

360 CAPITAL INDUSTRIAL FUND

ARSN 099 680 252

2014 Full Year Financial Results Presentation | 21 August 2014

1 Ashburn Road, Bundamba QLD (API)

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Highlights



Total FY14 Unitholder return of **17.3% pa** and **27.6% pa** since listing¹



Operating earnings per unit of **20.6 cpu** in line with guidance



Distributions per unit of **18.6 cpu** in line with guidance and an increase of 3.3% on pcg



Gearing reduced to **42.1%** from 45.5% in pcg and significant finance cost reduction



Portfolio value increased by **10.0%**¹ and NTA per unit by **13.9%** on pcg



Post period: acquisitions² of **\$103.3m** and debt facility extended

Notes

1. The Fund listed on 12 December 2012
2. Like for like basis
3. Acquisitions of Warnervale and Townsville in July 2014 and conditional exchange of Carole Park in August 2014

2 Key achievements

Underlying portfolio driving results

- 96.2%¹ occupancy
- 5.3 years WALE² (increased to 6.1 years post period)
- 75,093sqm leased (22% of the portfolio) with an average term of 3.9 years
- No single FY15 expiry represent >2.0% of portfolio income
- Portfolio values increased by 10.0%³

Responsible capital management

- Gearing reduced to 42.1% from 45.5%
- Lower debt margins reducing interest costs
- Drawn debt fully hedged with low cost of debt of ~4.5%
- Unit buy-back implemented in Feb 14 with ~3% acquired to date
- Raised \$61.0m post period, significantly oversubscribed

Capital transactions and development partnerships

- Disposal of Notting Hill and Campbellfield assets for \$13.9m in line with book value
- HOA⁴ reached post period to sell Edinburgh Parks for \$4.5m
- 3,005sqm expansion of Grace Records facility complete
- Post period acquisitions⁵ of \$103.3m taking total assets to \$469.1m

Notes

1. By area
2. By income
3. Like for like basis
4. Non-binding Heads of Agreement
5. Acquisitions of Warnervale and Townsville in July 2014 and additional exchange of Carole Park in August 2014

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Key achievements

Strong financial results

- Operating EPU in line with guidance
- DPU up 3.3% on pcg
- Conservative payout ratio of 90%
- NTA per unit increased from \$1.94 in pcg to \$2.21 per Unit
- FY14 tax deferred component - ~45%

Attractive investment metrics

- Market capitalisation increased to \$204.0m from \$190.1m in pcg
- Inclusion into S&P/ASX300 A-REIT Index in Sep 13
- Closing price of \$2.23 as at 30 Jun 14 equates to:
 - 8.3%¹ distribution yield
 - 9.2%² operating earnings yield

Summary

- Strong underlying portfolio performance resulting in:
 - FY14 Operating EPU of 20.6cpu
 - FY14 DPU of 18.6cpu
- Greater cashflow certainty in FY15 from early renewals
- Continued strong industrial property fundamentals bode well for growth

Notes

1. Based on FY14 full year DPU of 18.6cpu
2. Based on FY14 full year EPU of 20.6pu

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Results overview

- Statutory EPU impacted by recapitalisation (FY13), one-off items on listing (FY13) and valuations (FY14)
- FY14 operating earnings up 73.0% due to
 - higher property income through acquisitions and fixed rental increases
 - lower finance costs
- FY14 DPU grew 3.3% on pcp
 - in line with underlying portfolio performance
- Conservative payout ratio reflects minimal capital expenditure requirements
- NTA per Unit increased to \$2.21
 - 10.0% increase in valuations undertaken in Apr 14
- Reduction in gearing through non-core asset sales and DRP proceeds

	FY14	FY13	Change
Statutory net profit	\$41.9m	\$13.6m	208%
Statutory EPU	45.0 cpu	25.1 cpu	79%
Operating earnings ¹	\$19.2m	\$11.1m	73%
Operating EPU	20.6cpu	20.4cpu	1%
DPU	18.6cpu	18.0cpu	3%
Payout ratio	90%	88%	2.0%
Total assets	\$365.8m	\$347.1m	5%
No. assets	18	20	2
Units on issue	91.5m	93.2m	(2%)
NTA per unit	\$2.21	\$1.94	14%
Gearing ²	42.1%	45.5%	(3.4%)

Notes

1. Operating earnings is statutory net profit adjusted for amortisation of incentives and leasing fees, fair value adjustments on properties and derivatives, gains on sale of properties, relinquishment of initial and deferred fees by the Responsible Entity and one-off costs associated with the ASX listing, the unsecured notes and defence of Denison management challenge

2. Gearing is defined as total borrowings less cash divided by total assets less cash.

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Portfolio overview

Leasing Activity

- 82% tenant retention¹
- Proven ability to pre-emptively deal with significant medium term lease expiries leads to greater earnings visibility:

FY14 Leasing Activity

Tenant	Address	Area (sqm)	Term (yrs)	Rent (\$'m pa)
GM Holden	12-13 Dansu Court, Hallam VIC	15,333	5.0	1.1
Linfox	40-48 Howleys Road, Notting Hill VIC	11,052	3.0	1.1
Ceva Logistics	5-9 Woomera Avenue, Edinburgh Parks SA	7,807	0.3	0.6
All Power Industries	102-128 Bridge Road, Keysborough, VIC	4,601	1.5	0.3
DKSH	12-13, 14-17 Dansu Court, Hallam VIC	9,364	3.0	0.7
Hugo Boss	6 Albert Street, Preston VIC	8,929	6.0	0.9
Hills Holdings	6 Albert Street, Preston VIC	1,956	2.0	0.1
Elite Logistics	457 Waterloo Road, Chullora, NSW	16,051	5.0 ²	1.6
Total		75,093		6.4

- FY14 like-for-like NPI growth of 3.0%³
- Tenant demand steady with many companies still undertaking financial and operational consolidation.

Notes

1. By income
2. Elite Logistics extension of existing lease to expire 2029
3. Net Property Income - Excludes acquisitions, disposals, held for sale and expansions . Including held for sale assets is 0.3%

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Portfolio overview

Current vacancy

- Current vacancy limited to three core buildings

Address	Area (sqm)	Rent (\$ psm)	Vacant since
5-9 Woomera Avenue, Edinburgh Parks SA	10,580	60	Dec-13
6 Albert Street, Preston VIC	1,067	66	Jul-14
102-128 Bridge Road, Keysborough, VIC	407	70	Feb-14
102-128 Bridge Road, Keysborough, VIC	396	70	Oct-13
500 Princes Highway, Noble Park VIC (office space only)	429	186	Sep-11
Total	12,879		

Valuations

- Portfolio revalued in Apr 14
 - 10.0%¹ increase on 30 Jun 13 book value
 - WACR of 8.5%¹ down from 8.8%¹ - expecting further firming due to strong investment demand
- 3,005sqm expansion of Grace facility at Hume ACT completed Jun 14
 - providing \$0.3m of additional income, a \$4.9 million uplift in value and 4 year lease extension to 2022
 - clear benefit of Walker relationship

