

Centuria

Quarterly Fund Update
September 2021

Centuria Diversified Property Fund

(ARSN 611 510 699) (APIR - CNT0032AU)

September 2021 Quarter Performance Highlights

- 11.25 cents per unit special distribution declared to all investors.
- Fund secures \$50m of Industrial Real Estate.
- Investors benefit from strong 12 month total return of 12.2%¹.
- Direct property valuations completed in September 2021 with valuation improvement.

¹ As at 30 September 2021. Past performance is not a reliable indicator of future performance.

Fund Declares 11.25 Cents Per Unit Special Distribution

Following the successful sale of two investments held by the Fund, the Fund declared a special distribution of 11.25 cents per unit to all Investors in September 2021. The special distribution is in addition to the Fund's regular monthly distribution and is expected to be paid in October 2021.

The Special Distribution will be paid only to Investors who are in the Fund as at the declaration date. As a result of the declaration of the special distribution, the unit price reduced by 11.25 cents per unit (which is the amount Investors will receive in the special distribution). The distribution includes the capital gain realised on the sale of these investments as well as a partial return of the capital released from the investments.

The Fund's total return of 12.2% over the past 12 months, underpinned by regular monthly income distributions, remains highly competitive.

Fund secures \$50m of Industrial Real Estate

The Centuria Diversified Property Fund (CDPF, Fund) has secured two industrial facilities worth \$50 million underpinned by blue chip national tenants.

The Fund settled the acquisition of a \$11.75 million purpose-built vehicle maintenance depot in Malaga, Perth, on 2 July 2021. The property is fully leased to a wholly-owned subsidiary of ASX-100 listed Cleanaway Waste Management Ltd.

Additionally, the Fund has secured a fund through development for a c.22,000sqm industrial warehouse in Direk, South Australia, with an end value of \$38.25 million. The development is pre-let to one of Australia's largest privately-owned steel distributors and manufacturers, Apex Steel Suppliers, on a 15-year lease. Completion is expected in January 2023.



171 CAMBOON ROAD, MALAGA, WA

These acquisitions add to the continued diversification and leverage the strong demand for industrial real estate. These industrial assets will increase CDPF's industrial asset weighting to 21.6% of the total portfolio whilst increasing the portfolio WALE to 5.29 years and portfolio occupancy to 98.6%.

Centuria has a strong track record of acquisition and asset management of industrial property, and CDPF is pleased to announce its second industrial asset acquisition. Centuria currently manages over \$3.5b¹ of industrial property including Australia's largest pure play industrial listed real estate trust. We are excited to continue leveraging one of Centuria's core competencies, and provide investors continued diversification, by asset class and additional direct properties. The Fund's focus, looking forward will be to further diversify the Fund's investments.

¹ CIP ASX release 23 September, 2021.

September 2021 Direct Property Valuations increase over the quarter

The Fund continues to complete quarterly property valuations for the direct properties to ensure the market value of these investments are accurately reflected in the unit price. The Fund's direct property assets were revalued as at 30 September 2021, by independent property valuers. The property valuations reflected a slight increase of approximately \$0.2m, when compared to the previous valuation cycle as at 30 June 2021. It is pleasing to confirm that quality metropolitan assets with credit worthy tenants remain a resilient investment.



Note: Development fund through, due for practical completion in January 2023.

Fund performance breakdown¹

as at 30 September 2021

The Fund is predominantly invested in direct property and has a low exposure to the listed market, reducing the volatility that can be experienced from movements in listed investment share prices. The Fund's liquidity target of 0-10% provides an important liquidity feature for Investors of the Fund, and limits exposure to volatility which can be experienced in the listed investment on the Australian Securities Exchange (ASX). The Fund holds the majority of its liquid asset investments in the Vanguard Australian Property Securities Index Fund.

FY22 distributions have been paid at the increased rate of 7.3 cents per unit, which is supported by high occupancy levels exceeding 98% and quality multinational, national, and government tenants. Over the past twelve months, Centuria's quality inhouse management team have been key in delivering timely payment of rent and strong recovery of arrears.

