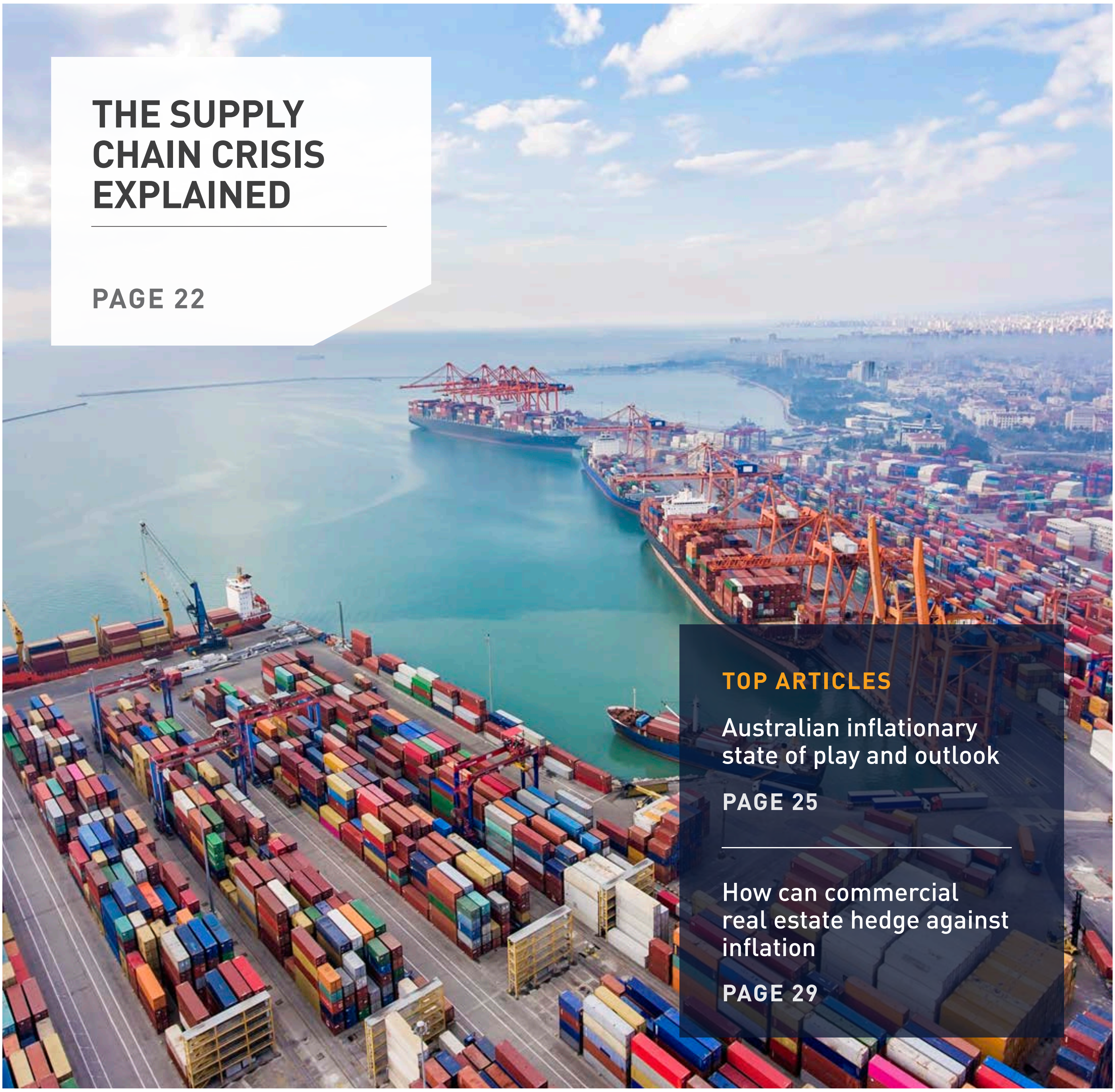
INSIGHT
MAGAZINE



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Cromwell Property Group (ASX:CMW) (Cromwell) is a real estate investor and fund manager with operations on three continents and a global investor base. The Group is included in the S&P/ASX 200. As at 31 December 2021, Cromwell had a market capitalisation of $2.3 billion, an Australian investment property portfolio valued at $3.1 billion and total assets under management of $12.1 million across Australia, New Zealand and Europe.

Insight Magazine is published by Cromwell for our retail securityholders, investors, financial planners and other stakeholders. It is distributed quarterly and features our view of industry trends, news and educational matters. We also share our achievements in property markets and report on the progress of our investment funds.

This document has been prepared by Cromwell Funds Management Limited ABN 63 114 782 777, AFSL 333 214 (CFM) and Cromwell Property Securities Limited ABN 11 079 147 809, AFSL 238 052 (CPSL), both of which are wholly owned subsidiaries of Cromwell Corporation Limited ABN 44 001 056 980.

All statistics, data and financial information are prepared as at 31 December 2021 unless otherwise indicated. All dollar figures shown are in Australian dollars unless otherwise indicated.

Cromwell Property Group (Cromwell) comprises Cromwell Corporation Limited ABN 44 001 056 980 (CCL or the Company) and the Cromwell Diversified Property Trust ARSN 102 982 598 (DPT or the Trust), the responsible entity of which is CPSL.

