



Unlisted Property Fund Report

Centuria Agriculture Fund

July 2024

Open-ended agriculture property fund targeting distributions of 6.00 cpu in FY25

Centuria Agriculture Fund

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About Core Property Research

Core Property Research Pty Ltd was established in July 2017 to provide market leading and insightful research on the property funds sector for its clients and investors. Our ratings and research cover sector level research, ratings and recommendations on listed and unlisted property funds, and is built upon the extensive research experience of its staff.

The Core Property team collectively, has over 50 years' experience across property, financial services and investment markets. The team has also evaluated over 500 different funds across multiple sectors and a range of investment structures over the last decade.

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Centuria Agriculture Fund

July 2024

The Centuria Agriculture Fund ("the Fund") is an open-ended unlisted property fund that invests in agricultural property in Australia. The Fund is managed by Centuria Property Funds Management Ltd ("the Manager"), which is part of Centuria Capital Limited (ASX: CNI), an ASX-listed property fund manager with a strong track record of delivering returns for investors.

The Fund provides an opportunity to invest in a portfolio of agricultural assets with a focus on high-performing assets with strong lease covenants. The agriculture sector continues to benefit from worldwide population growth, relatively affordable land values, and increasing demand for Australian food products.

The Fund was established in July 2022 and has acquired its fifth asset, Katunga Fresh VIC for \$90M. The acquisition increases the portfolio to 5 agriculture assets valued at \$441.25M located in VIC, SA and NSW. The properties are all large-scale, high quality glasshouse operations with long term leases. The glasshouses cover 106.5 hectares and are key suppliers to the major supermarket chains, mainly producing tomatoes, which is the second highest vegetable produce in Australia by volume. Portfolio occupancy is 100% with a weighted average lease expiry (WALE) of 17.0 years. The properties present well on ESG credentials with a high reliance on solar power and water recycling to provide efficiencies.

The portfolio's concentration on glasshouses and protected cropping provides a focus on agricultural properties which have strong operating dynamics. This is in line with the Fund's focus on long term sustainable earnings. The Manager will also consider other agricultural assets for the Fund and, as such, investors should expect the portfolio metrics may change over time.

The Fund is open ended and has a current unit price of \$0.9719 per unit, which reflects a proportionate share of property acquisition costs. There is no Buy or Sell Spread. Investors may apply for units on a daily basis and the Fund offers quarterly liquidity (with a limit of 2.5% of NAV per quarter and 10% per annum) as well as full liquidity every five-years (with the first to be offered in July 2027).

The Fund has increased distributions since commencement in July 2022 when distributions were 5.25 cents per unit p.a., increasing to 5.50 cents per unit p.a. in May 2023. Following the acquisition of the Katunga VIC property, the Manager expects to increase distributions to 6.00 cents per unit p.a., which provides a yield of 6.2% p.a. on the current unit price. Distributions are paid monthly.

Fees charged by the Fund are at the lower end of what Core Property has seen in the market (see All-in fee analysis).

The Fund has a target gearing of 45% - 55%. The Loan-To-Value Ratio (LVR) is 49.5% following the Katunga VIC acquisition and provides a reasonable buffer against the LVR covenant of 60%. The Interest Coverage Ratio (ICR) of 2.5x is above the ICR covenant of 2.0x.

Investor total returns are expected to depend on entry and exit prices and portfolio performance, which is expected to change as additional properties are acquired.

Core Property considers the Fund will appeal to investors seeking a core distribution yield with returns linked to the strength of the agricultural sector, food supply and operators. Capital growth will be underpinned by contracted rental increases with operators. Investors should expect the portfolio metrics to change as additional properties are acquired over time. Investors should be comfortable with an investment in the agriculture sector and recognise the specialised nature of the properties, which is integral to the profitability of the tenant. The Fund is partially liquid and should be considered as a long-term investment.

Recommended

See the Appendix for a description of our ratings. The above rating must be viewed in the context of comparable Funds and not across all products

Fund Details

Offer Open:	Open ended
Minimum Investment:	\$10,000 ¹
Unit Price:	Daily unit pricing. \$0.9719 per unit as at 28 June 2024
Liquidity:	1) Limited Quarterly (2.5% of GAV) 2) Full Periodic (5 yearly, next in June 2027)
Targeted Distributions:	6.00 cpu (Manager forecast for FY25)
Distribution Frequency:	Monthly
Investment Period:	Open-ended fund with a recommended term of at least 5 years.
1. Minimum investment \$10,000 with increments of \$1,000 thereafter. The RE may accept subscriptions below this amount at its discretion.	

Fund Contact Details

Ben Harrop
Head of Distribution
Ben.Harrop@centuria.com.au
02 8923 8918

Kelvin McKeown
Fund Manager – Agriculture
Kelvin.McKeown@centuria.com.au
02 8923 8944

Fund – Website

<https://centuria.com.au/caf>

Note: This report is based on the Centuria Agriculture Fund Product Disclosure Statement dated 3 May 2024, together with other information provided by Centuria.

This report should be read in conjunction with the Target Market Determination provided by the Manager, as required by s994B of the Corporations Act 2001.

Key Considerations

Management: Well-regarded property fund manager with a solid track record of managing property funds, corporate governance, and maintaining and improving occupancy rates. The Manager forms part of Centuria Capital Limited (ASX: CNI) an ASX-listed property fund manager with over \$20 billion of assets under management.

Agriculture Sector: The agriculture sector remains well supported by a growing worldwide population, the more affordable nature of Australian land values, and demand for Australian food products. The sector is forecast to maintain healthy revenue growth whilst remaining reliant on weather conditions, trade conditions and supply chains. Core Property notes that agricultural properties are generally owned for long periods, with long-term leases in place to provide a stable structure for operators.

Fund Strategy: The Fund seeks to provide investors with a regular income stream and the potential for capital growth by investing in a diversified agricultural property portfolio. Target assets will focus on properties leased to reputable tenants with a strong lease.

Fund Structure: The Fund is a stapled consisting of two registered managed investment schemes. Investors in the Fund hold Stapled Units in both the underlying trusts CAF I (which owns the properties) and CAF II (which owns any operating or trading business, or development which the Fund may acquire in the future).

Units & Pricing: The Fund is open-ended offers daily pricing with a current unit price of \$0.9719 per unit, which takes into account amortised acquisition costs. There is no Buy Spread on units acquired. The Fund is open-ended, however the RE may close applications from time to time in order to manage capital requirements.

The Property Portfolio: The Fund acquired its fifth greenhouse facility in Katunga VIC in July 2024, which increased the portfolio to five assets valued at \$441.25M located in VIC, SA, and NSW. The portfolio consists of five sites on 592.9 ha of land, with 106.5 ha of greenhouses. The properties are all acquired on long term sale and lease back arrangements with established operators with 15+ years' experience in the sector. The portfolio is characterised by high quality operators with state-of-the-art production facilities which have a high use of solar power and water recycling. Portfolio metrics include 100% occupancy with a weighted average lease expiry of 17.0 years. All leases are on a triple net basis, with the operator responsible for all costs. The property portfolio is expected to change over time as additional properties are acquired and properties are sold.

Debt Profile: The Fund has a target gearing of 45% - 55%. Currently the Fund is at the midpoint of the range with a Loan To Value Ratio (LVR) of 49.5% following the acquisition of the Katunga VIC property. The debt is 70.5% hedged following the acquisition.

Distributions: The Manager is targeting distributions of 6.0 cents per unit in FY25 following the acquisition of the Katunga VIC property. Distributions are paid monthly.

Fee Structure: Core Property considers the Fund's fees to be at the lower end of what we have seen in the market. The Management Fee is 0.60% p.a. of the Trust's Gross Asset Value.

Total Returns: As the Fund is open-ended, investors should be aware that total returns will be driven by the timing of their entry and exit prices as well as the changes in the performance of the portfolio.

Agriculture Risk: Investors should recognise that assets in the agriculture sector are subject to a number of factors, including weather conditions, operator performance, access to water and prices. These factors may impact the profitability of the tenant and value of properties in the long term.

Liquidity: The Fund is open ended and does not have a specified end date. The RE offers a Limited Quarterly Withdrawal Facility (of up to 2.5% of NAV per quarter, capped at 10% p.a.) as well as full liquidity via a Periodic Liquidity Event every 5 years (the first to be offered in July 2027).

