

Centuria

Quarterly Fund Update March 2021

Centuria SOP Fund

Key Points

- As at 31 December 2020, the Net Asset Backing (NAB) of units increased to \$1.07.
- March 2021 quarter distribution rate of 5.00 cpu (annualised).
- Distribution rate is forecast to increase to 5.25 cpu (annualised) for the June 2021 quarter.
- The property is 97.4% occupied with a weighted average lease expiry (WALE) of approximately 2.03 years
- Western Sydney University has agreed terms to extend lease term.

Fund Summary

Distributions for the **Centuria SOP Fund** (Fund) were paid in line with the increased forecast rate of 5.00 cents per unit (annualised) for the March 2021 quarter. The corresponding distribution statement for the Fund is enclosed with this report and can also be accessed from our online investor portal at CenturiaInvestor.com.au.

Centuria's in-house asset management team has a strong track record of tenant retention, which is a result of solid relationships and early engagement to discuss extended lease terms. During the past 18 months, Centuria has met with the major tenant, Western Sydney University (WSU) (37% by NLA), to extend its tenure at the property past its current lease expiry of October 2022. Centuria is pleased to report WSU has reengaged and agreed terms for a further six-year lease. Lease documentation has been issued and we look forward to providing Investors a further update upon execution of leases.

Centuria is pleased to report the Fund's NAB per unit increased from \$1.06 (as at 30 June 2019) to \$1.07 (as at 31 December 2019), predominately due to a small increase in the Fund's current assets.

Financial Snapshot

Fund Commencement Date	11 May 2017
Net Asset Backing	\$1.07 ¹
Distribution Rate (cents per unit)	5.00 ²
Weighted Average Lease Expiry (WALE) (years)	2.03 ³
Next investor vote on term of Fund	11 May 2022

¹ Based on most recent audited accounts (31 December 2020). Without the Mark to Market of the Fund's interest rate swap, the NAB of units in the Fund would remain at \$1.07.

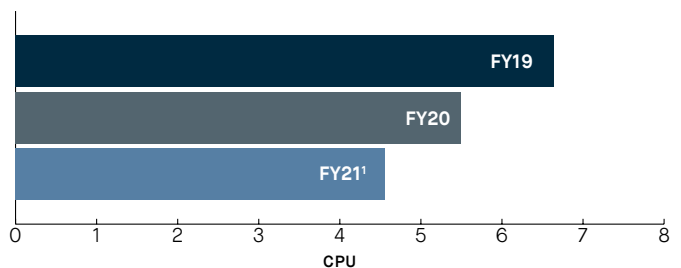
² March 2021 quarter, annualised.

³ As at 28 February 2021.



Distribution Details

Annualised Distribution



¹ FY21 distribution rate forecast is based on FY21 actual and June 2021 quarter forecast (annualised).

We are pleased to confirm that the distribution rate is forecast to increase from 5.00 cpu (annualised) to 5.25 cpu (annualised) for the June 2021 quarter. Should there be any material departures from this forecast, an out of cycle Investor update will be provided.

This forecast distribution rate reflects the current performance of the Fund and assumes all tenants will satisfy their contractual obligations under their respective leases within a timely manner. It also assumes there are no significant unforeseen capital costs and no material changes to the Fund's financial obligations.

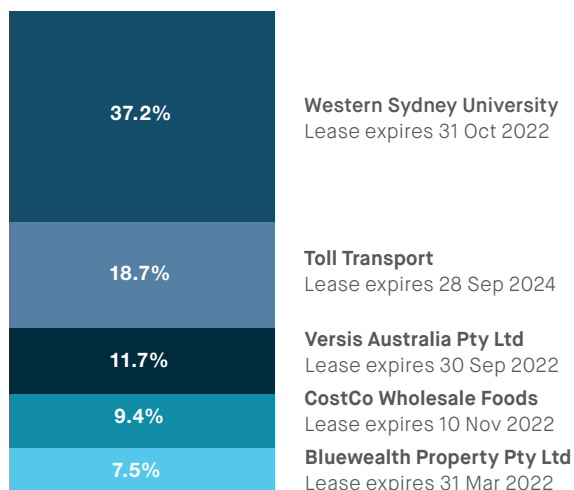
Property Details

Asset Values

Property Address	8 Australia Avenue, SOP, NSW
Purchase Price (Jun 17)	\$44.8m
Previous Valuation – Independent (Jun 20)	\$50.0m
Current Valuation – (Dec 20)	\$50.0m
Cap Rate (Dec 20)	6.25%
Valuer	Director's

The property was subject to a valuation at at 31 December 2020. The key metrics of this valuation are outlined in the table above.

Top Five Tenants by Net Lettable Area (NLA)



The property is 97.4% occupied with a weighted average lease expiry of approximately 2.03-year WALE by income years as at 28 February 2021.

The Fund received notice, early this year, from an existing retailer (Shop 3, 101 sqm or 1% by area) that it will not continue to trade at the building. Centuria followed steps to access the bank guarantee (as appropriate under the Code) and sought to reach a commercial agreement in respect to the outstanding lease term. This space has subsequently been leased to a financial planning firm and fitout works are currently underway. This leasing traction is a positive sign given recent leasing conditions and is reflective of the overall amenity of the property.

Property Statistics

	Initial ¹	Jun-20	Dec-20
Net Asset Backing	\$0.90	\$1.06	\$1.07
Property Occupancy	88%	97%	97%
Weighted Average Lease Expiry (WALE) (years)	3.53	2.66	2.20

¹ Based on the Investment Memorandum/30 June 2017 Financial Accounts.

Debt Summary

	Current Period	Loan Covenants
Total Facility Limit	\$21.5m ¹	
Undrawn Amount	\$3.1m ¹	
Loan Expiry	18 August 2025	
% of Debt Hedged	Nil ²	
Loan Value Ratio (LVR)	36.6% ³	55.0%
Interest Cover Ratio (ICR)	3.74 ⁴	2.00

¹ As at 28 February 2021.

² Fund's drawn debt is partially hedged until August 2025.

³ The LVR figure is as at 31 December 2020, and is based on the most recent independent valuation as defined under the debt facility agreement.

⁴ The stated ICR figures are based on the most recent audited accounts (31 December 2020).

Under the terms of the debt facility, the Fund is required to comply with certain loan covenants over the course of the year. Based on the most recent audited accounts as at 31 December 2020, the Fund remains compliant with all covenants including the Interest Cover Ratio (ICR) and Loan to Value Ratio (LVR).

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.