with Wilmac, which will develop a further 2.2 hectares of land at our Altona North project.

The following is a brief update on Folkestone's key Direct Investments during the reporting period.

#### Residential Land - Funds Employed as at 30 June 2017: \$18.1m

Folkestone's residential land projects (Potters Grove and Potters Northside in Officer, south-west Melbourne, Elements in Truganina, western Melbourne and Amber in Wollert, northern Melbourne) are all in joint venture with ID\_Land. All three corridors continue to experience favourable trading conditions. During FY17, 394 lots were sold and 293 lots settled across the four projects.

Potters Grove, Officer is located in the Cardinia Shire, in south-east Melbourne. Potters Grove is a 50/50 joint venture between Folkestone and ID\_Land to develop a 240 lot land sub division. During FY17, the last remaining lot settled.

Potters Northside, Officer is a 146 lot land sub-division in a 50/50 joint venture with ID\_Land. All 146 lots have been pre-sold, with a total of 114 lots across Stages 1-4 settling in FY17. Construction of the final stage (Stage 5) commenced in the June 2017 quarter with the project completion anticipated to occur in late 2017. In FY17, Folkestone recognised a \$1.8 million share of development profits and \$0.1 million preferred equity interest income in respect of this project.

Folkestone's strategy to buy land on flexible, deferred terms and introduce investors through our unlisted funds platform, enhances our capital structure and reduces debt generating capital efficient, staged profit delivery. In December 2015, Folkestone and ID\_Land secured a 42.2 hectare site on deferred settlement terms in a 50/50 joint venture. Folkestone and ID\_Land sought a rezoning, which was obtained in February 2017. Folkestone and ID\_Land sold down part of their positions in the Project in April 2017 so that the Folkestone Wollert Development Fund has an 80 per cent interest in the Project and ID\_Land a

# CHAIRMAN AND MANAGING DIRECTOR'S REPORT CONT.

20 per cent interest in the Project. In return for taking the re-zoning risk, establishing the Amber estate brand and achieving 115 pre-sales, representing 20.5 per cent of total forecast lots, at the time of the sell-down to the Fund, Folkestone received a re-zoning fee of \$8.8 million.

## Enterprise Parks - Funds Employed as at 30 June 2017: \$11.7m

In September 2014, Folkestone entered into a 50/50 joint venture with Wilmac Properties to develop 69 strata style office/warehouse units and a café at Millers Junction business 1 at Folkestone's Altona North project. As at 30 June 2017, all but 8 of the 69 units had been completed and settled. Of the remaining 8 units, 6 units have settled as at 24 August 2017 with the remaining 2 units forecast to settle in the September 2017 quarter. During FY17, Folkestone recognised a \$4.3 million share of development profits in respect of this project.

In May 2015, Folkestone entered into a second 50/50 joint venture with Wilmac Properties to develop 88 strata office/warehouse/retail units in Knoxfield, Victoria with an anticipated end value of \$39.3 million. As at 30 June 2017, all 20 units in Stage 1 had been completed and have settled. Construction of the 24 units in Stage 2 commenced in the March 2017 and as 30 June 2017, 22 of these had been pre-sold. A further 18 of the 34 in Stages 3 and 4 had been pre-sold. During FY17, Folkestone recognised a \$1.4 million share of development profits in respect of this project.

In May 2016, Folkestone entered into a third 50/50 joint venture with Wilmac Properties to develop an enterprise business park in Nunawading, Victoria with an anticipated end value of \$42.4 million. The land was acquired on deferred terms and settlement of the land occurred in September 2016. Planning consent for the development was received in the December 2016 quarter, including a modification to the original design by allowing for a three storey office building with 9 strata office spaces in addition to 71 units and a café. As at 30 June 2017, a total of 60 of 71 units have been pre-sold plus the cafe and the proposed three story office building. Construction of Stage 1 commenced in the March 2017 quarter.

In June 2017, Folkestone entered into its fourth joint venture with Wilmac Properties ("Wilmac") to expand its exposure to enterprise park developments. Folkestone and Wilmac will develop a further 2.2 hectares of Folkestone's land at Altona North into 76 office/warehouse mews with an end value of circa \$28 million ("Millers Junction Business 2"). Millers Junction Business 2 is immediately adjacent to the proposed Millers Junction Retail and directly opposite Folkestone and Wilmac's first enterprise park development, Millers Junction Business 1. Construction of Miller Junction Business 2 is expected to commence in early 2018.

## Hotels - Funds Employed at 30 June 2017: \$10.2m

The Ranges Karratha, which Folkestone has a 30 per cent interest, has being unfavourably impacted by the downturn in the resources sector resulting in a \$0.6 million impairment on its holding in FY17. In May 2017, a food and beverage facility opened which will make The Ranges more appealing to customers, particularly business travellers to the Pilbara.

In November 2016, Folkestone announced that it had entered into a 50/50 joint venture with Furnished Property to develop a circa 144 room hotel at Green Square, Sydney. The site, at 18

O'Riordan Street, Alexandria, is located within the \$13 billion, 278 hectare Green Square Urban Regeneration Area and is strategically located approximately 100 metres from the Green Square Train Station. The Sydney Airport Domestic and International Terminals are two and three stops respectively to the south with Central Station, one stop to the north. Green Square is one of the most significant urban transformation programs under construction in Australia, revitalising the industrial edge of Sydney's inner south into a vibrant global village.

Folkestone and Furnished Property have been working through a Section 96 planning application to modify part of the hotel design. Once Council approved has been secured, Folkestone intends to launch the Folkestone Green Square Hotel Fund to raise circa \$22.75 million of third party capital, which together with construction finance, will fund the development of the hotel on a fund-through basis reducing Folkestone and Furnished Property's funds employed to develop the hotel. The Fund will own the hotel long-term.