As at 30 September 2021, the Fund's weighted average lease expiry was approximately 3.7 years³ spread across direct assets and unit holdings in unlisted property funds which own, or have a 50% interest in, high-quality property assets. Further details of the underlying valuations and fund weightings can be found in the Investment Portfolio table on Page 3.

Fund Performance¹

as at 30 September 2021

	6 MTH (%)	1 YR (%)	3 YR (%)	INCEPTION (% P.A.) ²
DISTRIBUTION	2.60	5.15	5.00	5.99
CAPITAL	6.64	7.08	2.80	7.59
TOTAL RETURN	9.24	12.24	7.80	13.58

1 Performance is shown for informational purposes only. Past performance is not a reliable indicator of future performance. Performance fees may affect total return performance.

2 Inception date is 24 June 2016.

3 Total portfolio of direct property investments and unlisted property funds into which CDPF invests, weighted by income.

COVID-19 Update

The Federal Government's Mandatory Code of Conduct has recently been reimplemented to assist eligible tenants during the 2021 COVID period. Centuria has re-established regular meetings to review current events and is in constant dialogue with our tenants. Generally, rent relief claims are starting to re-emerge, with the extent of relief claims is likely to be a function of the duration of the current lockdown restrictions.

Tenants who fall outside the code are required to pay rent, however providing rental relief to eligible tenants is important to ensure future occupancy, keep tenants loyal, develop tenant relationships, and open the door to discuss potential lease extensions. As the Fund pays distributions in arrears, we can assess any tenant arrears prior to a distribution. Accordingly, at the end of each month we can make a decision on distributions, so we don't distribute out of capital.

We are pleased to confirm that distributions for September 2021 quarter have been paid at a rate of 7.3 cents per unit (annualised).

We will continue to keep investors updated as matters progress, however If you require any additional information, please call our investor relations team on 1300 22 44 24, email us at contactus@centuria.com.au or visit our website www.centuria.com.au.

Debt Summary

as at 30 September 2021

	CURRENT PERIOD	LOAN COVENANTS
TOTAL FACILITY LIMIT	\$100.0m ¹	
UNDRAWN AMOUNT	\$29.56m ¹	
LOAN EXPIRY	31 Aug. 2022 (\$30.0m), 31 Jul. 2024 (\$70.0m)	
% OF DEBT HEDGED	46.64% ²	
LOAN TO VALUE RATIO (LVR)	50.42% ³	55.0%
INTEREST COVER RATIO (ICR)	5.58 ⁴	2.00

1 As at 30 September 2021.

2 Fund's drawn debt is partially hedged until 12 August 2022.

3 The LVR is based on the most recent independent valuations as defined under the debt facility agreement.

4 The ICR is based on audited accounts as at 30 June 2021.

Key Portfolio Metrics¹ as at 30 September 2021

PROPERTY ASSETS	14
CARRYING VALUE	\$207,033,367
WEIGHTED CAPITALISATION RATE ²	6.23%
NET LETTABLE AREA (SQM)	153,673
NUMBER OF TENANTS	86
WALE (YEARS) ²	3.72
WEIGHTED OCCUPANCY ²	98.39%