CEO UPDATE

Jonathan Callaghan
Chief Executive Officer

Cromwell Property Group

Dear Investor,

On 24 February 2022, Cromwell reported its HY22 financial results. While the global operating environment continued to be challenging due to the ongoing COVID-19 pandemic, Cromwell has achieved a satisfactory half-year result which reflects the stability and resilience of our platform.

In addition to our results, we provided an update on the Group's strategy. We have a clear vision to build a simplified and more capital efficient model, with a strategic emphasis on the major opportunities to grow our global funds and asset management business. We believe this refocused approach will guide our future priorities and deliver value for securityholders.

An overview of our results and strategy can be found on page 6. Full details of the results are available in the Securityholder Centre section of Cromwell Property Group's website: www.cromwellpropertygroup.com.

This year, Cromwell's European Managing Director, Pertti Vanhanen, was able to join us in person for the presentation of our results and give us an update on the European platform amid the situation arising from Russia's invasion of Ukraine. Cromwell has established a crisis management team that is monitoring developments, and we are fortunate that the current situation has had a limited immediate impact on Cromwell's business operations. Our Warsaw and Prague teams are working tirelessly to support the Ukraine refugee crisis, offering some office space and car garages to aid agencies to use as staging stations for food and clothing relief, as well as volunteering their spare time.

At home, it has also been a tough start to the year. As an organisation founded and headquartered in Brisbane, Cromwell saw firsthand the devastation the recent floods have caused across Southeast Queensland and New South Wales. Our property team worked industriously to ensure Cromwell's Brisbane-based assets avoided significant damage due to the flood event and as a result have enabled all assets to remain operational and open to tenants.

I would like to thank everyone at Cromwell for their dedication and hard work to ensure that we can continue to deliver for our investors and tenants under these unfortunate circumstances. Our thoughts and best wishes are with everyone who has been impacted in Europe and Australia over the past few weeks.

In edition #37 of Insight, we discuss the hot topic of inflation, what's causing it, how Australia is faring, and the way in which commercial real estate can be used to hedge against it. We also look at the growing popularity of funds management to boost earnings, diversify income and expand capital resources and introduce our new Head of Retail Funds Management, Peta Tilse. Finally, Cromwell's Head of Research and Investment Strategy, Tom Duncan, hints at the revival of retail in Europe in his latest research article.

I hope you enjoy this edition of Insight.

Yours sincerely,

Jonathan Callaghan
CEO, Cromwell Property Group

BRETT HINTON APPOINTED HEAD OF FUNDS MANAGEMENT – AUSTRALIA

In November 2021, Cromwell appointed Brett Hinton to the newly-created role of Head of Funds Management – Australia.

In this role, Mr Hinton will be responsible for growing the existing Cromwell Funds Management business which services retail investors and advisers throughout Australia, as well as creating new wholesale funds and opportunities that will appeal to institutional and other capital partners in Australia.

Cromwell CEO, Jonathan Callaghan, said, "I am delighted to be able to appoint Brett into this pivotal role. As has been made clear, the growth of Cromwell's funds management business is a key priority and I'm determined that we get on with the job as quickly as possible.

Mr Hinton added, "There is enormous further potential for funds management here at Cromwell, even as we have already seen increased momentum and some great results for investors lately."

Mr Hinton joined Cromwell in December 2016 as Head of Treasury after building a 17-year banking career in the CBA Institutional Bank Real Estate Team covering the AREIT sector. This saw involvement in significant balance sheet restructures, foreign and domestic capital market raisings and M&A funding requirements all through vastly different liquidity cycles.

Mr Hinton worked as Cromwell's Relationship Manager from 2007 while working at CBA, and as such, had an in-depth knowledge of the business upon joining in 2016.

CEREIT FY21 RESULTS

The Manager of Cromwell European Real Estate Investment Trust (CEREIT) has announced CEREIT's financial results for its 2021 financial year (FY21) which ended on 31 December 2021. CREIT continues to deliver operational resilience and has turned in robust FY21 results, against a macro backdrop of rising interest rates, changing market conditions and an ongoing pandemic.

CEREIT's FY21 Net Property Income (NPI) rose +10.9% year-on-year to €130.1 million, mainly due to higher revenue from the new acquisitions in the Czech Republic, Slovakia, the United Kingdom, Italy and the Netherlands, and in addition to the absence of doubtful debt provisions in FY21 as compared to FY20.

FY21 NPI increased 2.3% on a like-for-like basis, with light Industrial / logistics sector NPI up 3.0%, office up 2.1% and the 'other' sector up 0.9%. FY21 income available for distribution to unitholders grew 5.0% year-on-year to €93.6 million.

FY21 Distributions Per Unit (DPU) declined 2.6% to 16.961 Euro cents, from 17.420 Euro cents in FY20. However, like-for-like FY21 DPU increased 0.5% to 16.961 Euro cents, excluding €2.8 million distribution of realised capital gains (translating into 0.55 Euro cents per unit in the first half of FY20).

INTERNATIONAL WOMEN'S DAY AT CROMWELL

On 8 March 2022, International Women's Day was held to celebrate the social, economic, cultural and political achievements of women, as well as a day to call for action to progress women's inequality. This year's theme was #BreakTheBias – promoting a world free of stereotypes and discrimination.