## Residential Apartments - Funds Employed at 30 June 2017: \$10.1m

In December 2014, Folkestone entered into a 50/50 joint venture with the Lyon Group Australia, a leading Sydney developer, to develop a strategically located, mixed use site opposite Hornsby railway station in Sydney's north-west. Following the settlement of two further properties in FY17, the joint venture has now acquired three sites totalling 1,297 square metres which are currently under short term lease agreements whilst the joint venture progresses its master planning activities. A further option agreement over a commercial building is in place (a site comprising 1,929 square metres) and due for settlement in the December 2017 quarter after which time the joint venture will have amalgamated a total landholding exceeding 3,200 square metres.

## Retail - Funds Employed at 30 June 2017: \$4.8m

In June 2017, Folkestone entered into agreements with BWP Trust to acquire 1.0 hectares of land and a new call option to acquire an adjoining further 2.4 hectares of land at Millers Road, Altona North, to undertake Stage 3 of its successful Millers Junction project.

The 3.4 hectares of BWP Trust land will be amalgamated with approximately 2.2 hectares of Folkestone's existing land holding, immediately to the rear of the BWP Trust land, to create Millers Junction Retail, a 13,330 square metre neighbourhood and large format retail centre anchored by Woolworths. The masterplan has secured unanimous support from Hobsons Bay Council and is now subject to final approval by Victorian Government.

## Seniors Living – Funds Employed at 30 June 2017: \$1.3m

In May 2017, Folkestone entered into an agreement with Watermark Retirement Living to develop a seniors living community in partnership with the Chatswood Golf Club. The proposed development includes a new clubhouse, associated parking and seniors living community on circa 14,000 square metres of golf course land currently utilised for the clubhouse and car park. Folkestone, Watermark and the Chatswood Golf Club are working towards submitting the first stage of the planning process with the Department of Planning. Following planning approval, it is expected that the project will be a suitable acquisition for the Folkestone Seniors Living Fund No.1, alongside Watermark Castle Cove.

## OUTLOOK

Folkestone is well placed to continue to build sustainable growth across its funds management and development divisions and to continue to deliver long-term value to our shareholders and investors in our funds. The year ahead is one shaping up as an environment where we expect global geo-political issues to continue to dominate. In the absence of any major geo-political event, on a relative basis the Australian economy should perform reasonably well. Interest rates should remain low and capital will continue to search for opportunities across the real estate sector despite yields in most sectors and markets reaching historic lows. In such an environment, we will remain disciplined in the implementation of our strategy.

Already we have started FY18 on a strong footing with continued sales in our residential and enterprise park developments. We also recently launched a new fund to acquire a 5,810 square metre office and retail building under construction in Sydney Olympic Park. A total of \$24.7 million was committed by a small number of high net worth investors and family offices. Folkestone, as noted above, expects to launch the Folkestone Green Square Hotel Fund in the second half of 2017. In addition, Folkestone is in due diligence on a number of opportunities that will either be acquired on balance sheet and sold down at a later date to Folkestone funds or acquired directly by new funds established by Folkestone.

Folkestone's conservative balance sheet (low gearing and its cash on hand) and the recycling of capital from projects that are earmarked to be sold down to funds or are nearing completion

provides Folkestone with significant flexibility to continue to execute on its focused and disciplined strategy.

Folkestone will continue to look for investment opportunities across the residential, non-residential and social infrastructure sectors where the projects offer the potential for attractive risk-adjusted returns, can be acquired and/or developed using efficient capital structures (i.e. staged land payments or deferred settlement terms), and where appropriate, undertaken in joint venture with quality partners and held in Folkestone managed funds.

Folkestone confirms that its current intention is to pay a fully franked dividend of 3.0 cents per share in respect of FY18, an increase of 9.1 per cent on the FY17 ordinary dividend of 2.75 cents per share assuming no material change in market conditions.

On behalf of the Board, we extend our thanks to our high performing staff for their commitment and significant contribution to Folkestone, not only over the past year but also over the past few years.

We would also like to thank our shareholders, and investors across our funds, for their continued support.

**Garry Sladden**  
Non-Executive Chairman

**Greg Paramor AO**  
Managing Director



ONLY ABOUT CHILDREN, EAST BRIGHTON, VIC - AN ASSET OF FOLKESTONE EDUCATION TRUST



WATERMARK CASTLE COVE, NSW - AN ASSET OF FOLKESTONE SENIORS LIVING FUND NO.1



MILLERS JUNCTION HOME - ALTONA NORTH, VIC - A JV BETWEEN FOLKESTONE AND WILMAC PROPERTIES



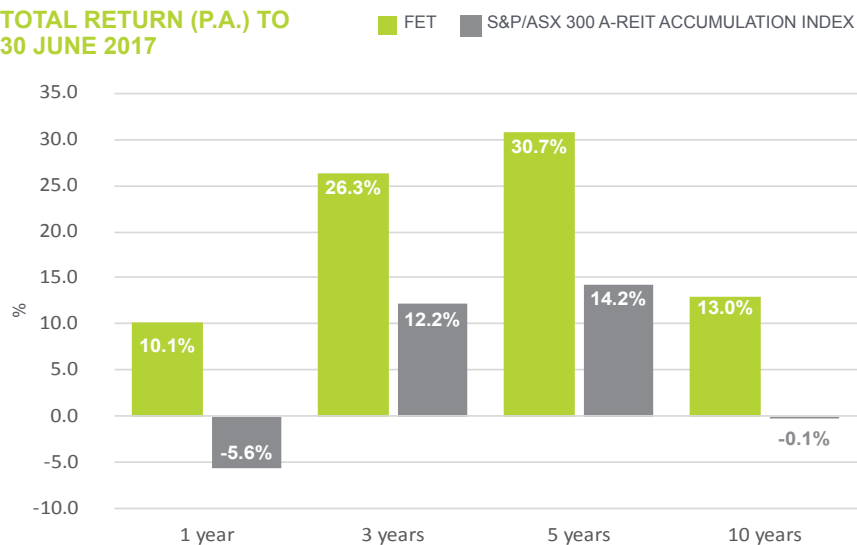
AMBER, WOLLERT, VIC - A JV BETWEEN FOLKESTONE WOLLERT DEVELOPMENT FUND AND ID\_LAND

