

# Trinity Group

## Annual General Meeting

### Thursday 27 November 2014



# Disclaimer

This presentation is dated 27 November 2014 and has been prepared by Trinity Group, which comprises Trinity Limited (ACN 110 831 288) and Trinity Stapled Trust (ARSN 111 389 596).

Trinity Investment Management Limited (ACN 137 565 149; AFSL 338688) is the Responsible Entity of Trinity Stapled Trust.

Units in Trinity Stapled Trust are stapled to shares in Trinity Limited. The stapled securities are listed on the ASX (ASX Code: TCQ).

While this presentation has been prepared with all reasonable care, no responsibility or liability is accepted for any errors or omissions or misstatement however caused. All forecasts and estimates are based on certain assumptions which may change without notice. If those assumptions change, our forecasts and estimates may also change. All forecasts and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

This presentation has been prepared without taking into account any investor's objectives, financial situation or needs. Therefore, in deciding whether to acquire or continue to hold an investment, investors should assess, with or without a financial or taxation adviser, whether the product is appropriate given the investor's objectives, financial situation or needs. This presentation should be read in conjunction with Trinity Group's continuous disclosure announcements lodged with the ASX which are available at [www.asx.com.au](http://www.asx.com.au).

All statistics are current as at 30 June 2014 unless otherwise indicated.

Certain statements in this presentation are forward looking statements. These statements are not guarantees of future performance. Actual results could differ materially from those referred to in this presentation.



property·investment·knowledge

TRINITY TRINITY TRINITY TRINITY

**Brett Heading, Chairman**

# AGM Presentation

- **Chairman's Overview**
  - Key Business Highlights 2014
  - Our Business Model
  - Business Growth
  - Board of Directors
  
- **CEO Presentation**
  - FY2014 Key Financial Information
  - Trinity Asset Summary as at 30 June 2014
  - FY2014 Financial Results
  - Profit from Operations
  - Debt Summary
  - Property Portfolio
  - 16 Marie Street, Milton
  - The Marie Street Trust
  - Change of Company Name
  
- **Items of Business**

# Key Business Highlights 2014

- Capital management program completed in November 2013 with an on-market buyback.
- \$23.3m of capital has been returned to securityholders since 2011.
- Non or low income producing assets sold including:-
  - 13 Compark Circuit, Mulgrave, Victoria sale which settled 31 March 2014.
  - 8 apartments at Cumberland Lorne Resort sold during FY14 - 5 apartments remain for sale.
- Sale of non-core assets now largely completed.
- Contract to sell Yamaha Centre, Rivergate Place, Murarrie for \$27m at 11.6% premium to book value.
- Pursuit of opportunities in property funds management sector.
- Launch of wholesale property fund.

# Our Business Model



# Our Business Model

Trinity's new business model features:

- ownership of a small income producing commercial property portfolio on its own balance sheet so as to underpin the value of Trinity securities and derive property income;
- owns a property funds management business (and interests in other similar businesses) which primarily manage external property investment vehicles and funds;
- does not carry out property development activities on its own balance sheet;
- targets a financial position that should result in sustainable income distributions to securityholders from and including the 2015 financial year.

# Business Growth

- Extensive work to progress acquisition of whole or part of suitable funds management businesses or securing a larger property portfolio for creation of property investment vehicle.
- This approach considered the most direct path to creating more readily business/funds management platform of scale and generating sustainable distributions.
- Now greater focus on establishing new vehicles managed by Trinity rather than through joint venture or acquisition.
- Continue to negotiate with various parties for new opportunities including:
  - business acquisition;
  - joint venture opportunities; and
  - other funds management services (e.g. SIV investor services for inbound investment).
- Concurrently sourcing properties for new trusts (e.g. launch of The Marie Street Trust).
- Trinity Board committed to delivering a distribution to securityholders in September 2015.

# Board of Directors

- Richard Friend retires after 7 years of service on the Trinity Board and its sub-committees.
- Valda Wheeler replaces Richard Friend on the Compliance Committee.
- Bevan Towning (Chief Investment Officer) appointed as an Executive Director (continued appointment subject to Member approval).
- Trinity intends to appoint another non-executive director.



