

BLACKWALL
PROPERTY FUNDS

June 2014

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Vertically integrated property funds management and investment.

- Revenue generated from property and fund management fees, performance fees, serviced office operations and investment returns.
- Capital employed in underwriting fund activities, seeding new ventures and direct investments.



EPS	8 cps
NTA	28 cps
2014 Dividend*	2.5 cps
Share Price	26.5 cps

** Fully franked*

After Tax Profit	NTA	Market Cap
\$4.1 million	\$14 million	\$13.4 million



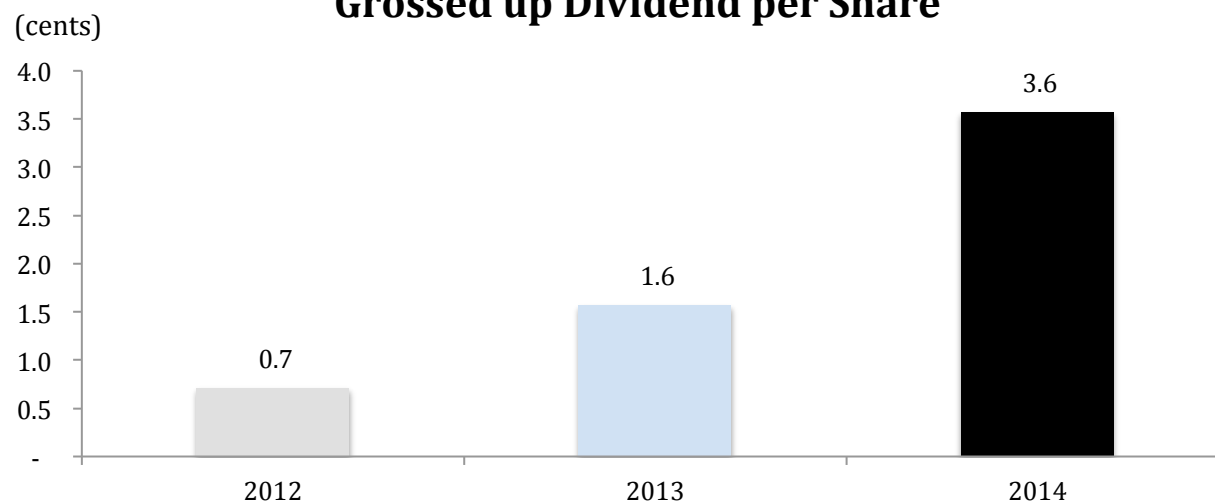
Three Year Performance



Financial Year	2012	2013	2014
Net profit after tax	(\$3 million)	\$2.3 million	\$4.1 million
EPS	(6 cps)	4 cps	8 cps
NTA per share	17 cps	21 cps	28 cps
Share price	10 cps	14 cps	25 cps
Total Dividend*	0.5 cps	1.1 cps	2.5 cps

* Fully Franked

Grossed up Dividend per Share



Full Year Results – 30 June 2014

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Profit & Loss Summary



Full Year 2014	
Management Fees	\$7,418,000
WOTSO WorkSpace Income	\$1,230,000
Investment Income	
• Distributions	\$556,000
• Asset Sales, Impairment & Revaluations	\$1,300,000
Total Income	\$10,504,000
Expenses	(\$4,621,000)
Depreciation	(\$158,000)
Interest and Tax	(\$1,674,000)
After Tax Profit (excludes OEI)	\$4,081,000
Earnings Per Share	\$0.08



Balance Sheet Summary



June 2014		
Cash & Receivables		\$2,045,000
Investments		
BWR	\$6,979,000	
Bakehouse Bonds	\$5,340,000	
Pelathon Pub Group	\$1,017,000	
TPIF	\$444,000	
		\$13,780,000
Loan Receivable		\$465,000
Plant & Equipment		\$387,000
Other Assets		\$45,000
Liabilities		(\$2,786,000)
Net Assets (exclude OEI)		\$13,996,000
NTA per share		\$0.28



BlackWall Property Trust (ASX: BWR)



- Listed diversified property trust - BlackWall assumed control in 2009, at the time BWR was a distressed unlisted property fund.
- “Workout” now complete with debt at 45% and distributions reinstated.
- BWR now positioned for growth through merger, acquisitions and development.
- Distributions by way of capital returns due to carried forward tax losses (revenue losses of \$20 million and capital losses of \$16 million).
- Investor spread increased by two BWR unitholders (trusts managed by BlackWall) recently completing in-specie distributions of BWR holdings –142 million BWR units distributed amongst 380 unitholders.
- BlackWall holds 73 million BWR units (16%).

NTA	13.5 cpu
Gross Assets	\$116 m
Gearing	45%
Net Profit	\$6.2 m



Bakehouse Quarter



- The Bakehouse Quarter is a significant urban business precinct located at North Strathfield in Sydney's inner west, valued at over \$200 million.
- Key commercial tenants include Arnott's Campbell Soups, NRMA and Frucor, an Aldi store and other grocery outlets, entertainment destinations including AMF Bowling and Golfzone, and a collection of 20 cafes and restaurants.
- BlackWall's businesses have controlled all elements of the project's development and funding.
- Tiered ownership structure comprised of senior debt, subordinated bonds (held by BlackWall and BWR) and ordinary equity held by sophisticated investors in a wholesale investment trust (Kirela Development Unit Trust) and retail investors through a registered managed investment scheme (Bakehouse Quarter Trust – almost 400 investors).
- The project has over 40,000 sqm of development complete with the capacity to grow to over 100,000 sqm.

