

## OPEN FOR INVESTMENT

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Investment Report to 30 June 2019

# 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 30 June 2019

Status	OPEN <sup>1</sup>
Unit Price	\$1.2587 <sup>2</sup>
Distribution Yield	5.56% p.a. <sup>3</sup>
WALE	8.2 years <sup>4</sup>

### Performance

	1 Year	3 Years	5 Years	Inception (Aug-13)
<b>Fund Performance</b> After fees & costs	6.8%	9.1%	9.4%	10.3%
<b>Benchmark</b> PCA/IPD Unlisted Retail Property Fund Core Index	12.5%	17.3%	20.9%	19.7%
<b>Excess Returns</b> After fees & costs	(5.7%)	(8.2%)	(11.5%)	(9.4%)

### Fund update

- The Cromwell Direct Property Fund (Fund) acquired its sixth direct property in the quarter, with the purchase of the Altitude Corporate Centre, 163 – 175 O’Riordan Street, Mascot, NSW for \$113.3 million
- The Fund finalised a new \$146.5 million debt facility over the quarter which was drawn, together with existing cash reserves, to fund the Mascot acquisition
- The purchase of the Mascot asset is accretive to Fund earnings, allowing for a distribution increase to 7.25 cents per unit per annum, payable from 1 July 2019
- The Fund benefited from an external valuation increase to both Energex House, located in Newstead, Brisbane, and the Ipswich City Heart Building, Ipswich, owned by the Cromwell Riverpark Trust and the Cromwell Ipswich City Heart Trust respectively, in which the Fund owns units
- The value of the Allara Street asset, located in Canberra, ACT, remains constant at \$18 million, with the next external valuation due in December 2019
- The value of the Bunnings asset, located in Angle Vale, SA, remains constant at \$31.3 million, with the next external valuation due in September 2019
- The value of the Parafield Retail Complex, Parafield, SA remains constant at \$29 million, with the next external valuation due in September 2019
- The value of the 420 Flinders Street, Townsville asset remains constant at \$63.75 million, with the next external valuation due in December 2019
- The Fund’s look through gearing at 30 June 2019 was 42.3%, with direct gearing at 37.5%
- The Fund’s performance to 30 June 2019 was 10.3% per annum annualised since inception

1. Withdrawals are limited, cannot be guaranteed and are subject to the assumptions and risks set out in the PDS dated 29 September 2017.

2. Unit prices are calculated daily. See the PDS for further information and [www.cromwell.com.au/dpf](http://www.cromwell.com.au/dpf) for latest pricing.

3. Paying 7 cents per unit p.a. Yield based on current unit price of approximately \$1.2587 (30 June 2019).

4. Figures as at 30 June 2019. Calculated on a ‘look-through’ gross passing income basis.

See [www.cromwell.com.au/dpf](http://www.cromwell.com.au/dpf) for further information.

Cromwell Funds Management Limited ABN 63 114 782 777 AFSL 333214 (CFM) has prepared this report 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 29 September 2017 (PDS). The PDS is issued by CFM and is available from [www.cromwell.com.au/dpf](http://www.cromwell.com.au/dpf) or by calling Cromwell’s Investor Services Team on 1300 268 078. 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 report 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 report. 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 report 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.