*Brett Heading*  
Chairman



*Chris Morton*  
Deputy Chairman / CEO



*Bevan Towning*  
Executive Director / CIO



property·investment·knowledge

TRINITY TRINITY TRINITY TRINITY

**Chris Morton, Executive Director/CEO**

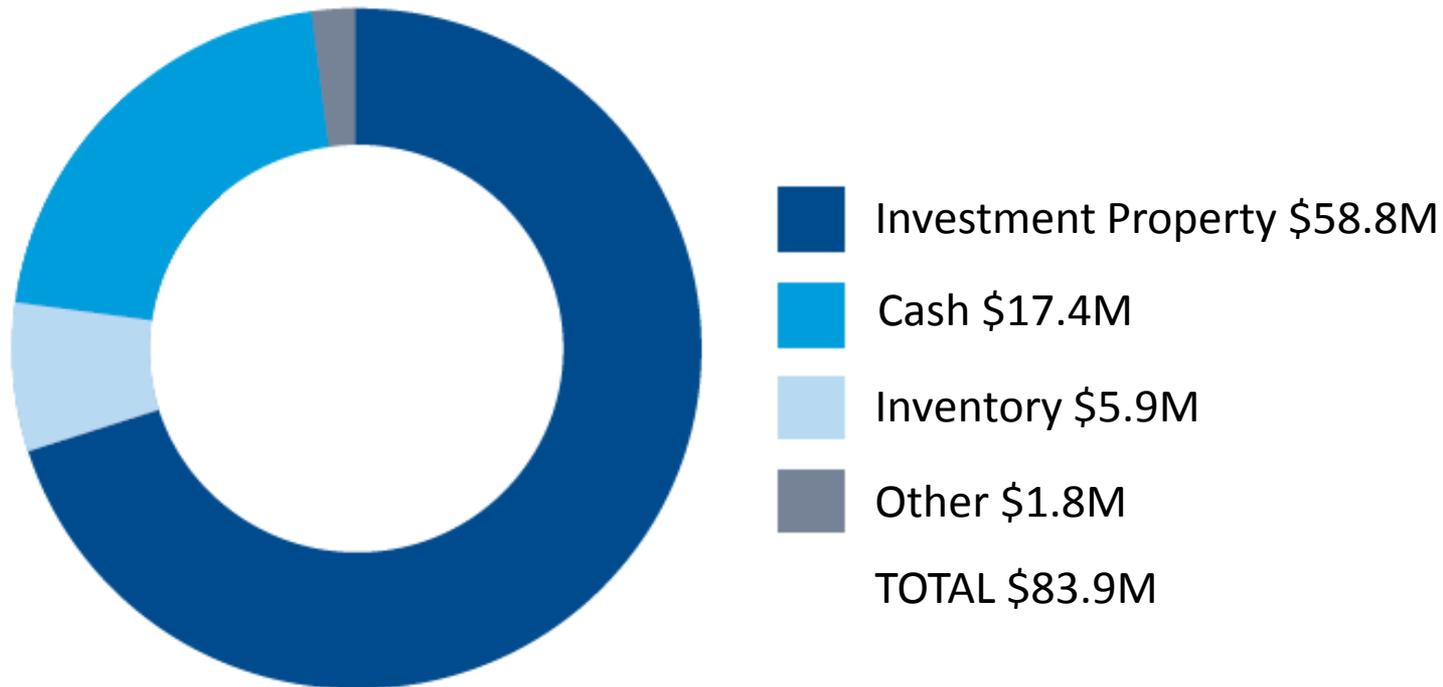
# FY2014 Key Financial Information

	FY14 Actual	FY13 Actual
Net Tangible Assets (NTA) per Security	35.9 cents <sup>1</sup>	35.0 cents
Closing Share Price per Security	25.0 cents	25.0 cents
Trading Discount to NTA	(30.36%)	(28.57%)
Total Assets	\$83.9M	\$91.3M
Net Assets	\$51.4M	\$52.4M
Balance Sheet Gearing Ratio	21.3%	29.4%
Property Loan to Value Ratio (LVR)	49.0%	50.3%
Securities on Issue	143.2M <sup>2</sup>	149.6M
Market Capitalisation	\$35.8M	\$37.4M

1 NTA per security increased due to the impact of the on-market buyback conducted during the year.

2 After on-market buyback and cancellation of securities.

# Trinity Asset Summary as at 30 June 2014



# FY2014 Financial Results

	FY14 Actual	FY13 Actual
<b>Financial information subject to audit</b>		
Revenue and Other Income	\$9.9M	\$19.5M
Net Profit/(Loss)	\$0.5M	(\$4.4M) <sup>1</sup>
Basic/Diluted Earnings/(Loss) per Security	0.3 cents	(2.6) cents
Distribution per Security	0 cents	3.0 cents <sup>2</sup>
<b>Financial information not subject to audit</b>		
Profit from operations <sup>3</sup>	\$1.59M	\$1.72M

- 1 The primary driver of the net loss in FY13 was a \$4.0M loss due to the impact of a material sale transaction and movement in property valuations of the Cumberland Lorne Resort assets.
- 2 A one-off capital distribution of 3 cents per security was paid on 7 June 2013 from Trinity Stapled Trust.
- 3 Profit from operations is a measure which is not calculated in accordance with International Financial Reporting Standards and has not been audited or reviewed by the auditor of Trinity Group.

