

# // AVENTUS RETAIL PROPERTY FUND

## December 2015 First Half Results



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25 FEBRUARY 2016



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# KEY ACHIEVEMENTS

## PORTFOLIO GROWTH AND STABLE INCOME

### Financial Highlights

**\$11.0m**  
Funds from operations

**3.20 cpu**  
FFO per unit

**2.89 cpu**  
Distributions per unit

### Capital Management

**31.9% GEARING**  
Within target range of 30% - 40%

**\$1.89 NTA PER UNIT**  
up by 3.3%

**3.5%**  
Forecast cost of debt for rest of FY16

### Portfolio Performance

**97.5% OCCUPANCY**  
Up from 97.1%

**7.88% PORTFOLIO CAP RATE**  
down from 8.01%

**\$46.4m Acquisitions**     **9.1%** Valuation increases on three assets

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// PORTFOLIO PERFORMANCE



# PORTFOLIO ACHIEVEMENTS

## GROWING PROPERTY RETURNS

**STABLE WALE  
OF 4.0 years**

compared to 4.2 years at June 15

**31% OF  
PORTFOLIO**

non-household uses up  
from 28% at June 15

**78% OF  
ALL LEASES**

have annual fixed or CPI increases

**PORTFOLIO VALUE  
OF \$975.6m**

up from \$905.7m at June 15

**84%  
NATIONAL RETAILERS**

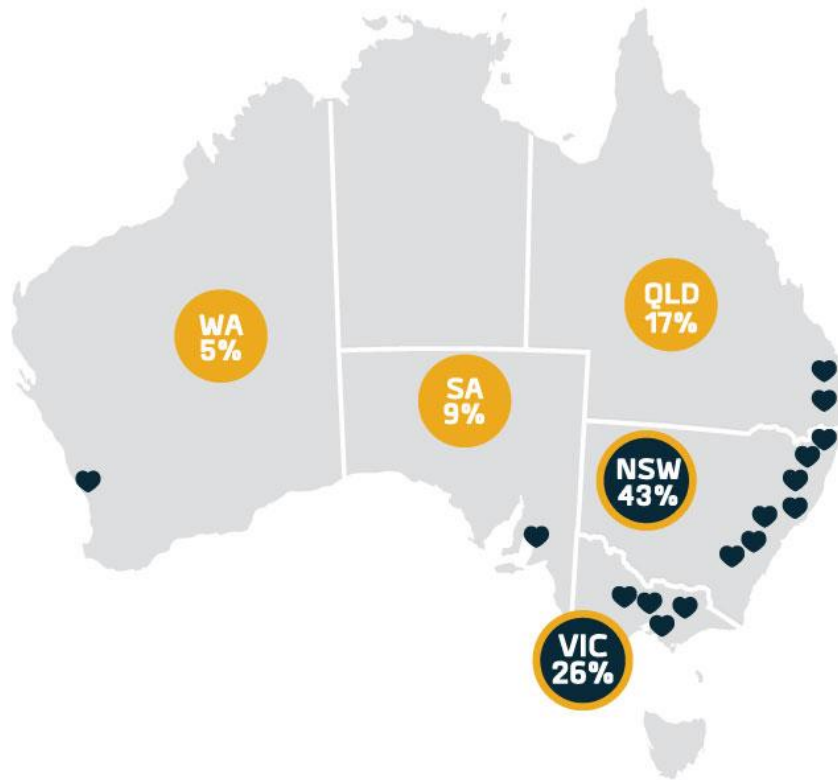
**42 LEASES OVER GLA of 28,000 SQM**  
with low incentives and positive leasing spreads



**PORTFOLIO VACANCY  
2.5%**

reduced from 2.9% at June 15

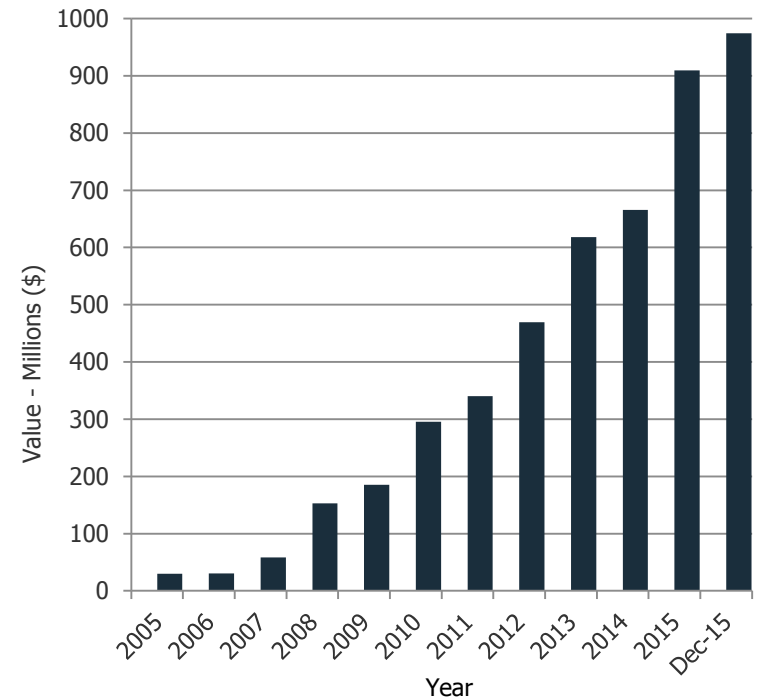
# DIVERSIFIED AND GROWING PORTFOLIO

**GEOGRAPHICALLY DIVERSIFIED PORTFOLIO  
WITH 15 CENTRES ACROSS FIVE STATES**



-  Location of Centres
-  Portfolio Geographical Diversification – By Value

**ACQUISITIONS, DEVELOPMENTS AND CAPITAL  
GROWTH DRIVING PORTFOLIO**



# NATIONAL AND PUBLICLY LISTED RETAILERS

National retailers represent 84% of the total portfolio by GLA with many ASX-listed retailers

## TOP 10 TENANTS – BY INCOME

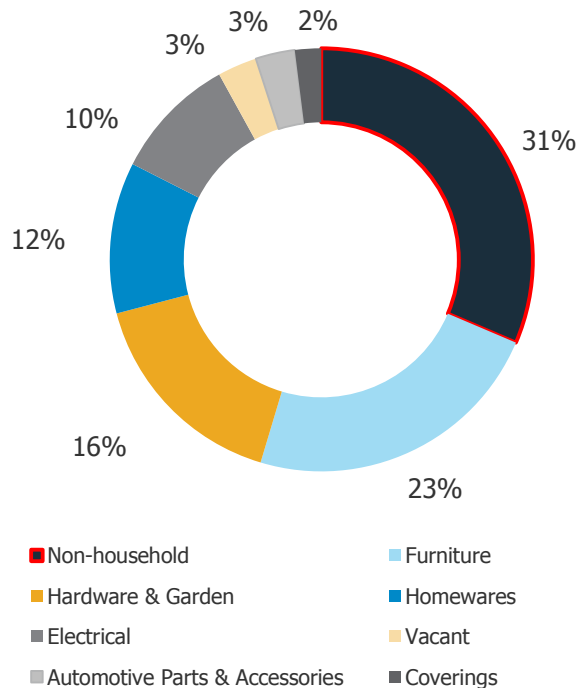
RETAILERS	PUBLIC COMPANY	STORES	% BY AREA	% BY INCOME
Wesfarmers <sup>1</sup>	✓	12	15%	10%
Steinhoff Asia Pacific <sup>2</sup>	✓	12	5%	6%
Super Retail Group <sup>3</sup>	✓	17	5%	5%
The Muir Electrical Company <sup>4</sup>		9	5%	4%
Harvey Norman <sup>5</sup>	✓	3	5%	4%
Spotlight Group <sup>6</sup>		7	5%	4%
JB Hi Fi	✓	6	2%	3%
Woolworths <sup>7</sup>	✓	2	4%	3%
Fantastic Holdings <sup>8</sup>	✓	9	3%	3%
Nick Scali	✓	5	2%	3%
<b>TOTAL</b>		<b>82</b>	<b>51%</b>	<b>45%</b>