Asset Value*	\$200 m
Senior Debt	\$98 m
Subordinated Debt	\$25 m
Equity*	\$90 m
Gross Revenue*	\$15 m

** Indicative only*



BlackWall Telstra House Trust



- Single asset syndicate with significant development potential.
- The property is a 7 storey office building located on Northbourne Ave in the ACT leased to Telstra until November 2018. Telstra has vacated the building with its rental commitment until 2018.
- 7,900 sqm of GFA and 6,600 sqm in land area.
- BlackWall is reviewing repositioning plans including the potential of a significant residential redevelopment scheme during the 4 year lease tail.
- The property is located in the Dickson retail precinct and on the proposed Capital Metro light rail network.

Gross Assets	\$32.5 m
Gearing	56%
Gross Rent	\$3.1 m



Single Asset Syndicates



Fund	Type	Tenants	Asset Value	Structure
BlackWall Penrith Fund No. 3	Lifestyle Centre	Toys R Us, Boating Camping Fishing, Barbeques Galore, Little Learning Childcare, Rashay's Restaurant	\$17.5 million	Retail MIS
Woodville Road Villawood Unit Trust	Entertainment Precinct	AMF Bowling, Chipmunks Playland, Sydney Rock Climbing, Kartatak	\$14 million	Wholesale trust
Bald Rock Fund	Pub	Hotel operator	\$3.1 million	Wholesale trust

Tankstream Property Investments Fund



- Property securities fund taken over by BlackWall's fund management business in 2009. At the time the fund was distressed with unsustainable debt obligations.
- “Turnaround” now complete with the trust debt-free and cash flow positive.
- Capital returned to investors through in-specie distribution of BWR units.
- The trust has \$1.8 million carried forward revenue losses and \$4.4 million capital losses.
- BlackWall aims to reposition the fund as a deep value/ special opportunity investment trust.

Gross Assets	\$2.9 m
Investors	380





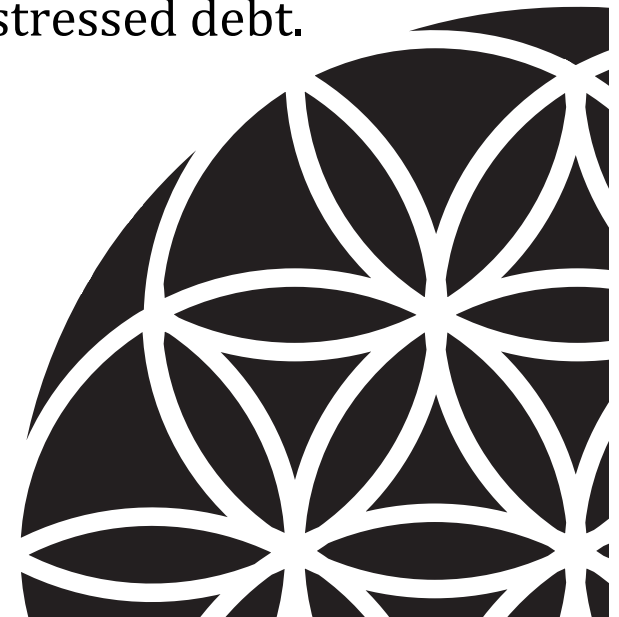
- BlackWall's wholly owned serviced office business with 2,000 sqm in operation and a further 1,800 sqm in start up phase. The business' EBITDA contribution was \$270k in 2014 (\$110k in 2013).
- The business re-brands as WOTSO WorkSpace.
- Three locations in Sydney and a fourth on the Gold Coast.
- All locations are housed in commercial buildings controlled/managed by BlackWall.
- WOTSO expands its services to include shared workspace, project and event space.
- In addition to diversifying BlackWall's revenue WOTSO acts as a tenant incubator. That is, when clients outgrow the serviced offices environment BlackWall aims to house them in conventional long term office space.



Distressed Debt Mandates



- BlackWall undertakes distressed debt and “workout” assignments with respect to difficult real estate positions.
- Where appropriate BlackWall aims to structure co-investments using its balance sheet or by structuring investment syndicates.
- Currently managing just under \$100 million of distressed debt.



Pelathon Pub Group



- As part of BlackWall's opportunistic acquisition of Tankstream Funds Management in 2009 BlackWall took control of a distressed pub fund.
- After managing the workout phase BlackWall sold the fund management rights to specialist pub manager, Pelathon Management Group.
- BlackWall continues to act as the fund's responsible entity, hold a significant investment in the fund (\$1.0 million) and has a carried interest of 10% of Pelathon.
- BlackWall is now working with Pelathon to grow the Pub Group through mergers or acquisitions.



More Information



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