# LISTED A-REIT

## FOLKESTONE EDUCATION TRUST (ASX CODE: FET)

INCOME STATEMENT SUMMARY	JUNE 16	JUNE 17	VAR. %
Distributable Income (\$m)	34.5	37.8	9.6
Distribution (cpu)	13.4	14.2	6.0
BALANCE SHEET AS AT	JUNE 16	JUNE 17	VAR. %
Total Assets (\$m)	753.6	903.3	19.9
Investment Properties (\$m)	719.5	861.2	19.7
Borrowings (\$m)	200.4	249.9	24.7
Net Assets (\$m)	531.8	629.7	-
Gearing <sup>1</sup> (%)	26.6	27.7	-
NTA per Unit (\$)	2.14	2.51	-

### TOTAL RETURN (P.A.) TO 30 JUNE 2017



Source: IRESS

The ASX listed Folkestone Education Trust (ASX: FET) is the leading provider of early learning accommodation with 406 early learning centres in Australia and New Zealand and one medical centre in Australia.

FET provided a total return of 10.1 per cent for the year to 30 June 2017, outperforming the S&P/ASX 300 A-REIT Accumulation Index ("Index") return of -5.6 per cent. FET has also outperformed the Index over three, five and 10 years (see the figure above).

FET continued its active management of its portfolio with the disposal of seven non-core centres, the acquisition of 14 development sites for new centres, five developments were completed and three new 15 years leases were entered into, five year options were exercised at 112 centres and market rent reviews were completed at 127 centres.

At 30 June 2017, FET owned 21 development sites with 15 sites DA approved and/or under construction and 16 sites awaiting planning approval. The development pipeline of 31 sites has a forecast upon completion value of \$179 million and is expected to add approximately \$8.4 million per annum of net rental income to FET.

FET continues to target new opportunities based on our strong understanding of the market, with the key focus on selecting high quality real estate supported by sound early learning demand and supply fundamentals.

Folkestone, as well as managing FET, owns 12.2 per cent of the Trust, and generated \$7.6 million in fees and cost recoveries, \$4.4 million in distributions and an unrealised gain of \$3.7 million on its investment in FET in FY17.

### VALUE OF INVESTMENT PROPERTIES

**\$861M**

### FY17 DISTRIBUTABLE INCOME

**\$37.8M**

### NTA PER UNIT

**\$2.51**

### AVERAGE PROPERTY YIELD

**6.7%**

### DEVELOPMENT PIPELINE

**\$179M**

### OCCUPANCY RATE

**99.5%**

### WEIGHTED AVERAGE LEASE EXPIRY (BY INCOME)

**9.1YRS**

### NUMBER OF TENANTS

**30**

### FY18 DISTRIBUTION FORECAST

**15.1CPU**

1. Gearing is calculated by borrowings / total assets.



# PRIVATE FUNDS

## FOLKESTONE REAL ESTATE INCOME FUND AT SYDNEY OLYMPIC PARK



### FUND TOTAL RETURN IN FY17

# 16.4%

Type	Unlisted
Sector	Office
Location	Sydney Olympic Park, NSW
No of Properties	1
Gross Assets (\$m)	39.7
Occupancy (%)	100
FY18 Forecast Annualised Distribution (%)	9.25
Fund Expires	Dec 2017

The Fund owns 7 Murray Rose Avenue, Sydney Olympic Park, a 5,931 sqm commercial office building, completed in December 2012, with ground floor retail and basement car parking.

The office space is 100 per cent leased to Thales Australia on a ten year lease term commencing 1 December 2012. The five retail tenancies on the ground floor are leased to a range of food and service providers.

As at 30 June 2017, the building was 100 per cent occupied with an weighted average lease expiry of 4.8 years by income.

The Fund generated a total return of 16.4 per cent in the year to 30 June 2017.

## FOLKESTONE SYDNEY OLYMPIC PARK OPPORTUNITY FUND



### TARGET EQUITY IRR (P.A.)

# 14.3%

Type	Unlisted
Sector	Office
Location	Sydney Olympic Park, NSW
No of Properties	1
Gross Assets (\$m) <sup>1</sup>	36.4
Occupancy (%)	0%
Forecast Equity IRR (% p.a)	14.3
Fund Expires	Feb 2020

In July 2017, the Folkestone SOP Opportunity Fund entered into an agreement to acquire 11 Murray Rose Avenue, Sydney Olympic Park. The six level commercial building, being built by FDC Construction & Fitout (NSW) Pty Ltd (FDC), comprises 5,810 sqm across five levels of office and ground floor retail with basement car parking. Practical completion is forecast to occur in February 2018.

Under the terms of the deal, the vendor will continue to develop the asset on behalf of the Fund for a fixed payment on practical completion. As a result, the Fund will take leasing, valuation and financing risk but will not take planning or construction risk.

