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PRIMEWEST (PWG)

ASX RELEASE

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PRIMEWEST GROWS ASSETS UNDER MANAGEMENT BY \$45M

- ACQUIRES \$30M SHOPPING CENTRE FOR NEW DIVERSIFIED INCOME TRUST & A \$14.9M INDUSTRIAL PROPERTY FOR ITS THIRD INDUSTRIAL TRUST -

A fund managed by national property fund manager Primewest has acquired the Moonee Market Shopping Centre in Coffs Harbour, NSW for just over \$30 million.

The recently launched Primewest Diversified Income Trust No.4 purchased the popular neighbourhood centre that is anchored by Coles and a range of daily needs tenants.

The launch of the latest diversified income trust follows three previously oversubscribed offerings, with the third, \$132 million trust making its fourth and final acquisition only a few months ago.

The transaction coincides with the acquisition of a modern, industrial logistics facility in South Australia for \$14.9 million by another fund managed by Primewest – its Industrial Income Trust No 3.

The property was purchased on a 17 year, sale and lease back basis to waste management group Mastec Australia, with an annual net income in excess of \$1 million.

Primewest director John Bond said that with the acquisition of Moonee Market the Diversified Income Trust No 4 had already raised an initial \$21.5 million, with plans to acquire up to \$100 million of assets over the next 12 months.

Mr Bond said the new trust was forecast to provide an average cash return on equity over 10 years of 7% paid monthly- an outstanding achievement in the current low interest rate, low returns market.

He said the Industrial Income Trust No 3 was also forecast to provide a 7% return on investment, with its first two assets, including the latest in South Australia, both 100% occupied with a combined WALE by income in excess of 13 years.

“Moonee Market is a dominant, high quality centre with an excellent mix of convenience specialty retailers and health and lifestyle tenants, all supported by a strong performing Coles supermarket with over 50% of the income paid by national tenants,” Mr Bond said.

“The 10,751 square metre centre was fully refurbished in 2018 and we are purchasing it at approximately 20% below replacement cost.

“It is situated in a large and affluent catchment area with strong anticipated population growth.”

Mr Bond said Primewest intended to target further high quality properties for the new trust on yields typically ranging from 6-8% and providing diversity by sector, tenant and location, as well as capital appreciation.

Moonee Markets Shopping Centre is located in the suburb of Moonee Beach in Coffs Harbour with frontages to Moonee Beach Road, Sullivans Road and Pacific Highway.

Primewest director David Schwartz said Industrial Income Trust No 3 would continue to seek out quality assets and was increasingly confident in the future of all industrial and logistics markets nationally, as they were set to benefit from Australia’s growing exposure to on-line retailing and e-commerce.

“Our Industrial Income Trust No 3 will again meet Primewest’s core criteria of stable income, solid capital growth and value add opportunities,” Mr Schwartz said.

“The Mastec property is fully sprinklered and has the ability to be split into two tenancies or further expanded with only 28% of the 3.9 hectare site currently occupied.”

ASX listed Primewest (PWG) is one of Australia’s most active and successful property fund managers with over \$4 billion of assets under management across all mainland states of Australia and the west coast of the USA. Established in 1995 PWG is a value-add and often counter-cyclical manager, operating in the retail, industrial, commercial, residential and large format retail property sectors to achieve maximum returns for holders of its stapled securities and investors in the underlying funds it manages.

For further information please contact John Bond at Primewest on 9321 7133