# Profit from Operations

Financial Information not subject to audit	Notes	FY14 \$'000	FY13 \$'000
<b>Reported profit/(loss) for the year - audited</b>		<b>469</b>	<b>(4,432)</b>
Basic EPS – audited		0.3 cents	(2.6 cents)
<b>Reconciliation items to profit from operations <sup>1</sup></b>			
Fair value adjustments/write downs		(115)	3,733
Loss on sale of investment properties/inventory		412	2,426
Non-cash (income) /expenses		826	(7)
Total reconciling items		1,123	6,152
<b>Profit from operations – not audited</b>		<b>1,592</b>	<b>1,720</b>
Basic EPS – Profit from operations – not audited		1.1 cents	1.1 cents

<sup>1</sup> Reconciliation items are detailed in the Operating Segments note in Trinity Group's 2014 Annual Report.

# Debt Summary

	30 June 2014	30 June 2013
Interest Bearing Loans and Borrowings	\$31.5M	\$37.5M
Total Debt Facility – NAB	\$31.6M	\$37.6M
Balance Sheet Gearing Ratio	21.3%	29.4%
Property Loan to Value Ratio (LVR)	49.0%	50.3%
Loan to Value Ratio Covenant	50.8%	50.8%
Percentage of Debt Hedged	50.6%	42.5%

- Debt reduction of \$6.0 million from asset sales.
- Debt facility with NAB currently expires on 31 October 2015.
- Reductions in interest rates applying to the unhedged portion of debt facilities during 2014.

# Property Portfolio

Property	Location	Sector	NLA <sup>1</sup> (m <sup>2</sup> )	WALE <sup>2</sup> (Years)	Major Tenants	Book Value 30 June 2013 (\$M)	Book Value 30 June 2014 (\$M)	Cap Rate <sup>4</sup> (%)
<b>Investment Properties</b>								
Trinity Place 308 Queen/88 Creek Street, Brisbane	Qld	Commercial	4,554	2.8	NAB NextDC Acciona	33.2 <sup>3</sup>	36.05 <sup>3</sup>	8.25
Yamaha Centre Rivergate Place, Murarrie <sup>5</sup>	Qld	Industrial	11,552	8.9	Yamaha Motor Aust	24.5	24.2	7.5
<b>Inventory</b>								
Cumberland Lorne Resort <sup>6</sup>	Vic	Tourism	n/a	nil	-	5.2	2.05	n/a
San Remo Site	Vic	Rural/ Future Residential	n/a	nil	-	4.8	3.85	n/a

1 Net lettable area.

2 Occupancy and Weighted average lease expiry as at 30 June 2014.

3 30 June 2014 book value includes Transferrable Site Areas (TSAs) valued at \$1.7M. 30 June 2013 book value excluded TSAs held for sale.

4 Capitalisation rates are effective as at 30 June 2014.

5 Unconditional contract for sale for \$27M signed on 26 November 2014.

6 Trinity owns 5 apartments as at 27 November 2014.

# Property Portfolio

## Trinity Place/The Chambers

- Recent retail leases – Coppa, Red Hook, Gresham Bar.
- 95.7% total occupancy as at 29 September 2014.
- Small vacancy in heritage suites.
- Active engagement and management of lease expiries for a number of tenants with 2015/16 expiries.
- Brisbane CBD office market vacancy rate continues to increase to a historic high – material challenges ahead for office leasing in 2015/16.



*The Chambers, 308 Queen Street, Brisbane*

# Property Portfolio

## Yamaha Centre

- Passive property investment.
- Provide stable net income for Trinity.
- 100% let to Yamaha Motor Australia.
- Average lease duration of 8.9 years as at 30 June 2014.

**SOLD**



*Yamaha Centre, Murarrie, Qld*

# Property Portfolio

## Cumberland Lorne Resort

- Currently own 5 apartments.
- Remaining apartments being marketed for sale individually – summer sales campaign will commence in December.
- Good level of interest and transaction volumes are promising for remaining apartment sales although now some competing product from existing owner resales.
- Sales process expected to be completed by June 2015.



*Cumberland Lorne Resort, Lorne, Vic*

# Property Portfolio

## San Remo Site

- Rural land parcel / future residential potential.
- Site is not currently contained within future land release projections.
- Continuing to pursue value uplift opportunities, including rezoning and subdivision.
- Recent lodgement of a 3 lot (40 hectares) rural subdivision application for value preservation and to maximise sale options.



