
ASX ANNOUNCEMENT

14 November 2019

Acquisition of DVG portfolio, Perth

GDI Property Group¹ (GDI) is pleased to announce it has entered in to a call option² to acquire a \$98.0 million portfolio of 17 metropolitan Perth properties (the 'Portfolio') occupied by high profile car dealerships and service centres located on major arterial roads.

The Portfolio is fully leased for a term of approximately 11 years, with the tenant³ having 5 x 5-year options. The leases have annual CPI⁴ + 1% rental increases, with market reviews⁴ in 2023 and 2028.

GDI intends to fund the acquisition through the establishment of a new unlisted unregistered managed investment scheme, GDI No. 46 Property Trust (the Trust). The Trust is forecast to have a commencing distribution yield of 7.75%p.a.⁵, with conservative gearing of 31%⁶. GDI is expected to launch the approximately \$76 million public raising for the Trust⁷ next week. Settlement of the acquisition is anticipated on or around 17 January 2020.

Steve Gillard, Managing Director of GDI, stated the Portfolio presents as an exciting opportunity to acquire a significant landholding in metropolitan Perth. "With high underlying land value underpinning the Portfolio's value, CPI + 1% rental increases, a long WALE and market leading car dealerships housing names such as Toyota, Volkswagen, Nissan, Hyundai and Kia, GDI is very pleased to be in a position to acquire the Portfolio. We believe the new fund that will acquire the Portfolio will be highly sought after by our high net worth and sophisticated investors and we look forward to launching the offering next week", Mr Gillard stated.

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1. GDI Property Group comprises the stapled entities GDI Property Group Limited (ACN 166 479 189) and GDI Property Trust (ARSN 166 598 161)
2. GDI No. 46 Property Trust has entered in to 17 separate call options (collectively, the Call Option) to acquire 19 properties, with two properties to be amalgamated. Four of the call options are subject to environmental due diligence being completed to the satisfaction of the buyer. The Call Option fee is \$8.0 million.
3. The tenant is either Buick Holdings Pty Limited (Buick), or wholly owned subsidiaries of Buick. Buick is owned 67% by IDOM Automotive Group Pty Limited, a wholly owned subsidiary of IDOM Inc, a entity listed on the Tokyo Stock Exchange, and 33% by entities associated with the DiVirgilio family.
4. CPI is Perth Capital City CPI and the market reviews have a 10% cap and 5% collar.
5. The expected yield is based on certain assumptions and may not be achieved.
6. Gearing is defined as the loan divided by the independent value of the Property.
7. This announcement does not constitute an offer to any person. The offer under the Information Memorandum will only be made to persons who are wholesale clients for the purposes of section 761G or section 761GA of the Corporations Act. The trustee of the Trust is GDI No. 46 Pty Limited ACN 636 574 206 (the Trustee), which does not hold an Australian financial services licence. Accordingly, no offer will be made to any person other than an offer by GDI Funds Management Limited ACN 107 354 003 AFSL 253 142 (GDIFM) to arrange the issue of units, under an agreement between the Trustee and GDIFM in accordance with section 911A(2)(b) of the Corporations Act. The information in this announcement has been prepared without taking into account the investment objectives, financial situation or needs of any person. Before making an investment decision, you should read the Information Memorandum (when released) and consider whether the investment is appropriate for you in light of your particular investment needs, objectives and financial circumstances. We recommend you seek professional guidance from your stockbroker, solicitor, accountant or other independent professional adviser before deciding whether to invest in the Trust. No GDI entity guarantees any particular rate of return, the performance of any investment in the Trust or the repayment of capital from the Trust. Investments are subject to investment and other risks. This could involve delays in repayment and loss of income or capital invested.

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