

# Centuria

Quarterly Fund Update  
June 2021

## Centuria Industrial Income Fund No. 1

(ARSN 646 752 178)

### Key Points

- The purchase of the Fund's three assets settled on 15 March 2021.
- Monthly distributions have been paid at a rate of 6.00 cents per unit (annualised) for the June 2021 quarter.
- FY22 distributions forecast to increase from 6.00 cents per unit to 6.25 cents per unit (annualised).
- 75% of the \$28.13m in drawn debt has been hedged at a fixed rate of 0.29% in addition to the margin of 1.75%.

### Fund Summary

We are pleased to provide you the first Quarterly Fund Update for your investment in the **Centuria Industrial Income Fund No. 1** (Fund).

As outlined in previous correspondence, we are pleased to confirm that the Fund's purchase of the properties settled on 15 March 2021. Monthly distributions have been paid at a rate of 6.00 cents per unit (annualised) for the June 2021 quarter, which is in line with the Fund's Product Disclosure Statement (PDS) and the forecast for the 2021 financial year. The corresponding distribution statement for the Fund and can be accessed from our online investor portal at [CenturiaInvestor.com.au](http://CenturiaInvestor.com.au).

The Fund has entered into a financing arrangement with Westpac for a term of three years at competitive rates. In addition, 75% of the current drawn debt has been hedged at a fixed rate of 0.29% for the term of the facility, which is an excellent result for the Fund since 0.35% was included within the forecast returns included within the PDS.

The audited financial report for the 2021 financial year is currently being prepared and it is anticipated to be available to download from [CenturiaInvestor.com.au](http://CenturiaInvestor.com.au) at the end of September 2021. Updated valuations of the portfolio have recently been instructed for the purposes of the Fund's 30 June 2021 financial report. The updated Net Asset Backing (NAB) will be posted on [CenturiaInvestor.com.au](http://CenturiaInvestor.com.au) when the financial report is finalised. Investors will be advised of the new NAB in the September 2021 Quarterly Fund Update. The annual tax statement for the Fund is also expected by the end of August 2021.



### Financial Snapshot

Fund Commencement Date	15 March 2021
Unit Price	\$1.00 <sup>1</sup>
Net Asset Backing (NAB)	\$0.87 <sup>1</sup>
Distribution Rate (cents per unit)	6.00 <sup>2</sup>
Weighted Average Lease Expiry (WALE) (years)	8.75 <sup>3</sup>
Next Investor Vote on Term of Fund	15 March 2027

1 Based on the Product Disclosure Statement dated 1 February 2021.

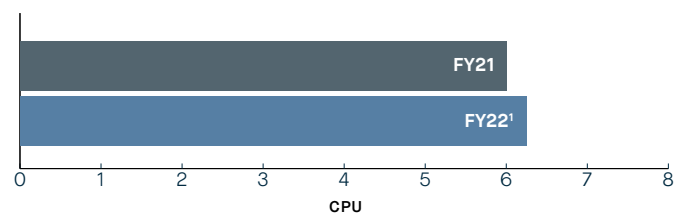
2 June 2021 quarter, annualised.

3 As at 30 June 2021.

As outlined in the PDS, units have been issued at \$1.00 per unit. Thereafter, the unit price will reflect the NAB per unit with adjustments made for the amortisation of certain fees and expenses on a straight-line basis over six years.

### Distribution Details

#### Annualised Distribution



1 Forecast (annualised).

The distribution rate for the 2022 financial year is forecast to increase from 6.00 cents per unit to 6.25 cents per unit (annualised), which is in line with the anticipated returns featured within the PDS. This forecast distribution rate reflects the current performance of the Fund and assumes that all tenants will continue to satisfy their contractual obligations under their respective leases within a timely manner and that there are no significant unforeseen capital costs and no material changes to the Fund's financial obligations.

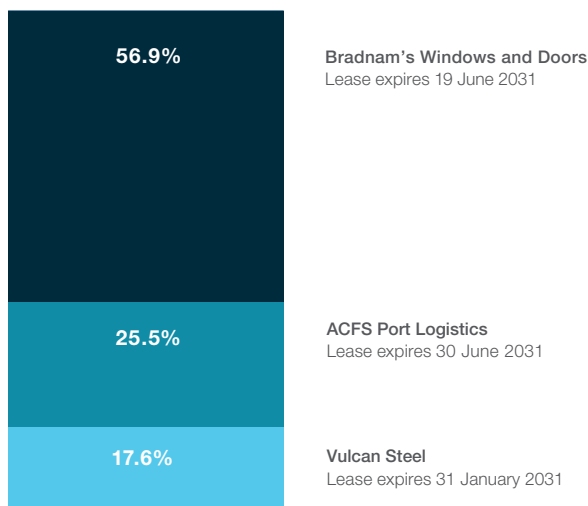
## Property Details

### Asset Values

Property Addresses	2-8 Titanium Crt, Crestmead QLD	136 Zillmere Rd, Boondall QLD	68-70 Kapara Rd, Gillman SA	Portfolio
Purchase Price (Mar 21)	\$12.4m	\$39.6m	\$10.5m	\$62.5m
Acquisition/ Current Valuation (Mar 21)	\$12.4m	\$39.6m	\$10.5m	\$62.5m
Cap Rate (Dec 20)	6.00%	5.75%	6.75%	
Valuer	Savills	Savills	Knight Frank	

The portfolio was subject to independent valuations as at 1 March 2021 for acquisition purposes. The key metrics of these valuations are outlined in the table above and the result of the 30 June 2021 valuations will be outlined within the September 2021 Quarterly Fund Update.

## Top Five Tenants by Net Lettable Area (NLA)



The portfolio is currently 100% occupied with a Weighted Average Lease Expiry (WALE) by income of approximately 8.75 years as at 30 June 2021.

## Property Statistics

	Initial <sup>1</sup>
Net Asset Backing	\$0.87
Property Occupancy	100.0%
Weighted Average Lease Expiry (WALE) (years)	9.1

<sup>1</sup> Based on the Product Disclosure Statement dated 1 February 2021.

## Debt Summary

	Current Period	Loan Covenants
Total Facility Limit	\$28.5m	
Undrawn Amount	\$0.4m <sup>1</sup>	
Loan Expiry	15 March 2024	
% of Debt Hedged	75.0% <sup>2</sup>	
Loan to Value Ratio (LVR)	46.3% <sup>3</sup>	60.0%
Interest Cover Ratio (ICR)	4.75 <sup>4</sup>	2.00

<sup>1</sup> As at 31 May 2021.

<sup>2</sup> The Fund's drawn debt is 75.0% hedged until 15 March 2024.

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

<sup>4</sup> The stated ICR figures are based on the Product Disclosure Statement dated 1 February 2021.

Under the Fund's three year facility, the drawn debt is currently \$28.13 million, which is 75% hedged at a fixed rate of 0.29% (in addition to the bank margin of 1.75%) until 15 March 2024 with the ability to draw an additional \$375,000 for future leasing related costs and base building capital expenditure.

## RG46 Statements

The latest RG46 Statement for the Fund is available at [CenturiaInvestor.com.au](http://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](http://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](mailto:Property.Enquiry@CenturiaInvestor.com.au).