Notes:

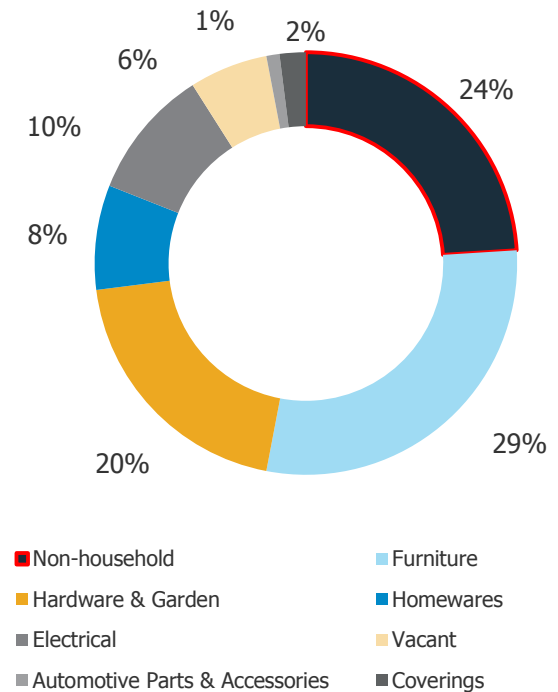
1. Bunnings, Officeworks, Coles and 1<sup>st</sup> Choice Liquor
2. Freedom, Snooze, Bay Leather Republic, Best & Less, Store and Order and Harris Scarfe
3. Supercheap Auto, BCF, Amart Sports, Rebel and Workout World
4. The Good Guys, Best Friends Pets
5. Harvey Norman and Domayne
6. Spotlight and Anaconda
7. Masters Home Improvement and Dan Murphy's Liquor
8. Fantastic Furniture, Plush and Original Mattress Factory

# DIVERSIFIED TENANCY MIX

**THE FUND IS INCREASING IN THE NON-HOUSEHOLD GOODS CATEGORY BY GLA<sup>1</sup>**



**BROADER INDUSTRY HAS GREATER EXPOSURE TO 'FURNITURE' AND HOUSEHOLD GOODS BY GLA<sup>2</sup>**



**Notes:**

1. As at 31 December 2015, non household goods includes pet supplies, baby supplies, sporting, camping and leisure, cafes, restaurants, supermarkets, liquor, fitness centres, medical centres, offices and pharmacies.
2. Source: Deep End Services (centres larger than 10,000 sqm) as at 30 June 2015.



# EXPANDING NON-HOUSEHOLD GOODS CATEGORY

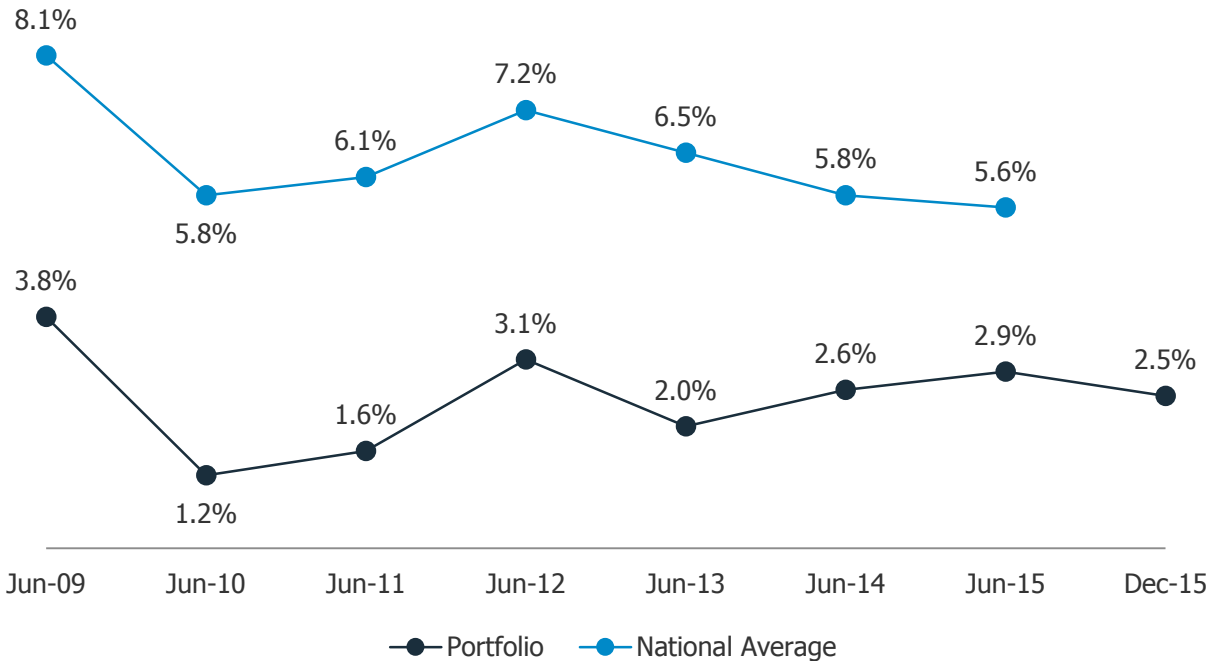
- Active diversification of uses not relating to household goods to drive more weekday traffic, frequency and length of customer visits.
- Largest single category in the portfolio by GLA is non-household goods which has increased from 28% in June 2015 to 31% at 31 December 2015.