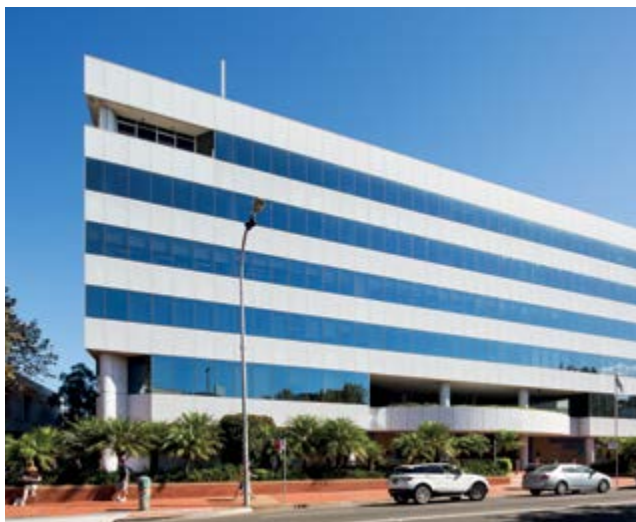
Folkestone received commitments to invest in the Fund of \$24.7 million from a small number of high net worth investors and family offices.

The Base Case Feasibility has a forecast return on equity of 38.0 per cent and an equity IRR of 14.3 per cent per annum (post fees, pre-tax) over the life of the Fund.

1. Forecast gross assets at practical completion based on the Base Case Feasibility.

# PRIVATE FUNDS

## FOLKESTONE REAL ESTATE INCOME FUND AT WOLLONGONG



### FUND TOTAL RETURN IN FY17

# 27.3%

Type	Unlisted
Sector	Office
Location	Wollongong, NSW
No of Properties	1
Gross Assets (\$m)	35.5
Occupancy (%)	98.7
FY18 Forecast Annualised Distribution (%)	11.0
Fund Expires	June 2019

The Fund owns 43 Burelli Street, Wollongong, a six level A-Grade office building comprising 9,688 square metres together with parking for 90 vehicles. Central Square comprises a strong tenancy mix anchored by Commonwealth and State Government tenants who currently contribute the majority of the asset's income.

Folkestone's active management of the asset continued in the past year. The building's largest tenant, Department of Human Services (Centerlink and Medicare) agreed to renew their lease for a further five years to June 2021 over 2,082 sqm on the ground floor and part of level 1. The Department also extended their leases on level four and five (2,780 sqm) for a further year to 2021 to be in line with the new term on the lower floors.

The Fund generated a total return of 27.3 per cent in the year to 30 June 2017.

## FOLKESTONE REAL ESTATE INCOME FUND AT ALTONA NORTH



### FUND TOTAL RETURN IN FY17

# 29.0%

Type	Unlisted
Sector	Large Format Retail
Location	Altona North, VIC
No of Properties	1
Gross Assets (\$m)	44.5
Occupancy (%)	100
FY18 Forecast Annualised Distribution (%)	8.75
Fund Expires	Nov 2020

The Fund owns a large format retail centre, known as Millers Junction Home, which is anchored by Bunnings and includes Officeworks, JB Hi-Fi Home, Repco, PETstock, petVET and Pitt Stop Cafe. Millers Junction Home was developed by Folkestone on behalf of the Fund and opened in September 2014.

As at 30 June 2017, 100 per cent of the Centre was leased with a weighted average lease expiry by income of 7.8 years and 8.5 years by area. Millers Junction Home continues to perform well, based on the positive feedback from tenants.

The Fund generated a total return of 29.0 per cent in the year to 30 June 2017.

# PRIVATE FUNDS

## FOLKESTONE CIB FUND



### FUND TOTAL RETURN IN FY17

# 25.9%

Type	Unlisted
Sector	Police Stations & Courthouses
Location	Victoria
No of Properties	11
Gross Assets (\$m)	98.8
Occupancy (%)	100

The Folkestone CIB Fund is a closed wholesale fund that owns nine police stations and two law court complexes in Victoria.

During FY17, the State Government renewed the lease for the two law court complexes extending the term to 31 August 2028. In August 2017, the State Government executed new leases for the nine police stations from a common expiry date of November 2020 to varying dates ranging between August 2023 and August 2028.

The Fund generated a total return of 25.9 per cent in the year to 30 June 2017

## FOLKESTONE SENIORS LIVING FUND NO.1



### TARGET EQUITY IRR (P.A.)

# 15.0%

Type	Unlisted
Sector	Seniors Living
Location	Castle Cove, NSW
No of Properties <sup>1</sup>	1
Gross Assets (\$m)	47.9
Fund Equity (\$m)	25.7
FLK Co-Investment in Fund (%)	10.0
Forecast Equity IRR (% p.a)	15.0
Fund Expires	2023

In August 2016, the Folkestone Seniors Living Fund No.1 (FSLF) acquired Watermark Castle Cove, an award winning retirement living community on Sydney's lower North Shore. This is the first asset for Folkestone's seniors living platform and the Fund.

FSLF will seek to acquire a portfolio of high quality retirement living communities in Sydney. This will be achieved by investing in existing retirement living communities and also by joint venturing with partners to develop and ultimately own such communities. FSLF is expected to benefit from increasing demand for seniors living facilities and services driven by an ageing population and growing acceptance of retirement living communities as a quality housing option for Australia's seniors population.

The Fund's initial equity raising of \$25.7 million closed significantly oversubscribed in September 2016 and reflects the strong interest from investors in the seniors living sector.

1. It is proposed to acquire additional assets in the Fund.



# A-REIT SECURITIES FUND

## FOLKESTONE MAXIM A-REIT SECURITIES FUND

The Folkestone Maxim A-REIT Securities Fund provides access to a diversified portfolio of quality ASX listed real estate securities which owns office, retail, industrial, residential and real estate related social infrastructure assets. The Fund employs a high conviction, active investment strategy, which focuses on building a portfolio based on individual merit and not by benchmark weights.