Notes

1. On a like for like basis

Disposals

- \$13.9m of non-core asset disposals:
 - 40-48 Howleys Road, Notting Hill VIC: \$9.3m in Oct 13
 - 223-235 Barry Road, Campbellfield VIC: \$4.6m in Apr 14
- 5-9 Woomera Avenue, Edinburgh Parks SA: \$4.5m is held for sale with terms agreed and under due diligence
- Proceeds from future disposals of non-core assets deployed to acquire larger assets and/or capital management initiatives

Acquisitions

- Total assets of \$103.3m (three properties) acquired since 30 Jun 14
- \$237.1m of assets (nine properties) acquired under 360 Capital management to compliment and enhance the existing portfolio
- Those assets acquired characterised by:
 - Current combined WALE¹ of 9.0 years
 - Nil vacancy²
 - Weighted average building age of 8.7 years³

Notes

1. By income and 30 June pro-forma
2. By area
3. By value

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Post period activity

Wyong Regional Distribution Centre, Warnervale NSW



Price:	\$69.8m
Building area:	54,533sqm
Net income:	\$5.8m p.a.
Cap rate:	8.25%
WALE:	7.1 years
Occupancy:	100%

Townsville Distribution Centre, Townsville QLD



Price:	\$9.6m
Building area:	4,726sqm
Net income:	\$0.8m p.a.
Cap rate:	8.75%
WALE:	10.5 years
Occupancy:	100%

Greens Biscuits Facility, Carole Park, QLD



Price:	\$23.9m
Building area:	18,613sqm
Net income:	\$1.9m p.a.
Cap rate:	8.00%
WALE:	15.0 years
Occupancy:	100%

Acquisitions

- Acquisition of two properties fully leased to Woolworths on 7.5 year average WALE with fixed 2.5% annual rental increases for \$79.4m in Jul 14
- Funded through a fully underwritten \$61.0 million capital raise comprising:
 - a placement to institutional investors (significantly oversubscribed)
 - a 1 for 7.25 entitlement offer
 - a general offer and a new debt facility
 - marketed to 360 Capital's 10,800 investors
- Issue price of \$2.16 per unit (current trading price of \$2.33¹)
- Acquisition of food manufacturing facility fully leased for 15 years to Green's Biscuits for \$23.9m in Aug 14 with fixed 3.25% annual rental increases
- 100% debt funded (4.5% cost of debt v 7.6% acquisition yield after costs)
- Gearing of 44.7% remains within target range



Notes

1. As at 20 August 2014

Acquisition rationale

- Quality assets with long term leases to strong covenants providing long term stable income
- WALE¹ increased from 5.3 years to 6.1 years
- Increased liquidity, broadening of the register and increased market capitalisation of \$279.1m²
- Underpins FY15 forecast DPU of 19.2cpu up 3.2% equating to a 8.2%² yield
- Presented an opportunity to extend the Fund's debt facility on favourable terms

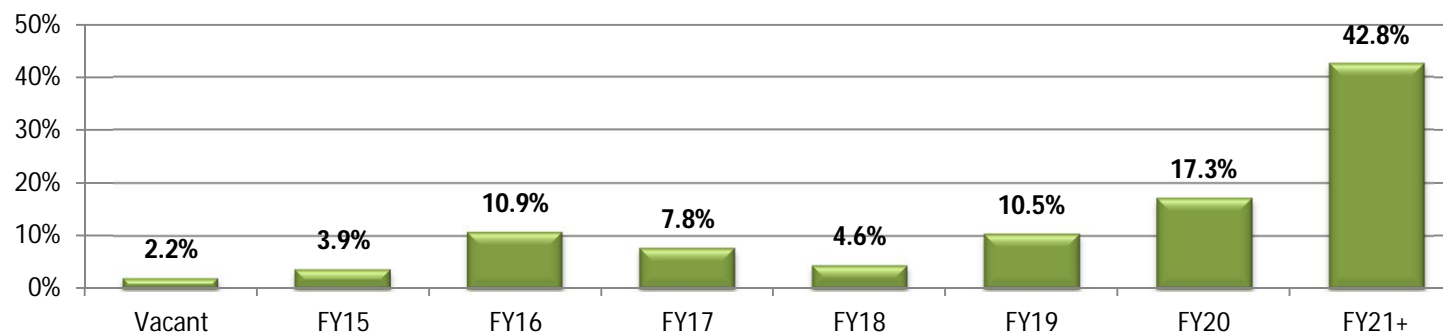
Notice of Meeting

- Unitholder Meeting scheduled for 8 Sep 14 to consider the following resolutions:
 - Refresh the Fund's placement capacity by ratifying the Jul 14 placement
 - provides flexible funding for investment opportunities and/or general capital management initiatives.
 - Amendments to the Constitution of the Fund
 - simplifies pricing mechanics to allow underwriting of DRP and flexibility in raising new capital

Notes

1. 30 June 2014 proforma post acquisition of Warnervale, Townsville and Carole Park
2. Based on closing price of \$2.33 on 20 August 2014

Portfolio lease expiry profile (by income)¹



Major pending expiries FY15 & FY16

- No major lease expiries until H2FY15 with no single FY15 expiry representing more than 2.0% of portfolio income

Tenant	Address	Area (sqm)	Income (\$m)	% income	Expiry
Slatterys Auctions	60 Marple Avenue, Villawood NSW	5,696	0.30	0.8%	Mar 15
Link Building Solutions	102-128 Bridge Road, Keysborough, VIC	3,590	0.20	0.6%	Apr 15
Dana Australia	39-45 Wedgewood Road, Hallam VIC	10,631	0.80	2.0%	May 15
Total FY15		19,917	1.30	3.4%	
Bidvest QSR	33-59 Clarinda Road, Oakleigh South VIC	10,903	1.19	3.0%	Dec 15
Hazstore	60 Marple Avenue, Villawood NSW	3,901	0.33	0.8%	Feb 16
Tyremax	8 Penelope Crescent, Arndell Park NSW	11,420	1.27	3.2%	May 16
Total FY16		26,224	2.79	7.0%	

Notes

1. 30 June pro-forma post acquisition of Warnervale, Townsville and Carole Park properties

Debt facility summary¹

- Existing NAB debt facility extended to 31 Jul 17
- Facility limit increased to \$230.0m
- Facility to be drawn to \$207.7m
- New \$185.0m interest rate swap for three years entered into as part of the facility extension
- All-in debt cost of 4.5% p.a.
- LVR of 45.5% (LVR covenant of <55%)
- ICR of 3.6 times (ICR covenant of >1.6 times)

Capital management

- Buy-back of \$5.9m worth of units funded by debt and non-core asset sales with minimal impact to gearing
- DRP raised \$1.3m for Sep 13 and Dec 13 quarters with proceeds used to pay down debt
- Gearing of 44.7% post raising and property acquisitions
- Target gearing range of 35%-50%

Notes

1. Post acquisition of Warnervale, Townsville and Carole Park properties

Provide consistent and growing income returns
and capital growth from a diverse portfolio of
industrial assets owned by a Trust with a simple
capital structure

Acquisitions, disposals and portfolio management

- Continue disciplined approach to acquiring quality assets
- Work with TGP and other 360 Capital managed funds to uncover opportunities
- Expect M&A activity and further portfolio sales to come to market (sale & leasebacks, etc)
- Maximise tenant relationships to optimise returns to Unitholders