Tenants in this category include:



# HIGH OCCUPANCY AND LOW INCENTIVES

**PORTFOLIO VACANCY (BY GLA) HAS BEEN CONSISTENTLY LOWER THAN THE INDUSTRY AVERAGE<sup>2</sup>**



- ✓ High occupancy
- ✓ Low incentives
- ✓ Positive leasing spreads

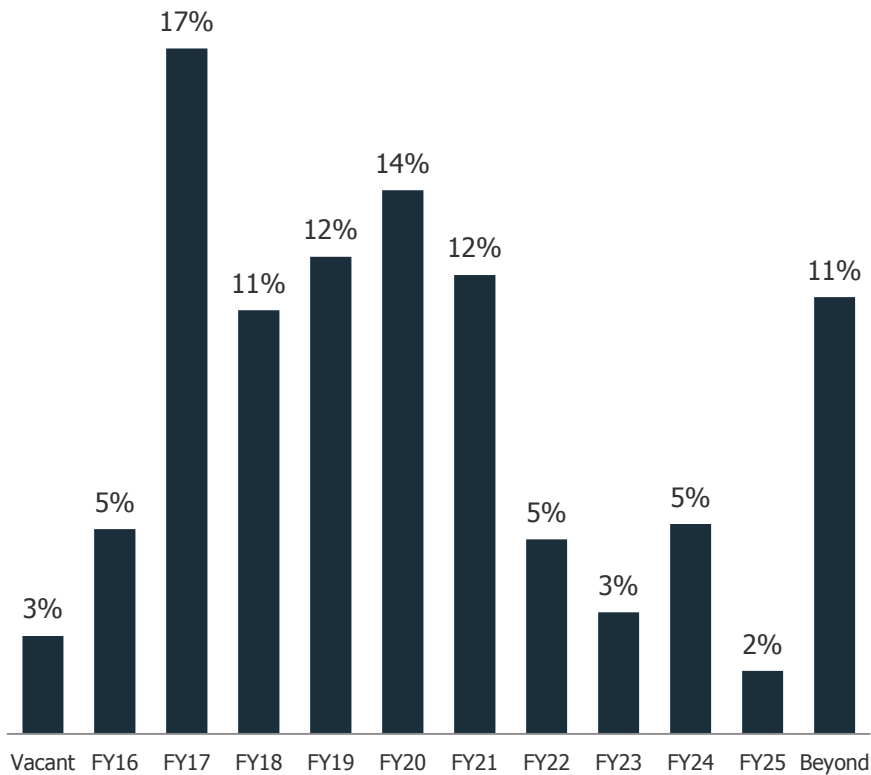
**Number of large format centres comprising the Portfolio**

4	6	7	9	11	12	14	15
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Notes:  
 1. Historical metrics exclude centres where these were not yet acquired  
 2. Source: Deep End Services (centres larger than 10,000 sqm), December 15 not available  
 3. CBRE Research

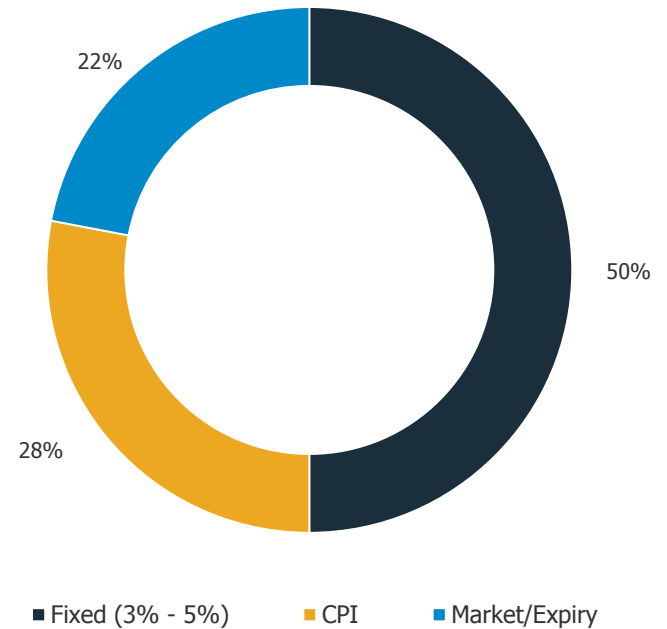
# STABLE LEASE EXPIRY PROFILE AND ANNUAL REVIEWS

**STRONG TENANT ENGAGEMENT ON FY17 EXPIRIES<sup>1</sup>**



Notes:  
1. Holdover tenancies as at 31 December 2015 treated as FY16 expiries.

**78% OF LEASES (BY GROSS RENT) HAVE ANNUAL FIXED OR CPI INCREASES**



# RECENT REVALUATIONS

- Three centres (Mile End Home, Jindalee Home and Peninsula Home) were independently revalued during the period.
- These centres, comprising 25% of the value of the portfolio, showed a \$21.3m or **9.1% increase** over the previous values as disclosed in the PDS.
- The valuation increases take into account annual rent increases, market rent reviews, completion of a number of asset management and development initiatives together with reductions in capitalisation rates.
- As a result of these revaluations, the **WACR of the portfolio tightened to 7.88%** from 8.01% per the PDS.

PROPERTY	NEW VALUATION (\$M)	PRIOR VALUATION (\$M)	\$ CHANGE (\$M)	% CHANGE	PRIOR CAPITALISATION RATE	NEW CAPITALISATION RATE
Mile End Home, SA	\$83.2	\$77.2	\$6.0	7.8%	8.50%	8.00%
Peninsula Home, VIC	\$67.6	\$62.7	\$4.9	7.8%	8.50%	8.00%
Jindalee Home, QLD	\$103.9	\$93.5	\$10.4	11.1%	8.06%	7.56%
<b>Total/Average</b>	<b>\$254.7</b>	<b>\$233.4</b>	<b>\$21.3</b>	<b>9.1%</b>	<b>8.32%</b>	<b>7.82%</b>



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// FINANCIAL RESULTS

# FINANCIAL PERFORMANCE

	PRE IPO 1 JULY 2015 TO 19 OCT 2015 \$M	POST IPO 20 OCT 2015 TO 31 DEC 2015 \$M	FIRST HALF 2016 \$M
Property revenue	2.7	19.4	22.1
Net movement in fair value of investment properties	(0.2)	23.4	23.2
Other income	-	0.1	0.1
Property expenses	(0.7)	(4.9)	(5.6)
Finance costs	(0.8)	(2.6)	(3.4)
Management fees	-	(1.1)	(1.1)
Portfolio acquisition and transaction costs	-	(56.9)	(56.9)
Other	-	(0.5)	(0.5)
<b>Result for the period</b>	<b>1.0</b>	<b>(23.1)</b>	<b>(22.1)</b>

## Comments

- Pre IPO results relate solely to the Kotara Home (South) property
- Post IPO results relate to the consolidated group including Epping Hub and Belrose Gateway Centre which were acquired in December
- IPO transaction costs of \$54.0m are slightly below the PDS forecast of \$54.1m
- Other portfolio acquisition costs of \$2.9m relate to acquisition of Epping Hub and Belrose Gateway centres

## FUNDS FROM OPERATIONS (FFO)

The distribution for the period is cash covered on an AFFO basis

POST IPO	POST IPO 20 OCT 2015 TO 31 DEC 2015 \$M
Loss for the period	(23.1)
Straight-lining of rental income	(0.3)
Amortisation of rental guarantees	0.2
Amortisation of debt establishment costs	0.1
Net movement in fair value of investment properties	(23.4)
Net movement in fair value of derivative financial instruments	0.5
Portfolio acquisition and transaction costs	56.9
<b>FFO</b>	<b>11.0</b>
Maintenance capex	(0.3)
Leasing costs	(0.6)
<b>Adjusted FFO (AFFO)</b>	<b>10.1</b>
<b>Distribution per unit (cents)</b>	<b>2.89</b>
<b>FFO per unit (cents)</b>	<b>3.20</b>
<b>Payout ratio (% of FFO)</b>	<b>90%</b>