The Fund generated a total return of 0.49 per cent (after fees, before tax) in the year to 30 June 2017, outperforming the S&P/ASX300 A-REIT Accumulation Index which returned - 5.6 per cent. Over the three years to 30 June 2017, the Fund generated a total return of 15.1 per cent per annum (after fees, before tax) outperforming the Index which returned 12.2 per cent per annum.

The Fund was the best performing fund in the Mercer Investment Performance Survey of Australia Real Estate Securities Funds over one and three years to 30 June 2017.

Folkestone Maxim also manages a number of separate mandates, offering clients a customised portfolio of A-REIT securities.

In May, the Fund was a finalist in two categories at the Money Management / Lonsec Funds Manager of the Year Awards. The Fund was a finalist in the Property and Infrastructure Securities category, up against two infrastructure securities funds, and also in the Emerging Manager category.



# DIRECT INVESTMENTS

## FOLKESTONE TRUGANINA DEVELOPMENT FUND



### LAND SUB-DIVISION 718 LOTS

Type	Unlisted
Sector	Residential Land
Location	Truganina, VIC
No of Lots	Circa 718
JV Partner	ID_Land
Fund Interest in Project (%)	80
Fund Equity (\$m)	18.25
FLK Co-Investment in Fund (%)	18.8
Forecast ROE/Equity IRR (%) <sup>1</sup>	87/21.5
Fund Expires	July 2019

The Folkestone Truganina Development Fund has an 80 per cent interest in Elements, a residential master planned community in Truganina, one of Melbourne's fastest growing suburbs. The Fund is developing, in joint venture with ID\_Land (20 per cent), circa 718 residential lots and a 3.1 hectare town centre. Truganina is located approximately 20 kilometres west of the Melbourne CBD in the Western Growth Corridor.

Elements was launched in November 2014 and as at 30 June 2017 had pre-sold 657 lots compared to the 417 originally forecast to be sold by this date reflecting 1.6 times the original forecast sales volumes. This equates to 97.7 per cent of lots released to date and 91.5 per cent of total lots in the Elements estate.

The Fund's forecast investment return has been upgraded to an equity IRR (post fees, pre-tax) of 21.5 per cent from the original 18.0 per cent.

1. Post fees, pre-tax. Forecast as at 30 June 2017.

## FOLKESTONE WOLLERT DEVELOPMENT FUND



### LAND SUB-DIVISION ~560 LOTS

Type	Unlisted
Sector	Residential Land
Location	Wollert, VIC
No. of Lots	Circa 560
JV Partner	ID_Land
Fund Interest In Project (%)	80
Fund Equity (\$m)	25.4
FLK Co-investment in Fund (%)	25.0
Forecast ROE / Equity IRR (%) <sup>1</sup>	56/17.0
Fund Expires	August 2021

In December 2015, Folkestone entered into a fourth joint venture with ID\_Land, to develop a 42 hectare residential master-planned community of circa 560 lots in Wollert in Melbourne's rapidly growing Northern Growth Corridor.

In February 2017 the project, known as Amber, located within the Wollert Precinct Structure Plan (PSP) received Government approval. In April 2017 Folkestone and ID\_Land sold down part of their investment in the project to third party investors via a \$25.4 million capital raising in the Folkestone Wollert Development Fund.

As at 30 June 2017, 210 lots had been released to market. Of these, 189 or 90.0 per cent of the lots released have been pre-sold, and 34.0 of total lots in the Amber estate.

Folkestone holds a 25.0 per cent co-investment in the Fund.

1. Post fees, pre-tax. Forecast as at 30 June 2017.

# DIRECT INVESTMENTS

## MILLERS JUNCTION BUSINESS 1, ALTONA NORTH



### FORECAST GROSS REVENUE

## \$35.2M

Sector	Enterprise Parks
Location	Altona North, VIC
Size	69 units/cafe
Folkestone Interest (%)	51
Folkestone Invested Capital (\$m)	1.2
JV Partner	Wilmac Properties
Forecast Gross Revenue (\$m)	35.2
Construction Commenced	September 2015
Forecast Completion Date	Late 2017

Folkestone announced in September 2014, a 51/49 joint venture with Wilmac Properties to develop Stage 2 of the Millers Junction precinct into circa 69 office/warehouse units plus a cafe providing a mix of flexible business, retail and storage space. Millers Junction Business is now a prominent new business hub in the inner western suburbs of Melbourne. The project has a forecast gross revenue of approximately \$35.2 million.

As at 30 June 2017, all but 8 of the 69 office/warehouse units had been completed and settled. Of the remaining 8 units, 6 units have settled as at 24 August 2017 with the remaining 2 units forecast to settle in the September 2017 quarter.

Folkestone recognised \$4.3 million of development profit in FY17.

As at 30 June 2017, Folkestone's funds invested in this project were \$1.2 million.

## MILLERS JUNCTION BUSINESS 2, ALTONA NORTH



### FORECAST GROSS REVENUE

## \$28.0M

Sector	Enterprise Parks
Location	Altona North, VIC
Size	76 units
Folkestone Interest (%)	50
Folkestone Invested Capital (\$m)	5.9
Forecast Gross Revenue (\$m)	28.0
Forecast Construction Commence	Early 2018
Forecast Completion Date	Early 2020

In June 2017, Folkestone entered into its fourth joint venture with Wilmac Properties to expand its exposure to enterprise park developments.

Folkestone and Wilmac will develop a further 2.2 hectares of Folkestone's land at Altona North into 76 office/warehouse units with an end value of circa \$28 million. Millers Junction Business 2 is immediately adjacent to the proposed Millers Junction Retail and directly opposite Folkestone and Wilmac's first enterprise park development, Millers Junction Business 1.

Construction of Millers Junction Business 2 is expected to commence in early 2018.

As at 30 June 2017, Folkestone's funds invested in this project were \$5.9 million.