In Australia's financial services industry, more than 80% of key roles are held by men. At Cromwell, we have committed to 40 / 40 / 20 representation (40% men, 40% women, 20% of any gender) and aim to recruit, develop and retain a workforce which is reflective of the diversity of our investors, our tenants and our communities, and address ways in which we can break the bias.

Cromwell's Head of Retail Funds Management, Peta Tilse, said, "My mother was a teacher and when she got married, she had to resign from her job and career, just because she was a woman and it was the law. I can't imagine that level of discrimination for anyone, and am pleased that the work of others over a number of years means that I am able to lead a full career despite marital or parental status."

"That's why it is important for all of us to continue to challenge and #BreakTheBias, so we can all appreciate what diversity can deliver."

ENERGEX HOUSE LEASE AND SALE CAMPAIGN

In November 2021, Cromwell Funds Management Limited (CFM), as trustee for the Cromwell Riverpark Trust (the Trust), announced it had executed a lease extension for Energex, the primary tenant within 33 Breakfast Creek Road, Newstead (Energex House). Pleasingly, the lease has been extended by a further five years, now expiring in August 2030 with two further option periods of five, and three years respectively.

CFM is committed to always act in the best interests of unitholders, and feedback has indicated that after 12 years, the preference is to wind up the Trust. As such, CFM appointed Jones Lang LaSalle (JLL) and CBRE as agents to oversee the process of marketing and selling Energex House, which began in late-January.

The sale process is expected to take several months, and further updates will be provided in due course.

BRISBANE ASSETS AVOID SIGNIFICANT DAMAGE AMID RAIN DELUGE

As an organisation founded and headquartered in Brisbane, Cromwell and many of our employees, tenants and stakeholders saw firsthand the devastation the recent floods have caused across Southeast Queensland and Northern New South Wales. Our thoughts and best wishes are with everyone who was affected in any way.

Our property team has worked tirelessly to ensure Cromwell's Brisbane-based assets avoided significant damage as a result of the flood event and were able to ensure all assets remained operational and open to tenants.

545 Queen Street and 100 Creek Street, the two Brisbane-based assets held directly in the Cromwell Direct Property Fund (DPF), both remained operational and avoided any flood-related damage. Additionally, Energex House, the sole asset in the Cromwell Riverpark Trust in which DPF holds a 22.5% ownership stake, remained operational and avoided significant damage.

CROMWELL HY22 FINANCIAL RESULTS OVERVIEW AND STRATEGY UPDATE

FINANCIAL RESULTS OVERVIEW

STATUTORY PROFIT **$132.5 million** equivalent to 5.06 cps (HY21 $145.2 million / 2.53 cps)	**OPERATING PROFIT** **$96.4 million** equivalent to 3.68 cps (HY21 99.1 million / 3.79 cps)	**HY22 DISTRIBUTIONS** **3.25 cps** for a payout ratio of 88.3%
NET TANGIBLE ASSETS **$1.03** per security (FY21 $1.02)	**GEARING UNCHANGED** **42%** (FY21 42%)	**TOTAL ASSETS UNDER MANAGEMENT (AUM)** **$12.1 billion** (FY21 $11.9billion)

Completion of the review of **Cromwell's strategy**

Mr Jonathan Callaghan commenced as new **Chief Executive Officer** on 5 October 2021

CROMWELL
TO FOCUS ON ITS
GLOBAL REAL ESTATE FUNDS MANAGEMENT
PLATFORM

"We have a clear vision to build a simplified and more capital efficient model, with a strategic emphasis on the major opportunities to grow our global funds and asset management business. It's this refocused approach that will guide our future priorities and deliver value for securityholders.