Investment Scorecard

Management Quality



Governance



Asset Quality / Portfolio



Income Return



Total Return



Gearing



Liquidity



Fees



Key Metrics

Fund Structure		Fees Paid	
The Fund consists of stapled units in two registered managed investment schemes that invests in a portfolio of agricultural property assets across Australia.		Entry Fees:	Nil
		Exit Fees:	Nil
		Buy/Sell Spread:	Nil / Nil
		Establishment & Placement Fee (Acquisition Fee):	2.0% of purchase price.
		Disposal Fee:	1.0% of sale price. The Manager will pay any agents fee from this amount.
		Management Fees:	Management Fees: 0.60% p.a. of GAV Expenses: capped at 0.35% p.a. of GAV.
		Performance Fee:	20% of the outperformance of the Trust over a total return of 8.0% (pre-tax, net of fees) ¹ .
		Note 1: Accrued quarterly, paid annually and subject to a highwater mark (any underperformance will need to be recovered before a performance fee is paid).	
Management		Debt Metrics – pro forma July 2024	
The Investment Manager and Responsible Entity are wholly owned subsidiaries of ASX listed Centuria Capital Limited (ASX: CNI), a highly regarded and experienced real estate manager. Centuria has a successful track record of delivering strong investor returns for over 22 years, with over \$20B of assets under management, with \$19.3B of real estate assets held in listed and unlisted funds.		Drawn Debt / Facility Limit:	\$218.4M / \$236.2M
		Loan Expiry:	June 2025, Dec 2027, Mar 2028, December 2028, June 2029
		LVR/ LVR Covenant:	49.5%/ 60.0%
		ICR/ ICR Covenant:	2.5x/ 2.0x
Property Portfolio July 2024		Legal	
No. of Properties:	5 (including Katunga VIC acquisition)	Offer Document:	Centuria Agriculture Fund Product Disclosure Statement dated 3 May 2024
Property Locations:	Warragul VIC, Port Augusta SA, Guyra NSW, Riverlea Park SA, Katunga VIC	ARSN:	653 947 892
Property Sector:	Agricultural	APIR Code:	CNT3531AU
Key Tenants:	Flavorite, Sundrop, Costa Group, Comfresh, Katunga Fresh	Wrapper:	Unlisted Property Trust
Portfolio Valuation:	\$441.25M	Responsible Entity:	Centuria Property Funds Limited (ACN 086 553 639, AFSL 231 149)
Capitalisation Rate:	6.72%	Investment Manager:	Centuria Funds Management Limited (ACN 607 153 588)
Portfolio Occupancy:	100%		
Portfolio WALE:	17.0 years		
Return Profile			
Forecast Distribution:	6.0 cents per unit per annum (FY25 Manager forecast)		
Distribution Frequency:	Monthly		
Distribution Reinvestment Plan:	Investors can elect to reinvest part or all of their distributions to acquire additional Stapled Units at the prevailing Issue Price		
Tax advantage:	A portion of the distributions is expected to be tax deferred ¹ . Distributions are currently not franked.		
Estimated Levered IRR (pre-tax, net of fees):	Total returns will depend on the timing of an investor's entry and exit price and the investment performance of the portfolio over time.		
Investment Period:	5 years (recommended) The Fund is open-ended with quarterly liquidity on a limited basis and full liquidity every five years.		
Note 1: Actual tax-deferred component is to be confirmed by the Manager.			
Risk Profile			
Property/ Market Risk:	Capital at risk will depend on a portfolio of agricultural assets located across Australia. The portfolio is expected to change over time as assets are acquired and sold. Investors will be exposed to a potential capital gain or loss, based on market conditions and agricultural conditions.		
Property Specific Risks:	Property investments are exposed to a change in market conditions, agricultural conditions, occupancies, usages, prevailing market rents, and economic supply and demand. The Fund is also exposed to the risks of the operator of the agricultural assets.		
Interest Risks:	Any change in the cost of borrowings may impact the distributable income of the Fund's underlying investments.		
For a more detailed list of the key risks, refer to "Section 6: Investment Considerations and Risks" of the Product Disclosure Statement.			

Fund Overview

The Fund is an open-ended unlisted property fund that seeks to invest in a portfolio of investment-grade agricultural assets. The Investment Manager is Centuria Funds Management Limited (“the Manager”), which forms part of Centuria Capital Limited (ASX: CNI), an ASX-listed fund manager with over \$21B of assets under management.

The Fund was established in July 2022 and is a stapled entity that consists of two registered managed investment schemes, being CAF I and CAF II. Investors who hold units in the Fund will hold Stapled Units and receive the benefit of the income and any capital gains from both CAF I and CAF II.

- Centuria Agriculture Fund I (CAF I) – is a passive investment trust which holds the properties of the Fund. The Fund’s properties and proposed acquisition of Katunga VIC are all currently held by CAF I.
- Centuria Agriculture Fund II (CAF II) – is a public trading trust that will carry on activities other than passive investments. This may include operating activities and development work for the properties. As a trading trust, CAF II may be liable for corporate tax on any earnings which would result in investors receiving franking credits on any distributions. The structure is in place in order to allow the Fund to acquire any operating or trading business, or development work in future that may be associated with the properties in the portfolio. Currently CAF II does not have any activities which generate any earnings.

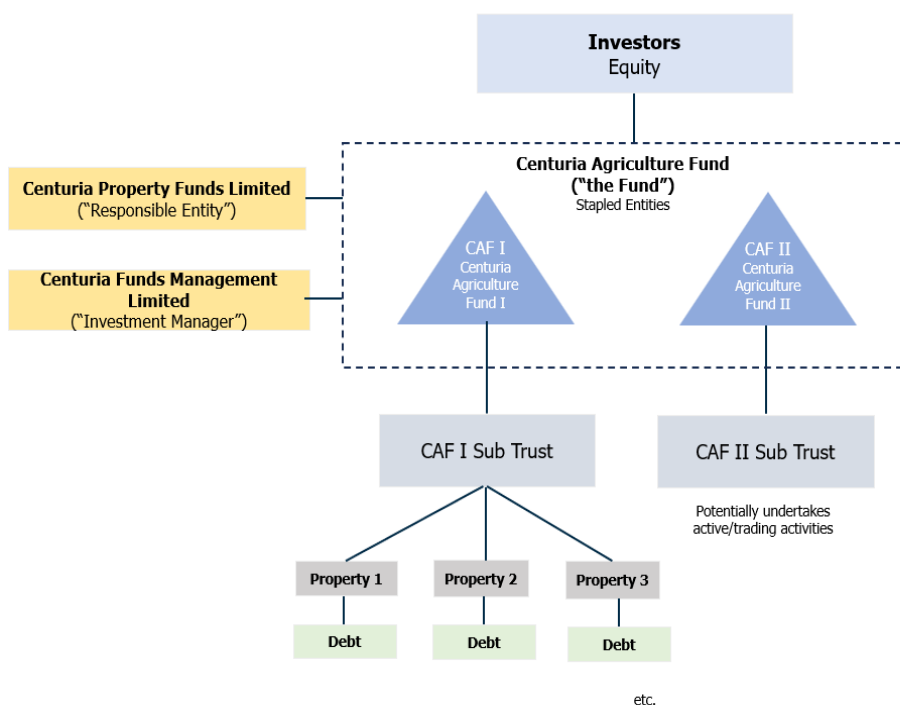
The current portfolio are passive investments and held in CAF I. As such, all distributions from the Fund are currently derived from CAF I and distributions do not have any franking credits.

The Fund is open-ended, however the Responsible Entity, Centuria Property Funds Limited (“the RE”) may temporarily suspend accepting new applications in order to manage capital efficiencies and where it is considered to be in the best interests of investors. The RE will notify this to investors on the Fund’s website at www.centuria.com.au/caf.

The RE pays distributions on a monthly basis. Based on the Manager’s forecasts, the acquisition of the Katunga VIC property is expected to support the increase of distributions to 6.00 cents per unit annualised, (from 5.50 cents per unit annualised). Investors should expect the Fund portfolio to change over time which may also impact distributions.