Capital management

- Recognise low interest rate environment is not permanent
- Continue to market Fund to new investors and look to improve liquidity
- Target S&P/ASX 200 inclusion in 1 to 2 years
- Discipline and efficiency in raising equity (underwritten DRP's and placements, etc)
- Focus on EPU and DPU growth

Philosophy

- Disciplined approach, aligned interest and no conflicting products
- No development or offshore exposure
- Speed and execution surety from nimble and experienced team
- Focus on passive "vanilla" style assets
- Remain true to label
- Focus on EPU and DPU growth

Market

- Capitalisation rates to firm continuing to drive TIX's NTA per unit growth
- More acquisition opportunities expected in FY15 albeit more market players in industrial space now
- Increase in pre-commitment activity may provide fund through opportunities

Operational

- Opportunistic disposal of smaller assets taking advantage of more market players seeking industrial assets
- Address medium term lease expiries to further strengthen the Fund's cashflows

Objectives

- Sustainable distributions through solid and predictable cashflows delivering further value for Unitholders
- Remain appropriately capitalised to continue to grow the Fund's asset base in a responsible manner
- Well capitalised, nimble manager positions Fund to take advantage of opportunities for TIX unitholders

**FY15 operating EPU guidance of 20.2cpu
FY15 DPU guidance of 19.2cpu**

Questions

2 Woolworths Way, Warrervale NSW (Woolworths)

Appendices



22 Hawkins Crescent, Bundamba QLD (API)

A

Balance sheet

Balance Sheet	30 Jun 14 (\$'000)	30 Jun 13 (\$'000)
Assets		
Cash and cash equivalents	5,749	4,820
Trade and other receivables	1,830	1,608
Investment properties held for sale	4,500	28,700
Investment Properties	353,800	312,000
Total Assets	365,879	347,128
Liabilities		
Trade and other payables	2,749	3,813
Distribution payable	4,256	3,648
Borrowings	156,102	158,442
Derivative and financial instruments	856	74
Total Liabilities	163,963	165,977
Net Assets	201,916	181,151
Units on Issue ('000)	91,520	93,222
NTA per unit (\$)	2.21	1.94

B

Profit and loss

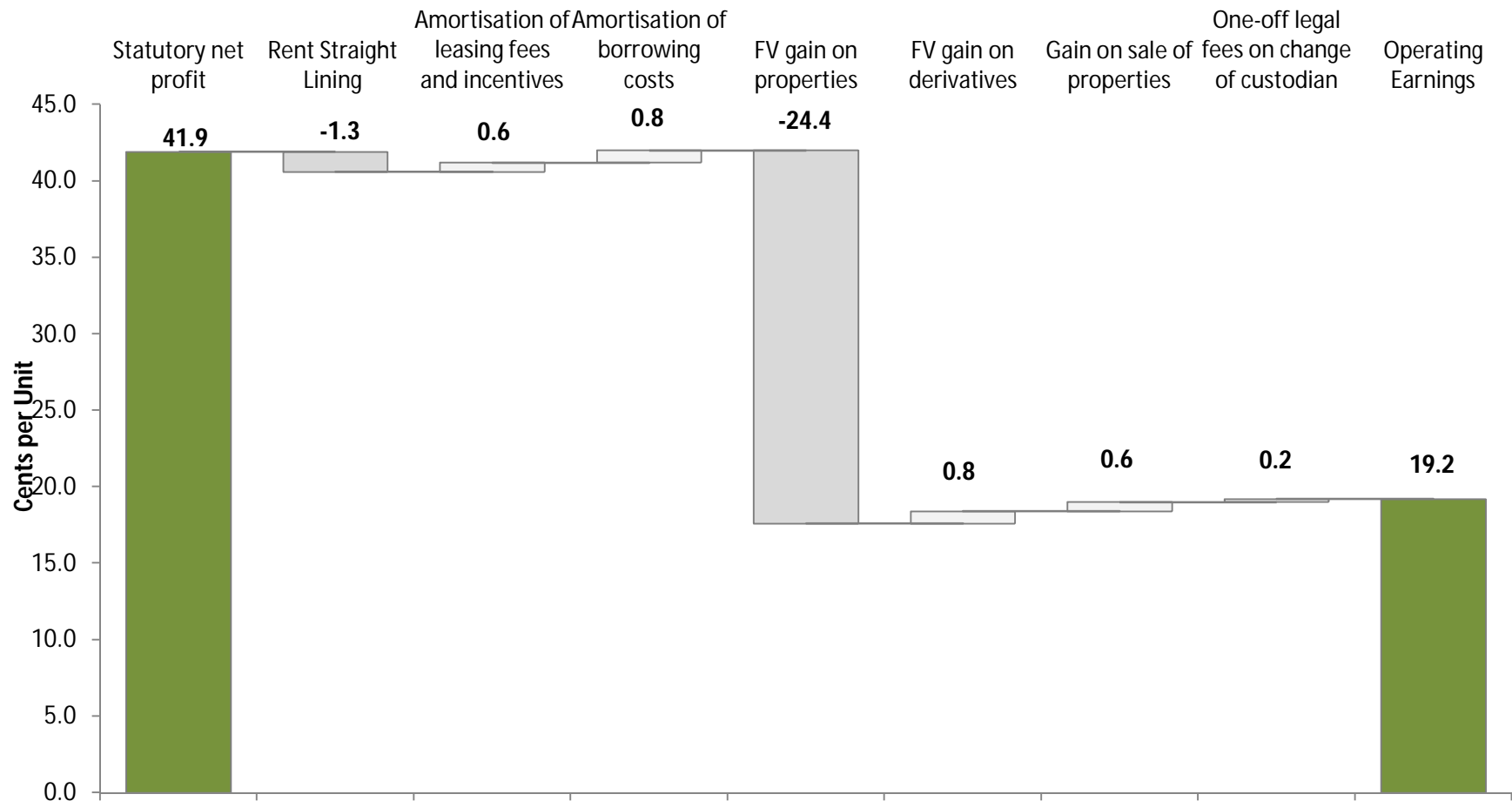
Operating Profit & Loss Statement	30 Jun 14 (\$'000)	30 Jun 13 (\$'000)
Rental income	37,269	35,573
Finance revenue	150	233
Total Income	37,419	35,806
Investment property expenses	7,490	7,158
Management Fees	2,335	2,292
Other expenses	512	106
Finance costs	7,911	15,158
Net Operating Earnings	19,171	11,092
Specific non-cash and significant items	22,769	2,544
Statutory Net Profit	41,940	13,636
Weighted average units on issue ('000)	93,268	54,318
Operating EPU (cents)	20.6	20.4
Statutory EPU (cents)	45.0	25.1