# BALANCE SHEET

	ACTUAL DEC 15 \$M	PDS JUNE 15 \$M	MOVEMENT
<b>Assets</b>			
Cash and cash equivalents	5.8	9.0	(3.2)
Investment properties <sup>1</sup>	975.6	905.7	69.9
Other assets	3.5	4.6	(1.1)
<b>Liabilities</b>			
Borrowings	(315.7)	(281.7)	34.0
Other liabilities	(21.2)	(10.7)	10.5
<b>Net Assets</b>	<b>648.0</b>	<b>626.9</b>	<b>21.1</b>
<b>Units on issue (million)</b>	<b>343.2</b>	<b>343.2</b>	<b>-</b>
<b>NTA per unit (\$)</b>	<b>\$1.89</b>	<b>\$1.83</b>	<b>\$0.06</b>
<b>Gearing (%)<sup>2</sup></b>	<b>31.9%</b>	<b>29.9%</b>	<b>2.0%</b>

## Comments

- The increase in investment properties compared to the PDS is mainly due to acquisitions and fair value adjustments during the period
- The increase in borrowings is attributable to debt funded acquisitions during the period
- The increase in other liabilities is mainly due to the \$9.9m distribution payable for the Dec 2015 quarter

1. Investment properties includes rental guarantees of \$1.1m at 31 December 2015 and \$1m at 30 June 2015.

2. The gearing ratio is calculated as total debt less cash divided by total assets less cash.



# DEBT AND HEDGING ACTIVITIES

KEY METRICS	DEC 15 \$M
Bank debt (excluding establishment costs)	\$318m
Facility limit	\$400m
Cash and undrawn debt capacity	\$87.7m
Gearing (%)	31.9%
Weighted average cost of debt (%) <sup>1</sup>	3.3%
Weighted average debt maturity (years)	3.5
Weighted average hedged debt maturity (years)	3.6
LVR (%)	32.7%
ICR	6.6x
Interest rate swaps	\$160m
Hedged debt to drawn debt (%)	50.3%

1. WACD is calculated based on historical finance costs excluding debt establishment costs.

## DEBT & HEDGING MATURITY PROFILE AT 31 DECEMBER 2015

BANK DEBT	DRAWN \$M	UNDRAWN \$M	MATURITY
Tranche A	\$118m	\$82m	October 2020
Tranche B	\$200m	-	October 2018
<b>Total</b>	<b>\$318m</b>	<b>\$82m</b>	

INTEREST RATE SWAP MATURITY	NOTIONAL AMOUNT \$M
October 2018	\$80m
October 2019	\$40m
October 2020	\$40m
<b>Total</b>	<b>\$160m</b>

- The gearing ratio of 31.9% is at the lower end of target range of 30% and 40%
- The Group has significant headroom relating to its LVR covenant (less than or equal to 55%) and ICR covenant (at least 2x)
- Fixed rates on interest rate swaps range from 2.20% to 2.36%

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// DEVELOPMENT AND ACQUISITIONS



# GROWING DEVELOPMENT PIPELINE

- ✓ Estimated development pipeline to June 2017 of \$39 million with multiple opportunities identified across the portfolio which can be delivered over the medium term<sup>1</sup>
- ✓ The portfolio land area has increased to 930,545 sqm with a low site cover ratio of 41%

## Peninsula Home (Victoria)

- ✓ Commenced expansion to add 920 sqm of GLA from the existing carpark due for completion mid-2016
- ✓ Aldi has committed to a 10-year lease following Victoria planning reforms to allow 'small' supermarkets in LFR centres

## Tuggerah Super Centre (New South Wales)

- ✓ Revitalising and repositioning following the Bunnings expansion in 2015 due for completion mid-2016
- ✓ Leasing pre-commitments on track with government provider, Services NSW, and national retailer, Petstock, to be new additions to the centre.

## Other

- ✓ Accelerated expansion at Belrose Super Centre with completion scheduled for first half 2017.
- ✓ Bunnings tenancy at Sunshine Coast Home (Queensland) is scheduled for re-development in early 2017 (following lease expiry).
- ✓ A potential stage 8 expansion of Cranbourne Home (Victoria) is being reviewed pending the outcome of the adjoining Masters tenancy.



1. subject to statutory approvals, tenant pre-commitments and financial viability.

# RECENT ACQUISITIONS

## EPPING HUB

560-650 HIGH STREET, EPPING

ASSET DETAILS	
LOCATION	Metropolitan Melbourne
SETTLEMENT	9 December 2015
PURCHASE PRICE	\$40m
SITE AREA	59,770 sqm
GLA	22,140 sqm
WALE	2.6 years (by income)
OCCUPANCY	95.5%
MAJOR TENANTS	Officeworks, Lincraft, Chemist Warehouse, Supercheap Auto and Autobarn
ZONING	Activity Centre Zone

### ASSET UPDATE

- ✓ New on-site team replaced interstate manager – focus on building relationships and refurbishment works
- ✓ Leasing team replaced numerous external agents and commenced remixing and renewal program to take advantage of mixed use zoning
- ✓ Identified potential savings and synergies on several operating expenses as part of a national portfolio
- ✓ Commenced façade refurbishments and landscaping works aimed at improving sight lines
- ✓ Exploring opportunities to optimise low site coverage



# RECENT ACQUISITIONS

## BELROSE GATEWAY CENTRE

1 NIANGALA CLOSE, BELROSE

### ASSET DETAILS

<b>LOCATION</b>	Metropolitan Sydney
<b>SETTLEMENT</b>	18 December 2015
<b>PURCHASE PRICE</b>	\$6.4m
<b>SITE AREA</b>	4,035 sqm
<b>GLA</b>	2,248 sqm
<b>WALE</b>	6.7 years (by income)
<b>OCCUPANCY</b>	100%
<b>MAJOR TENANTS</b>	BCF, Beds N Dreams
<b>ZONING</b>	B7 – Business Park (permits LFR)

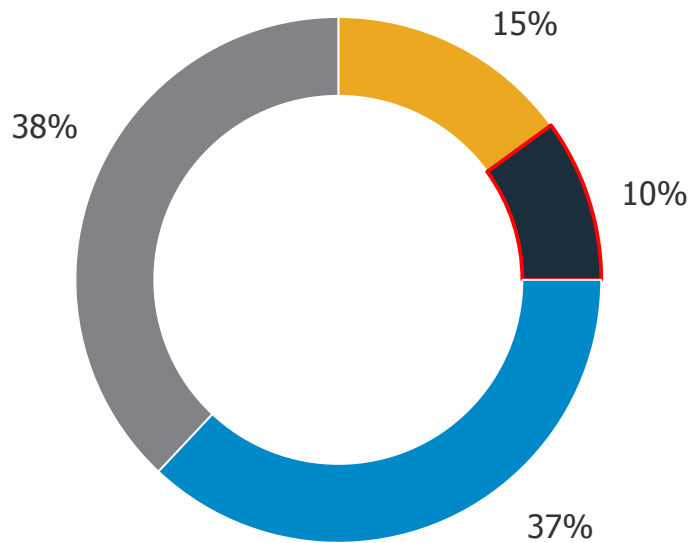
### ASSET UPDATE

- ✓ On-site team at adjoining Belrose Super Centre commenced management to ensure consistent presentation across the precinct
- ✓ Centre enhancement project scoped and underway, aimed at increasing exposure and easy integration with adjoining site
- ✓ Identified savings and synergies on several operating expenses across the precinct



