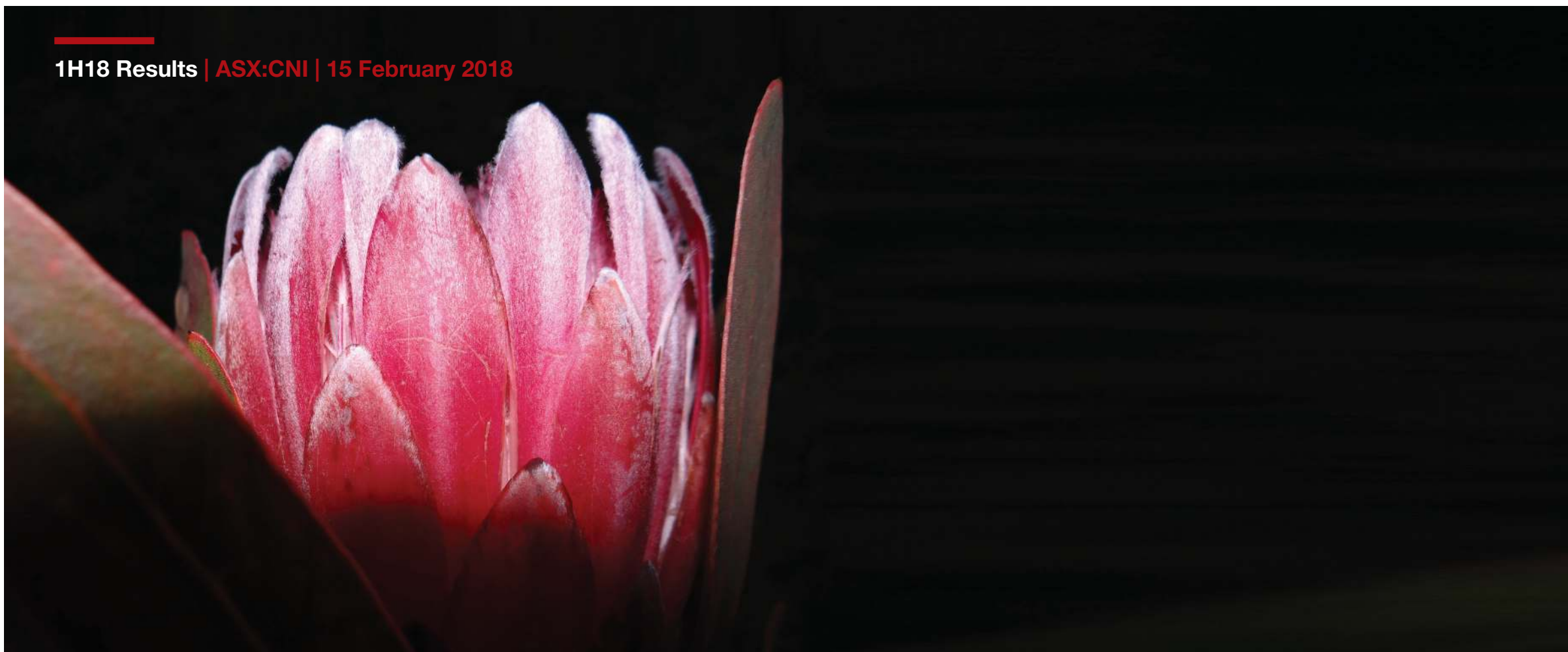


# Centuria Capital Group

**1H18 Results | ASX:CNI | 15 February 2018**



1

Overview  
& Highlights

2

1H18 Financial  
Results

3

Property Funds  
Management

4

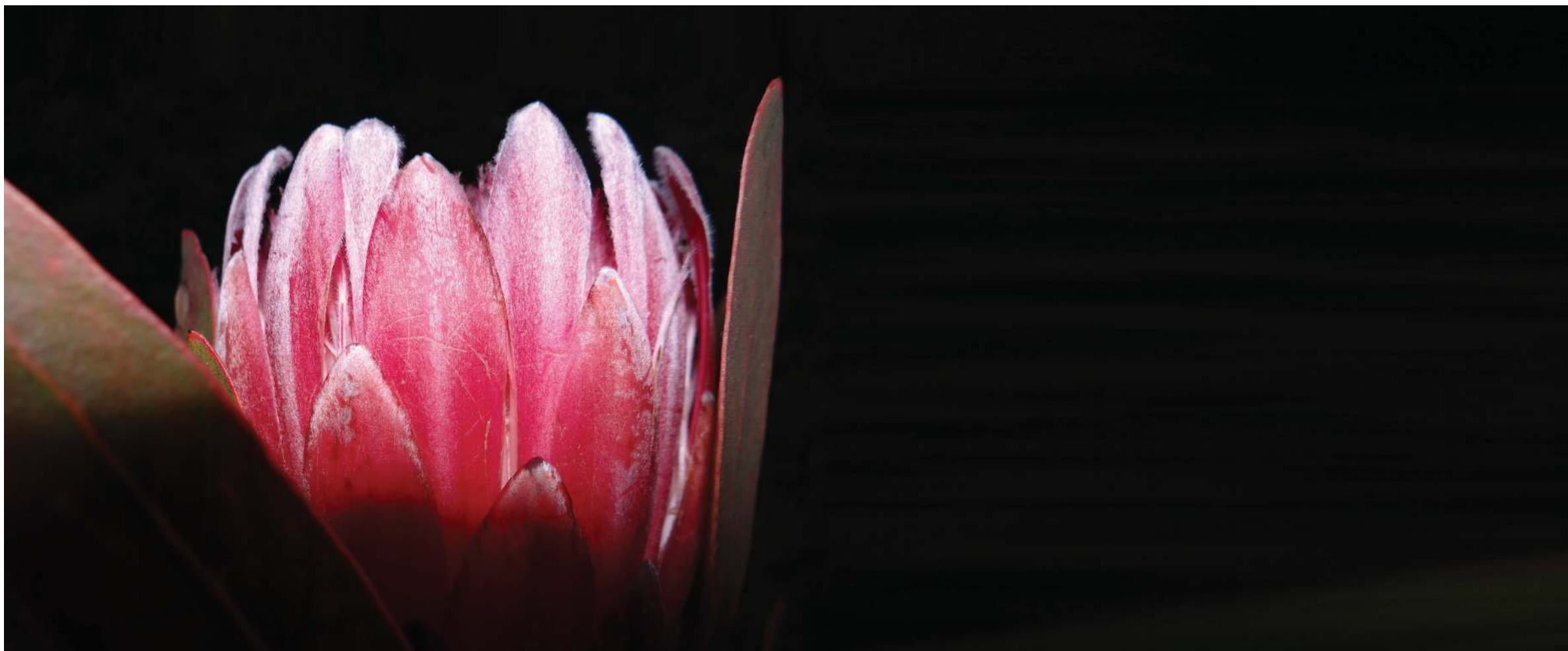
Investment  
Bonds

5

Outlook

6

Appendices



## Section 1

### Overview & Highlights

# Centuria Profile

ASX-listed specialist investment manager

## Centuria Capital Group

\$434m Market Capitalisation<sup>1</sup>

**\$4.6b**

Assets under management (AUM)<sup>2,3</sup>

**\$0.3b**

Co-investments

### Property Funds Management

**\$3.7b**

AUM<sup>2,3</sup>

### Investment Bonds

**\$0.9b**

AUM

19.9%  
CMA<sup>4</sup>

19.9%  
CIP<sup>4</sup>

17.0%  
Propertylink  
Group<sup>4</sup>

#### Listed Property \$2.0b<sup>2</sup>

Industrial  
REIT (CIP)