Operating earnings reconciliation	30 Jun 14 (\$'000)	30 Jun 13 (\$'000)	Change
Statutory net profit	41,940	13,636	208%
Net gain / (loss) on fair value of investment properties	(24,416)	(992)	2,361%
Net (gain) / loss on fair value of derivative financial instruments	782	(5,726)	(114)%
Initial and deferred establishment fees expense forgiven	-	(7,100)	(100)%
Amortisation of borrowing costs	809	2,076	(61)%
Straight-lining of lease revenue	(1,303)	(40)	(3,158)%
Amortisation of lease fitout incentives	579	676	(14)%
Significant items			
Termination of derivative financial instruments	-	5,100	(100)%
Listing, unsecured notes, defence costs	-	2,539	(100)%
Net loss on sale of property	577	923	(37)%
Legal fees on change of custodian	203	-	
Operating Profit	19,171	11,092	
Weighted average units on issue	93,268	54,318	72%
Operating EPU	20.6	20.4	1%
DPU	18.6	18.0	3%
Payout Ratio	90%	88%	2%

C

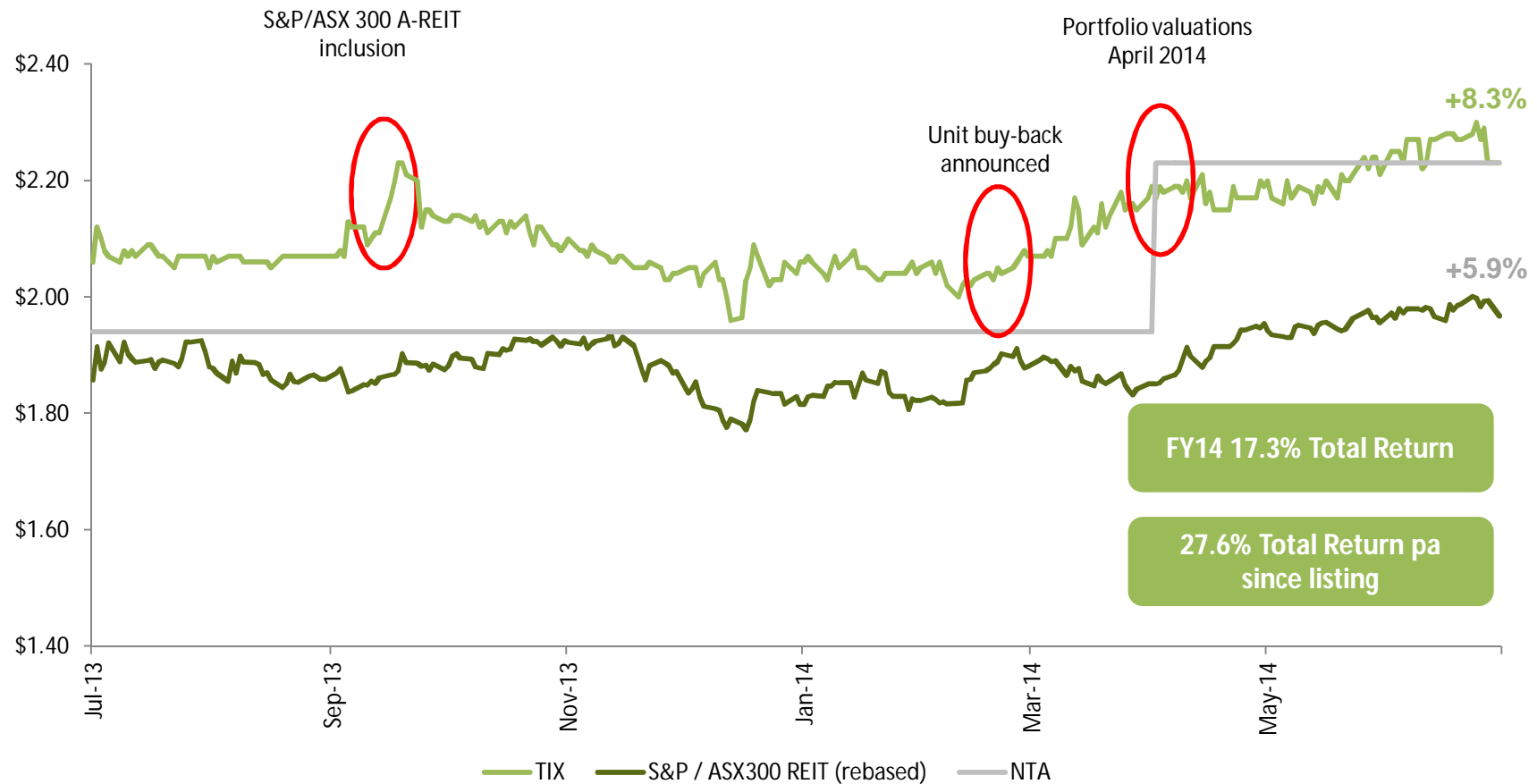
Operating earnings reconciliation (cont.)

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D

Price performance



Source:
Moelis & Company

Pro forma balance sheet (post period)

Pro-forma Balance Sheet	30 Jun 14 (\$m)	Adjustments (\$m)	Pro-forma 30 Jun 14 (\$m)
Assets			
Cash and cash equivalents	5,749		5,749
Trade and other receivables	1,830		1,830
Investment properties held for sale	4,500		4,500
Investment Properties	353,800	103,270	457,070
Total Assets	365,879		469,149
Liabilities			
Trade and other payables	2,749		2,749
Distribution payable	4,256		4,256
Borrowings	156,102	50,372	206,474
Derivative and financial instruments	856		856
Total Liabilities	163,963		214,335
Net Assets	201,916		254,814
Units on Issue ('m)	91,520	28,245	119,765
NTA per unit (\$)	2.21		2.13

Portfolio Snapshot	
Number of Assets	21
Net Building Area (sqm)	411,935
Property Value (\$m)	461.6
WACR (by income)	8.5%
Occupancy (by area)	96.9%
WALE (by income)	6.1 years

Building Age	
< 5 years	\$46.8m
5-10 years	\$177.6m
11-15 years	\$23.0m
15 years +	\$214.6m
Total average age	14.5 years

Top 10 Tenants	Rent (\$m)	% total	Expiry
Woolworths	6.6	16.8	Jul-21
The Reject Shop	2.9	7.6	Feb-20
API	2.9	7.6	Nov-24
AWH	2.8	7.3	Jul-19
Visy Industries	2.1	5.4	Jun-18
Greens Biscuits	1.9	4.9	Jul-29
Elite Logistics	1.6	4.2	Feb-28
Deliver Logistics	1.6	4.1	Oct-23
Kent Transport	1.5	3.7	Feb-17
Tyremax	1.3	3.3	May-16
Total	25.3	64.9	