# OPPORTUNITY TO CONSOLIDATE FRAGMENTED MARKET

AUSTRALIAN LFR CENTRE OWNERSHIP BY GLA<sup>1</sup>  
(CENTRES LARGER THAN 10,000 SQM)



- Harvey Norman
- Aventus
- Smaller portfolios (2+ centres)
- Other centres (single ownership)

Notes:  
1. Source: Deep End Services



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// STRATEGY AND  
OUTLOOK



# DELIVERING ON STRATEGY

The Fund is implementing its four key growth initiatives to drive long term value creation and sustainable earnings growth


**PORTFOLIO MANAGEMENT**



**Initiative**  
Optimise and broaden the tenancy mix through proactive leasing, leveraging retailer relationships and operational excellence

**Outcome**  
The portfolio continues to perform well with high occupancy, positive leasing spreads and low incentives

**DEVELOPMENT PIPELINE**



**Initiative**  
Invest in value enhancing development opportunities within the existing portfolio

**Outcome**  
Revitalising and repositioning of Tuggerah Super Centre and expansion of Peninsula Home


**CONSOLIDATION OPPORTUNITIES**



**Initiative**  
Selective acquisitions to enhance the Fund's portfolio and entrench the Fund as the pre-eminent LFR landlord in Australia

**Outcome**  
Two centres valued at \$46.4m were acquired, Epping Hub in Melbourne and Belrose Gateway Centre in Sydney

**POTENTIAL BENEFITS FROM CHANGES IN ZONING AND PLANNING**



**Initiative**  
Take advantage of regulatory changes in zoning and planning regime for the existing portfolio

**Outcome**  
Acted on recent reforms in Victoria resulting in planned Aldi supermarket in Peninsula Home



# OUTLOOK

- The underlying portfolio is performing in-line with expectations and acquisitions are forecast to be earnings accretive before the end of FY16
- Opportunities to grow the portfolio via acquisitions and development continue, and supplement organic income growth
- **The Fund is confident of the near term outlook and reaffirm the PDS FY16 guidance<sup>1</sup>:**
  - **FFO per unit of 11.2 cents or annualised FFO yield of 8.05%<sup>2</sup>**
  - **Distribution per unit of 10.1 cents or annualised distribution yield of 7.25%<sup>2</sup>**



<sup>1</sup> Assuming no material change to operating environment

<sup>2</sup> Based on IPO issue price of \$2 per unit



// QUESTIONS?

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## // APPENDIX 1 CASE STUDIES



# CASE STUDY – PENINSULA HOME

1128-1132 NEPEAN HIGHWAY, MORNINGTON



## ASSET DETAILS

<b>LOCATION:</b>	Outer Metropolitan Melbourne
<b>YEAR PURCHASED:</b>	2011
<b>SITE AREA:</b>	84,651 sqm
<b>GROSS LETTABLE AREA (GLA):</b>	33,064 sqm (including current expansion)
<b>WALE:</b>	4.0 years (including current expansion)
<b>OCCUPANCY:</b>	100% (on completion of expansion)
<b>MAJOR TENANTS:</b>	Harvey Norman, Officeworks, The Good Guys, Fantastic Furniture



# CASE STUDY – PENINSULA HOME

1128-1132 NEPEAN HIGHWAY, MORNINGTON

## VALUE ADD INITIATIVES



## LEASING

- ✓ Lifted occupancy from 90% to 100% and remixed over 9,800 sqm (31% of GLA) since acquisition
- ✓ Introduced national retailers with increased diversity including electrical, homewares, manchester and sporting goods with average gross rent up by 20% since acquisition
- ✓ Converted eleven gross leases to net leases, securing over \$400k in additional outgoings recovery

## CENTRE ENHANCEMENT

- ✓ Completed a comprehensive centre upgrade at a cost of circa \$1m
- ✓ Implemented new marketing initiatives to increase foot traffic and improve centre profile – campaigns such as the 'Car Park Sale' now an annual event

## DEVELOPMENT

- ✓ Capitalised on Victorian planning reforms by securing a new 10-year lease with ALDI for a 1,600 sqm tenancy
- ✓ Planning approval received and construction commenced on an additional 920 sqm of GLA across three tenancies in the car park
- ✓ Signed lease for a new 165-seat café and restaurant with a 'Kids Home' play area to be constructed next to the new café

# CASE STUDY – JINDALEE HOME

34 GOGGS RD & 168 SINNAMON RD, JINDALEE



## ASSET DETAILS

<b>LOCATION:</b>	Metropolitan Brisbane
<b>YEAR PURCHASED:</b>	2013
<b>SITE AREA:</b>	72,030 sqm
<b>GROSS LETTABLE AREA (GLA):</b>	26,475 sqm (including recent expansion)
<b>WALE:</b>	3.0 years (by income)
<b>OCCUPANCY:</b>	100%
<b>MAJOR TENANTS:</b>	Freedom, Nick Scali, Coles, Petbarn



# CASE STUDY – JINDALEE HOME

34 GOGGS RD & 168 SINNAMON RD, JINDALEE

## VALUE ADD INITIATIVES



## LEASING

- ✓ Enhanced retail mix with a new café, Petbarn, Adairs and Kitchen Connection
- ✓ Lifted occupancy from 97% to 100% (including two tenancies which had been vacant for over two years on acquisition)
- ✓ Negotiated 38 new leases or renewals covering 50% of GLA in under 3 years
- ✓ Utilised 300 sqm of vacant first level office GLA which is now 100% occupied

## CENTRE ENHANCEMENT

- ✓ New on-site team replaced interstate manager
- ✓ Upgrades to façade, signage and amenities to increase dwell time and improve customer experience
- ✓ Rebranded the centre and re-engaged the local community with regular on-site promotions including Drive-In movies in the car park

## DEVELOPMENT

- ✓ Acquired adjoining Coles shopping centre to enhance presence in the precinct
- ✓ Achieved planning approval and completed construction of an additional 1,633 sqm of GLA, including three new tenancies in the car park
- ✓ 100% pre-commitments secured including Supercheap Auto, Pharmacy 4 Less and Sitting Around

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// APPENDIX 2  
PORTFOLIO OVERVIEW