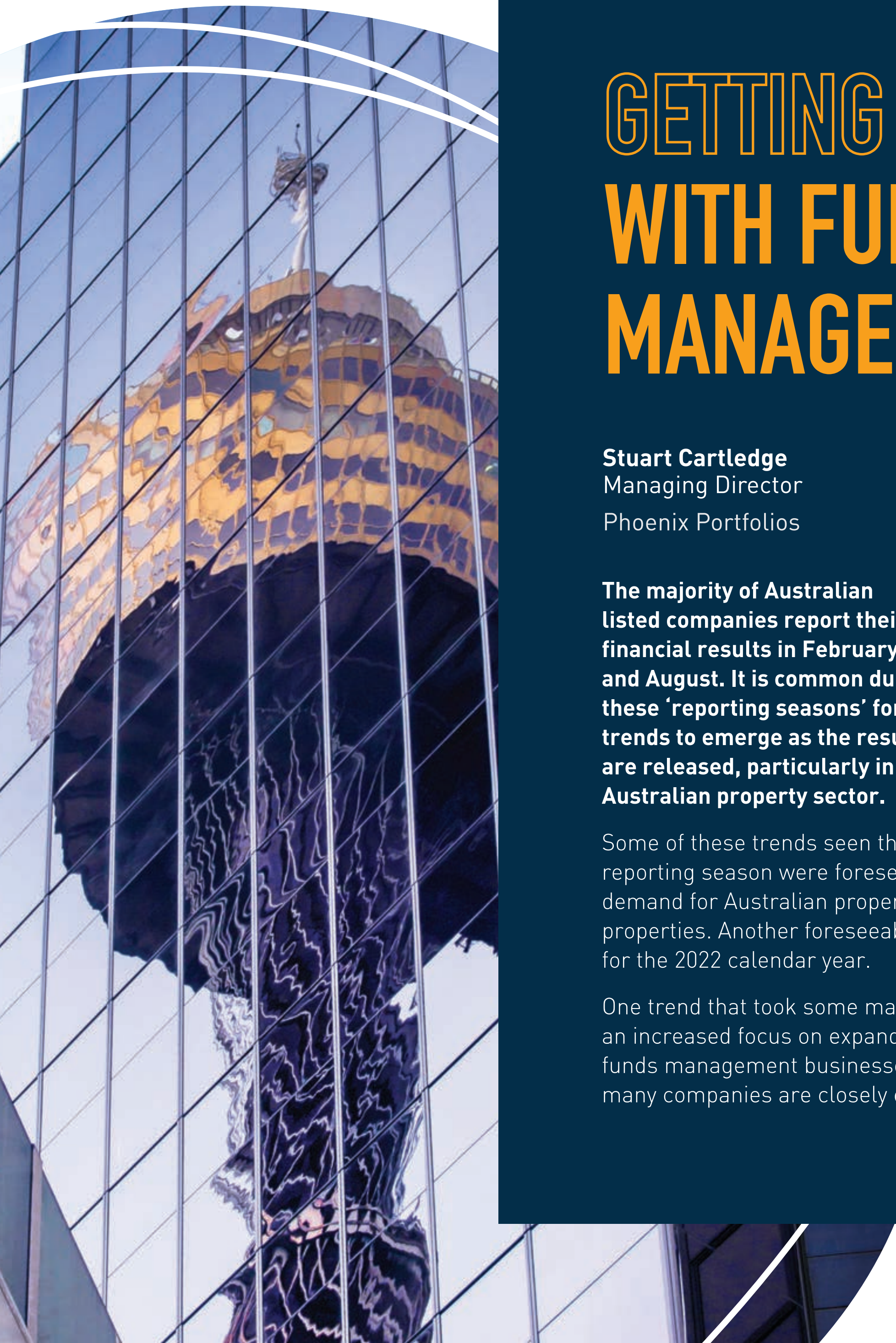
"In the near term, this will include the launch of various new initiatives including an externally managed real estate investment trust (REIT) listed on the ASX, the sale of non-core assets and the continued focus on the launch and marketing of new funds in Europe and via our retail funds business. We have also introduced a programme of initiatives which aim to retain our valuable people and attract new talent to the business to underpin the strategy."

Jonathan Callaghan
Chief Executive Officer
Cromwell Property Group

GROUP STRATEGY UPDATE

Following the Board renewal in early 2021 and subsequent appointment of the new CEO, Cromwell commenced a review of its strategy, announcing the intention to explore the establishment of a separately listed, Cromwell-managed portfolio of high-quality Australian office assets as part of a transition to a Global Real Estate Funds Management model. Cromwell is well progressed in establishing the new REIT (subject to board, regulatory and securityholder approvals) in which Cromwell will own a substantial stake alongside Cromwell securityholders who will receive scrip in the new listed entity.

Further details for the new REIT will be announced at launch, which is expected to be later this financial year (subject to prevailing market conditions).



GETTING ACTIVE WITH FUNDS MANAGEMENT

Stuart Cartledge
Managing Director
Phoenix Portfolios

The majority of Australian listed companies report their financial results in February and August. It is common during these 'reporting seasons' for trends to emerge as the results are released, particularly in the Australian property sector.

Some of these trends seen throughout the Febuary 2022 reporting season were foreseeable, such as the ongoing demand for Australian property assets, particularly industrial properties. Another foreseeable trend was the optimistic outlook for the 2022 calendar year.

One trend that took some market participants by surprise was an increased focus on expanding active businesses, in particular funds management businesses. In this article we look at why many companies are closely examining this opportunity.

The mathematics that makes it work

Whilst lower capitalisation rates have the benefit of increasing the value of property, by mathematical necessity they also mean lower forward-looking returns. Let us look at an example that is indicative of some transactions taking place.

In this case, let's think of a $100 million Sydney CBD office asset with a capitalisation rate of 4.5%, leased to a government tenant for 5 years, with 2% annual rental increments. The starting rent is $4.5 million p.a., and the ending rent is $4.87 million p.a., averaging out to $4.68 million p.a. Of this income, how much do we really capture?

Sadly for owners, tenants are often provided with an incentive to sign a lease. Right now, in Sydney, a not-unrealistic 35% incentive means that just over a third of the rental income is given back to the tenant over the life of the lease. This works for the landlord if, at the end of the lease, the landlord can retain the tenant without further incentives. However, such an outcome is unlikely. In any case, for our example, this takes $1.64 million p.a. out of our income.

A further real cost to the owner is the requirement to maintain the building and services to meet the requirements of the lease. While there are different accounting treatments of these items, it really is 'cash out the door' and is reflected in our example by $730,000 p.a. In reality, it is likely to be less straightforward than this, but the figure is realistic for prime office assets. Below is a chart outlining the average yearly cash flows of the example across the five-year lease.