The Fund is currently open and the Unit Price and Issue Price is calculated daily and published on the Fund’s website. The Unit Price at 28 June 2024 was \$0.9719 per unit. New units are allocated on a daily basis.

Figure 1: Fund structure



Source: Centuria, Core Property

Investment Strategy

The Fund’s investment objective is to provide investors with a stable income stream and the potential for capital growth by investing in a diversified portfolio of agricultural assets and Agri-logistics facilities that are leased to tenants who are managed by experienced operators in Australia. The Fund’s strategy is to:

- acquire a national portfolio of investment-grade agricultural and agri-logistics properties;
- aggregate a portfolio of scale, targeting properties with strong ESG credentials;
- focus on properties leased to reputable tenants with strong lease covenants;
- focus on higher revenue producing sectors such as protected cropping, intensive perennial cropping, associated water licenses, infrastructure and agri-logistics facilities;
- obtain strategic allocations across geographic location, agricultural subsector and tenant mix; and
- increase asset value and production capacity through carefully delivered capital investment.

The Fund will invest in direct agricultural property and may also invest in other Centuria agriculture-related funds as well as operating assets associated with agricultural property, ASX-listed A-REITs and cash. The Fund’s target asset allocation is to invest 90% - 100% in agricultural properties (through direct or indirect investments), with a 0% - 10% allocation in A-REITs, and a 0%- 10% allocation to cash or cash-equivalent products. The Manager has set out the criteria of the sectors and subsectors that it intends to target for the properties in the Fund. The Fund’s core focus is in the Precision Farming Sector and Agri-Logistics Sector, which have target allocations of between 30% - 100%. The Fund’s target allocations are a long-term guide only and, at times, the allocations may be different, and the Manager may change the target allocations in the future.

Figure 2: Long-Term Target Sector Allocation

Sector	Examples	Target Sector Allocation
<p>Precision farming sector</p> <ul style="list-style-type: none"> ■ The Investment Manager will target properties with modern agriculture technology, including precision farming of perishable products via protected cropping environments such as glasshouses, netted cropping, and vertical farming. ■ The Investment Manager will target non-protected farming with other controlled factors and methods such as access to water, substrate growing and automated harvesting. ■ The Investment Manager will focus on top quartile farmers, on properties with exceptional underlying agricultural attributes in above-average value sectors. 	<ul style="list-style-type: none"> ■ Fruits ■ Vegetables ■ Seeds ■ Tree nuts ■ Vineyards 	30% - 100%
<p>Agri-logistics sector</p> <ul style="list-style-type: none"> ■ The Investment Manager will target properties that are aligned to the agricultural supply chain. These properties will include assets relating to the processing, packaging, storage and distribution of agricultural products. ■ The Investment Manager will focus on operators who are directly aligned to agriculture operators nationally. 	<ul style="list-style-type: none"> ■ Processing facilities ■ Storage facilities ■ Packaging facilities ■ Distribution facilities 	30% - 100%
<p>Premium non-perishables sector</p> <ul style="list-style-type: none"> ■ The Investment Manager will target properties that produce non-perishable products using best-in-class farming practices, focusing on production unit location, modern agriculture technology, quality output and impact on the surrounding environment. ■ The Investment Manager will focus on experienced operators with a proven track record of performance through challenging weather cycles. 	<ul style="list-style-type: none"> ■ Cereal (wheat, barley, oats) ■ Grain (sorghum corn) ■ Oilseeds (sunflower, canola) 	<25%
<p>Protein farming sector</p> <p>The Investment Manager will consider properties producing animal protein and associated biproduct where there is a compelling opportunity, and the underlying operator is demonstrating best practices in the minimisation of environmental/social impacts.</p>		<25%
<p>Development opportunities</p> <p>The Investment Manager will seek to identify development opportunities both for existing assets within the Fund from time to time, as well as new target assets where the farming operation can be expanded and/or improved through capital expenditure funding.</p>		<30%
<p>Water rights</p> <p>The Manager will consider water licensing, where a compelling opportunity is presented.</p>		
<p>Aggregate exposure to Premium non-perishables and protein farming sectors.</p>		0% - 35%

Source: Centuria

Unit pricing

Core Property has reviewed the Fund's calculation of the Issue Price and considers it to be appropriate.

The Issue Price is determined by the prevailing Stapled Unit Price of the Fund plus any applicable Buy Spread on the date the Stapled Units are issued.

- The Stapled Unit Price is calculated daily and can be found on the Fund website. The Stapled Unit Price at 28 June 2024 was \$0.9719 per unit.
- The Stapled Unit Price is determined by the prevailing Net Asset Value of the Fund, plus the unamortised value of acquisition costs, divided by the number of Stapled Units on Issue.
- The Stapled Unit Price is also adjusted for any amortisation of acquisition costs in unlisted property funds that the Fund may invest in. Acquisition costs are amortised over a term of five years, or earlier if a property is sold.
- Investors should expect the Stapled Unit Price to change over time as properties are revalued and additional properties are acquired.

There is currently no Buy Spread, however, the RE may apply a Buy Spread to cover additional transaction costs. Any proceeds from a Buy Spread are retained as an asset of the Fund.

Withdrawal Price: Stapled Units are redeemed at the prevailing Stapled Unit Price less any applicable Sell Spread on the date they are redeemed.

Where the RE offers a Limited Withdrawal Facility on a quarterly basis, the Withdrawal Price will be determined on the last business day of the quarter for applications received by 4.00pm (Sydney time) on the final business day of the quarter.

There is currently no Sell Spread, however, the RE may apply a Sell Spread to cover additional transaction costs. Any proceeds from a Sell Spread are retained as an asset of the Fund.

Stapled Acquisition Units – The RE may, from time to time, issue Stapled Acquisition Units to third parties and/or its related entities in order to secure assets for the Fund. The Stapled Acquisition Units will rank equally with ordinary Stapled Units, except that Stapled Acquisition Units will carry a preferential withdrawal right which can be exercised at any time and prior to investors being able to withdraw their investment.

Liquidity / exit strategy

The Fund is open-ended and does not have a specified end date. The RE will provide investors with an opportunity to withdraw their investment on a quarterly basis as well as at 5-year intervals.

A Limited Quarterly Withdrawal Facility will be offered every March, June, September and December.

- The Fund will offer withdrawals for an amount of up to 2.5% of the Net Asset Value of the Fund, capped at 10% p.a.
- The minimum withdrawal amount is \$10,000, which may be varied by the RE.
- If the aggregate value of withdrawal requests exceeds the quarterly available funds, the RE will scale back the withdrawal requests on a pro-rata basis. The unmet portion of the withdrawal request will carry over to the following quarter as a new withdrawal request unless the investor requests otherwise. Any withdrawal request that rolls over to the next quarter does not have priority, but forms part of the pool of requests for the next quarter.
- If the completion of a withdrawal request would result in the investor holdings being less than the minimum investment amount, the RE may treat the request as relating to the balance of the investor's holding.

A Periodic Liquidity Event will be offered every 5-years.

- The RE will provide notice to investors at least four months before the offer of the liquidity event.
- The first Periodic Liquidity Event is expected to be offered around June 2027 and every 5-years thereafter.
- Investors may apply to withdraw some or all of their investment.
- In order to fulfil the Periodic Liquidity Event, the RE may consider selling one or more of the Fund's assets, raising new equity, take on additional debt, or a combination of these measures.
- The RE will endeavour to satisfy withdrawal requests within 6 months, however this may be extended to 12-18 months to meet the requests. If it is not possible to meet the withdrawal requests after 18 months, the RE will call a Unitholders meeting and propose an alternative redemption strategy for Unitholder consideration and approval.

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The Withdrawal Price under all withdrawal offers will be determined by the Stapled Unit Price less a Sell Spread. There is currently no Sell Spread, however the RE may apply a Sell Spread in future to cover additional transaction costs. Any proceeds from a Sell Spread are retained as an asset of the Fund.

The RE may also vary, suspend or cancel any withdrawal facility if it deems it to be in the best interests of all investors. The RE may also consider to apply to list the Stapled Units on the ASX.