# PORTFOLIO OVERVIEW

PROPERTY	STATE	CARRYING VALUE (\$M) <sup>1</sup>	CAP RATE <sup>1</sup>	OCCUPANCY <sup>2</sup>	WALE (YEARS) <sup>3</sup>	GLA (SQM)	SITE AREA (SQM)	# OF TENANCIES	ZONING	DEV'T POTENTIAL
Ballarat Home	VIC	\$30.6	8.75%	94%	5.0	20,093	52,084	16	LFR/Retail	✓
Belrose Super Centre <sup>4</sup>	NSW	\$111.4	7.54%	100%	2.7	34,338	44,265	43	LFR/Retail	✓
Caringbah Home	NSW	\$82.5	8.00%	100%	2.1	19,377	22,818	26	LFR	✓
Cranbourne Home	VIC	\$114.1	7.83%	98%	7.3	54,316	193,900	32	LFR	✓
Epping Hub	VIC	\$40.0	8.00%	96%	2.6	22,141	59,770	30	LFR/Retail	✓
Highlands Hub	NSW	\$28.5	8.25%	99%	4.3	11,404	31,890	15	LFR/Retail	✓
Jindalee Home	QLD	\$103.9	7.56%	100%	3.0	26,475	72,030	59	LFR/Retail	✓
Kotara Home (South)	NSW	\$95.5	7.50%	100%	4.8	29,148	53,390	22	LFR/Retail	✓
Midland Home	WA	\$48.5	8.75%	100%	4.0	23,411	42,640	18	LFR	✗
Mile End Home <sup>5</sup>	SA	\$83.2	8.00%	98%	3.3	33,464	71,320	31	LFR	✗
Peninsula Home	VIC	\$67.6	8.00%	96%	3.5	32,134	84,651	28	LFR/Retail	✓
Sunshine Coast Home	QLD	\$64.5	8.00%	98%	4.0	27,584	68,877	32	LFR/Retail	✓
Tuggerah Super Centre <sup>6,7</sup>	NSW	\$43.4	7.25%	90%	7.7	28,904	71,570	23	LFR/Retail	✓
Tweed Hub	NSW	\$29.5	8.25%	97%	3.0	9,763	26,200	17	LFR/Retail	✗
Warners Bay Home	NSW	\$32.5	8.25%	95%	2.4	12,337	35,140	12	LFR	✗
<b>Total</b>		<b>\$975.6</b>	<b>7.88%</b>	<b>97.5%</b>	<b>4.0</b>	<b>384,889</b>	<b>930,545</b>	<b>404</b>		

1. Based on independent valuations as at 30 June 2015 and 31 December 2015. Valuations are on 'as if complete' basis.

2. By GLA as at 31 December 2015.

3. By gross income (excluding rental guarantees).

4. Metrics are calculated on a weighted average basis (by value) including Belrose Super Centre and adjacent Belrose Gateway Centre.

5. Metrics are calculated on a weighted average basis (by value) including Mile End Home and an adjacent expansion site (Mile End Stage 3).

6. Present value for Tuggerah includes \$2.2m of development expenditure since acquisition. Excludes \$3.75 million of vacant land for which the Fund has a call option with delayed settlement in July 2016.

7. Due to ongoing development works at Tuggerah the GLA and number of tenancies are subject to change.

# BALLARAT HOME

321-333 GILLIES STREET, WENDOUREE



## PROPERTY INFORMATION

STATE:	VIC
OWNERSHIP INTEREST:	100%
TITLE:	Freehold
VALUE:	\$30.6 m
CAPITALISATION RATE:	8.75%
WALE (BY INCOME):	5.0 years
OCCUPANCY (BY AREA):	94%
NUMBER OF TENANCIES:	16
% OF NATIONAL RETAILERS:	83%
ZONING:	Commercial 2 Zone
SITE AREA:	52,084 sqm
GROSS LETTABLE AREA:	20,093 sqm



# BELROSE SUPER CENTRE

4-6 NIANGALA CLOSE, BELROSE



## PROPERTY INFORMATION

STATE:	NSW
OWNERSHIP INTEREST:	100%
TITLE:	Freehold
VALUE:	\$111.4m
CAPITALISATION RATE:	7.54%
WALE (BY INCOME):	2.7 years
OCCUPANCY (BY AREA):	100%
NUMBER OF TENANCIES:	43
% OF NATIONAL RETAILERS:	94%
ZONING:	B7 Business Park
SITE AREA:	44,265 sqm
GROSS LETTABLE AREA:	34,338 sqm



# CARINGBAH HOME

220 TAREN POINT ROAD, CARINGBAH



## PROPERTY INFORMATION

STATE:	NSW
OWNERSHIP INTEREST:	100%
TITLE:	Freehold
VALUE:	\$82.5m
CAPITALISATION RATE:	8.00%
WALE (BY INCOME):	2.1 years
OCCUPANCY (BY AREA):	100%
NUMBER OF TENANCIES:	26
% OF NATIONAL RETAILERS:	82%
ZONING:	B5 – Business Development
SITE AREA:	22,818 sqm
GROSS LETTABLE AREA:	19,377 sqm



# CRANBOURNE HOME

398 SOUTH GIPPSLAND HIGHWAY, CRANBOURNE



## PROPERTY INFORMATION

STATE:	VIC
OWNERSHIP INTEREST:	100%
TITLE:	Freehold
VALUE:	\$114.1m
CAPITALISATION RATE:	7.83%
WALE (BY INCOME):	7.3 years
OCCUPANCY (BY AREA):	98%
NUMBER OF TENANCIES:	32
% OF NATIONAL RETAILERS:	91%
ZONING:	Commercial 2 Zone
SITE AREA:	193,900 sqm
GROSS LETTABLE AREA:	54,316 sqm



Home

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# EPPING HUB

560-650 HIGH STREET, EPPING



## PROPERTY INFORMATION

STATE:	VIC
OWNERSHIP INTEREST:	100%
TITLE:	Freehold
VALUE:	\$40m
CAPITALISATION RATE:	8.00%
WALE (BY INCOME):	2.6 years
OCCUPANCY (BY AREA):	96%
NUMBER OF TENANCIES:	30
% OF NATIONAL RETAILERS:	55%
ZONING:	Activity Centre Zone
SITE AREA:	59,770 sqm
GROSS LETTABLE AREA:	22,141 sqm



# HIGHLANDS HUB

205 OLD HUME HIGHWAY, MITTAGONG



## PROPERTY INFORMATION

STATE:	NSW
OWNERSHIP INTEREST:	100%
TITLE:	Freehold
VALUE:	\$28.5m
CAPITALISATION RATE:	8.25%
WALE (BY INCOME):	4.3 years
OCCUPANCY (BY AREA):	99%
NUMBER OF TENANCIES:	15
% OF NATIONAL RETAILERS:	84%
ZONING:	B5 – Business Development
SITE AREA:	31,890 sqm
GROSS LETTABLE AREA:	11,404 sqm



# JINDALEE HOME

34 GOGGS RD, JINDALEE



## PROPERTY INFORMATION

STATE:	QLD
OWNERSHIP INTEREST:	100%
TITLE:	Freehold
VALUE:	\$103.9m
CAPITALISATION RATE:	7.56%
WALE (BY INCOME):	3.0 years
OCCUPANCY (BY AREA):	100%
NUMBER OF TENANCIES:	59
% OF NATIONAL RETAILERS:	65%
ZONING:	QPP – DC1 District Centre
SITE AREA:	72,030 sqm
GROSS LETTABLE AREA:	26,475 sqm





# KOTARA HOME (SOUTH)

30 NORTHCOTT DRIVE, KOTARA



## PROPERTY INFORMATION

STATE:	NSW
OWNERSHIP INTEREST:	100%
TITLE:	Freehold
VALUE:	\$95.5m
CAPITALISATION RATE:	7.50%
WALE (BY INCOME):	4.8 years
OCCUPANCY (BY AREA):	100%
NUMBER OF TENANCIES:	22
% OF NATIONAL RETAILERS:	98%
ZONING:	B2 Local Centre
SITE AREA:	53,390 sqm
GROSS LETTABLE AREA:	29,148 sqm