# DIRECT INVESTMENTS

## MILLERS JUNCTION RETAIL (STAGE 3), ALTONA NORTH



### FORECAST GROSS REVENUE

**\$70.0M**

Sector	Retail, Large Format Retail, and Community Use
Location	Altona North, VIC
Land Area Owned/Optioned (ha) <sup>1</sup>	5.6
Folkestone Interest (%)	100
Folkestone Invested Capital (\$m)	4.8
Forecast Gross Revenue (\$m)	70.0 <sup>2</sup>
Forecast Construction	2018
Forecast Completion Date	2019

Millers Junction Retail is the third and final stage in Folkestone's Millers Junction development, in Altona North, Victoria.

In June 2017, Folkestone announced it had entered into agreements with BWP Trust to acquire 1.0 hectares of land and a new call option to acquire an adjoining further 2.4 hectares of land at 290-298 Millers Road, Altona North, to undertake Stage 3 of its successful Millers Junction project.

The 3.4 hectares of BWP Trust land will be amalgamated with approximately 2.2 hectares of Folkestone's existing land holding, immediately to the rear of the BWP Trust land, to create Millers Junction Retail, a 13,330 sqm neighbourhood and large format retail centre anchored by Woolworths. The masterplan has secured unanimous support from Hobsons Bay Council and is now subject to final approval by the Victorian Government.

As at 30 June 2017, Folkestone's funds invested in this project were \$4.8 million.

## NEIGHBOURHOOD ACTIVITY CENTRE, TRUGANINA



### SIZE

**7,600SQM**

Sector	Retail
Location	Truganina, VIC
Size (sqm)	7,600
Folkestone Interest (%)	50
Folkestone Invested Capital (\$m)	Nil
JV Partner	ID_Land
Forecast Gross Revenue (\$m)	40.0
Forecast Construction Commence	2018
Forecast Completion Date	2019

The Folkestone Truganina Development Fund (Fund) and ID\_Land (80/20 JV) are undertaking a residential land sub-division known as Elements, in Truganina in the western corridor of Melbourne. See page 11.

As part of the Elements estate, 2.28 hectares has been set aside for a retail neighbourhood activity centre (NAC). Folkestone Limited (not the Fund) and ID\_Land (FLK-ID JV) have provided a letter of intent to the Fund and ID\_Land to acquire rights to the land and to develop the NAC. A master plan is being prepared for a supermarket, retail shops, commercial and ancillary services of approximately 7,600 sqm and parking for circa 330 cars. A heads of agreement has been signed with Coles Supermarket to anchor the NAC. The sale to the FLK-ID JV will be at market value as determined by an independent expert valuer following development approval of the NAC and the conditions precedents in the heads of agreement being achieved, which is forecast to occur mid 2018.

1. 3.2 hectares owned and option over 2.4 hectares.

2. Subject to Council Approval.

# DIRECT INVESTMENTS

## INDUSTRIA, KNOXFIELD



### FORECAST GROSS REVENUE

## \$39.3M

Sector	Enterprise Parks
Location	Knoxfield, VIC
Size	88 units/cafe
Folkestone Interest (%)	50
Folkestone Invested Capital (\$m)	1.8
JV Partner	Wilmac Properties
Forecast Gross Revenue (\$m)	39.3
Construction Commenced	June 2016
Forecast Completion Date	Early 2019

In June 2015, Folkestone entered into a second 51/49 joint venture with Wilmac Properties to develop 88 strata office/warehouse units plus a cafe in Knoxfield, Victoria.

Knoxfield is 27 kilometres south-east of the Melbourne CBD and the site lies within an established business park precinct with excellent access to the Eastlink and M1 Motorways.

As at 30 June 2017, all 20 units in Stage 1 had settled. Stage 2 has secured 22 pre-sales, with just two remaining. A further 18 units had been pre-sold across Stages 3 and 4. Construction of Stage 2 commenced in March 2017 and is scheduled to be completed in late 2017. Stage 3 is due to commence construction in October 2017 and Stage 4 in January 2018.

Folkestone recognised \$1.3 million of development profit in FY17.

As at 30 June 2017, Folkestone's funds invested in this project were \$1.8 million.

## INDUSTRIA, NUNAWADING



### FORECAST GROSS REVENUE

## \$42.4M

Sector	Enterprise Parks
Location	Nunawading, VIC
No. of Lots	71 units/3 storey office /cafe
Folkestone Interest (%)	50
Folkestone Invested Capital (\$m)	2.8
JV Partner	Wilmac Properties
Forecast Gross Revenue (\$m)	42.4
Construction Commenced	February 2017
Forecast Completion Date	Mid 2019

In May 2016, Folkestone entered into a third 50/50 joint venture with Wilmac Properties to develop 71 strata office/warehouse units plus a three storey strata office building and cafe in Nunawading, Victoria with an anticipated end value of \$42.5 million.

Nunawading is located 18 kilometres east of the Melbourne CBD. The site is well located near major road infrastructure – it is 5 minutes from the Eastlink Motorway and 2 minutes from the major East-West arterial, Maroondah Highway and the North-South arterial, Springvale Road.

The land was acquired on deferred terms with settlement occurring in September 2016. As at 30 June 2017, 60 units had been pre-sold plus the three storey office building. Stage 1 construction commenced in February 2017.

As at 30 June 2017, Folkestone's funds invested in this project were \$2.8 million.