**\$1.1b**  
AUM

Metropolitan  
REIT (CMA)

**\$0.9b**  
AUM<sup>2</sup>

#### Unlisted Property \$1.7b<sup>3</sup>

**17**  
fixed term  
funds

Centuria  
Diversified  
Property  
Fund

1. As at 31 December 2017

2. Includes 2 Kendall Street, Williams Landing, VIC, as if complete

3. Includes post 31 December 2017 acquisitions

4. Co-investment ownership percentage includes the ownership by associates of Centuria Capital Group

## Highlights for 1H18



### Operating Earnings

- Operating NPAT of \$30.2 million
- Reaffirm FY18 earnings per stapled security guidance of 15.8–16.2 cps
- Recurring revenue grew to \$32.1 million, up \$18.9 million
- \$25.8 million net performance fee before tax on 10 Spring Street, Sydney NSW



### Distributions

- Interim distribution of 4.1 cps
- Reaffirm FY18 distribution guidance of 8.2 cps



### Total Returns

- CNI securityholders 19% <sup>1,2</sup> (51% <sup>1</sup> for the 2017 calendar year)
- 12.7% p.a. total return on co-investments



### 1H18 AUM Growth

- 19% increase in AUM to \$4.6 billion <sup>3</sup>
- \$655 million in property acquisitions <sup>3</sup> and \$115 million in asset revaluations
- Investment bonds AUM growth to \$0.9 billion



### Capital Management

- \$98.6 million equity raised in 1H18
- Issued \$25 million in corporate bonds <sup>4</sup>
- 13% operating gearing ratio <sup>5</sup>

1. Past performance is not indicative of future performance. See Appendix on P34 for further important information on the calculation of total return figures

2. From 1 July 2017 to 31 December 2017

3. Includes post 31 December 2017 acquisitions

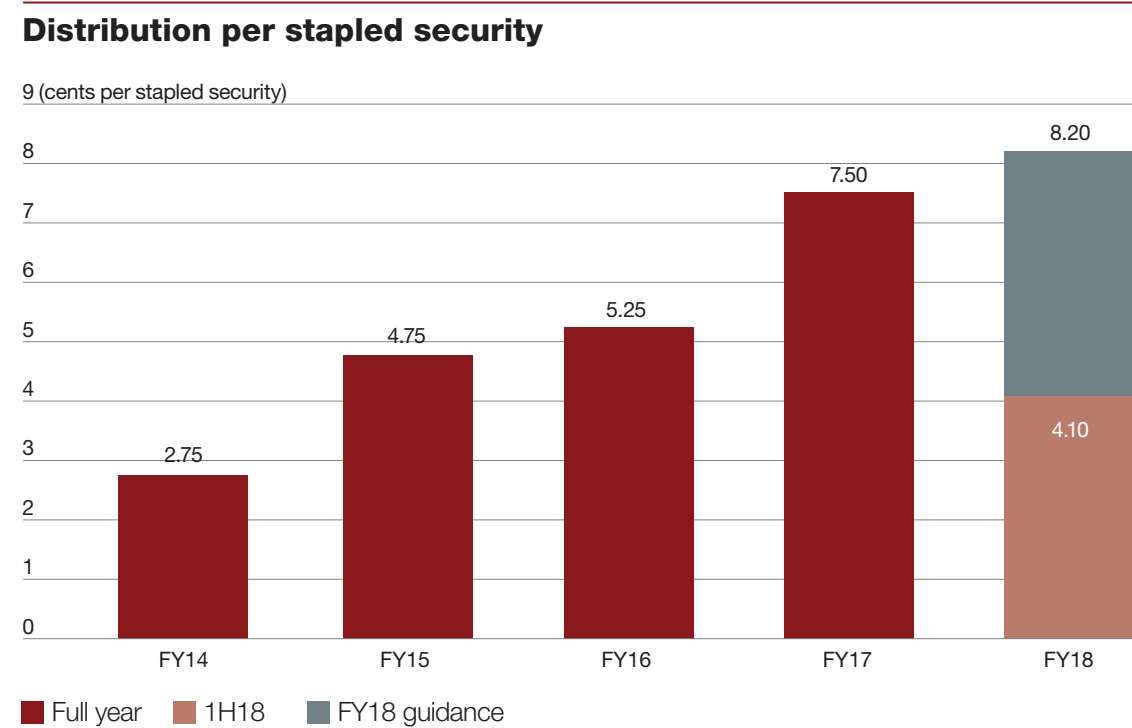
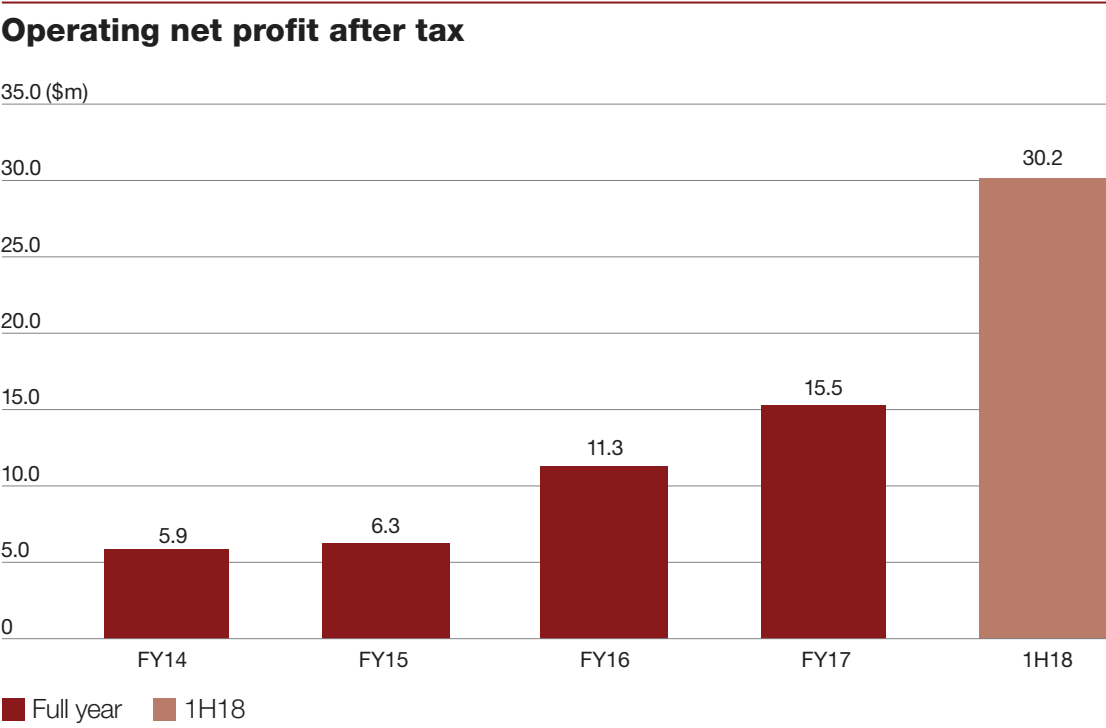
4. See page 10 for further information on corporate bonds

