

WHOLESALE ONLY OFFER

Centuria Halls Head Central Fund



Invest in a land rich, sub-regional shopping centre occupying a prime position in Mandurah, WA's largest regional city and top tourism destination. The Fund aims to provide investors with regular monthly income, tax deferred distributions¹ and the potential for capital growth.

8.6%^{p.a.}

Target average distribution rate over five-year term²

13.5%^{+p.a.}

Modelled IRR net of all fees and costs³

\$100k

Minimum investment

To express your interest visit: centuria.com.au/CHHCF



1. Forecast tax deferral of 75% for the financial year ending 30 June 2025 and 70% for the financial year ending 30 June 2026. Tax deferred percentage of distributions are expected to reduce over the remainder of the Fund term. Investors should obtain independent taxation advice.
2. Distribution will be paid if declared by Centuria Property Funds No.3 Limited and will be subject to the terms, assumptions and risks set out in the IM.
3. Modelled target IRR applying assumptions including terminal cap rates for the property. The modelled target IRR is subject to due diligence and the modelled return is not a forecast and is provided for the information of Financial advisers only. The modelled target IRR is net of fees, pre-tax and based on Centuria's acquisition modelling but is highly contingent on the key future assumptions, which are not contracted or certain. No guarantee is made that the modelled target IRR, or any of the assumptions and variables used to calculate the IRR, will be achieved and the actual IRR may differ materially from the modelled IRR.

Intelligent investing.

Centuria Halls Head Central Fund

Offer summary

Minimum investment	\$100,000
Offer opens	20 May 2024
Offer closes	7 June 2024
First monthly distribution paid	10 August 2024

Investment structure

Investment type	Single asset, closed-ended fund
Initial term	5 years
Distributions	Paid monthly

Asset summary

Address	14 Guava Way, Halls Head
Built	2001 (refurbished in 2016)
Purchase price	\$69.8 million
Title	Freehold
Site	89,439 m ²
Occupancy	92.73% (12-month rent guarantee secured on vacant tenancies)
WALE (by gross income)	3.25 years ¹
Net lettable area (NLA)	19,373 m ²
Car parking	At grade parking for 960 vehicles

Investment rationale

- Anchored by strongly performing major tenants, Coles, Aldi and Kmart, occupying 61% of centre gross lettable area, supported by two mini majors, 50 specialty shops and two freestanding pad sites. Minimal capex due to recent refurbishment.
- Low site coverage of approximately 21.7% with more than 10,000 sqm of surplus land available for value-add opportunities.
- 64% of gross income is generated by non-discretionary tenants providing stable and predictable income.
- Coles and Kmart currently paying turnover rent, providing opportunity for future income growth.
- Opportunistic acquisition price 51% below replacement cost, capitalising on mispricing.²
- Sustainable average specialty shops gross rent 33% below benchmarks for comparable sub-regional shopping centres.³
- Immediate leasing opportunities to increase income and improve overall tenancy mix of the centre.
- WA's population increased by 3.1% over 12 months to 30 June 2023.⁴

Risks

All investments in unlisted property funds carry risk. As the Trust invests in retail property it carries the market and property risks associated with investing in this sector, including climate and environmental risks. As a geared investment, the Trust also carries associated financial and leverage risks. Risks can impact on distribution and capital returns over the term of the Fund. It is important that you read the IM and understand the risks of investing. Centuria and its associates will receive fees in relation to an investment in the Trust as disclosed in the IM. Investment in the Trust is subject to risks including possible delays in payment or loss of income and principal invested. Centuria does not guarantee the performance of the Fund.

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This document has been issued by Centuria Property Funds No.3 Ltd (ACN 63 091 415 833, AFSL 25 09 63) (CPF3L), the trustee for the Centuria Halls Head Central Fund. CPF3L is a wholly owned subsidiary of the Centuria Capital Group (Centuria) (ASX:CNI). The Trust is open to wholesale investors only. Centuria will require certification of your wholesale status prior to investment. It is intended that an Information Memorandum (IM) will be issued on or around 13 May 2024 and will be available from Centuria's website www.centuria.com.au. This information is general information only and does not take into account the objectives, financial situation or particular needs of any person. You should consider whether this information is appropriate for you and consult your financial or other professional adviser before investing. You should also read a copy of the IM relating to the Fund before making a decision to invest. Centuria and its associates will receive fees in relation to an investment in the Fund as disclosed in the IM. Investment in the Fund is subject to risk including possible delays in payment or loss of income and principal invested. Centuria does not guarantee the performance of the Fund.

1. Weighted average lease expiry (by gross income) as at 30 June 2024.

2. Property Insurance Reinstatement Cost Assessment (excl. GST) provided by CBRE as at 23 April 2024. Inclusive of land estimated at \$250/sqm.

3. Urbis Benchmark 2023 – Sub-Regional & Supermarket Centres.

4. Location IQ Report April 2024.