The Agriculture Sector

The outlook for the agribusiness sector in Australia remains positive supported by the growing worldwide population, the more affordable nature of Australian land values compared to other countries, and the increasing demand for Australian food products. The sector benefits from Australia's proximity to Asian markets and a stable political structure and legal system. Notwithstanding this, the sector is dependent on weather conditions, trade conditions, and the costs of distribution. According to the Australian Bureau of Statistics, Australia has around 369 million hectares of agricultural land, representing around 48% of the country. Australia has around 87,800 agricultural businesses. Water consumption is an important component for agriculture and the sector consumes around 74% of the country's water supplies. The majority of agricultural land is used for livestock grazing (around 88%), whilst crops represent around 8% with the remainder used for forestry and non-agricultural production.

Large-scale farms (greater than 70 hectares) account for around 60% of the gross value of vegetable production, mid-scale farms (5-70 hectares) account for around 30% and small-scale farms (<5 hectares) accounting for 10%. Around half of all vegetable growers sell their produce to a wholesale vegetable market in their state. The larger farms (more than 70 hectares) have a greater share of vegetables being sold directly to retailers (such as Coles or Woolworths). The average area of planted vegetables by these farms is over 200 hectares per farm. These vegetable-growing farms earned substantially larger cash incomes compared to farms selling to other markets. Australia is a net exporter of fresh vegetables. For the year ending June 2023, Australia exported 184,038 tonnes of fresh vegetables, against imports of 35,677 tonnes. Vegetables such as broccoli, celery, lettuce, carrots, and mushrooms in particular all stand to benefit from growing export markets. Positive outlooks in the industry will come primarily from vegetables with a stable local consumption level and a growing export market.

Vegetable Market Overview - For the year ending June 2023, around 3.6 million tonnes of vegetables were produced in Australia (a decrease of 3% on the year ended June 2022), with a production value of A\$5.8 billion. The proportion of fresh vegetables supplied was 82.3 kg on a per capita basis. Potatoes are the most valuable crop grown in Australia as measured by value of production, however, with their price per tonne being significantly lower than those of many other vegetable crops, due to the large tonnages produced. Many of the other most valuable vegetable crops in Australia also reflect an overall higher price per tonne, rather than a value supported by weight of production.

Figure 3: Vegetable Produce in Australia

Vegetable Production Year Ended: June 2023	Volume (tonnes)	Value (\$M)	Vegetable	Volume (tonnes)	Value (\$M)
Potatoes	1,462,975	1,033.5	Celery	56,472	72.1
Leafy Salad Vegetables	75,720	736.5	Sweet Potatoes	91,458	69.2
Tomatoes	321,736	570.6	Zucchini	37,139	64.9
Mushrooms	61,633	407.7	Peas	25,448	64.9
Onions	255,159	332.7	Cabbages	62,848	59.7
Fresh Herbs	13,064	317.3	Asparagus	5,296	59.3
Broccoli/Baby Broccoli	76,316	269.0	Brussel Sprouts	7,833	42.1
Carrots	300,715	261.7	Leeks	10,127	34.8
Head Lettuce	145,394	243.8	English Spinach/Silverbeet/Kale	6,674	25.5
Capsicums	73,719	215.8	Eggplants	8,698	23.6
Cucumbers	93,469	213.6	Garlic	2,730	21.3
Other Vegetables	26,014	141.9	Beetroot	16,167	14.9
Sweet Corn	76,296	117.6	Parsnips	3,593	14.4
Beans	29,118	114.3	Ginger	4,922	13.6
Pumpkins	118,278	94.1	Chillies	2,232	13.5
Leafy Asian Vegetables	29,092	91.2	Artichokes	450	1.6
Cauliflower	84,893	73.7	Total	3,585,678	5,830.4

Source: Hort Innovation

The Property Portfolio

The Fund's portfolio consists of 5 assets, following the acquisition of the Katunga, VIC property in July 2024. The acquisition increases the portfolio to 5 agricultural assets valued at \$441.2M, fully leased with a portfolio Weighted Average Lease Expiry (WALE) of 17.0 years. The properties are all protected cropping (glasshouse) operations located in VIC, SA, NSW and SA. The largest asset, Flavorite, Warragul VIC has a 39.9% weighting in the portfolio.

The 5 assets provide 110.9 ha of Gross Building Area, with 106.5 ha of glasshouses. This represents around 5% of the estimated protected cropping market of 2,100 ha. of glasshouse, greenhouses and tunnels in Australia. The Fund's investment in glasshouses and protected cropping provides a focus on agricultural assets which have strong operating and profitability dynamics.

As an open-ended fund, investors should expect the portfolio metrics to change as additional agriculture properties are acquired and properties are sold over time.

A summary of the portfolio is provided below.

Figure 4: Property Portfolio Metrics – as at June 2024

Property	Sector	Acqn Date/ Price \$M	Valuation \$M	% of Fund	Site Area (GBA)	Cap Rate	Occupancy	WALE
Flavorite – 264 & 318 Copelands Rd, Warragul VIC	Glass House	Jan 2022 \$177.0	\$178.0	39.9%	76.9 ha (35.1 ha)	6.00%	100%	17.4 yrs
Sundrop – 709 Princes Highway, Port Augusta SA	Glass House	Jan 2023 \$70.0	\$70.0	15.7%	362.8 ha (20.6 ha)	6.75%	100%	18.5 yrs
Blush Tomatoes (Costa) – 160 Elm St, Guyra NSW	Glass House	Apr 2023 \$76.0	\$76.0	17.1%	40.5 ha (21.0 ha)	7.00%	100%	13.8 yrs
Comfresh – 234 Carmelo Rd, Riverlea Park SA	Glass House	Jan 2024 \$27.25	\$27.25	6.1%	59.1 ha (12.6 ha)	7.75%	100%	9.5 yrs
Katunga – 1051-1093 Numurka Rd, Katunga VIC	Glass House	Jul 2024 \$90.0	\$90.0	20.2%	53.6 ha (21.6 ha)	7.50%	100%	20.0 yrs
Total Property		Jan22–Jul24 \$440.25	\$441.25	99.0%	592.9 ha (110.9 ha)	6.71%	100%	17.0 yrs
Cash			\$4.41	1.0%				
Total Portfolio			\$445.66	100%		6.71%	100%	17.0 yrs

GBA = Gross Building Area. Source: Centuria

Properties



Flavorite - 264 & 318 Copelands Road, Warragul VIC (39.9% of portfolio) - Flavorite Warragul is a 76.9-hectare site located on the eastern edge of the Warragul township, approximately 105km east of the Melbourne CBD. The property produces a variety of horticulture crops including tomatoes, cucumbers, chillies and berries. Situated on 3 adjoining freehold titles, the facility includes 33.5 hectares of glasshouses, 50,000 sqm of netted blueberry area and 16,083 sqm of support infrastructure such as warehousing and packaging. Flavorite is the largest glasshouse producer of fresh fruits and vegetables in Australia with key customers such as Coles, Woolworths, Aldi, Costco and Harris Farm Markets. The property was acquired by the Fund in January 2022 for \$177.0M on a sale and leaseback with an initial term of 20 years, with 4 x 5-year options.



Sundrop – 709 Princes Highway, Port Augusta SA (15.7% of portfolio) – Sundrop Farms is a state of the art large scale hydroponic production facility located 12 kms south east of Port Augusta SA. The property consists of 362.8 hectares with 20 hectares of glasshouses, ancillary buildings, concentrated solar power, and a desalination plant to process the water drawn from the sea in the Spencer Gulf. The Property was acquired in January 2023 on a sale and leaseback with an initial term of 20-years with 4 x 5 year options. Sundrop is the majority provider of up to 90% of Coles supermarkets national trust tomato supply with the 4 greenhouses having capacity to produce over 17,000 tonnes p.a. of tomatoes. The property has a 10-year “Take and Pay” agreement to Coles Supermarkets which commenced in 2016 and specifies a base price per kg which is multiplied by a fixed seasonality adjustment factor each month with the base price indexed to CPI each year.