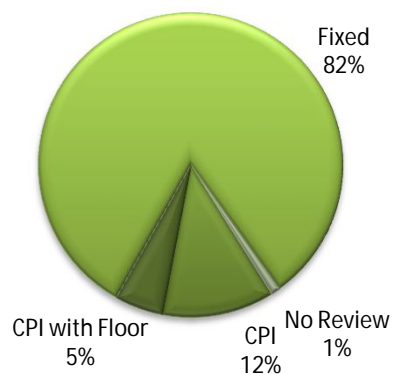
Notes

1. Pro-forma metrics as at 30 June 2014 including acquisitions of Warnervale, Townsville and Carole Park assets

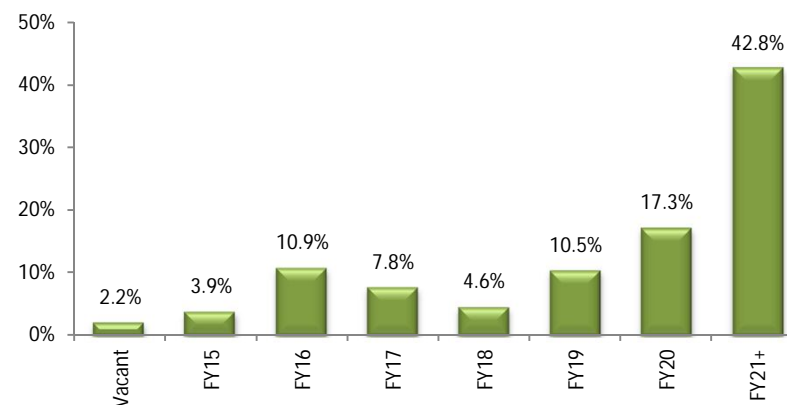


Portfolio metrics (post period)¹

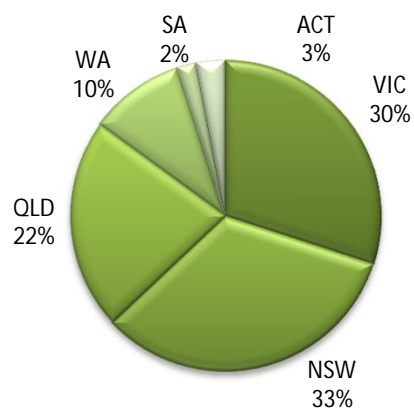
Rent review profile (by income)



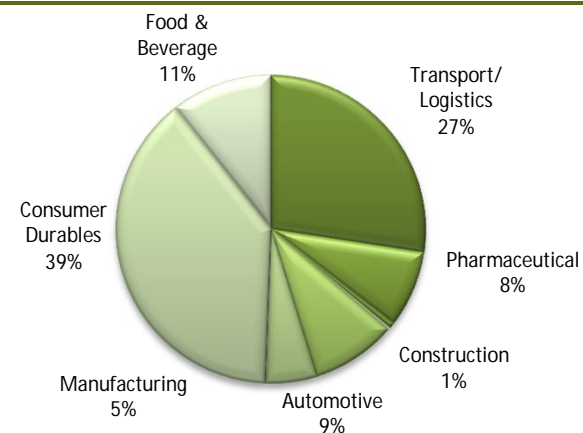
Lease expiry profile (by income)



Geographic diversification (by income)



Tenant Diversification (by income)