5. Gearing ratio is calculated based on (Operating Borrowings less cash) divided by (Operating Total Assets less cash)



# Operating Highlights

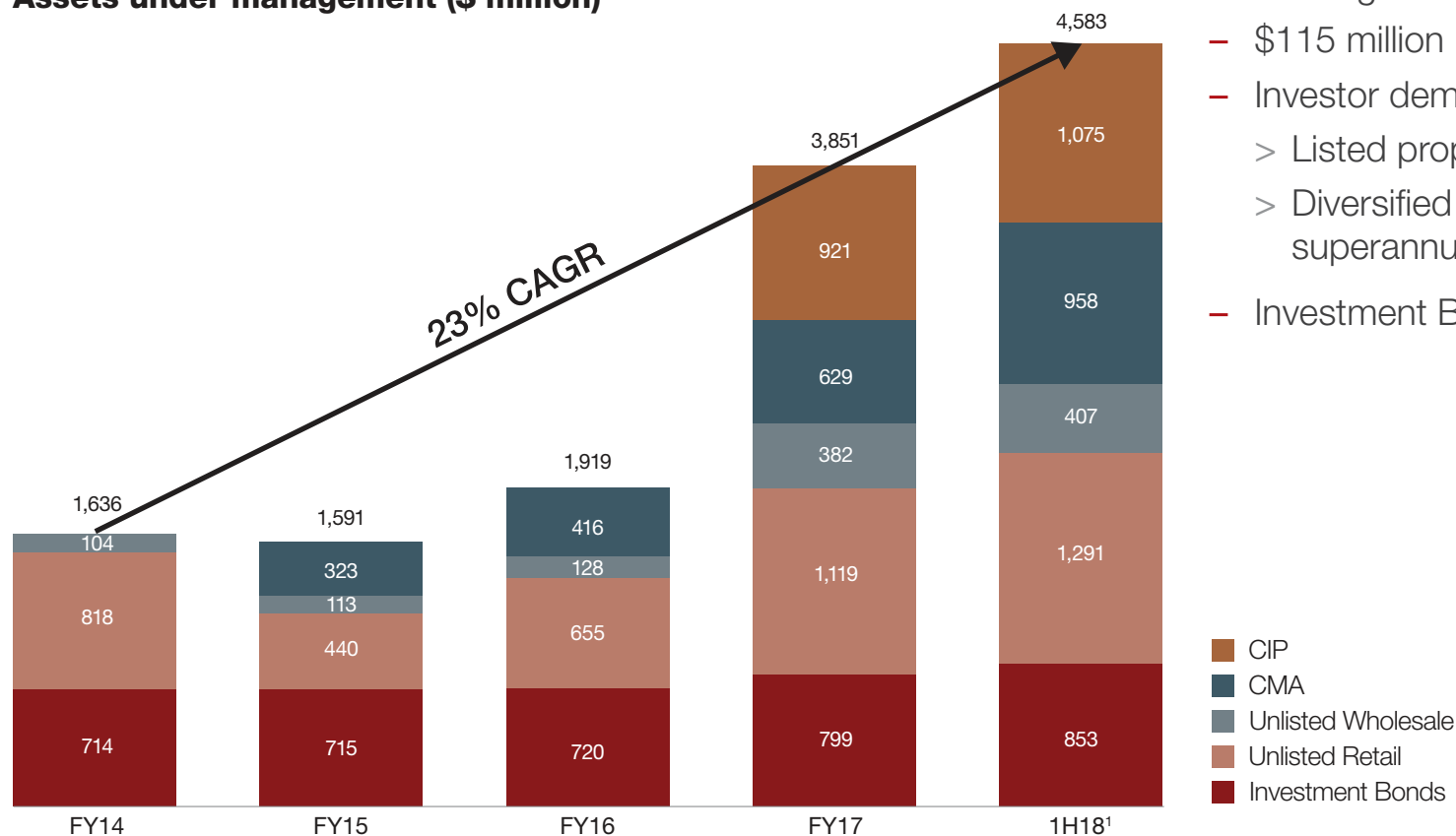
## Operating earnings growth supports distributions



## Operating Highlights

# \$0.8 billion<sup>1</sup> of organic AUM growth over 1H18

### Assets under management (\$ million)



- Ten A-grade properties acquired, adding \$655 million<sup>1</sup> AUM
- \$115 million in revaluations
- Investor demand strong across distribution channels:
  - > Listed property AUM grew to \$2.0 billion
  - > Diversified property fund on seven investment and superannuation adviser platforms
- Investment Bonds AUM growth of \$54 million (7%)

1. Includes post 31 December 2017 acquisitions

## Section 2

### 1H18 Financial Results



## Group Financial Highlights

# Delivering strong investor returns

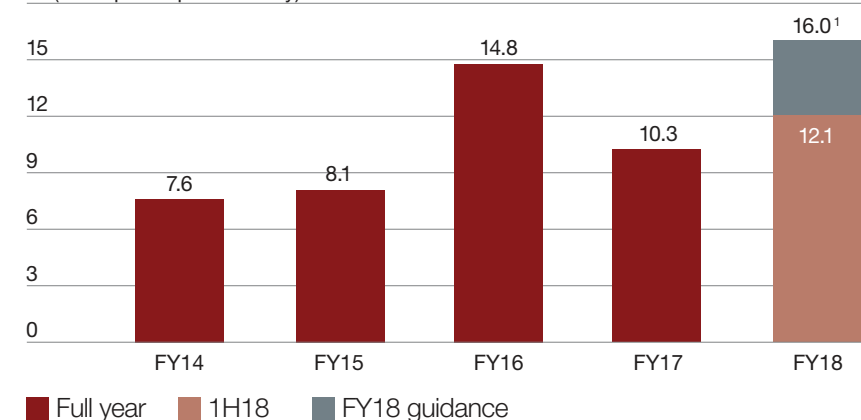
		1H18	1H17
Operating NPAT	\$m	30.2	2.9
Operating EPS	cps	12.1	3.8
Statutory NPAT	\$m	36.3	(1.4)
Statutory EPS	cps	13.4	(1.6)
Distribution per stapled security	cps	4.1	2.3

Platform acquisition on 9 January 2017 significantly transformed nature and scale of recurring earnings

- Recurring revenue streams up \$18.9 million
- 10 Spring Street after tax net performance fee of \$18.1 million
- Distribution per stapled security up 78%

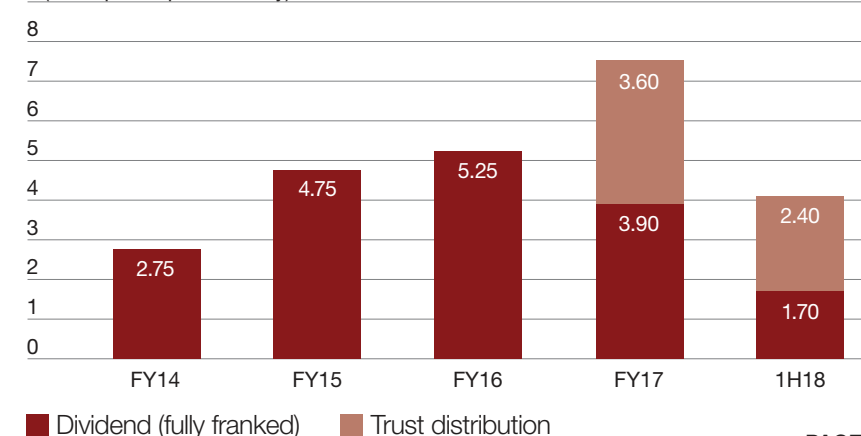
### Operating earnings per stapled security

18 (cents per stapled security)