1 Updated on a quarterly basis and for significant portfolio changes

2 Weighted by income.

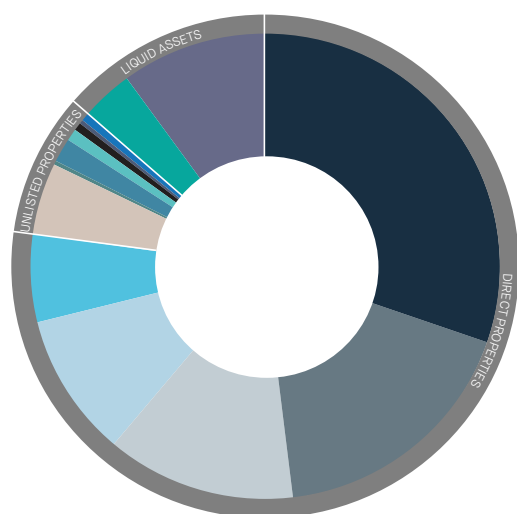
Top 10 Tenants as at 30 September 2021

TENANT	WEIGHTED INCOME (%)	PROPERTY
1 Ladbroke's	13.85%	25 Montpellier
2 Transport Accident Commission	8.26%	Geelong
3 Cleanaway	6.77%	171 Camboon Road
4 Optus	6.55%	10 Moore Street
5 Tyco Australia Group	5.40%	13 - 15 Compark
6 NEDS International	4.88%	25 Montpellier
7 Clinical Network Services	4.24%	381 MacArthur Drive
8 PZ Cuzzons	4.06%	13 - 15 Compark
9 Leo Pharma	4.00%	25 Montpellier
10 Cliftons	3.94%	10 Moore Street



25 MONTPELIER RD, BOWEN HILLS, QLD

Asset Allocation¹ as at 30 September 2021



Direct Property (%)

- 25 Montpellier Road, Bowen Hills (30.60)
- 10 Moore Street, Canberra (17.98)
- 13 & 15 Compark Circuit, Mulgrave (13.22)
- 381 Macarthur Drive, Hamilton (9.90)
- 171 Camboon Road, Malaga, WA (6.23)

Unlisted Property Funds (%)

- Centuria Geelong Office Fund (5.11)
- Centuria Havelock House Fund (0.07)
- Centuria Sandgate Road Fund (1.70)
- Centuria Scarborough House Fund (0.08)
- Centuria 80 Grenfell Street Fund (0.84)
- Centuria ATP Fund (0.51)
- Centuria 203 Pacific Highway (0.15)
- Other (1.00)
- Centuria 8 Central Ave Fund No.2 (0.06)
- Centuria SOP Fund (0.03)

Liquid Assets (%)

- Cash (3.67)
- Vanguard REIT (9.83)

	Fund Weighting 30 Sep 21 (%)	Carrying Value ² 30 Sep 21 (\$m)	Property Valuation ³ 30 Sep 21 (\$m)	Property Valuation Cap Rate 30 Sep 21 (%)	Fund Term Expiry Date
Unlisted Property Funds					
Centuria ATP Fund (13 Garden Street, South Eveleigh, NSW; 1 Central Avenue, South Eveleigh, NSW; 6 Cornwallis Street, South Eveleigh, NSW)	0.51	1.06	246.60	5.39	22 Apr 23
Centuria 8 Central Ave Fund No.2 (8 Central Avenue, South Eveleigh, NSW)	0.06	0.13	200.00	5.13	1 Jan 24
Centuria Scarborough House Fund ⁴ (8 Atlantic Street, Woden, ACT)	0.08	0.18	-	-	-
Centuria Havelock House Fund ⁴ (Havelock House, Perth, WA)	0.07	0.15	-	-	-
Centuria 203 Pacific Highway Fund (203 Pacific Highway, St Leonards, NSW)	0.15	0.32	68.00	5.75	21 Dec 22
Centuria SOP Fund (8 Australia Avenue, Sydney Olympic Park, NSW)	0.03	0.06	52.00	6.00	27 Jun 22
Centuria Sandgate Road Fund (1231 Sandgate Road, Nundah, QLD)	1.70	3.52	109.00	6.25	7 Jul 23
Centuria Geelong Office Fund (60 Brougham Street, Geelong, VIC)	5.11	10.59	130.00	6.00	4 Apr 23
Centuria 80 Grenfell Street Fund (80 Grenfell Street, Adelaide, SA)	0.84	1.74	95.75	6.00	23 Jul 23
Total Unlisted Property Funds	8.6%	\$17.76			
Direct Properties					
10 Moore Street, Canberra, ACT	17.98	37.22	35.00	6.50	n.a.
381 Macarthur Avenue, Hamilton QLD	9.90	20.50	19.30	6.50	n.a.
25 Montpellier Road, Bowen Hills QLD	30.60	63.35	60.00	6.13	n.a.
13 & 15 Compark Circuit, Mulgrave VIC	13.22	27.36	25.25	6.25	n.a.
171 Camboon Road, Malaga, WA	6.23	12.90	12.10	5.75	n.a.
Total Direct Properties	77.9%	\$161.33			
Vanguard Australian Property Securities Index Fund	3.67	7.60	-	-	n.a.
Cash	9.83	20.35	-	-	n.a.
Total Liquid Assets	13.5%	\$27.95			
Total Investment Portfolio	100%	\$207.03			