Notes

1. Pro-forma metrics as at 30 June 2014 including acquisitions of Warnervale, Townsville and Carole Park assets

F

Portfolio metrics (post period)¹

360 Capital
Group

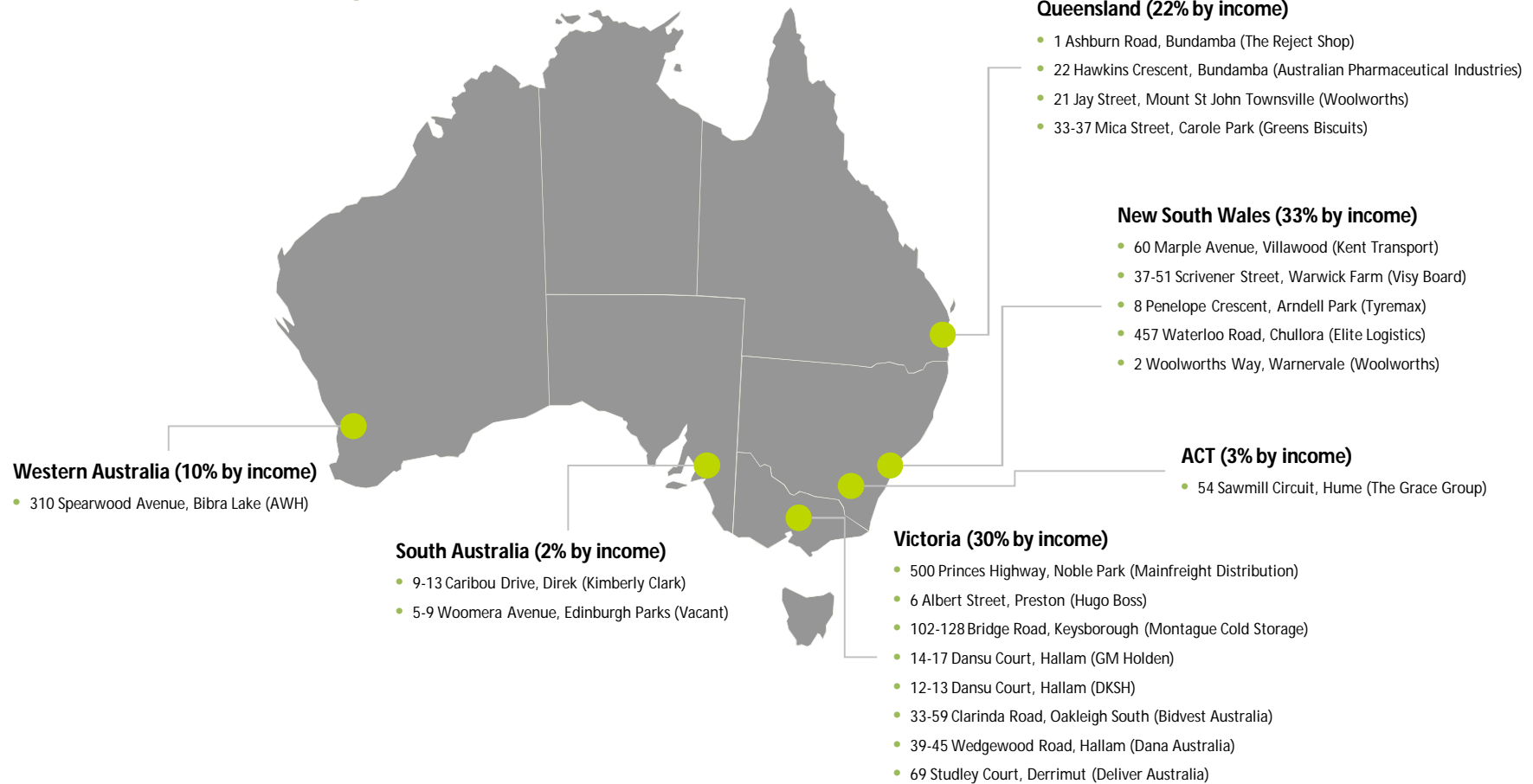
Top 20 Tenants¹



Notes

1. Pro-forma metrics as at 30 June 2014 including acquisitions of Warnervale, Townsville and Carole Park assets

Well diversified \$461.6m portfolio



Notes











1. Pro-forma metrics as at 30 June 2014 including acquisitions of Warnervale, Townsville and Carole Park assets

Portfolio metrics (post period)¹

	Property	State	Valuation (\$m)	Last Valued (date)	WACR ² (%)	Area (sqm)	Occupancy ³ (%)	WALE ² (years)
1	33-37 Mica Street, Carole Park	QLD	23.9	-	8.00	17,916	100.0	15.0
2	2 Woolworths Way, Warnervale	NSW	69.8	-	8.25	54,533	100.0	7.1
3	Lot 69 Jay Street, Mount St John, Townsville	QLD	9.6	-	8.75	4,726	100.0	10.5
4	457 Waterloo Road, Chullora	NSW	20.3	Apr 14	8.00	16,051	100.0	13.7
5	69 Studley Court, Derrimut	VIC	21.0	Apr 14	7.75	20,731	100.0	9.3
6	22 Hawkins Crescent, Bundamba	QLD	36.2	Apr 14	8.00	18,956	100.0	10.4
7	1 Ashburn Road, Bundamba	QLD	33.0	Apr 14	8.25	26,628	100.0	5.6
8	54 Sawmill Circuit, Hume	ACT	13.8	Apr 14	8.00	8,689	100.0	7.7
9	9-13 Caribou Drive, Direk	SA	9.5	Apr 14	8.50	7,023	100.0	5.3
	Sub-Total (acquired since 360 Capital became manager)		237.1		8.14	175,253	100.0	9.0
10	60 Marple Avenue, Villawood	NSW	20.0	Apr 14	8.75	18,493	100.0	2.2
11	37-51 Scrivener Street, Warwick Farm	NSW	21.8	Apr 14	9.25	27,599	100.0	4.0
12	8 Penelope Crescent, Arndell Park	NSW	14.5	Apr 14	8.50	11,420	100.0	1.9
13	5-9 Woomera Avenue, Edinburgh Parks ⁴	SA	4.5	Jun 13	10.50	10,580	-	0.0
14	102-128 Bridge Road, Keysborough	VIC	26.5	Apr 14	8.75	24,617	96.7	3.1
15	500 Princes Highway, Noble Park	VIC	20.0	Apr 14	8.75	13,789	96.9	1.6
16	6 Albert Street, Preston	VIC	23.0	Apr 14	8.75	20,531	94.9	4.6
17	14-17 Dansu Court, Hallam	VIC	15.5	Apr 14	8.25	17,070	100.0	4.7
18	12-13 Dansu Court, Hallam	VIC	11.9	Apr 14	8.25	11,542	100.0	3.6
19	33-59 Clarinda Road, Oakleigh South	VIC	10.1	Jun 14	9.25	10,903	100.0	1.5
20	39-45 Wedgewood Road, Hallam	VIC	8.5	Apr 14	8.25	10,631	100.0	0.9
21	310 Spearwood Avenue, Bibra Lake	WA	48.2	Apr 14	8.90	59,508	100.0	4.4
	Sub-Total (pre-existing portfolio)		224.5		8.80	236,682	94.6	3.3
	Total		461.6		8.46	411,935	96.9	6.1

Notes

1. Pro-forma metrics as at 30 June 2014 including acquisitions of Warnervale, Townsville and Carole Park assets
2. By income
3. By area
4. Held for Sale

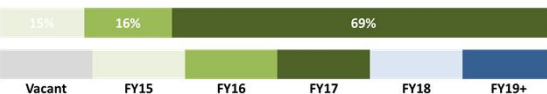
		Past 12 months		Next 12 Months
	Market Direction	Comment	Market Direction	Comment
Tenant demand		<ul style="list-style-type: none"> Financial and operational consolidation influencing decisions Growth in transport & logistics and wholesale sectors offsetting decline in manufacturing 		<ul style="list-style-type: none"> Improvement in line with improvement in economic conditions and business confidence Proposed transport infrastructure projects likely to underpin activity
Supply		<ul style="list-style-type: none"> Land bank opportunities strongly contested Some newer facilities being offered at similar occupancy costs for existing facilities 		<ul style="list-style-type: none"> Increase in speculative activity as prime opportunities for tenants is limited Increase in backfill space will impact existing stock vacancy
Vacancy		<ul style="list-style-type: none"> Increase in specialised non-functional stock 		<ul style="list-style-type: none"> Some upwards pressure on existing stock through increase in new development
Investment demand		<ul style="list-style-type: none"> Strong in prime markets Capital chasing long leases Increased sale & lease-back activity 		<ul style="list-style-type: none"> Strong demand for limited opportunities Demand for secondary gaining momentum
Capitalisation rates		<ul style="list-style-type: none"> Prime yields continue to firm 		<ul style="list-style-type: none"> Transactional momentum expected to drive yields firmer Yield compression expected to flow to secondary assets

60 Marple Avenue, Villawood NSW


The property is located in the traditional industrial precinct of Villawood, a central western suburb of Sydney situated approximately 26 kilometres west by road from the Sydney CBD. The property comprises three main industrial buildings, together with an ancillary lube building, a truck wash, and surplus hardstand/yard area. The buildings features a mix of office and warehouse areas with amenities and loading docks.

Location:	Villawood, NSW
Type:	Industrial
Ownership/title:	100%/Freehold
Book value:	\$20.0m
Cap rate:	8.75%
NLA (sqm):	18,493
WALE (years):	2.2
Vacancy:	Nil

Major tenants	NLA (sqm)
Kent Transport Industries	8,896
Slatterys	5,696


37–51 Scrivener Street, Warwick Farm NSW


The property is located at Warwick Farm, 31 kilometres south west of the Sydney CBD. Warwick Farm is a small established industrial precinct located on the northern side of the Hume Highway. The property comprises a mixture of traditional industrial buildings and modern high clearance warehouses which have been amalgamated over time. There are two large awnings over 2,800 sqm to provide covered loading docks.

Location:	Warwick Farm, NSW
Type:	Industrial
Ownership/title:	100%/Freehold
Book value:	\$21.8m
Cap rate:	9.25%
NLA (sqm):	27,599
WALE (years):	4.0
Vacancy:	Nil

Major tenants	NLA (sqm)
Visy Board	27,599


8 Penelope Crescent, Arndell Park NSW


The Property is located approximately 40 kilometres west of the Sydney CBD in the suburb of Arndell Park. Arndell Park is an established industrial precinct located on the northern side of the Great Western Highway. The property consists of a modern high clearance industrial building comprising a warehouse with a 7 to 9.5 metre internal clearance and covered loading dock areas. The property also features associated offices and staff amenities over two levels of 63sqm.

Location:	Arndell Park, NSW
Type:	Industrial
Ownership/title:	100%/Freehold
Book value:	\$14.5m
Cap rate:	8.50%
NLA (sqm):	11,420
WALE (years):	1.9
Vacancy:	Nil

Major tenants	NLA (sqm)
Tyremax	11,420



54 Sawmill Circuit, Hume ACT



Completed in 2010, the property is located in the industrial precinct of Hume, providing easy access to the Monaro Highway and is within close proximity to the Canberra CBD. The property is a warehouse and storage facility and provides internal clearance of 11 metres. The original property comprises 5,000 sqm of warehouse 600 sqm of office and on site parking for 67 cars. In 2014 the original site was consolidated with a neighbouring block toward the rear elevation onto which the warehouse was extended a further 3,000 sq m.