# DIRECT INVESTMENTS

## POTTERS NORTHSIDE, OFFICER



### PRE-SALES OF LOTS

# 100%

Sector	Residential Land
Location	Officer, VIC
No of Lots	146
Folkestone Interest (%)	50
Folkestone Invested Capital (\$m)	1.1
JV Partner	ID_Land
Forecast Gross Revenue (\$m)	30.0
Construction Commenced	August 2015
Forecast Completion Date	Mid 2018

In August 2014, Folkestone acquired, in a 50/50 joint venture with ID\_Land, a call option over 8 hectares of land in Officer, south-east Melbourne. The land is located on the northern side of the Princes Highway in Officer, diagonally opposite Folkestone and ID\_Land's Potters Grove residential land sub-division. Officer is located in the Cardinia Shire which is in the south-east growth corridor of Melbourne, one of the fastest growing areas in Melbourne.

The joint venture acquired the land on deferred terms providing a capital efficient structure with the first tranche of land settled on 25 August 2015 and the second tranche on 5 August 2016. As at 30 June 2017, all 146 lots had been pre-sold, and 118 settlements in Stages 1 to 3 had occurred. The project is due for completion by mid 2018.

Folkestone recognised \$1.8 million share of development profit and \$0.1 million preferred equity interest income in FY17.

As at 30 June 2017, Folkestone's funds invested in this project were \$1.1 million.

## THE RANGES, KARRATHA



### NUMBER OF VILLAS COMPLETED

# 73

Sector	Accommodation
Location	Karratha, WA
No of Villas – Stage 1	108 (73 completed)
Folkestone Interest (%)	30
Folkestone Invested Capital (\$m)	2.9
JV Partner	Various Parties
Forecast Gross Revenue (\$m) <sup>1</sup>	55.0
No of Villas Sold	73
Forecast Completion Date	Under Review

Stage 1 of The Ranges comprises 2.2 hectares with a "Tourism" zoning and DA approval for 108 single level, one bedroom villas with pool and BBQ facilities in Karratha, WA. To date, 73 units have been completed.

A total of 57 units have been settled, with the remaining 16 units to be acquired by various Joint Venturers, including four to be acquired by Folkestone. In May, a food and beverage facility opened which will make The Ranges more appealing to customers, especially business travellers to the Pilbara.

Folkestone has completed a further review of the carrying value of its investment in this project at 30 June 2017, referenced by an updated third party valuation. As a result of this process, and in response to the continued economic conditions in the region, Folkestone made a further \$0.6 million provision against the carrying value of its investment in the project.

As at 30 June 2017, Folkestone's funds invested in this project were \$2.9 million.

1. Total Project.



# DIRECT INVESTMENTS

## HORNSBY, SYDNEY



### LAND AREA UNDER CONTROL 3,200 SQM

Sector	Mixed-use
Location	Hornsby, NSW
Land Area Optioned and/or Owned (sqm)	Circa 3,200
Folkestone Interest (%)	50
Folkestone Invested Capital (\$m)	10.1
JV Partner	Lyon Group
Forecast Gross Revenue (\$m) <sup>1</sup>	Circa 435
Forecast Construction/Completion <sup>1</sup>	Mid 2018/2019

In December 2014, Folkestone announced that it had entered into a 50/50 joint venture with the Lyon Group Australia, a leading Sydney developer, to develop a strategically located, mixed use site opposite Hornsby railway station and Westfield Hornsby in Sydney's north-west.

Following the settlement of two further properties in FY17 (16 George Street in February 2017 and 12-14 George Street in June 2017), the joint venture has acquired three sites totalling 1,297 sqm which are currently under short term lease agreements. A further option agreement over a commercial building (20 George St) on a site comprising 1,929 sqm is due for settlement in the December 2017 quarter, after which time the joint venture will have amalgamated a total landholding exceeding 3,200 sqm.

During FY17, Folkestone recognised a \$1.0 million preferred equity interest income and a \$0.5 million share of project loss. Folkestone may sell down part of its investment to introduce third party capital into the project prior to rezoning/DA approval and/or at the development stage.

As at 30 June 2017, Folkestone's funds invested in this project were \$10.1 million.

1. It is assumed that the land is sold in 1st Half FY19 as a DA approved site. FLK may decide to develop this in JV with the Lyon Group or bring in other third party capital.

## SOUTH DURAL, SYDNEY



### LAND OPTIONED ~60 HA

Sector	Residential
Location	South Dural, NSW
Land Area Optioned and/or Owned (hectares)	Circa 60
Folkestone Interest (%)	50
Folkestone Invested Capital (\$m)	7.4
JV Partner	Lyon Group
Forecast Gross Revenue (\$m) <sup>1</sup>	Circa 610
Forecast Completion	2022

In October 2015, Folkestone entered into a second 50/50 joint venture with the Lyon Group, to acquire development rights over circa 60 hectares of land which is currently owned or under option by an entity associated with the Lyon Group in South Dural. South Dural is strategically located between the rapidly growing suburbs of Glenhaven and Kellyville and the established areas of Castle Hill and Cherrybrook in Sydney's north-west.

The joint venture is seeking the rezoning of South Dural which comprises approximately 240 hectares (including the land over which it has development rights) to facilitate residential and mixed use development in an integrated manner under the NSW Government's Gateway Determination dated 4 March 2014. The joint venture has been appointed as Preferred Developer Proponent by the South Dural Residents and Ratepayers Group and is working collaboratively with Hornsby Shire Council and the NSW State Government to have South Dural rezoned.

As at 30 June 2017, Folkestone's funds invested in this project were \$7.4 million.

1. Subject to Council Approval.

# DIRECT INVESTMENTS

## GREEN SQUARE, SYDNEY



### NUMBER OF ROOMS

# 144

Sector	Hotel
Location	Alexandria, NSW
Land Area (sqm)	1,621
Folkestone Interest (%)	50
Folkestone Invested Capital (\$m)	7.3
JV Partner	Furnished Property
Construction Completed	Early 2019

In November 2016, Folkestone entered into a 50/50 joint venture with Furnished Property to develop a 144 room hotel at Green Square, Sydney.