Blush Tomatoes – 160 Elm St, Guyra NSW (17.1% of portfolio) - Blush Tomatoes is a large-scale hydroponic production facility used for the production of tomatoes. Located on a 40.5 hectare site in Guyra, NSW, 40km north of Armidale in the New England region, the property includes 20.0 hectares of glasshouses, a 1,0 acre nursery, a 65 ML dam and packing, distribution and ancillary sheds. The property is leased to Tomato Exchange Pty Ltd, a subsidiary of Costa, the largest grower, packer and marketer of fresh fruit and vegetables in Australia with an estimated market share of over 15% of planted farmland and long standing relationships with the major supermarkets. The property was acquired in April 2023 on a sale and lease back with an initial term of 15 years with 4 x 5 year options.



Comfresh – 234 Carmelo Rd, Riverlea Park SA (6.1% of portfolio) - The property is a large-scale hydroponic facility located approximately 38 kms north of the Adelaide CBD near the town of Virginia, in an area known as the food bowl of South Australia due to its extensive horticultural production. The property spans 59 hectares with 12 hectares of protected cropping which includes six hectares of glasshouses and six hectares of double skinned plastic greenhouses. Additionally, the asset includes large packing sheds along with onsite energy, fertigation and reverse osmosis infrastructure as well as a ~40ML dam and 205ML bore water licenses. The facility has the capacity to produce approximately 1,488 tonnes of tomatoes, 136 tonnes of cucumbers, 517 tonnes of eggplants and 43 tonnes of capsicums per annum. The Property was acquired in January 2024 on a sale and leaseback with an initial term of 10-years with 2 x 5 year options.



Katunga – 1051-1093 Numurka Rd, Katunga VIC (Proposed acquisition to represent 20.2% of portfolio) –The property is a 40.5 ha site located in Katunga VIC, 228 kms north of Melbourne in the Goulburn Valley region of northern Victoria. Consisting of 21.0 ha of glasshouses, energy infrastructure and packing, distribution and ancillary sheds, the property is utilised to grow high revenue premium tomatoes in the snacking, speciality, cocktail and large truss segments. High tech glasshouse technology is used with UV lighting to generate a consistent supply of fresh tomatoes as well as capsicums all-year round with capacity to produce over 15,000 tonnes per annum. The property was acquired in July 2024 on a sale and leaseback with an initial term of 20-years with 5 x 5 year options.

Property Valuations

The Fund has a valuation policy that requires an independent valuation prior to their purchase and at least once every 24 months by a nationally recognised independent valuation company. An internal valuation is generally undertaken at each other reporting date (June and December) when an independent valuation does not occur. An independent valuation will also occur where the directors of the RE determine there is a material change in the value of a property.

The portfolio was independently valued in November – December 2023 and the Katunga VIC location was independently valued in February 2024 as part of the acquisition process. A summary of the latest valuation assumptions is provided below.

Figure 5: Property valuation summary

Property	Flavorite – 264 & 318 Copelands Rd, Warragul VIC	Sundrop – 709 Princes Highway, Port Augusta SA	Blush – 160 Elm St, Guyra NSW	Comfresh – 234 Carmelo Rd, Riverlea Park SA	Katunga – 1051-1093 Numurka Rd, Katunga VIC
Title	100% Freehold	100% Freehold	100% Freehold	100% Freehold	100% Freehold
Site Area	76.88 ha	362.80 ha	40.47 ha	59.06 ha	53.64 ha
Gross Building Area (GBA)	35.11 ha	20.57 ha	21.02 ha	12.56 ha	21.61 ha
WALE (at valuation)	17.9 years	19.0 years	14.1 years	10.0 years	20.0 years
Occupancy	100%	100%	100%	100%	100%
Net Passing Income	\$10.6M p.a.	\$4.7M p.a.	\$5.3M p.a.	\$2.1M p.a.	\$7.2M p.a.
Net Market Income	\$10.6M p.a.	\$4.7M p.a.	\$5.3M p.a.	\$2.1M p.a.	\$7.2M p.a.
Acquisition Price (Date)	\$177.0M (Jan 2022)	\$70.0M (Jan 2023)	\$76.0M (April 2023)	\$27.25M (Jan 2024)	\$90.0M (July 2024)
Valuation	\$178.0M	\$70.0M	\$76.0M	\$27.25M	\$90.0M
Capitalisation Rate	6.00%	6.75%	7.00%	7.75%	7.50%
Discount Rate	7.38%	8.50%	8.75%	9.50%	8.25%
Valuer, Date	Knight Frank, November 2023	Knight Frank, November 2023	Knight Frank, November 2023	Knight Frank, December 2023	Knight Frank, February 2024
Rate per Gross Building Area	\$507 per sqm	\$340 per sqm	\$381 per sqm	\$217 per sqm	\$409 per sqm
Site Coverage (GBA/Site Area)	45.7%	5.7%	51.9%	21.3%	40.3%

Source: Centuria, Knight Frank

Tenants, leases and income

The portfolio consists of long-term leases with experienced operators. All leases are on a Triple net basis, with the lessee being responsible for all outgoings including rates, tax, charges, assessment, contributions, levies and fees and all maintenance.

The properties are all leased to established tenants with long term experience in the agriculture sector:

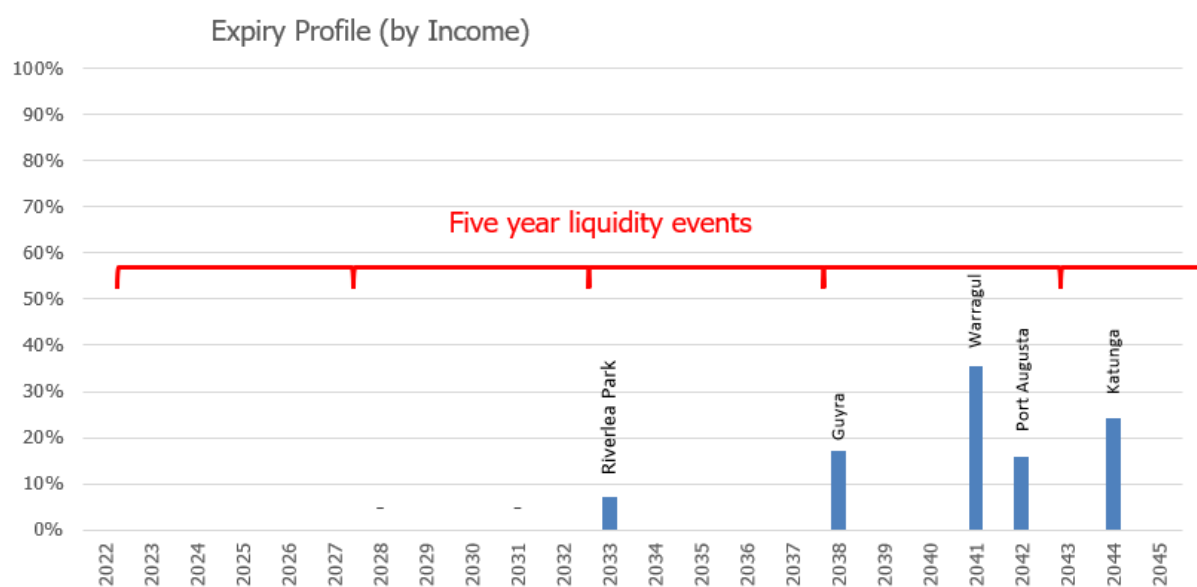
- Flavorite (Warragul VIC) is one of the largest owner and operator of glasshouse assets in Australia established in 1993. The business is family owned and is recognized as innovative pioneers in glasshouse production in Australia.
- Sundrop Farms (Port Augusta SA) is an owner and operator of high technology greenhouse facilities with combined solar power, thermal desalination and steam driven electricity generation. The property was opened in 2010 and is the first to combine solar power with steam to be used to treat seawater for use in greenhouse production.
- Blush Tomatoes (Guyra NSW)
- Comfresh Tomatoes (Riverlea Park SA) is a South Australian producer and distributor of tomatoes since 2010. The business is a wholly owned subsidiary of Costa Group, Australia's largest horticultural company and supplier of produce.
- Katunga Fresh (Katunga VIC) has been operating since 2004 and was one of Australia's first adopters of greenhouse production including UV lighting to generate year-round production.