Kotara Home

aventus property

# MIDLAND HOME

4 CLAYTON STREET, MIDLAND



## PROPERTY INFORMATION

STATE:	WA
OWNERSHIP INTEREST:	100%
TITLE:	Freehold
VALUE:	\$48.5m
CAPITALISATION RATE:	8.75%
WALE (BY INCOME):	4.0 years
OCCUPANCY (BY AREA):	100%
NUMBER OF TENANCIES:	18
% OF NATIONAL RETAILERS:	94%
ZONING:	Midland Redevelopment Area
SITE AREA:	42,640 sqm
GROSS LETTABLE AREA:	23,411 sqm



# MILE END HOME

121-150 RAILWAY TERRACE, MILE END



## PROPERTY INFORMATION

STATE:	SA
OWNERSHIP INTEREST:	100%
TITLE:	Freehold
VALUE:	\$83.2m
CAPITALISATION RATE:	8.00%
WALE (BY INCOME):	3.3 years
OCCUPANCY (BY AREA):	98%
NUMBER OF TENANCIES:	31
% OF NATIONAL RETAILERS:	82%
ZONING:	Bulky Goods Zone
SITE AREA:	71,320 sqm
GROSS LETTABLE AREA:	33,464 sqm



# PENINSULA HOME

1128-1132 NEPEAN HIGHWAY, MORNINGTON



## PROPERTY INFORMATION

STATE:	VIC
OWNERSHIP INTEREST:	100%
TITLE:	Freehold
VALUE:	\$67.6m
CAPITALISATION RATE:	8.00%
WALE (BY INCOME):	3.5 years
OCCUPANCY (BY AREA):	96%
NUMBER OF TENANCIES:	28
% OF NATIONAL RETAILERS:	84%
ZONING:	Industrial 3
SITE AREA:	84,651 sqm
GROSS LETTABLE AREA:	32,134 sqm



# SUNSHINE COAST HOME

100 MAROOCHYDORE ROAD, MAROOCHYDORE



## PROPERTY INFORMATION

STATE:	QLD
OWNERSHIP INTEREST:	100%
TITLE:	Freehold
VALUE:	\$64.5m
CAPITALISATION RATE:	8.00%
WALE (BY INCOME):	4.0 years
OCCUPANCY (BY AREA):	98%
NUMBER OF TENANCIES:	32
% OF NATIONAL RETAILERS:	84%
ZONING:	Specialised Centre Zoning
SITE AREA:	68,877 sqm
GROSS LETTABLE AREA:	27,584 sqm



# TUGGERAH SUPER CENTRE

2 BRYANT DRIVE, TUGGERAH



## PROPERTY INFORMATION

STATE:	NSW
OWNERSHIP INTEREST:	100%
TITLE:	Freehold
VALUE:	\$43.4m
CAPITALISATION RATE:	7.25%
WALE (BY INCOME):	7.7 years
OCCUPANCY (BY AREA):	90%
NUMBER OF TENANCIES:	23
% OF NATIONAL RETAILERS:	78%
ZONING:	B5 – Business Development
SITE AREA:	71,570 sqm
GROSS LETTABLE AREA:	28,904 sqm



# TWEED HUB

112-140 MINJUNGBAL DRIVE, TWEED HEADS SOUTH



## PROPERTY INFORMATION

STATE:	NSW
OWNERSHIP INTEREST:	100%
TITLE:	Freehold
VALUE:	\$29.5m
CAPITALISATION RATE:	8.25%
WALE (BY INCOME):	3.0 years
OCCUPANCY (BY AREA):	97%
NUMBER OF TENANCIES:	17
% OF NATIONAL RETAILERS:	71%
ZONING:	B5 – Business Development Zone
SITE AREA:	26,200 sqm
GROSS LETTABLE AREA:	9,763 sqm



# WARNERS BAY HOME

240 HILLSBOROUGH ROAD, WARNERS BAY



## PROPERTY INFORMATION

STATE:	NSW
OWNERSHIP INTEREST:	100%
TITLE:	Freehold
VALUE:	\$32.5m
CAPITALISATION RATE:	8.25%
WALE (BY INCOME):	2.4 years
OCCUPANCY (BY AREA):	95%
NUMBER OF TENANCIES:	12
% OF NATIONAL RETAILERS:	93%
ZONING:	B7 – Business Park
SITE AREA:	35,140 sqm
GROSS LETTABLE AREA:	12,337 sqm





# 7

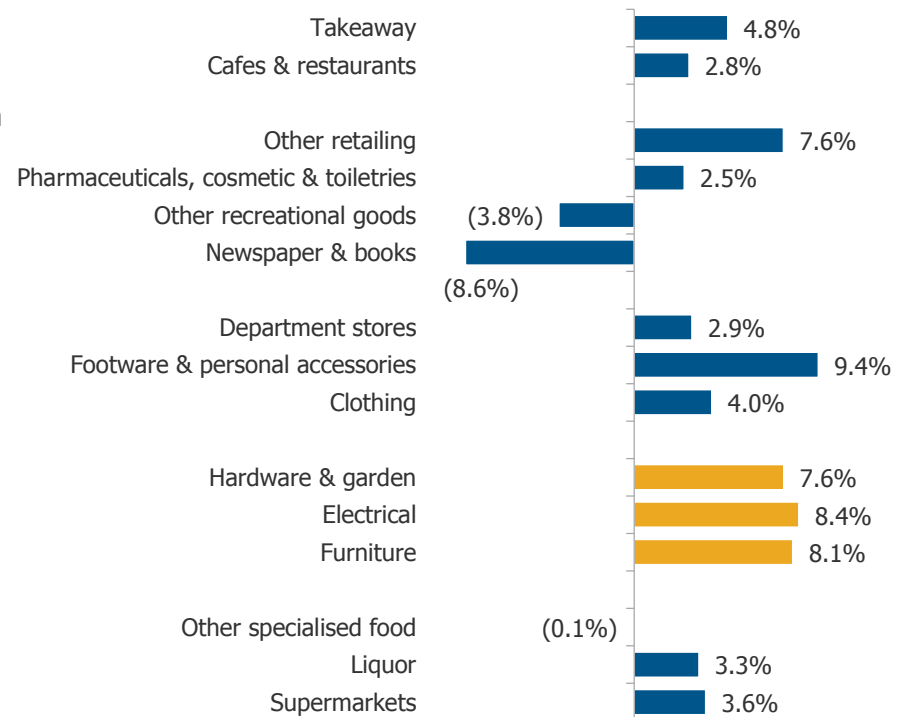
## // APPENDIX 3 INDUSTRY DYNAMICS AND DEMAND FOR LFR GOODS



# INDUSTRY DYNAMICS

- Household goods is a substantial retail segment in Australia
  - Approximately **\$65bn in sales** or 20% of total retail spend in Australia
  - Approximately **30% of total retail floor space** in Australia
- Large format retail spend continues to outperform total retail in 2015
- This trend is expected to continue however, the rate of growth is expected to slow
  - BIS Shrapnel predicts spending on household goods to continue to outperform total retail and grow at 5% per annum for 2016 and 2017