The site, at 18 O'Riordan Street, Alexandria, is located within the \$13 billion, 278 hectare Green Square Urban Regeneration Area and is strategically located approximately 100 metres from the Green Square Rail Station. The Sydney Airport Domestic and International Terminals are two and three stops respectively to the south with Central Station, one stop to the north. Green Square is one of the most significant urban transformation programs under construction in Australia, revitalising the industrial edge of Sydney's inner south into a vibrant global village.

Folkestone intends to launch the Folkestone Green Square Hotel Fund in late 2017, to raise circa \$22.75 million of third party capital, which together with construction finance, will fund the development of the hotel on a fund-through basis reducing Folkestone and Furnished Property's funds employed to develop the hotel. The Fund will own the hotel long-term.

Construction is scheduled to commence in late 2017 and the hotel is forecast to open in early 2019. Furnished Property will take a 10 year lease. Furnished Property will operate the hotel under their VERIU Brand.

As at 30 June, Folkestone's funds invested in this project were \$7.3 million

## SENIORS LIVING COMMUNITY AT CHATSWOOD GOLF CLUB



### CONSTRUCTION COMMENCE

# LATE 2018

Sector	Seniors Living
Location	Chatswood, NSW
Land Area (sqm)	14,000
Folkestone Interest (%)	50
Folkestone Invested Capital (\$m)	1.3
JV Partners	Watermark/Chatswood Golf Club

In May 2017, Folkestone entered into an agreement with Watermark Retirement Living to develop a seniors living community in partnership with the Chatswood Golf Club. The Chatswood Golf Club is located 11 kilometres north-west of the Sydney CBD on Sydney's lower North Shore and has elevated views of the Lane Cove National Park.

Under the agreement, the FLK/WP Partnership plan to develop a new clubhouse, associated parking and seniors living community on circa 14,000 sqm of golf course land currently utilised for the clubhouse and car park. Work is underway to submit a planning proposal with the Department of Planning. Construction of the Project expected to commence in late 2018.

The new clubhouse will provide shared facilities for both Chatswood Golf Club members and the seniors living residents and will include a restaurant/bistro, bar, health and wellness centre, pool, gym and a cinema as well as new Club rooms, pro shop and golf simulators. In addition, the golf course upgrade will improve the course layout, water management and access roads.

Following planning approval, it is expected that Folkestone's interest in the project will be a suitable acquisition for the Folkestone Seniors Living Fund No.1 (see page 9).

As at 30 June 2017, Folkestone's funds invested in this project were \$1.3 million.

# DIRECTORY

## FOLKESTONE LIMITED

ABN 21 004 715 226  
ASX Code: FLK

## AUSTRALIAN FINANCIAL SERVICES LICENSES (AFSL)

Folkestone Funds  
Management Limited  
ABN 99 138 125 881 AFSL 340990

Folkestone Investment  
Management Limited  
ABN 46 111 338 937 AFSL 281544

Folkestone Maxim  
Asset Management  
ABN 25 104 512 978 AFSL 238349

Folkestone Real Estate  
Management Limited  
ABN 29 094 185 092 AFSL 238506

## YOUR SECURITY HOLDING

Investors can view and manage their holdings online. It's an effective and convenient way to access your investment details. Please visit:  
[www.investorserve.com.au](http://www.investorserve.com.au)

## SYDNEY OFFICE

Level 10, 60 Carrington Street,  
Sydney NSW 2000  
Ph: +61 2 8667 2800

## MELBOURNE OFFICE

Level 14, 357 Collins Street,  
Melbourne VIC 3000  
Ph: + 61 3 9046 9900

## REGISTRY

Boardroom Limited  
Level 12, Grosvenor Place,  
225 George St  
Sydney NSW 2000  
Ph: 1300 737 760

## FOR FURTHER INFORMATION

For more information about Folkestone including our latest financial information, announcements, news and corporate governance, visit our website at:  
[www.folkestone.com.au](http://www.folkestone.com.au)

## BOARD

Garry Sladden  
Non-Executive Chairman

Mark Baillie  
Non-Executive Deputy Chairman

Greg Paramor AO  
Managing Director

Ross Strang  
Non-Executive Director

## EXECUTIVE TEAM

Nick Anagnostou  
Chief Executive Officer –  
Folkestone Education Trust

Travis Butcher  
Chief Financial Officer – Funds

Ben Dodwell  
Head of Real Estate

Adrian Harrington  
Head of Funds Management

Scott Martin  
Chief Financial Officer &  
Company Secretary

Stuart Nicolson  
Chief Executive Officer –  
Seniors Living

Mark Stewien  
General Counsel

## DISCLAIMER

This paper has been published for information purposes only. The information contained in this paper is of a general nature only and does not constitute financial product advice. This paper has been prepared without taking account of any person's objectives, financial situation or needs. Because of that, each person should, before acting on this paper, consider its appropriateness, having regard to their own objectives, financial situation and needs. You should consult a professional investment adviser before making any decision regarding a financial product. In preparing this paper the author has relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources or which has otherwise been reviewed in preparation of the paper. The information contained in this paper is current as at the date of this paper and is subject to change without notice. Past performance is not an indicator of future performance. Neither Folkestone Limited, nor any of their associates, related entities or directors, give any warranty as to the accuracy, reliability or completeness of the information contained in this paper. Except insofar as liability under any statute cannot be excluded, Folkestone Limited and its associates, related entities, directors, employees and consultants do not accept any liability for any loss or damage (whether direct, indirect, consequential or otherwise) arising from the use of this paper. If a product managed by Folkestone Limited or its associates is acquired, Folkestone Limited or its associates and related entities may receive fees and other benefits.