### Distribution per stapled security

9 (cents per stapled security)



1. Midpoint of FY18 operating EPS guidance of 15.8-16.2 cps

## Operating Segment Results

# Continued growth in operating results

Operating profit by segment	1H18 (\$m)	1H17 (\$m)	
Property Funds Management <sup>1</sup>	10.9	4.1	← 166% increase in Property Funds Management <sup>1</sup>
– Performance fees	25.8	0.2	
Investment Bonds Management	2.4	2.0	← 20% increase in Investment Bonds Management
Co-investments	9.4	0.6	← Co-investment earnings up on \$277 million of investments
Reverse mortgages	0.1	(0.0)	
Corporate	(4.4)	(3.2)	
<b>Operating profit before interest and tax</b>	<b>44.3</b>	<b>3.7</b>	
Corporate finance costs	(4.3)	(0.5)	← Increased finance costs due to \$125 million Corporate Bonds
<b>Operating profit before tax</b>	<b>40.0</b>	<b>3.2</b>	
Operating tax expense	(9.8)	(0.3)	
<b>Operating profit after tax</b>	<b>30.2</b>	<b>2.9</b>	
<b>Operating EPS (cents per stapled security)</b>	<b>12.1</b>	<b>3.8</b>	

1. Excluding performance fees

## Debt and Capital Management

# Strong support from capital markets

- \$98.6 million equity raised
- \$25 million corporate bonds issued
- Operating gearing ratio<sup>1</sup> of 13%
- Operating interest cover ratio<sup>2</sup> of 8.9 times
- Corporate Bonds mature in 3.3 years
- Operating net assets per stapled security of \$1.25<sup>3</sup> (\$1.16<sup>3</sup> at 30 June 2017)

	31 Dec 2017 (\$'000)	30 Jun 2017 (\$'000)
<b>Operating balance sheet</b>		
<b>Assets</b>		
Cash and cash equivalents	67,025	55,734
Receivables	12,187	13,342
Financial assets	332,416	197,540
Other assets	1,459	1,551
Intangible assets	157,663	157,663
<b>Total assets</b>	<b>570,750</b>	<b>425,830</b>
<b>Liabilities</b>		
Payables	21,704	23,823
Liability to 360 Capital Group	7,998	7,938
Provisions	1,479	1,301
Borrowings	134,254	107,266
Interest rate swap at fair value	20,262	18,190
Provision for income tax	4,053	2,784
Deferred tax liability	(951)	(2,321)
<b>Total liabilities</b>	<b>188,799</b>	<b>158,981</b>
<b>Net assets</b>	<b>381,951</b>	<b>266,849</b>

1. Gearing ratio is calculated based on (Operating Borrowings less cash) divided by (Operating Total Assets less cash)

2. Operating interest cover ratio is calculated based on operating finance costs divided by operating profit before tax excluding finance costs (excluding reverse mortgages)

3. Number of securities on issue at 31 December 2017: 304,793,174 (at 30 June 2017: 229,815,736)

## Co-investments

# Supporting predictable recurring revenues

- Increase in size and scale of co-investments portfolio to \$277 million (83% increase on 30 June 2017)
- Stable source of recurring revenue, contributing \$9.2 million for 1H18
- Annualised total return of 12.7% <sup>1</sup>

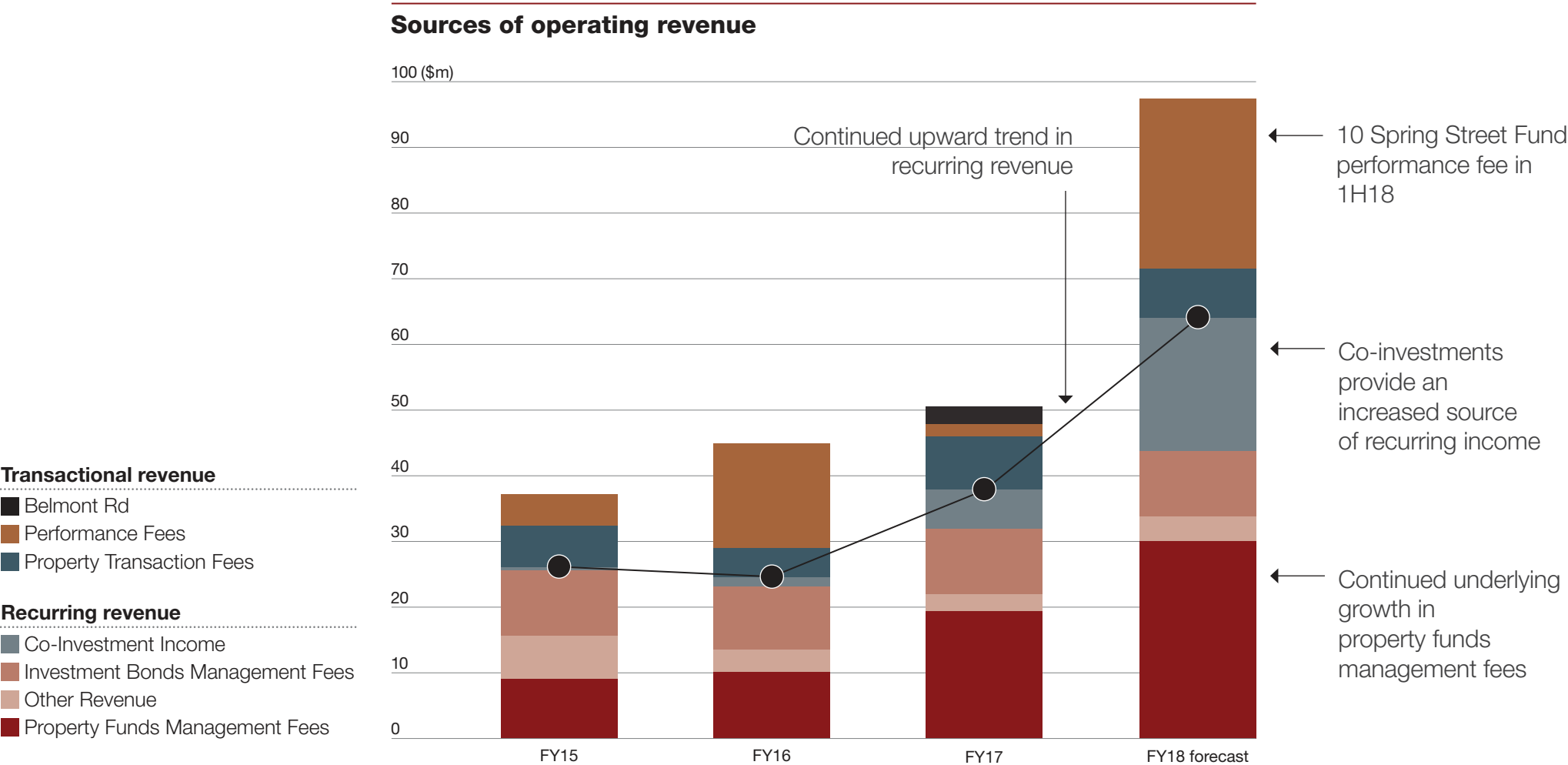
	Carrying value 31 Dec 17 (\$m)	Revenue contribution 1H18 (\$m)
<b>Co-investments \$0.3b</b>		
Centuria Industrial REIT (CIP)	123	4.0
Centuria Metropolitan REIT (CMA)	66	2.1
Propertylink Group (PLG)	56	2.0
Unlisted Property and Debt Funds	32	1.1
<b>Total</b>	<b>277</b>	<b>9.2</b>
Capital Growth		3.3
<b>Total Revenue</b>		<b>12.5</b>
Annualised Total Return <sup>1</sup>		12.7%

