

OPEN FOR INVESTMENT

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Investment Report to 31 March 2017

CROMWELL DIRECT PROPERTY FUND

This award winning investment portfolio provides exposure to unlisted, direct property throughout Australia. The Fund aims to provide a monthly tax advantaged income stream and future capital growth potential.

Key Statistics

as at 31 March 2017

Status	OPEN ¹
Unit Price	\$1.1927 ²
Distribution Yield	5.87% p.a. ³
WALE	10.0 years ⁴

Performance

	1 Year	2 Years	3 Years	Inception (Aug-13)
Fund Performance After fees & costs	9.2%	10.6%	10.2%	11.5%
Benchmark PCA/IPD Unlisted Retail Property Fund Core Index	21.2%	28.9%	24.4%	21.9%
Excess Returns After fees & costs	(12.0%)	(18.3%)	(14.2%)	(10.4%)

Fund Update

- An external valuation of the Parafield Retail asset (located on Main North Road, Parafield, South Australia) as at 31 March 2017 resulted in a 5.0% decrease in the value of the asset to \$26.25 million, down from \$27.6 million as at 31 March 2016, underpinned by a lower rental on Tenancy Two, situated between Officeworks and the former Masters Store
- The fall in value was offset by a reduced payment to the developer as a result of the lower rental, ultimately providing a net positive effect on the Fund's unit price
- As of January 2017, Knight Frank Australia Pty Ltd have commenced a lease on level four of 64 Allara Street for a term of seven years, taking approximately 660 square metres as commercial office space
- The Fund's unit price benefited slightly over the quarter from a positive asset re-valuation of the Rand Distribution Centre
- Increasing support for applications has enabled the Fund to eliminate direct gearing in the Fund as at 31 March 2017, whilst Fund look through gearing was reduced to 17.6%
- The Fund's performance as at 31 March 2017 was 11.5% per annum since inception. Performance for the quarter ending 31 March 2017 was 1.8%
- CFM as the responsible entity of DPF executed and lodged a supplemental deed with the Australian Securities and Investments Commission on 27 March 2017 to amend the Fund's constitution to allow the Fund to elect into and operate under the proposed Attribution Managed Investment Trust (AMIT) regime if CFM believes the Fund should do so. For more information on the potential benefits of operating under the AMIT regime please refer to the Continuous Disclosures and Updates section of the Fund's web page

1. Withdrawals are limited, cannot be guaranteed and are subject to the assumptions and risks set out in the PDS dated 1 September 2016.
2. Unit prices are calculated daily. See the PDS for further information and www.cromwell.com.au/dpf for latest pricing.
3. Paying 7 cents per unit p.a. Yield based on current unit price of approximately \$1.1927 (31 March 2017).
4. Figures as at 31 March 2017. Calculated on a "look-through" gross passing income basis.

Cromwell Funds Management Limited ABN 63 114 782 777 AFSL 333214 ("CFM") has prepared this flyer and is the responsible entity of, and the issuer of units in, the Cromwell Direct Property Fund ARSN 165 011 905 ("Fund"). In making an investment decision in relation to the Fund, it is important that you read the product disclosure statement dated 1 September 2016 ("PDS"). The PDS is issued by CFM and is available from www.cromwell.com.au/dpf or by calling Cromwell Investor Services on 1300 276 693. Applications for units in the Fund can only be made on the application form accompanying the PDS with approved wording, or an approved sticker, confirming that the applicant has received, read and understood the PDS. This flyer has been prepared without taking into account your objectives, financial situation or needs. Before making an investment decision, you should consider the PDS and assess, with or without your financial or tax adviser, whether the Fund fits your objectives, financial situation or needs. CFM and its related bodies corporate, and their associates, do not receive any remuneration or benefits for the general advice given in this flyer. If you acquire units in the Fund, CFM and certain related parties may receive fees from the Fund and these fees are disclosed in the PDS.

Please note: Any investment, including an investment in the Fund, is subject to risk. If a risk eventuates, it may result in reduced distributions and/or a loss of some or all of the capital value of your investment. See the PDS for examples of key risks. Past performance is not a reliable indicator of future performance. Forward-looking statements in this flyer are provided as a general guide only. Capital growth, distributions and tax consequences cannot be guaranteed. Forward-looking statements and the performance of the Fund are subject to the risks and assumptions set out in the PDS.