Based on these assumptions, our 4.5% capitalisation rate office asset only provides a cash flow yield of 2.32% p.a. to the property owner over the life of the lease. While this is significantly better than the 0.78% yield on five-year Australian government bonds (at quarter-end), it is by no means a very high return and relies on further capital growth to provide a reasonable total return.

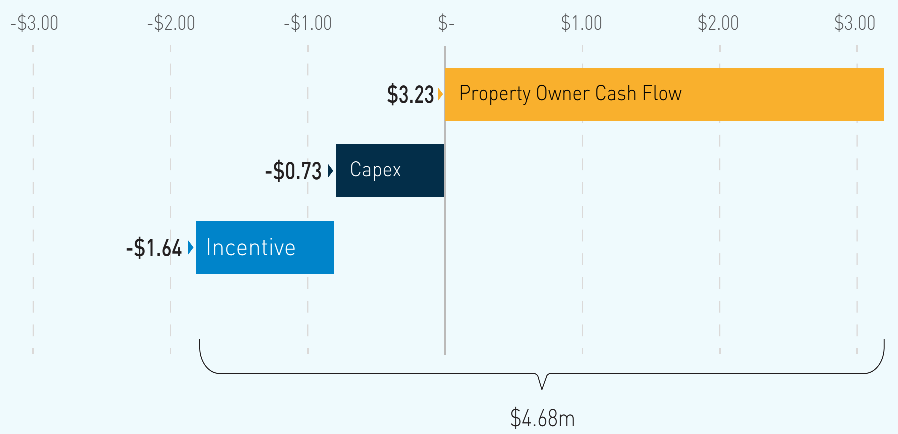
$100 million Sydney CBD office asset

Capitalisation rate of 4.5%

5-year lease to Government tenant

Average rent $4.68m (2% annual increments)

Where does an average year's net rent ($4.68m) go?



In order to enhance returns, many A-REIT management teams are trying to create new earnings streams from the same property. One way to achieve this is by earning a fee stream from the property.

Building on the example above, let's assume there is a $200 million property with the exact same characteristics as above. In this case, the real estate investment trust (REIT) sells 50% of the property ($100 million) to a third party and keeps 50% for itself, such that it still owns $100 million worth of property, but manages $200 million.

In this case, the REIT earns a funds management fee of 0.4% p.a. on the 50% share it manages on behalf of the third party. (For the sake of simplicity, we have assumed there are no incremental costs associated with this management fee stream). The charts below show the new cash flow profile.

In this example, the third-party investor gets access to $100 million worth of investment property and likely gets a say in how the property is managed. It also receives a yield significantly greater than that provided by Australian Government bonds. The REIT still collects its 2.32% property yield on its co-investment stake, but now also receives 0.4% p.a. management fees. This may not sound like much, but it enhances property returns by more than 17%, a strong boost in anyone's language.

$200 million
Sydney CBD
office asset

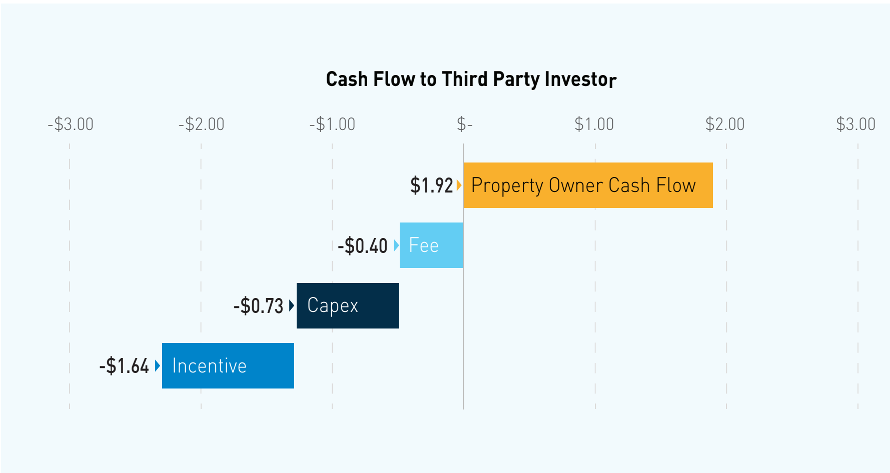
50% - Third party
50% - REIT

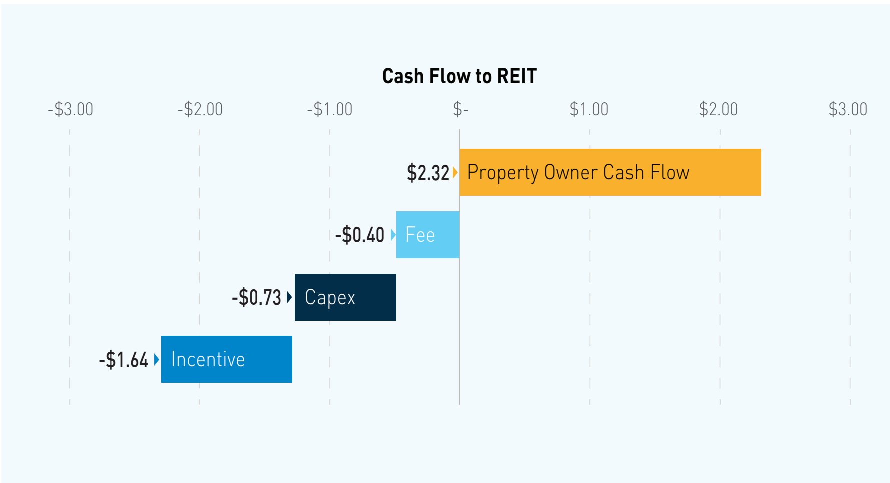
0.4% Fund
management fee

Capitalisation
rate of 4.5%

5-year lease
to Government
tenant

Average rent $4.68
(2% annual
increments)





Funds management is becoming increasingly popular

Recognising the benefits of creating a funds management business, many REITs within the Australian property universe have operated funds businesses for some time. For businesses in this category, little changed through reporting season, other than ongoing demand supporting assets under management growth into the near future.