Figure 6: Tenant Profile

Tenant - Location	Site area	Lease Period	Options	Passing Net Income	Lease Structure	Rent Review
Flavorite Hydroponic Tomatoes – Warragul VIC	76.9 ha	Dec 21–Nov 41 20 years	4x5 years	\$10.6M	Triple net	3.0% p.a.
Sundrop Farms – Port Augusta SA	362.8 ha	Dec 22 – Dec 42 20 years	4x5 years	\$4.7M	Triple net	CPI + 1% p.a.
Costa Group – Guyra NSW	40.5 ha	Feb 23 – Feb 38 15 years	4x5 years	\$5.3M	Triple net	CPI capped at 4.0% with a ratchet
Comfresh – Riverlea Park SA	59.1 ha	Dec 23 – Dec 33 10 years	2x5 years	\$2.1M	Triple net	2.50% p.a.
Katunga Fresh – Katunga VIC	40.5 ha	Jul 24 – Jul 44 20 years	5x5 years	\$7.2M	Triple net	3.00% p.a. from year 5

Source: Centuria

Figure 7: Portfolio lease expiry



Source: Centuria, Core Property

Financial Analysis

Core Property has undertaken a financial forecast for the Fund, based on the Manager's assumptions for the portfolio. The key observations are:

- The forecast is based on the current portfolio with the acquisition of the Katunga VIC property on 1 July 2024. No further acquisitions or disposals are factored in.
- The forecast is based on the Manager's estimated units on issue of 266.3M units for the FY25 period.
- Based on the forecasts for the acquisition of the Katunga VIC property, the Manager estimates the Fund can support a distribution of 6.00 cents per unit in FY25. The estimates include an amount of \$0.1M being retained as cash reserves.

The forecasts should be seen as indicative only as the Fund is open-ended and the financial position is likely to change as new properties are acquired and new equity and debt are raised. In particular, investors should note that:

- Distributions are likely to increase if the Fund acquires properties on higher yields, or if increased leverage is utilised.
- Distributions are likely to reduce if the fund acquires properties on lower yields, or if less leverage is used, or if the Fund accepts new equity subscriptions and is unable to deploy the capital to acquire properties with sufficient returns.

A summary of Core Property's forecasts based on these assumptions is presented below.

Figure 8: Profit & Loss Forecast and Pro Forma Balance Sheet

Profit & Loss - Forecast \$M	12 months to 30 June 2025
Net Property Income	30.6
Expenses	-0.4
Management Fees	-2.7
Net Interest Expense	-11.5
Total Available for Distribution	16.1
Amount held retained earnings	-0.1
Cash Distribution - \$M	16.0
Units on Issue	265.9M units
Cash Distribution per unit (cents)	6.00 cpu
Distribution yield – on Issue Price \$0.9701 per unit	6.2%
Balance Sheet – \$M – Pro Forma	July 2024 - \$M (pro forma including Katunga VIC)
Cash	2.9
Investment Property	441.3
Other Assets	-
Total Assets	444.2
Borrowings	218.4
Other liabilities	0.6
Total Liabilities	219.0
Net Assets	225.2
NTA per Unit	\$0.847
Unit Price – as at 28 June 2024	\$0.9719
LVR	49.5%

Source: Core Property, Centuria

Debt Facility & Metrics

The Manager has a target look-through gearing of 45% - 55% for the Fund. If gearing increases above 60%, the Manager will implement a strategy to restore gearing to 60% or below. The Manager may also obtain short-term debt finance from related entities to secure properties from time to time. This will be undertaken on arm's length terms and in accordance with the conflicts of interests policy.

The Fund's current debt position is at the midpoint of the target range, with an LVR of 49.5% following the acquisition of the Katunga VIC property.

- Following the acquisition, the Fund has a debt facility for \$236.2M with drawn debt of \$218.4M, and \$17.8M of undrawn capacity held with 3 banks.
- The Loan to Valuation Ratio (LVR) is 49.5%, against a bank LVR covenant of 60%. Core Property calculates that the value of the portfolio must fall by 17.5% for the LVR covenant to be breached.
- The Interest Coverage Ratio (ICR) is calculated to be 2.5x against an ICR covenant of 2.0x. Core Property estimates the net operating income must fall by 21.3% to breach the ICR covenant.
- The Fund has interest rate swaps in place for \$154M, representing 70.5% of drawn debt. The swaps expire in June 2025 (\$74M) and June 2026 (\$80M). Core Property calculates the current all-in cost of debt to be 5.37% p.a.

Investors should be aware that the debt will need to be extended or replaced, to cover the full trust term or for additional properties. Any change in the cost of debt may impact investor returns.

Figure 9: Debt Metrics

Details	Metric
Bank / Financier	Rabobank, Commonwealth Bank, ANZ
Security	First ranked mortgage with a general security agreement over the assets of the Fund.
Drawn debt/ Debt facility limit	\$218.4M / \$236.2M
Loan Expiry	June 2025, December 2027, March 2028, December 2028, June 2029
% Hedged / Fixed	70.5%
Average cost of debt	5.37% p.a.
LVR / LVR Covenant	49.5% / 60.0%
Initial interest covered ratio (ICR) / ICR covenant	2.5x / 2.0x
Amount by which valuation will have to fall to reach a 60% LVR	17.5%
Decrease in rental income to reach an ICR of 2.0x	21.3%

Source: Core Property, Centuria

Fees Charged by the Trust

Overall, Core Property considers the fees charged to be low compared for the nature of the Fund (see All-in fee analysis).

Where the Fund invests in an unlisted property fund managed by a Centuria entity, then the maximum Management Fee on the investment by the Fund will be 0.60% p.a. of the Gross Asset Value, i.e there is no double charging of the Management Fee. A summary of the Fees charged by the Fund is presented below.

Figure 10: Summary of Fees charged by the Fund

Fee Type	Fee Charged	Core Property Comment
Entry Fee	Nil	
Exit Fee	Nil	
Buy / Sell Spread	Nil	Currently Nil. The RE may, however, charge a Buy/Sell Spread in future. Any Buy/Sell Spread charged will be retained as an asset of the Fund.
Establishment Fee (Property Acquisition Fee)	Up to 2.0% (excl GST) of the purchase price of the property.	The Acquisition Fee is at the high end of the industry average of 1.5% - 2.0%.
Management Fees & Expenses	Management Fee of 0.60% p.a. of the Gross Asset Value (GAV) of the Fund. Expenses are capped at 0.35% p.a. of the Gross Asset Value (GAV) of the Fund. Expenses include a Custody Fee (0.015% p.a. of GAV), abnormal expenses and indirect costs.	The total Management Fees and Expenses is capped at 0.95% p.a. of GAV. Core Property considers this to be at the midpoint of what we have typically seen in the industry (0.7% - 1.1% p.a. of GAV).
Property Disposal Fee	Up to 1.0% (excl GST) of the sale price of the Fund's interest in the property. At the time of the PDS, the Manager will only charge this fee if the Fund has a direct interest in the property, or at least 50% of an indirect interest.	The Disposal Fee is at the low end of the industry average of around 1.0% - 2.0%. Any associated sales agent's fees will be paid by the Manager from this amount.
Performance Fee	20% (excluding GST) of the Trust's performance above a total return of 8% p.a. after fees and costs. <ul style="list-style-type: none"> ■ Calculated and accrued quarterly and reflected in the unit price. ■ Paid annually from the assets in the Fund. ■ Subject to a high watermark basis. Any prior underperformance must be recovered before a performance fee is paid. 	Core Property considers the Performance Fee to be in line with what is charged in the market for similar products. The high watermark is considered appropriate to incentivise the Manager to recover any underperformance.

Source: Centuria, Core Property

Expected Future Performance (IRR Sensitivity)

The three main performance drivers in a property syndicate are:

1. The property income profile (lease structure);
2. The terminal value upon the sale of the property (asset quality + market conditions); and
3. The cost of debt (depending on leverage).

The Fund is an open-ended property fund. As such, investors should expect their returns to be driven by the timing of their entry and exit prices as well as the performance of the portfolio, which is expected to change as properties are acquired and sold over time.