1. Calculated based on total revenue divided by weighted average carrying value of investments for the half year ended 31 December 2017, and excludes finance costs



# Sources of Operating Revenue

## Increased recurring revenue



## Section 3

### Property Funds Management

## Property Funds Management

### Unlisted Property Funds



**\$1.7b**

AUM<sup>1</sup>



**17**

Unlisted  
fixed term funds<sup>1</sup>



**\$28m**

AUM in  
Centuria Diversified  
Property Fund

- Market leader with a 20 year track record in fixed-term unlisted property funds
- 37 completed funds to date
- Achieved six funds in Property Council/IPD Unlisted Core Retail Property Funds top ten index<sup>2</sup>
  - > Including top three funds in Q4 2017 index<sup>2</sup>

### Listed Property Funds



**\$2.0b**

AUM<sup>3</sup>



**41**

Industrial  
assets



**17**

Office  
assets

- Centuria Metropolitan REIT (CMA), Australia's largest ASX-listed metropolitan office REIT
- Centuria Industrial REIT (CIP), Australia's largest ASX-listed income-focused industrial REIT
- Both CMA and CIP are now included in the S&P/ASX 300 Index

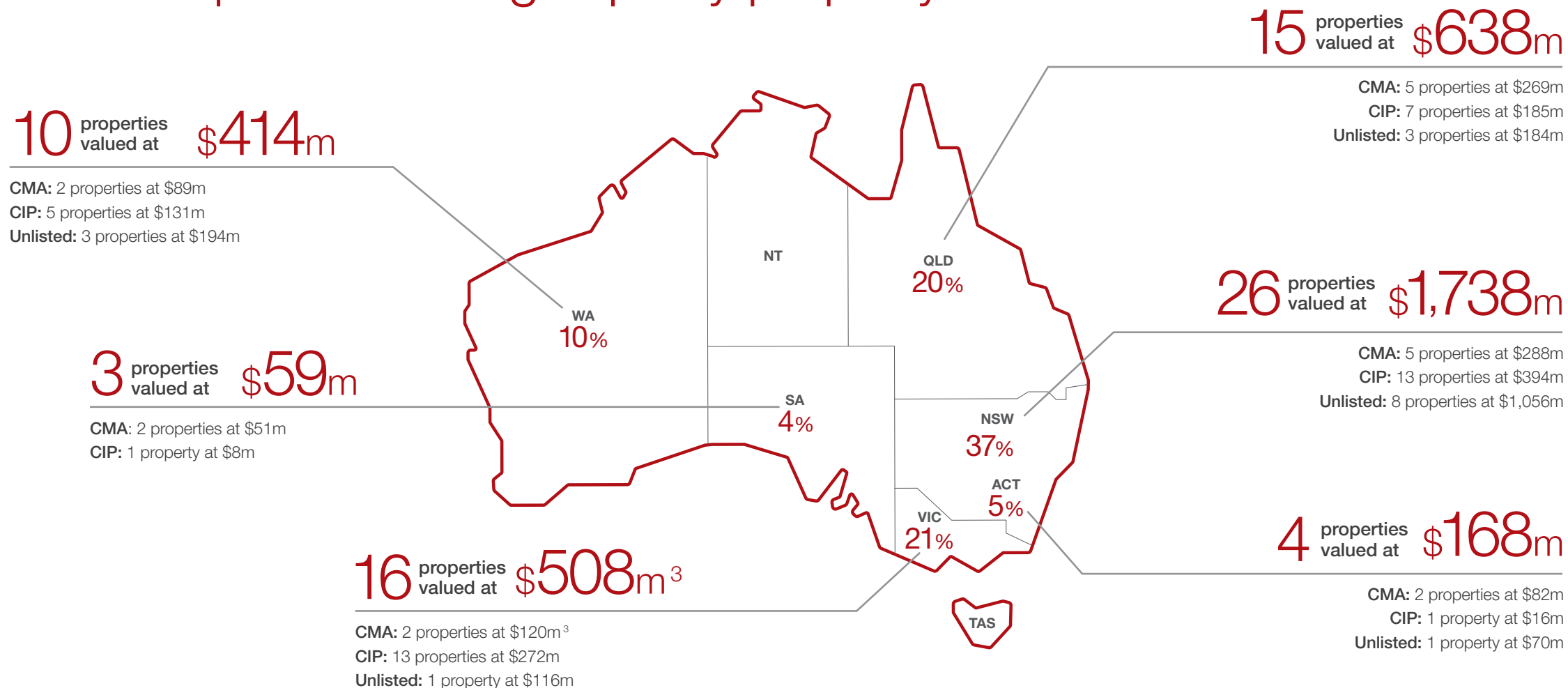
1. Includes post 31 December 2017 acquisitions

2. Property Council/IPD Unlisted Core Retail Property Funds Q3 2017 and Q4 2017 indexes

3. Includes 2 Kendall Street, Williams Landing, VIC, as if complete

## Geographically Diversified Portfolio

# A \$3.7 billion portfolio of high-quality property<sup>1,2</sup>



1. Includes post 31 December 2017 acquisitions  
 2. Includes cash and other financial assets  
 3. Includes 2 Kendall Street, Williams Landing, VIC, as if complete



## Unlisted Property Highlights

# Delivering market-leading returns for investors

- Completed Centuria 10 Spring Street Fund
  - > 35% investor IRR<sup>1</sup>, \$25.8 million net performance fee before tax
- Established two new unlisted funds
  - > \$106 million Centuria Sandgate Road Fund
  - > \$115 million Centuria Geelong Office Fund<sup>2</sup>
- Achieved six funds in top ten Unlisted Property Funds index<sup>3</sup>
  - > Including top three funds in Q4 2017 index<sup>3</sup>
- Expanded adviser access for Centuria Diversified Property Fund via acceptance on seven leading investment and superannuation wrap platforms
- Launched new Debt Fund, with solid product pipeline
- Centuria is well established as top-tier brand in the Australian marketplace

1. Past performance is not indicative of future performance

2. Established post 31 December 2017

3. Property Council/IPD Unlisted Core Retail Property Funds Q3 2017 and Q4 2017 indexes

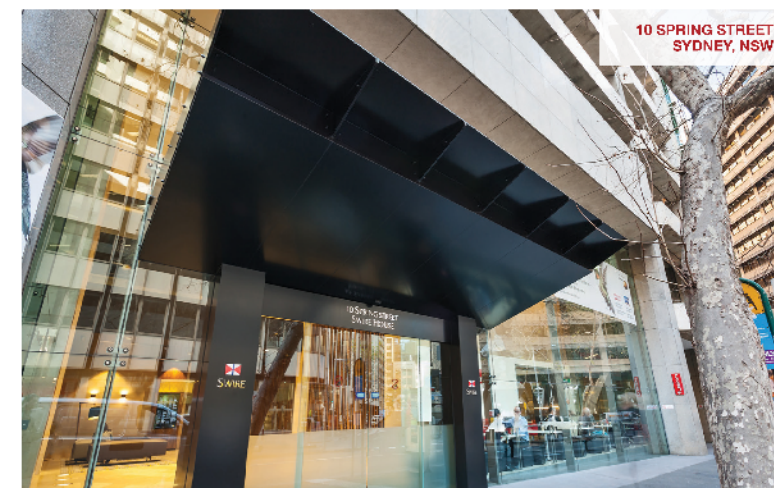


## Unlisted Fund Case Study: Centuria 10 Spring Street Fund

# Record sale delivers strong investor returns

- B-grade office building located in Sydney CBD
- Executed key strategies to maximise value:
  - > Comprehensive refurbishment of foyers, amenities and retail arcade
  - > Achieved 100% occupancy 18 months post acquisition (19% vacant upon purchase)
  - > Increased average passing rental levels by 32%
- Uplift in property value from purchase to sale of 300%
- Average income return to investors of 8.0% p.a. over 4.3 years
- Investor IRR of 35% p.a.<sup>1</sup>
- Australian Financial Review “Deal of the year” in 2017