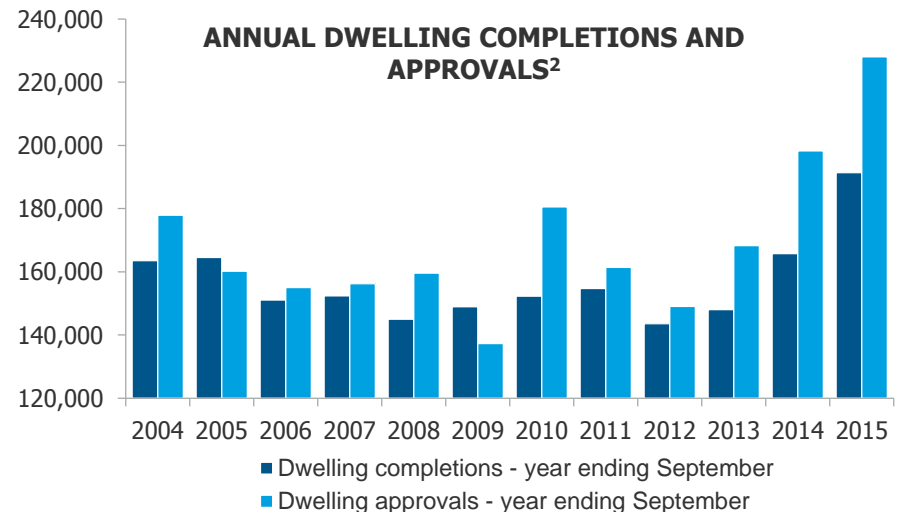
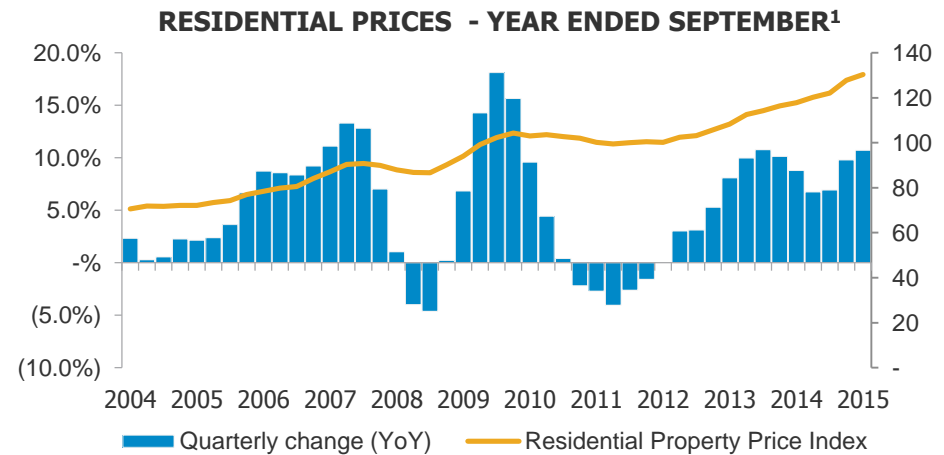
**RETAIL TURNOVER GROWTH 12 MONTHS TO 31 DECEMBER 2015 (ON PREVIOUS YEAR)<sup>1</sup>**



Notes:  
1. Source: ABS retail trend

# DEMAND FOR HOUSEHOLD GOODS

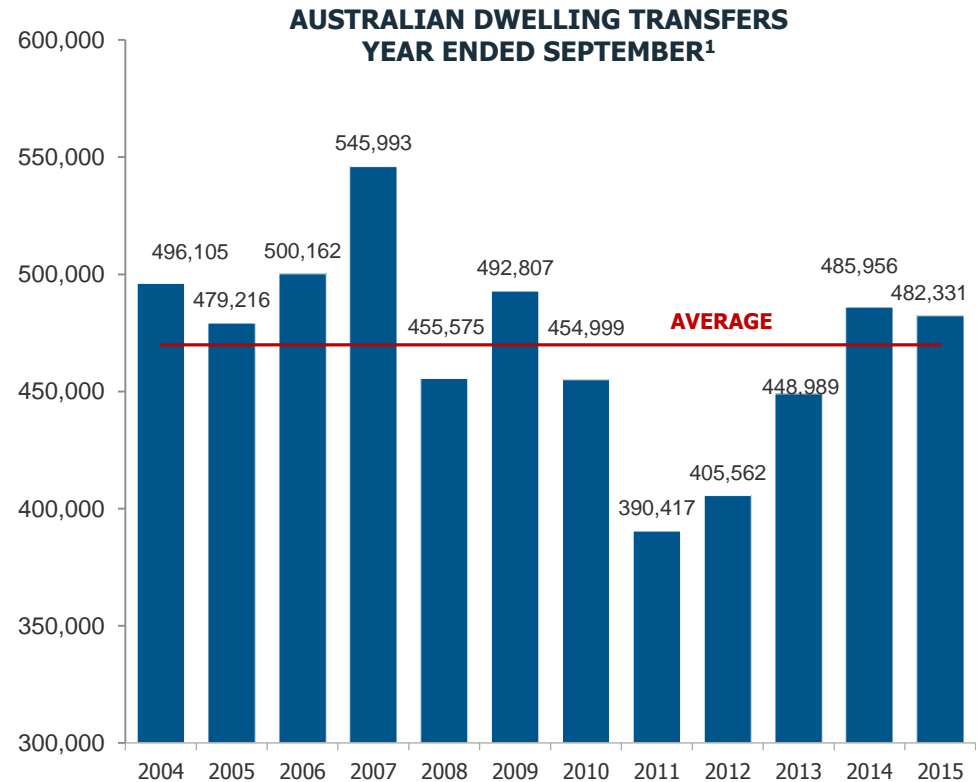
- Demand for household good influenced by many factors:
  - Strong growth in house prices in the last few years (now moderating)
  - Record highs of dwellings approval (lag effect of up to three years) and completions
  - Turnover of existing dwellings reverting to long term trends
  
- Other factors affecting demand for large format retail goods include:
  - Stable interest rate environment and lower petrol prices are supporting consumer sentiments
    - Every 20c drop in petrol prices is equivalent to 25bps interest rate cut<sup>3</sup>
  - Changes in life stages and population growth (births, ageing, divorce, upgraders, downsizers and migration)
  - Product trends and popularity of home renovations generate interest and attention for our tenants (e.g. The Block)



Notes:  
 1. Source: ABS residential price property index  
 2. Source: ABS dwelling approval and completion  
 3. Source: Citigroup

# DEMAND FOR HOUSEHOLD GOODS

- Home improvements is a natural hedge with renovations continuing through the cycle (but with smaller scope)
  - Bunnings recorded strong store-on-store growth during the last downturn (2008 – 2010) despite rolling out more stores
- The Fund’s strategy involves diversifying from traditional categories (furniture, bedding, electrical) to non-household goods category (supermarkets, pets, leisure, food and beverage)
- Non-household goods is the largest category of the Fund’s portfolio at 31% compared to the industry average of 24%



Notes:  
<sup>1</sup> Source: ABS dwellings transfers

# AVENTUS PROPERTY GROUP



# DISCLAIMER

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## Half Year Report

The half year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, the report is to be read in conjunction with the PDS and any public announcements made by AVN during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

## Half Year Results Presentation

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