Management & Corporate Governance

The Manager, Centuria Funds Management Limited (“CFML”), and Responsible Entity, Centuria Property Funds Limited (“CPFL”) are wholly-owned subsidiaries of the ASX-listed Centuria Capital Group (ASX: CNI). Centuria, was formed in 1998 with a specific focus on the purchasing of high-quality, growth-oriented commercial property investments. Centuria has over \$21B of assets under management, including \$20.3B of real estate assets managed on behalf of retail and wholesale investors across its listed and unlisted portfolio. Core Property has reviewed the composition of the RE Board and senior executive team and considers it has the relevant skills and experience to operate the Fund successfully. Core Property notes the Board of the RE structure of an independent Chairman and non-executive directors provides a high level of corporate governance.

Figure 11: The Board of the Responsible Entity

Name & Role	Experience
Matthew Hardy Independent Chairman	Matthew has been an Independent Non-Executive Director of Centuria Property Funds Limited (CPFL) since July 2013 and was appointed Chairman of the Board in June 2021. He is also a member of CPFL’s Audit, Risk and Compliance Committee. He brings more than 30 years, senior level experience across direct real estate, equities and funds management to the Board. His career spans UK and Australian markets in direct property valuation and consultancy for global companies including Richard Ellis (now CBRE) and Jones Lang Wootton (now JLL). Previous roles include Hambros Equities’ senior REIT analyst and Barclays Global Investors’ Head of Property and Director of Property Investments, where he managed property securities funds as well as Listed and Wholesale property funds. Matthew has been the Managing Director, Head of Australia for Real Asset Search and Consultancy Group Ferguson Partners since 22 February 2021. Since 2002, Matthew has been a founding Director of real estate specialist executive search and consultancy, Conari Partners, and its corporate predecessor, Thomas Hardy. Prior to assuming his current Board positions, Matthew was General Manager to the Mirvac managed, listed REIT, Capital Property Trust. He was also Mirvac Fund Management’s Head of Investments and Developments and has been a Non-Executive Director of Mirvac Funds Management.
Peter Done Independent Non-Executive Director	Peter has extensive knowledge of accounting, audit and financial management in the property development and financial services industries, corporate governance, regulatory issues and board processes through his many senior roles. Peter hails from a 38 year career at KPMG. From 1979, he held the position of Partner until his retirement in 2006. During his 27 years as Partner, Peter was the lead audit partner for many clients, including those involved in property development, primary production and television and film production and distribution. Peter served as an Independent Non-Executive Director of the Centuria Capital Group Board from 2007 to 2023. Peter holds a Bachelor of Commerce (Accounting) from the University of New South Wales and is a fellow of Chartered Accountants Australia and New Zealand.
Darren Collins Independent Non-Executive Director	Darren has been an Independent Non-Executive Director of Centuria Property Funds Limited (CPFL) since March 2015. He is also the Chairman of CPFL’s Audit, Risk and Compliance Committee. He brings extensive accounting, audit and financial management experience to the Board having been the lead financial executive for businesses operating in Asia, Australia and the United States of America. He has a strong background in corporate governance and regulation for listed companies. Between 1997 and 2013, Darren was Computer Sciences Corporation (CSC)’s Vice President of Finance and Administration of several operating divisions. From 2004 to 2009, he was also a non-executive director of three IT services companies listed on the stock exchanges of Singapore, Hong Kong and Kuala Lumpur, respectively. Darren holds a Bachelor of Commerce (Accounting) from the University of New South Wales and is an associate of Chartered Accountants Australia and New Zealand.
Elizabeth McDonald Independent Non-Executive Director	Elizabeth has been an Independent Non-Executive Director of Centuria Property Funds Limited (CPFL) since March 2022. She is also a member of CPFL’s Audit, Risk and Compliance Committee. Elizabeth is a practising lawyer specialising in property, clean energy and native title. She has had an extensive legal career and is currently a director of Chalk & Behrendt Lawyers & Consultants. Elizabeth was a 2019 recipient of an Australian Government Executive Leadership Scholarship which was used to undertake a global mobility experience in the USA in the fields of clean energy, ESG reporting and impact investing. She holds a Bachelor of Economics and Bachelor of Laws (Hons) from the University of Newcastle and was admitted as a solicitor to the Supreme Court of NSW in 2006.

Figure 12: Senior Executive Team

Name & Role	Experience
John McBain Joint CEO	John McBain’s 42-year real estate career in both Australasia and the UK spans the commercial and industrial markets and more latterly the healthcare and agriculture real estate sectors. John and Jason Huljich founded Centuria Capital together over 25 years ago and the group now oversees more than \$20 billion of assets under management including four separate publicly listed vehicles and over 400 staff throughout Australia, New Zealand and the Philippines. John is chiefly responsible for Centuria’s corporate team including corporate acquisitions and mergers. His responsibilities include corporate strategy as well as leadership of the Finance, Governance, Compliance, Corporate Investor Relations, Marketing, Communications and Centuria Life teams who report directly to him. He serves on the Non-Financial Risk Committee and the ESG Management Committee. Since 2007, John has been instrumental in the integration of several businesses into the Centuria group, including the 360 Capital Funds Management business (2016), a majority interest in Heathley Asset Management (now Centuria Healthcare) (2019), New Zealand based Augusta Capital Limited (now Centuria NZ) (2020) and Primewest Group (2021). John has a Diploma in Tech (Valuations) and Diploma in Urban Valuation from the University of Auckland.