1 Updated on a quarterly basis and for significant portfolio changes. The valuation information is outlined on the Fund's continuous disclosure page.

2 Carrying value of CDPF's holding in asset(s).

3 Latest valuation of the direct property/underlying asset(s) of the fund in which CDPF invest.

4 Assets held by the syndicate have been sold.



RG46 Statements

The latest RG46 Statement for the Fund is available at: **CenturiaInvestor.com.au**.

It includes the following key information:

- Gearing ratio, calculated using ASIC methodology
- Gearing covenant sensitivities
- Detail of related party transactions in the period
- Further information on the source of distributions.

Centuria Investor Website

You can access all information relating to your Centuria investments at **CenturiaInvestor.com.au**.

Contact Details

If you require assistance with your Centuria Investor account or have any questions regarding your investment in the Fund, please contact **Centuria Investor Services on 1800 182 257** (within Australia); +61 2 9290 9689 (outside Australia) or by email on **Property.Enquiry@CenturiaInvestor.com.au**.

Meet the Distribution Team

Ben Harrop

Head of Distribution
P: +61 431 133 058
E: ben.harrop@centuria.com.au

Danny Pupovac

Distribution Manager, VIC/SA/TAS
P: +61 0457 521 698
E: danny.pupovac@centuria.com.au

Alexandra Gaudet

Business Development Associate
P: +61 8923 8914
E: alexandra.gaudet@centuria.com.au

Dylan Tomkins

Distribution Manager, NSW South & ACT
P: +61 452 605 909
E: dylan.tomkins@centuria.com.au

Dave Brownnett

Distribution Manager, VIC/WA
P: +61 406 988 150
E: dave.brownnett@centuria.com.au

Lizzie Paton

Relationship Manager - Investor
P: +61 8923 8944
E: lizzie.paton@centuria.com.au

James Jarvis

Distribution Manager, QLD
P: +61 408 015 295
E: james.jarvis@centuria.com.au

Johnny Chen

Relationship Manager - Investor
P: +61 8923 8923
E: johnny.chen@centuria.com.au

Centuria Property Funds Limited +61 2 8923 8923 | www.centuria.com.au | contactus@centuria.com | ABN 11 086 553 639 | AFSL 231149

Disclaimer: Issued by Centuria Property Funds Limited (ABN 11 086 553 639, AFSL 231 149) Responsible Entity for the Centuria Diversified Property Fund (ARSN 611 510 699). As the Fund invests in commercial property it carries the market and property risks associated with investing in property. As a geared investment, the fund also carries associated financial and leverage risks. Risks can impact on distribution and capital returns over the term of the Fund. The Fund also has liquidity risk with a limited quarterly liquidity facility only. This information is general information only and does not take into account the objectives, financial situation or particular needs of any person. You should obtain and read a copy of the Product Disclosure Statement (PDS) relating to the Fund before making a decision to invest. We also recommend you speak with your financial and/or taxation advisor before making any decisions in relation to your investment. Centuria and its associates receive fees in relation to an investment in the Fund as disclosed in the PDS. Past performance is not a reliable indicator of future performance. Centuria does not guarantee the performance of the Fund. CA-CPFL-11/10/21-001426.