		October 2017	June 2013
WALE <sup>2</sup>	years	3.2	3.7
Value	\$m	270.1	91.6
Occupancy <sup>2</sup>	%	100	81
Average rental	\$/sqm	882	668
Sale price	\$/sqm	19,447	



1. Past performance is not indicative of future performance.

2. By income

The case study provides a selected example relating to returns for the Centuria 10 Spring Street Fund sold during 1H18. It is in summary form only and has no correlation to any other property or fund. Total returns include capital gains as well as distributions paid during the life of completed funds shown on a per annum basis. Performance has been determined after the property sold and the fund wound up. Each fund managed by Centuria Property Funds Limited will have different characteristics, properties and risk and should be assessed by an investor independently of the performance of completed funds.

## Unlisted Property Outlook

# Strong investor demand continues

- Investor demand
  - > Investor demand for unlisted products continues to grow
  - > Adviser distribution network growing strongly, delivering healthy inflows for Centuria Diversified Property Fund
  - > New investment products launched to match investor appetite (e.g. debt funds)
  - > Income remains the key investment driver
- Returns
  - > Business confidence driving employment growth, translating positively to commercial markets and offering good opportunities for investors
  - > Capitalisation rate compression continuing in most markets

---

“The spread between cash deposit rates and property yields remains substantial. This flows through to continued, unprecedented demand for our investment products.”

**Jason Huljich**  
Head of Real Estate and  
Funds Management

## Listed Property Highlights

# Two leading ASX listed specialist REITs



**\$2.0b**  
AUM<sup>1</sup>

- Centuria Metropolitan REIT (ASX: CMA) grown to \$0.9 billion<sup>1</sup> AUM, 19 assets
  - > Australia's largest ASX-listed metropolitan office REIT
  - > Market capitalisation of \$579 million<sup>2</sup>, distribution yield 7.6%<sup>2</sup>
  - > 20.9%<sup>3</sup> 12 month total return<sup>2</sup> outperforming the S&P/ASX300 A-REIT Index at 6.4%<sup>3</sup>



**\$5.2m**  
Recurring revenues  
for group in 1H18

- Centuria Industrial REIT (ASX: CIP) grown to \$1.1 billion AUM, 39 assets
  - > Australia's largest ASX-listed, income focused industrial REIT
  - > Market capitalisation of \$630 million<sup>2</sup>, distribution yield 7.6%<sup>2</sup>
  - > 9.2%<sup>3</sup> 12 month total unit holder return outperforming S&P/ASX300 A-REIT Index at 6.4%<sup>3</sup>



**11k**  
Institutional and  
retail investors

- Both REITs now in S&P/ASX 300 index
- Centuria Capital is strongly aligned to CMA and CIP, with its increased co-investments in them up to 19.9% in 1H18

1. Includes 2 Kendall Street, Williams Landing, VIC, as if complete

2. As at 31 December 2017

3. Past performance is not indicative of future performance. See Appendix on P34 for further important information on the calculation of total return figures

## Centuria Metropolitan REIT (ASX: CMA)

# Australia's largest ASX-listed metropolitan office REIT

### Geographically diverse institutional grade portfolio

- 19 fit-for-purpose, quality metropolitan assets delivering stable and secure income streams
- Diversified tenant profile, including institutional and government tenants

### 1H18 highlights:

- Acquired four metropolitan office assets for \$211 million
- Secured 20 leases across 9,234sqm, reduced FY18 expiry to 1.2%<sup>1,2</sup>
- Well supported by investors and lenders, raising \$150 million of equity and \$60 million debt over the period
- Disciplined gearing of 29.6%<sup>3</sup>

1. Weighted by gross income

2. Includes 2 Kendall Street, Williams Landing, VIC as if complete

3. Gearing is defined as total borrowings less cash divided by total assets less cash and goodwill (31 December 2017 proforma gearing 33.9% adjusted for 2 Kendall Street, Williams Landing, VIC)

4. By area

### Portfolio snapshot

		1H18	1H17
Number of assets		19	13
Book value	\$m	899.7	417.5
WACR	%	6.87	7.52
NLA	sqm	184,360	112,664
WALE <sup>1</sup>	years	4.3	3.8
Occupancy <sup>4</sup>	%	97.8	98.9

### Tenant diversification : top 10 tenants (%)

Tenant	Rank	
Insurance Australia Group	1	7.0%
Target Australia	2	5.7%
Austar Entertainment	3	5.4%
Bluescope Steel	4	4.5%
Hatch	5	3.7%
Minister for Works (WA Police)	6	3.7%
GE Capital Finance Australasia	7	3.4%
Domino's Pizza	8	3.2%
Cisco Systems Australia	9	3.1%
Minister for Infrastructure	10	3.1%



## Centuria Industrial REIT (ASX: CIP)

# Australia's largest ASX-listed income focused industrial REIT

### Geographically diverse high-quality portfolio

- Maximising portfolio value through fit-for-purpose assets and repositioning initiatives
- Focused on high retention and occupancy, portfolio underpinned by quality national tenants

### 1H18 highlights:

- Record leasing result, over 159,000 sqm leased
- 100% tenant retention rate in 1H18
- Improved portfolio quality, invested \$122.6 million to grow the REIT
- Gearing reduced by 2.5% to 40.6%<sup>1</sup> (43.1%<sup>1</sup> at 30 June 2017)

1. Gearing is defined as total borrowings less cash divided by total assets less cash and goodwill

2. By income

### Portfolio snapshot

		1H18	1H17
Number of assets		39	37
Book value	\$m	1,005.2	911.9
WACR	%	7.02	7.42
GLA	sqm	766,539	693,620
Average asset size	sqm	19,655	18,746
WALE <sup>2</sup>	years	4.9	4.4
Occupancy <sup>2</sup>	%	95.9	96.1

### Tenant diversification : top 10 tenants (%)

Tenant	Rank	
AWH	1	8.1%
Woolworths	2	8.1%
Green's General Foods	3	6.4%
Visy Board	4	5.3%
The Reject Shop	5	4.3%
API	6	4.2%
Orora	7	3.9%
VIP Petfoods	8	3.5%
K & S Freighters	9	3.4%
Bradnam's Windows and Doors	10	3.4%

## Section 4

### Investment Bonds

## Investment Bonds

### Centuria Life



\$0.4b

AUM



50%

Access to non-aligned  
advisers via APLs



13k

Customers

- Offering flexible, tax-effective ways to create, transfer and protect wealth through unitised investment bonds and capital guaranteed funds
- With a 35-year heritage, Centuria Life has grown to \$0.4 billion AUM across seven investment options