Others in the sector have had small funds management businesses for some time. Commonly, these have provided a small boost to earnings, in some cases effectively paying for some, or all of the corporate costs of the broader business. Many in this category made strong statements regarding the expansion of their fund management businesses.

Finally, there are those REITs who generate all, or almost all, of their earnings from owning properties on their own balance sheet. However, some of these REITs are seeking to create a funds management business to diversify income and expand capital sources.

Execution is the key

So why hasn't this been the approach for years? While it has been the approach for some, there are barriers to entry to consider.

The key hurdles that need to be overcome are the extra staffing, compliance, marketing and relationship management functions that come with such a business, and the need to establish a solid track record in fund performance.

While there is an argument that the skills required to own and manage your own assets can be transferred to a funds management business, it takes time to transition to managing money on behalf of others, so the rewards of successful execution are never going to be immediate.

The ability of REITs to adjust to different market conditions, as highlighted by increased focus on returns through funds management, is a key advantage of investing in listed property. Some will do this successfully, whilst others may struggle. A focus on governance in particular, along with other ESG considerations, is crucial. ■

CROMWELL APPOINTS NEW HEAD OF RETAIL FUNDS MANAGEMENT

On 17 January 2022, Cromwell appointed Peta Tilse as its new Head of Retail Funds Management.

Peta Tilse
Head of Retail Funds Management
Cromwell Property Group

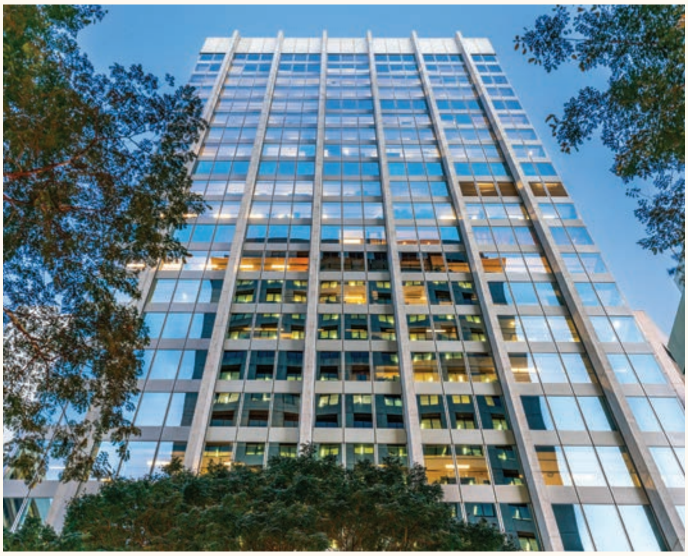
Peta is a financial services professional with over 25 years' experience and a passion for helping Australian consumers make sense of investment markets and opportunities. As a top performing institutional portfolio manager and investment specialist, Peta's unique ability to demystify the world of finance can be heard on ABC Radio's Drive programme with Steve Austin.

In her current role as Head of Retail Funds Management at Cromwell Property Group, Peta has been tasked with growing Cromwell's retail funds management business.

Peta's career has spanned retail and wholesale financial markets, as well as wealth management. She was a top quartile Fund Manager for eight years with Suncorp Investment Management, directly managing $5b in cash and fixed interest funds. She has worked with top firms NAB, Westpac, Suncorp, Dresdner Kleinwort Benson, Morgan Stanley Dean Witter, UBS, and GSJBW. Peta is a director of investment management firm Levantine Wealth, and an investment consultant and researcher with asset consultant and technology firm Research IP. Her technology company Sophisticated Access now forms a part of this business.

Peta's investment experience has been gained in all aspects of portfolio management including researching, designing, advising, and managing multi-asset portfolios which include ethical or ESG factor overlays. This has included mandate structuring and stress testing, and all aspects of investment management from governance, APL development, asset allocation, manager & security selection, models, implementation, and reporting to investment committees or external stakeholders.

"I'm excited to join such a highly regarded and principled Manager. I look forward to leading the team and continuing to grow and deliver strong outcomes for our investors.