<p>Jason Huljich Joint CEO</p>	<p>Jason is the Centuria Group Joint CEO alongside John McBain, and has been with Centuria since its formation in 1999, collectively overseeing more than \$20 billion of assets under management and managing over 400 staff throughout Australia, New Zealand and the Philippines. Jason is chiefly responsible for the Group’s real estate portfolio and funds management operations including the listed Centuria Industrial REIT (ASX: CIP) and Centuria Office REIT (ASX:COF), as well as Centuria’s extensive range of unlisted funds across Australia and New Zealand. Since Centuria was established, Jason has been pivotal in raising over \$5 billion for the listed and unlisted vehicles. He has been central to positioning Centuria as Australia’s fourth largest external property funds manager. Jason has a hands on approach to the real estate operations across the Group’s platform. The Transactions, Development, Funds Management, Distribution and Asset Management teams all report directly to him. Jason holds a Bachelor of Commerce (Commercial Law) from the University of Auckland, New Zealand.</p>
<p>Stuart Wilton Co-Head – Unlisted Funds/Fund Responsible Entity</p>	<p>Stuart joined Centuria in 2010 and was appointed Co-Head – Unlisted Funds in July 2021. Overseeing the group’s Australian unlisted property funds, he is jointly responsible for fund establishment, performance, reporting and investor relations of assets in excess of \$8 billion. Stuart previously held several key positions in the Centuria asset and funds management divisions, most recently as an Unlisted Fund Manager. Prior to joining Centuria, Stuart worked for Potomac Realty Capital in Boston, a specialist real estate finance company focused on structured financial solutions and permanent real estate loans for all commercial property types. During his two years as a Capital Markets Analyst, Stuart was involved in closing approximately \$500 million worth of transactions across all sectors. Stuart holds a Bachelor of business (Property) and is a Member of the Australian Property Institute.</p>
<p>Andrew Tout Head of Agriculture</p>	<p>Andrew is Centuria’s Head of Agriculture, responsible for sourcing and overseeing the agriculture funds across Australia’s eastern seaboard. Being a sixth generational agriculturalist and with more than 25 years industry experience, Andrew is adept at managing Centuria’s agriculture portfolio. His core capabilities extend to portfolio management, acquisition evaluation and transactions, credit and risk structuring, automation and AI decision making, and gate to plate supply chain management. Andrew joined Centuria in 2020 having previously held senior positions with Westpac, ANZ, Commonwealth Bank, GrainCorp, Elders, Raine & Horne and regional agricultural specialist companies such as Cargill, Tandou and Pentag. He studied Horticultural Science at the University of Western Sydney and holds a Services (stock and station), Executive Certificate in Rural Property Valuation, Certificate Executive Entry Program Macquarie Graduate School of Management, Certificate III and IV in Financial Services, Tier II Financial Services Accreditation, Certificate IV in Business Sales.</p>
<p>Andrew Essey Chief Investment Officer</p>	<p>Andrew is the Centuria Capital Group Chief Investment Officer, responsible for the Group’s investment strategy, transactions, and institutional capital. Andrew joined Centuria in early 2013 and is a member of Centuria’s Senior Executive Committee with over 17 years’ experience in the Australian property industry. Prior to his current role, Andrew was Centuria’s Group Head of Transactions, managing the team responsible for originating and executing the Group’s property transactions, across all real estate sectors. During Andrews tenure in this role Centuria transacted more than \$11 billion of direct deals on behalf of the Group and its funds. Andrew holds a Bachelor of Business Administration from Radford University, Virginia, USA with a Major in Marketing and Economics.</p>
<p>Ben Harrop Head of Distribution</p>	<p>Ben leads a team of professionals who proactively distribute, service and support investors and advisers. His team manages the servicing of Centuria’s unlisted property funds. Ben has spent 25 years in wealth management in various senior leadership positions. Prior to joining Centuria, Ben worked at ANZ Wealth as Head of Strategic Accounts Management and managed the distribution and research at firms such as AMP Capital, Zurich, Bankers Trust and Macquarie Bank. Ben commenced his career working in his family insurance broking business. Ben is a Senior Associate with FINSIA (Financial Services Institute of Australasia), and an active member of industry associations having been a judge for the AFA Rising Star of the year award. Ben holds a Bachelor of Economics, Graduate Diploma in Applied Finance, Diploma of Financial Planning, Postgraduate Certificate in Management, Diploma from the Australian Institute of Company Directors.</p>
<p>Anna Kovarik Group Chief Risk Officer & Company Secretary</p>	<p>Anna Kovarik joined Centuria as General Counsel and Company Secretary in 2018 and was promoted to Group Chief Risk Officer and Company Secretary in 2020. She is an experienced governance professional having worked with ASX listed and unlisted boards, predominantly within the listed property and financial services sectors. Anna is responsible for legal, risk management, regulatory compliance, insurance and governance activities across the Group and is a member of the Senior Executive Committee, the Non-Financial Risk Committee and the ESG Management Committee. She is qualified as a solicitor in both the UK and NSW and was a senior associate at Allens law firm in Sydney. Anna is a Graduate of the Australian Institute of Company Directors, Company Directors’ Course, has a Global Executive MBA, University of Sydney, Bachelor of Laws, Masters of Information Technology.</p>
<p>Jesse Curtis Head of Funds Management</p>	<p>Jesse is responsible for both listed and unlisted property funds across the office, industrial, retail, healthcare and agricultural sectors, including 100+ open and closed end unlisted funds. Until recently, he was CIP Fund Manager and Head of Industrial. Jesse joined Centuria in 2019 and has over 17 years of real estate investment and funds management experience, having joined Centuria from real asset manager Dexus where he held senior funds management, transactions and portfolio management roles. Prior to this, Jesse worked at global industrial specialist Goodman Group across various management roles. Jesse is a representative on the Property Council of Australia’s National: Industrial Roundtable committee and an associate of the Australian Property Institute.</p>
<p>Kelvin McKeown Fund Manager - Agriculture</p>	<p>Kelvin oversees Centuria Capital Group’s three existing Australian agricultural property funds including assets ranging from fruit, nut and citrus orchards, to vineyards and glasshouses. Having grown up on a multi generation sheep farm in Southland, New Zealand, Kelvin has been involved in agriculture his entire life, providing him with a broad and sound knowledge borne from practical experience. Before joining Centuria, Kelvin worked at Macquarie Group for 14 years where he managed their unlisted agriculture funds that owned and operated large scale horticulture, viticulture and forestry assets. Responsible for the operations, performance and strategy of these assets his core capabilities extend to acquisitions and divestment, budgeting, the development and implementation of capex programmes, insurance placements and claims along with health and safety.</p>

Source: Centuria

Compliance and Governance

The Fund is registered with ASIC as a managed investment scheme and is required to its obligations with ASIC as well as Corporations Law. The fund is also subject to the compliance policies of its ultimate parent, Centuria Capital Group (ASX: CNI). As a listed entity, Centuria has as a compliance plan, an audit & compliance committee, and policies covering related-party transactions and conflicts of interests. Core Property has reviewed the composition of the Board and senior executive team and considers it has the relevant skills and experience to operate the Fund successfully. Core Property notes the Board of the Fund comprises entirely of independent Directors.

ASIC Regulatory Guide 46 "Unlisted property schemes: Improving disclosure for retail investors" and Regulatory Guide 198 "Unlisted disclosing entities: Continuous disclosure obligations" describe ASIC's preferred benchmarks and principles.

- Core Property has reviewed the Manager's reference to the benchmarks and disclosure principles recommended by RG46. The Fund is compliant with eight out of the nine benchmarks and principles. The Fund does not comply with Benchmark 6/Disclosure Principle 6 which requires the payment of distributions to be made from its cash from operations. The RE may apply some cash from tenant incentives and rental guarantees to assist in paying distributions.

Conflicts of Interests and Related Party Transactions

Centuria maintains a written policy on related party transactions, including the assessment and approval processes to manage any conflicts of interest. The policy is in compliance with ASIC's Disclosure Principles and Benchmarks set out in RG46. The Manager has also set out a number of related party transactions that are currently expected by the Fund:

- The Responsible Entity has entered into an investment management agreement with the Investment Manager, a related party, to provide investment management services in respect of the Fund. The Investment Manager is entitled to receive the fees as set out in the PDS. Under the investment management agreement, the Investment Manager's appointment is for a minimum term of five years, which will then automatically renew after the end of each 5-year period.
- The Responsible Entity has engaged Centuria Property Services to provide property management services for the Fund. Centuria Property Services will receive management fees, that will be determined on a property-by-property basis but will not exceed 3% of the property's gross operating income. Leasing fees may also be payable on a property-by-property basis.
- Centuria may, from time to time, acquire units in the Fund in order to support the acquisition of properties. Any acquisition of units will be undertaken on an arms-length basis on the same terms and conditions as ordinary unitholders and in accordance with Centuria's policy for relation party transactions. As at July 2024, Centuria owns \$11.5M, or approximately 4.5% of units in the Fund.

Past Performance

The Manager has advised that, since 1999, Centuria Capital Limited has completed 44 funds at a weighted average total return of 16.8% and an average total return of 15.3%.

Investors will note that the Fund has been established for less than 2 years, with an inception date of 20 July 2022. For the 21 months to April 2024 the Fund has delivered a distribution of 5.3% p.a. with capital growth of -1.4% p.a.

Readers should note that past performance is not a reliable indicator of future performance as each fund, and its respective underlying property, has its own specific risks and attributes.

Ratings History

The following is a summary of the ratings provided by Core Property since the establishment of the Fund.

Date	Core Property rating
June 2022	The Fund is rated as "Recommended"
July 2024	The Fund is rated as "Recommended"

Ratings Process

Core Property has developed a framework for rating property and property related investment product offerings in Australia. The methodology gives consideration to a number of qualitative and quantitative factors. Essentially, the evaluation process includes the following key factors: product and underlying portfolio construction; strength and depth of management team, product structure, risk management, financial analysis, and likely outcomes.

It is important for financial planners and investors to view the recommendation and rating in the context of comparable products only and not across all products rated by Core Property.

The Ratings

Financial Advisers and investors should note that for all ratings categories, the product may not suit the risk/return profiles of all investors.

Rating	Definition
Highly Recommended	This is the highest rating provided by Core Property and is indicative of the product exceeding the requirements of our review process across a number of parameters.
Recommended	Indicates that the product has an above average grade profile across a number of Core Property's parameters and has the potential to deliver above average risk adjusted total returns.
Approved	Indicates that the product has met the aggregate requirements of Core Property's criteria. The product has an acceptable risk/return trade-off and is potentially able to generate risk-adjusted returns in line with stated investment objectives.
Speculative	Core Property believes this is a product that has a number of positive attributes; however, there are a number of risks that make investing in this product a speculative proposal. While Core Property does not rule out investing in this product, investors should be very aware of, and be comfortable with the specific risks. The product may provide unique diversification opportunities, although concerns over one or more features mean that it may not be suitable for most investors.
Not Approved	Indicates that the product has failed to meet the minimum aggregate requirements of Core Property's criteria. While the product may have some positive attributes, Trusts in this category are considered high risk.

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