### Over Fifty Guardian Friendly Society



\$0.5b

AUM



11%

AUM growth



75k

Customers

- The Society invests the proceeds of pre-paid funeral plans distributed by Invoke Limited
- With over 75,000 customers, the society's AUM has grown to \$0.56 billion



## Investment Bonds

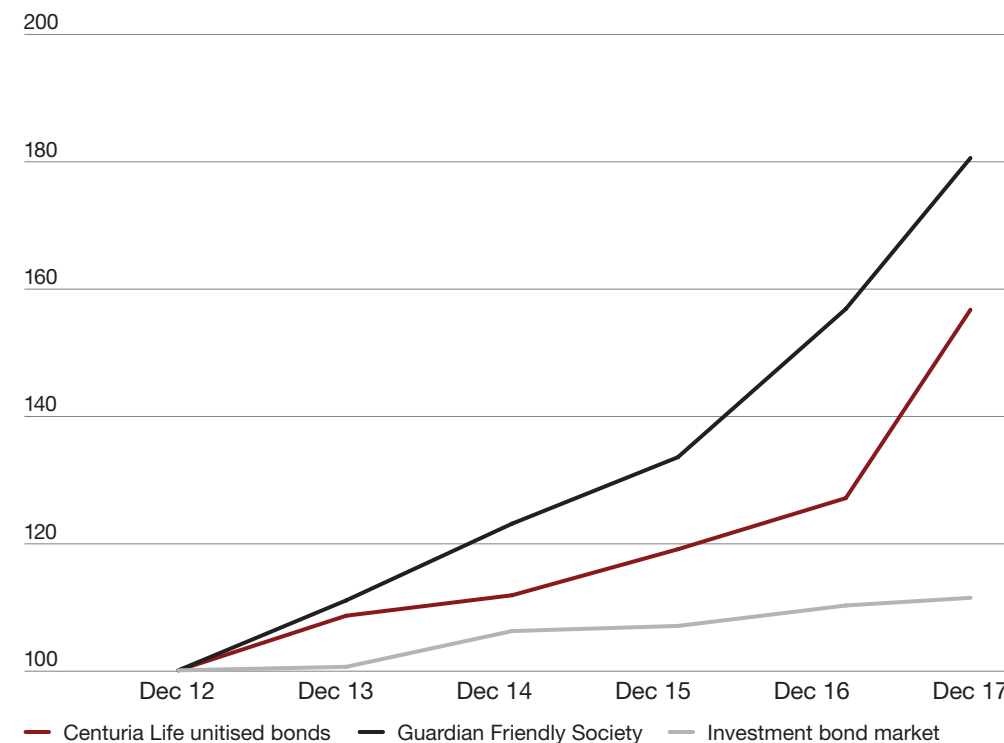
# Outperforming market with double digit growth in six months

- Fourth largest friendly society/insurance bond issuer  
> 10.9% share of \$7.4 billion Australian market
- Strong growth across the platform from asset growth and new business
- Centuria investment bonds continue to outperform market

<b>Total AUM</b>	<b>1H18 (\$m)</b>	<b>FY17 (\$m)</b>	<b>Change (%)</b>
Unitised Bonds (Centuria Life)	135	115	17
Capital Guaranteed (Centuria Life)	225	238	(5)
Prepaid funeral plans (Guardian)	493	446	10
<b>Total</b>	<b>853</b>	<b>799</b>	<b>7</b>

<b>Flows breakdown (\$m)</b>	<b>Unitised bonds</b>	<b>Cap Guar</b>	<b>Pre-paid funeral plans</b>	<b>Total</b>
Applications	12	1	19	32
Redemptions	3	13	19	35

**Centuria investment bond AUM growth vs investment bond market AUM growth <sup>1</sup>**



1. Source: QDS Bond Report for September 2017

## Investment Bonds

# Strong performance returns recognised by ratings agencies



- Three main unit-linked portfolios rated five star by Morningstar<sup>1</sup>
- Morningstar No. 1 ranked (in respective categories):
  - > Centuria Australian Shares (Equity Australia Large Blend)
  - > Centuria Growth Bond (Multisector Growth)
- Product suite ranked investment grade by Lonsec<sup>2</sup>



Bond	Total Return 1 Year (%)	Total Return 3 Years (%)	Total Return 5 Years (%)	Morningstar Ranking (sorted by a 5 year basis) <sup>3</sup>	Morningstar Rating 5 years <sup>3</sup>
Centuria Australian Shares	13.16	9.49	9.85	Equity Australia Large Blend 1/55	★★★★★
Centuria Growth Bond	15.00	8.70	9.15	Multisector Growth 1/87	★★★★★
Centuria Balanced Bond	11.14	7.10	7.79	Multisector Growth 5/87	★★★★★

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2. The Lonsec Rating (assigned as follows: APIROVS0012AU – November 2015; APIROVS0006AU – November 2015; APIROVS0011AU – November 2015; APIROVS0010AU – November 2015) presented in this document is published by Lonsec Research PTY LTD ABN 11 151 658 561 AFSL 421 455. The Rating is limited to "General Advice" (as defined in the Corporations Act 2001(Cth)) and based sole on consideration of the investment merits of the financial product(s). Past performance information is for illustrative purposes only and is not indicative of future performance. It is not a recommendation to purchase, sell or hold Australian Shares Bond product(s), and you should seek independent financial advice before investing in this product(s). The Rating is subject to change without notice and Lonsec assumes no obligation to update the relevant document(s) following publication. Lonsec receives a fee from the Fund Manager for researching the product(s) using comprehensive and objective criteria. For further information regarding Lonsec's Ratings methodology, please refer to the website at: <http://www.beyond.lonsec.com.au/intelligence/lonsec-ratings>
3. Performance ratings from the universe of investment/insurance providers as at 31 January 2018

## Investment Bonds

# Outlook

### Regulatory change

- 1 July 2017 super changes introduced to cap superannuation balances and limit the transfer of wealth

### Distribution strategy

- A continued focus on developing co-dependent relationships with the non-aligned financial adviser market
- Increased interest from financial advisers in using investment bonds to supplement super savings and transfer wealth
- Targeting self-directed investors wanting to grow, protect and transfer their wealth

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“Centuria’s Investment Bonds provide our advisers with an important addition to their strategic toolkit to assist their clients build wealth in a tax effective way outside of superannuation savings.”

**David Harris**  
CEO, Advice Evolution

## Section 5

### Outlook

# Strategy/Outlook

## Delivering investment opportunities

- Leverage Centuria's strong real estate credentials to isolate "pockets of value" and create fund opportunities for long-standing investor-base
- Continue strong property fund AUM growth across the platform (CMA/CIP/Unlisted) (\$770 million in property AUM growth in 1H18)
- Improved distribution capacity to drive accelerated Investment Bond business (+7% for 1H18)

## Securityholder returns

- Continue to build a strong recurring earnings base that supports further growth distributions (+9.3% DPU growth forecast for FY18)
- Co-investment model (\$277 million of co-investments at 31 Dec 2017) underpinning operating earnings with strong recurring revenue (material step change in 2017)
- Embedded property fund performance fees expected to be ongoing (\$16 million FY16, \$26 million 1H18), seven live funds with potential for performance fees

## Access to capital

- CNI enjoys good access to both equity (supportive investor base) and debt markets (corporate bonds)
- Centuria property funds will continue to actively broaden their capital sources beyond their existing investor-base. New target sources include wholesale partners and large family offices