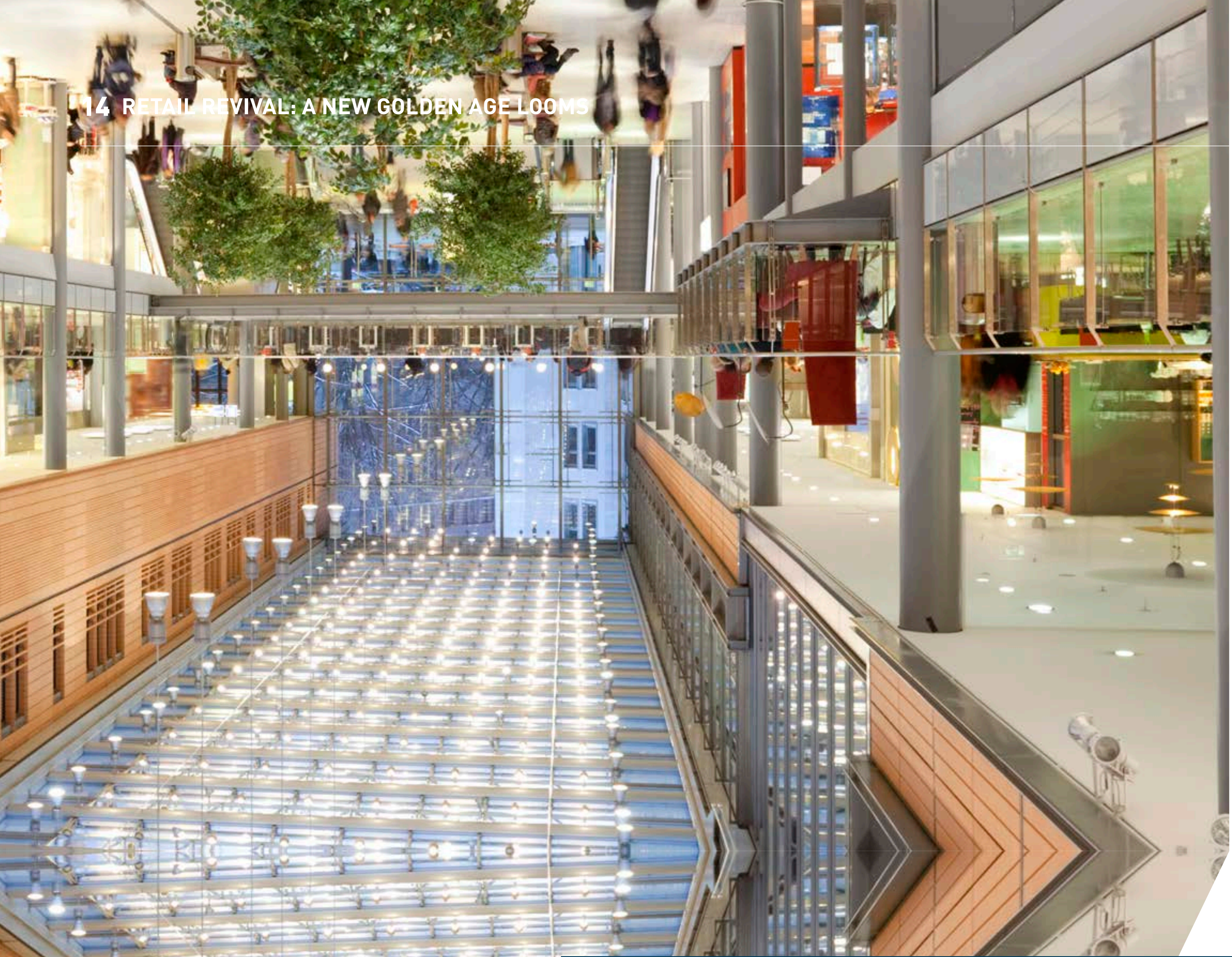


FASEA qualified, and a Senior Fellow of the Financial Services Institute of Australasia (FINSIA), Peta serves the Financial Advice and Services Council, and represents the Queensland Regional Council.

Committed to her community interests, Peta was a long serving member of the Griffith University Enactus Advisory Board, where she mentored students. She advocated for better policy in Queensland as the Deputy Chair of the Queensland Futures Institute' Accessing Capital Committee.

Peta is a current Board Member of the Somerville House Foundation and chairs the Finance and Risk Committee. Her community and charitable knowledge have helped her to co-found The Impact Suite. The Impact Suite is a platform used by Australia's 60,000 charitable institutions to continue to do business better.

Peta is a winner of Westpac's Top 200 Businesses of Tomorrow, and Fintech Business Awards. She is a finalist in the Women in Financial Services Awards. ■



RETAIL REVIVAL: A NEW GOLDEN AGE LOOMS

Tom Duncan
Head of Research and Investment Strategy
Cromwell Property Group

> Freed from these constraints, retail is perfectly positioned for a revival supported by three powerful forces: consumer demand, occupier demand, and dynamic supply.

Retail has been at the epicentre of cyclical and structural change. Prior to COVID-19 the sector was grappling with rapid ecommerce growth and changing consumer habits. The pandemic compounded those challenges resulting in severe impacts on occupancy, rental collection and market sentiment. Look closer though and pockets of resilience do exist. Many retailers have not only survived but thrived over the last two years. With the pandemic becoming endemic, a golden age beckons for future-proofed physical retail formats, assets and locations and informed investors who position their strategies accordingly.

Immediate impacts were pronounced

The pandemic had an abrupt and dramatic impact on physical retail. Non-essential retailers were forced to close and high street footfall collapsed (Figure 1). Ecommerce penetration rates increased significantly. Retail capital values fell markedly in most European countries. Even with restrictions easing, lingering virus concerns, social-distancing requirements and work from home mandates continue to depress footfall. Market sentiment remains weak.