*San Remo Site, Vic*

# 16 Marie Street Milton – New Wholesale Fund

## The Property

- 5 year old, 6 floor building in Milton - 2.4kms from CBD.
- Weighted average lease expiry (WALE) of 5.4 years.
- Only 6% vacant, vacancy has vendor rental support.
- 54% occupied by Supercorp (50% owned by AMP and Soul Pattinson).
- Initial yield 9.9%.
- Price - \$20.425 million.
- Latest settlement date – mid March 2015.



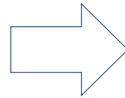
16 Marie Street, Milton

# The Marie Street Trust

## The Product

- Single asset, closed end, wholesale, unlisted property trust.
- \$14 million (approx.) capital sought to be raised from qualifying wholesale and sophisticated investors (e.g. SMSF's) with early December launch.
- First step in rebuilding Trinity's funds management platform.
- 6 year investment term.
- Initial distribution yield in low 9% - paid quarterly.
- Gearing – circa 40%.
- Offer to close Q1 2015
- Trinity will subscribe for any shortfall in equity providing minimum subscription level is met otherwise Trinity may own in its own right.
- Trinity to receive establishment fees, management and performance fees.

# Change of Name



**Unity Pacific**

## Changes in December 2014

- Individual entity name changes effective early December 2014.
- Trade on ASX as Trinity Group (TCQ) until 11 December 2014 (after security consolidation completed).
- Trading as Unity Pacific Group from 12 December 2014 under new ASX code UPG.
- No change of company address

## Items of Ordinary Business

# Item 1

## Financial Statements and Reports

*To receive and consider Trinity's Financial Report, incorporating the Directors' Report and the Independent Audit Report, for the financial year ended 30 June 2014.*

# Item 2

## Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution in accordance with section 250R(2) of the Corporations Act:

*‘That the Remuneration Report (which forms part of the Directors’ Report) of the Company for the year ended 30 June 2014 be adopted.’*

**The vote is advisory only and does not bind the Directors of the Company.**

# Item 2

## Adoption of Remuneration Report

### Proxies

	Votes For	Votes Against	Votes Discretionary	Total	Abstain
Total number of proxy votes exercisable by all proxies validly appointed	51,676,981	400,016	3,220,734	55,297,731	73,296

# Item 3

## Election of Director

### Mr Bevan Towning

To consider and, if thought fit, to pass the following as an ordinary resolution:

*‘That Mr Bevan Towning, who was appointed to the Board following the last annual general meeting of the Company to fill the vacancy left by the retirement of Mr Richard Friend, and being eligible, be elected as a director of the Company in accordance with clause 17.3(b) of the Constitution.’*

# Item 3

## Election of Director Mr Bevan Towning Proxies

	Votes For	Votes Against	Votes Discretionary	Total	Abstain
Total number of proxy votes exercisable by all proxies validly appointed	91,362,128	276,060	3,221,115	94,859,303	10,769

# Item 4

## Re-election of Director

### Mr Brett Heading

To consider and, if thought fit, pass the following as an ordinary resolution:

*‘That Mr Brett Heading, retiring by rotation in accordance with the Company’s constitution, and being eligible, be re-elected as a director of the Company.’*

# Item 4

## Re-election of Director Mr Brett Heading Proxies

	Votes For	Votes Against	Votes Discretionary	Total	Abstain
Total number of proxy votes exercisable by all proxies validly appointed	91,358,152	280,036	3,221,115	94,859,303	10,769

## Items of Special Business

# Item 5

## Change of Company Name

To consider and, if thought fit, pass the following as a special resolution:

*‘That the name of the Company be changed from Trinity Limited to Unity Pacific Limited.’*

# Item 5

## Change of Name

### Proxies

	Votes For	Votes Against	Votes Discretionary	Total	Abstain
Total number of proxy votes exercisable by all proxies validly appointed	91,305,774	286,060	3,268,685	94,860,519	9,553

# Item 6

## Consolidation of Company Shares

To consider and, if thought fit, pass the following as an ordinary resolution:

*‘That the Company’s issued capital be consolidated through the conversion of every four shares in the Company into one share in the Company, and that any resulting fractions of a share be rounded down to the previous whole number of shares, with the consolidation taking effect on 10 December 2014.’*

# Item 6

## Consolidation of Company Shares

### Proxies

	Votes For	Votes Against	Votes Discretionary	Total	Abstain
Total number of proxy votes exercisable by all proxies validly appointed	91,104,749	480,292	3,268,685	94,853,726	16,346

# Trinity Group

## Annual General Meeting

### Thursday 27 November 2014

TRINITY TRINITY TRINITY TRINITY TRINITY