## Industry consolidation

- Over the past 18 months Centuria Capital has participated in a highly successful property platform acquisition strategy, significantly increasing earnings per security, shifting earnings composition towards a recurring income bias and more than tripling its market capitalisation
- Whilst retaining a strong focus on growing earnings in its core businesses, Centuria expects to participate in what it considers will be further, inevitable consolidation of property fund managers

## Section 6

### Appendices

## Appendix 1

# Reconciliation of statutory profit to operating profit

	1H18 \$'000	1H17 \$'000
Statutory profit after tax	36,342	(1,375)
<i>Less non-operating items:</i>		
Unrealised loss/(gain) on fair value movements in derivatives, property and investments	(1,728)	2,291
Impairment charges in relation to seed capital valuations	—	190
Corporate restructure & transaction costs	110	2,708
Profit attributable to controlled property funds	(2,886)	—
Eliminations between the operating and non-operating segment	(1,176)	305
Tax impact of above non-operating adjustments	(450)	(1,197)
<b>Operating profit after tax</b>	<b>30,212</b>	<b>2,922</b>

## Appendix 2

# Operating segment balance sheet

	Property Funds Management (\$'000)	Investment Bonds Management (\$'000)	Co- Investments	Reverse Mortgages (\$'000)	Corporate (\$'000)	Operating balance sheet	
			(\$'000)			31 Dec 2017 (\$'000)	30 Jun 2017 (\$'000)
<b>Assets</b>							
Cash and cash equivalents	13,976	5,607	16,681	918	29,843	67,025	55,734
Receivables	3,934	1,996	5,830	(25)	452	12,187	13,342
Financial assets	—	—	277,091	46,745	8,580	332,416	197,540
Other assets	102	228	100	33	996	1,459	1,551
Intangible assets	157,663	—	—	—	—	157,663	157,663
<b>Total assets</b>	<b>175,675</b>	<b>7,831</b>	<b>299,702</b>	<b>47,671</b>	<b>39,871</b>	<b>570,750</b>	<b>425,830</b>
<b>Liabilities</b>							
Payables	1,939	990	9,728	802	8,245	21,704	23,823
Liability to 360 Capital Group	—	—	7,998	—	—	7,998	7,938
Provisions	703	—	—	—	776	1,479	1,301
Borrowings	—	—	125,310	8,944	—	134,254	107,266
Interest rate swap at fair value	—	—	—	20,262	—	20,262	18,190
Provision for income tax	14,511	1,050	(123)	1,960	(13,345)	4,053	2,784
Deferred tax liability	1,523	(130)	—	(679)	(1,665)	(951)	(2,321)
<b>Total liabilities</b>	<b>18,676</b>	<b>1,910</b>	<b>142,913</b>	<b>31,289</b>	<b>(5,989)</b>	<b>188,799</b>	<b>158,981</b>
<b>Net assets</b>	<b>156,999</b>	<b>5,921</b>	<b>156,789</b>	<b>16,382</b>	<b>45,860</b>	<b>381,951</b>	<b>266,849</b>



## Appendix 3

# Definitions

**Operating Segments:** Group has five reportable operating segments. These reportable operating segments are the divisions which report to the Group's Chief Executive Officer and Board of Directors for the purpose of resource allocation and assessment of performance.

The reportable operating segments are:

**Property Funds Management:** Management of listed and unlisted property funds

**Investment Bonds Management:** Management of the Benefit Funds of Centuria Life Limited and management of the Over Fifty Guardian Friendly Society Limited. The Benefit Funds include a range of financial products, including single and multi-premium investments

**Co-investments:** Direct interest in property funds and other liquid investments

**Reverse mortgages:** Management of a reverse mortgage lending portfolio

**Corporate:** Overheads supporting the Group's operating segments

**Non-operating segments:** Non-operating items comprises transaction costs, mark-to-market movements on property and derivative financial instruments, and all other non-operating activities. Includes Benefits Funds and Controlled Property Funds. Represents the operating results and financial position of the Benefit Funds which are required to be consolidated in the Group's financial statements in accordance with accounting standards

**Controlled Property Funds:** Represents the operating results and financial position of property funds which are controlled by the Group and consolidated under accounting standards

**AUM:** Assets under management

**CAGR:** Compound annual growth rate

**CIP:** Centuria Industrial REIT comprises the Centuria Industrial REIT ARSN 099 680 252 and its subsidiaries. The Responsible Entity of CIP is Centuria Property Funds No. 2 Limited ACN 133 363 185

**CMA:** Centuria Metropolitan REIT comprises the Centuria Metropolitan REIT ARSN 124 364 718 and its subsidiaries. The Responsible Entity of CMA is Centuria Property Funds Limited ACN 086 553 639

**CNI, CCG or the Group:** Centuria Capital Group comprises of Centuria Capital Limited ABN 22 095 454 336 (the 'Company') and its subsidiaries and Centuria Capital Fund ARSN 613 856 358 ('CCF') and its subsidiaries. The Responsible entity of CCF is Centuria Funds Management Limited ACN 607 153 588, a wholly owned subsidiary of the Company

**DPS:** Distribution per stapled security

**EPS:** Earnings per stapled security

**IRR:** Internal Rate of Return

**NLA:** Net Lettable Area

**NPAT:** Net Profit After Tax

**WACR:** Weighted Average Capitalisation Rate

**WALE:** Weighted Average Lease Expiry

# Disclaimer

This presentation has been prepared by Centuria Capital Limited and Centuria Funds Management Limited as responsible entity of Centuria Capital Fund (together the stapled listed entity CNI).

Past performance is not a guarantee of future performance:

## – CNI disclosure:

**Total market return:** The total return figure for CNI on page 5 is based on the movement in security price from ASX opening on 1 July 2017 to ASX closing on 31 December 2017 (half year), 1 January 2017 to ASX closing on 31 December 2017 (full calendar year) plus distributions per security paid during the respective period(s) assuming re-investment of distributions. It is a performance figure provided strictly for the information of Securityholders only. Further information on the historical performance on Centuria's listed funds can be found on our website

## – CMA disclosure:

**Total market return:** The total market return figure for CMA on page 20 is based on the movement in unit price from ASX opening on 1 January 2017 to ASX closing on 31 December 2017 (full calendar year) plus distributions per unit paid during the respective period assuming re-investment of distributions. It is a performance figure provided strictly for the information of Unitholders only. Further information on the historical performance on Centuria's listed funds can be found on our website.

**Total asset return:** The total asset return figure for CMA on page 20 is based on the movement in net tangible assets per unit ("NTA") as at 31 December 2016 ("opening NTA") to 31 December 2017 plus distributions per unit paid during the respective period divided by the opening NTA. It is a performance figure provided strictly for the information of Unitholders only. Further information on the historical performance on Centuria's listed funds can be found on our website.

## – CIP disclosure:

**Total market return:** The total market return figure for CIP on page 20 is based on the movement in unit price from ASX opening on 1 January 2017 to ASX closing on 31 December 2017 (full calendar year) plus distributions per unit paid during the respective period assuming re-investment of distributions. It is a performance figure provided strictly for the information of Unitholders only. Further information on the historical performance on Centuria's listed funds can be found on our website.

**Total asset return:** The total asset return figure for CIP on page 20 is based on the movement in net tangible assets per unit ("NTA") as at 31 December 2016 ("opening NTA") to 31 December 2017 plus distributions per unit paid during the respective period divided by the opening NTA. It is a performance figure provided strictly for the information of Unitholders only. Further information on the historical performance on Centuria's listed funds can be found on our website.

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