Location:	Hume, ACT
Type:	Industrial
Ownership/title:	100%/Leasehold
Book value:	\$10.6m
Cap rate:	8.00%
NLA (sqm):	8,689
WALE (years):	7.7
Vacancy:	Nil

Major tenants	NLA (sqm)
Grace Group	8,689



22 Hawkins Crescent, Bundamba QLD



The property was completed in 2009 and is situated approximately 33 kilometres south west of the Brisbane CBD on the junction of three major highways offering exceptional access to the Port of Brisbane, the CBD and interstate. This state distribution facility for API is located within a 350 hectare master planned estate and is an emerging industrial location. The building has 10 metres of internal clearance and is 100% temperature controlled. There is a 1,487sqm of office accommodation and 210 car spaces on site. The property is in close proximity to fund's Reject Shop property.

Location:	Bundamba, QLD
Type:	Industrial
Ownership/title:	100%/Freehold
Book value:	\$36.2
Cap rate:	8.00%
NLA (sqm):	18,956
WALE (years):	10.4
Vacancy:	Nil

Major tenants	NLA (sqm)
API	18,956



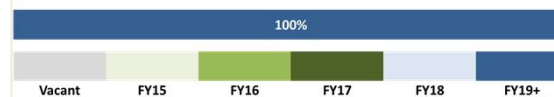
1 Ashburn Road, Bundamba QLD



The property was completed in 2010 and is situated approximately 33 kilometres south west of the Brisbane CBD on the junction of three major highways offering exceptional access to the Port of Brisbane, the CBD and interstate. The property is Reject Shop's state distribution facility and comprises 1,544 sqm of office accommodation and 25,050 sqm of warehouse. The facility incorporates drive around truck access, 140 car spaces and trailer parking. The property is in close proximity to the fund's API facility. The tenant also has a lease provision for future expansion.

Location:	Bundamba, QLD
Type:	Industrial
Ownership/title:	100%/Freehold
Book value:	\$33.0m
Cap rate:	8.25%
NLA (sqm):	26,628
WALE (years):	5.6
Vacancy:	Nil

Major tenants	NLA (sqm)
The Reject Shop	26,628



9-13 Caribou Drive, Direk SA


Completed in 2009, the property is located 25 kilometres north of Adelaide, 3 kilometres from the Northern expressway and proposed new off ramp and is the state distribution facility for Kimberley Clarke. The building comprises 6,612 sqm of warehouse with 9.65 metre internal clearance and 410 sqm of office. The property 4 integrated finger docks for B Double trucks with dock levellers on a separate dock for rear loading vehicles. The property also incorporates 5,900 sqm of driveway and hardstand and parking for 35 cars.

Location:	Direk, SA
Type:	Industrial
Ownership/title:	100%/Freehold
Book value:	\$9.6m
Cap rate:	8.50%
NLA (sqm):	7,023
WALE (years):	5.3
Vacancy:	Nil

Major tenants	NLA (sqm)
Kimberley Clark	7,023


5-9 Woomera Avenue, Edinburgh Parks SA


The property is located within the suburb of Edinburgh, approximately 28 kilometres north of the Adelaide CBD. Edinburgh Parks is a modern industrial estate opposite General Motors Holden's Elizabeth complex. The property comprises two modern warehouse buildings connected by a central canopy with 7.5 metre internal clearance offices of 320sqm and ample car parking.

Location:	Edinburgh Parks, SA
Type:	Industrial
Ownership/title:	100%/Freehold
Book value:	\$4.5m
Cap rate:	10.50%
NLA (sqm):	10,580
WALE (years):	0.0
Vacancy:	100%

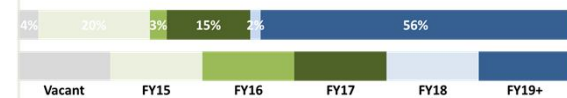
Major tenants	NLA (sqm)
N/A	0


102-128 Bridge Road, Keysborough VIC


The property is located in the south-eastern suburb of Keysborough, approximately 30 kilometres south east of the Melbourne CBD. The property comprises a purpose built industrial cold store facility, with associated offices, loading facilities and car parking. Two newly constructed warehouses with internal offices are situated toward the rear of the property and the site benefits from two street access. The property is in close proximity to East Link Fwy.

Location:	Keysborough, Vic
Type:	Industrial
Ownership/title:	100%/Freehold
Book value:	\$26.5m
Cap rate:	8.75%
NLA (sqm):	24,617
WALE (years):	3.1
Vacancy:	3.3%

Major tenants	NLA (sqm)
Montague Cold Storage	8,655



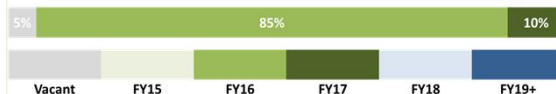
500 Princes Highway, Noble Park VIC



The property is located on the north side of Princes Highway approximately 30 kilometres south east of the Melbourne CBD. The property comprises three buildings including a three storey office building of approximately 4,000sqm, a specialised warehouse of 8,507sqm with up to 9 metre internal clearance serviced for dangerous goods and a two storey laboratory building. The site also provides ample on site parking.

Location:	Noble Park, VIC
Type:	Industrial
Ownership/title:	100%/Freehold
Book value:	\$20.0m
Cap rate:	8.75%
NLA (sqm):	13,789
WALE (years):	1.6
Vacancy:	2.9%

Major tenants	NLA (sqm)
Mainfreight Distribution	8,507
Newell Australia	3,679



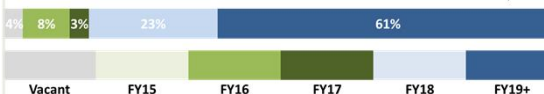
6 Albert Street, Preston VIC



The property is located in the traditional industrial precinct of Preston approximately 8 kilometres north of the Melbourne CBD. The property consists of four buildings, including a modern four level, high quality office, showroom and warehouse building constructed circa 2001, and three older style single storey low clearance office and warehouse buildings. The office building was purpose built for the major tenant Hugo Boss Australia.

Location:	Preston, VIC
Type:	Industrial
Ownership/title:	100%/Freehold
Book value:	\$23.0m
Cap rate:	8.75%
NLA (sqm):	20,531
WALE (years):	4.6
Vacancy:	5.2%

Major tenants	NLA (sqm)
Hugo Boss Australia	9,157
Flair Industries	4,426



14-17 Dansu Court, Hallam VIC



The property is situated within the established south eastern industrial precinct of Hallam, approximately 30 kilometres from the Melbourne CBD. The property comprises a large high clearance warehouse of 15,330 sqm, offices of 1,730 sqm and 140 car spaces. The property is adjacent and with easy access to the Princess Highway. The building has a combination of on grade and levelled docks and the site has dual street access. The property adjoins 12-13 Dansu Court.

Location:	Hallam, VIC
Type:	Industrial
Ownership/title:	100%/Freehold
Book value:	\$15.5m
Cap rate:	8.25%
NLA (sqm):	17,070
WALE (years):	4.7
Vacancy:	Nil

Major tenants	NLA (sqm)
GM Holden	15,333



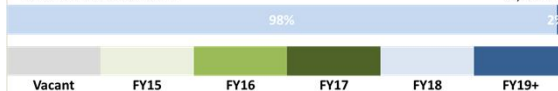
12–13 Dansu Court, Hallam VIC



The property is situated within the established south eastern industrial precinct of Hallam, approximately 30 kilometres from the Melbourne CBD. The property is a modern office high clearance distribution facility with 8.5 meter internal clearance with semi detached offices of 3,026 sqm. The property is adjacent and with easy access to the Princess Highway. The property adjoins 14-17 Dansu Court.

Location:	Hallam, VIC
Type:	Industrial
Ownership/title:	100%/Freehold
Book value:	\$11.9m
Cap rate:	8.25%
NLA (sqm):	11,542
WALE (years):	3.6
Vacancy:	Nil

Major tenants	NLA (sqm)
DKSH	8,501
Mitre 10 Australia	3,026



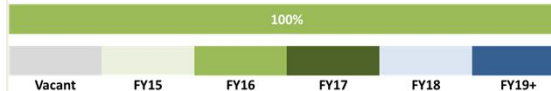
33-59 Clarinda Road, Oakleigh South VIC



The property is situated approximately 17 kilometres south-east of the Melbourne CBD. There are two buildings on the site with the larger warehouse of 8,643 sqm being 30% temperature controlled cold store and associated offices. The second building is 1,000 sqm of warehouse and offices. The property is a short distance to both the Nepean and Monash freeways.

Location:	Oakleigh South, VIC
Type:	Industrial
Ownership/title:	100%/Freehold
Book value:	\$10.1m
Cap rate:	9.25%
NLA (sqm):	10,903
WALE (years):	1.5
Vacancy:	Nil

Major tenants	NLA (sqm)
Bidvest Australia	10,903



39–45 Wedgewood Road, Hallam VIC



The property is situated within the established south eastern industrial precinct of Hallam, approximately 30 kilometres from the Melbourne CBD. The property comprises an 8,076 sqm industrial/manufacturing facility with 7 metre internal clearance and 2,008 sqm of office accommodation. The site has drive around access, onsite parking for 112 vehicles and is in close proximity to the Princess Highway.

Location:	Hallam, VIC
Type:	Industrial
Ownership/title:	100%/Freehold
Book value:	\$8.5m
Cap rate:	8.25%
NLA (sqm):	10,631
WALE (years):	0.9
Vacancy:	Nil

Major tenants	NLA (sqm)
Dana Australia	10,631

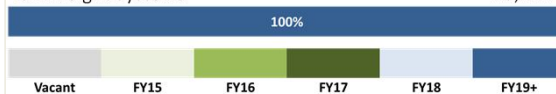


310 Spearwood Avenue, Bibra Lake WA


The property is located within the established Bibra Lake Industrial Area, approximately 17 kilometres south of the Perth CBD. The property comprises four warehouses with between 7.5 and 9.5 metre internal clearance. The site has drive around and through truck access and three street frontages.

Location:	Bibra Lake, WA
Type:	Industrial
Ownership/title:	100%/Freehold
Book value:	\$48.2m
Cap rate:	8.90%
NLA (sqm):	59,508
WALE (years):	4.4
Vacancy:	Nil

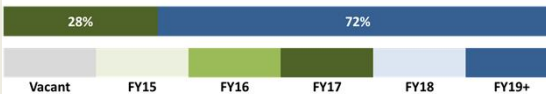
Major tenants	NLA (sqm)
AWH	44,296
CTI Freight Systems	15,212


457 Waterloo Road, Chullora NSW


The property comprises a recently refurbished traditional freestanding office and warehouse facility. Access to the warehouse is via 18 roller doors, providing a mixture of on-grade and raised dock access. Chullora is an established industrial precinct and is located approximately 15 kilometres west of the Sydney CBD and is accessed via the Hume Highway and is in close proximity to both the M5 and M4 Motorways and the Enfield Intermodal Port.

Location:	Chullora NSW
Type:	Industrial
Ownership/title:	100%/Freehold
Book value:	\$20.3m
Cap rate:	8.00%
NLA (sqm):	16,051
WALE (years):	13.7
Vacancy:	Nil

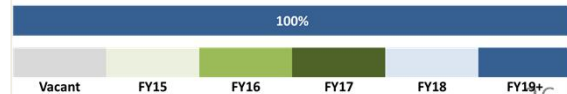
Major tenants	NLA (sqm)
Elite Logistics	16,051


69 Studley Court, Derrimut VIC


The property is a modern freestanding office and warehouse facility completed in 2009 comprising office accommodation positioned over two levels and a high clearance warehouse benefiting from large canopies and large container rated hardstand and truck weighbridge. Access to the warehouse is via 18 roller doors, providing a mixture of on-grade and raised dock access. Derrimut is an established yet emerging industrial precinct approximately 12 kilometres west of the Melbourne CBD and is accessed via both the Western Ring Road and Westgate Freeway.

Location:	Derrimut, VIC
Type:	Industrial
Ownership/title:	100%/Freehold
Book value:	\$21.0m
Cap rate:	7.75%
NLA (sqm):	20,731
WALE (years):	9.3
Vacancy:	Nil

Major tenants	NLA (sqm)
Deliver Australia	20,731



2 Woolworths Way, Warnervale NSW


The property is located on the Warnervale Business Park next to the M1 Freeway approximately 65 kilometres south of Newcastle and 95 kilometres north of Sydney. The property comprises a high quality distribution centre with the northern half of the warehouse providing temperature controlled accommodation. The warehouse benefits from 9.5 to 13.5 metres, 47 loading dock levellers and 18 finger docks. The site also provides ample on-site parking, a gatehouse and single level office accommodation.

Location:	Warnervale, NSW
Type:	Industrial
Ownership/title:	100%/Freehold
Book value:	\$69.8m
Cap rate:	8.25%
NLA (sqm):	54,533
WALE (years):	7.1
Vacancy:	Nil

Major tenants	NLA (sqm)
Woolworths	54,533


Lot 69 Jay Street, Mount St John, Townsville QLD


The property is located within the Webb Industrial Estate in Mount St John approximately 11 kilometres west of the Townsville CBD. The property consists of a modern freestanding cold storage facility on a large site extending to 29,250 sqm. The warehouse is accessed via 5 docks incorporating rapid rise roller shutter doors and a finger dock. This site also provides single level office accommodation.

Location:	Townsville, QLD
Type:	Industrial
Ownership/title:	100%/Freehold
Book value:	\$9.6m
Cap rate:	8.75%
NLA (sqm):	4,726
WALE (years):	10.5
Vacancy:	Nil

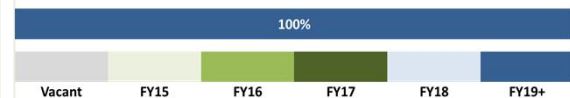
Major tenants	NLA (sqm)
Woolworths	4,726


33-37 Mica Street, Carole Park QLD


The property is located in Carole Park at the junction of the Ipswich and Logan motorways approximately 25 kilometres south west of the Brisbane CBD. The property comprises a food and manufacturing facility with ancillary office accommodation. The original building was constructed 1985 with significant expansion works undertaken in 2005.

Location:	Carole Park, QLD
Type:	Industrial
Ownership/title:	100%/Freehold
Book value:	\$23.9m
Cap rate:	8.00%
NLA (sqm):	17,916
WALE (years):	15.0
Vacancy:	Nil

Major tenants	NLA (sqm)
Greens Biscuits Pty Ltd	17,916



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