The future is bright

As with other sectors, the pandemic merely hastened structural changes to shopping patterns. These would have eventually occurred over a longer period, prolonging the pain for retailers and investors. The necessary pain has largely now been realised for future-proofed assets and locations. Capital values have corrected for many assets, rents have rebased on formats previously misaligned to the future and retailers who would have closed anyway are gone. Freed from these constraints, future-proofed retail is perfectly positioned for a revival supported by three powerful forces: consumer demand, occupier demand, and dynamic supply.

Figure 1: **Retail and recreation mobility: Footfall declined significantly and has yet to return**

Source: Macrobond/Google (Q1 2022)

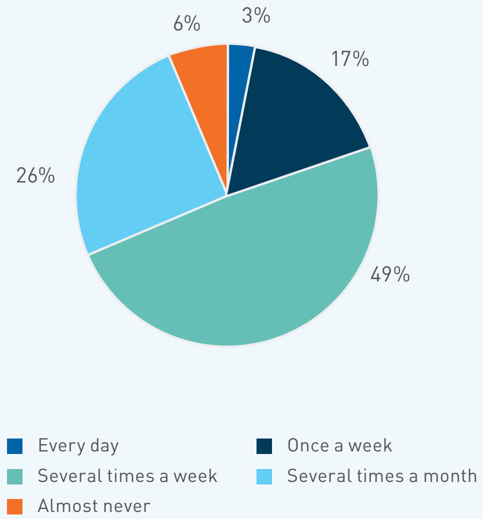
Strong consumer demand

Shopping habits have been permanently reshaped and greater ecommerce penetration is here to stay. However, the pandemic has demonstrated the many benefits of physical retail when it comes to experiences, instant/accurate fulfilment and discounted prices. It has also emphasised the pitfalls of online shopping such as fulfilment times, product issues and the returns process. Consumer appetite for physical retail adapted to the future nature of shopping is significant and most consumers expect to shop in person multiple times per week post-pandemic (Figure 2).

In addition to a strong desire to spend in person, consumers will also have an unprecedented ability to do so. Government support schemes led European households to amass €820 billion of excess savings during the pandemic.[1] Revenge spend potential is huge. Consumer spending growth over the next five years in all European countries is forecast to significantly exceed the rates seen over the last five, averaging 2.5% per annum (Figure 3).[2] Most of this will be spent in person. Despite enduring ecommerce growth, physical retail has a prosperous future.

True, inflation is currently elevated but this is predicted to be transitory. Were it to endure in the medium-term stronger wage growth should emerge. Furthermore much of the additional spending is based on excess savings which consumers have ready access to. On this basis we believe stronger consumer spending should be resilient even if high inflation persists.

Figure 2: **Physical retail attraction: How likely are you to shop in person post-pandemic?**



Source: Cromwell Property Group (Q1 2022) Based on internal poll of workers in nine countries

Figure 3: **European retail sales: Consumer spending growth to be pronounced**

Source: Oxford Economics (Q1 2022)

1 Oxford Economics/ Haver Analytics (Q4 2021)
2 Oxford Economics (Q4 2021)

Acquisitive occupiers

Occupier demand still exceeds supply. Retailers who have traded well during the pandemic, such as discounters and those with a dual online/physical offer along with experience-based operators, are all expanding. There are new retail entrants too, particularly amongst ecommerce platforms who need physical space to augment their online offering and offset slowing market share growth.

Higher vacancy will provide these retailers with a once-in-a-generation opportunity to acquire new sites in desirable locations, previously unobtainable due to a lack of availability or prohibitive rental costs. One example is IKEA taking a prime site in London's Oxford Street. Expanding occupiers are the first signs of a revival.

Dynamic supply

European retail floorspace is oversupplied in aggregate but there is a shortage of future-proofed stock in the right locations. Occupier-demand is polarising onto specific assets/locations at the expense of secondary assets/locations unsuited to modern retail. These assets will need repurposing for other use. The characteristics of occupiers, assets and locations which will see stable and growing demand from physical retailers is now clearer. These include freestanding supermarkets/supermarket-anchored locations, affordable retail warehouse parks and modern prime high streets in growing cities. Investors who own or can acquire such stock should capture positive occupier-demand migration.

A golden age looms

Retail is at an inflexion point. It has endured traumatic change, retailers have closed and values have corrected. Looking forward though, European shoppers have the desire and means to spend. Future-aligned occupiers are expanding. There is a shortage of suitable assets in the right locations capable of fulfilling modern occupier demand meaning investors who own or can buy/create this stock should win. The stage is set for a sustained retail revival as it enters a new era attuned to customer desires in the ecommerce infused, post-pandemic world.

Fortune favours the bold

It takes courage to invest in retail within this environment. For savvy investors though, negative sentiment equals opportunity. Overallocated investors are seeking to bring down retail weightings quickly and those concerned by the future are looking to exit. This is likely to lead to mispricing. Assets situated in resilient locations which are or could be made to align with growing occupier demand could be available below their true value. Investing capital now into resilient assets/locations could result in an increased share of the looming revenge spend splurge. The market will turn quickly when this becomes more readily apparent, meaning the best performance will accrue to first-mover investors. Fortune favours the bold after all. ■

CROMWELL'S MOST READ ARTICLES OF 2021

Much like 2020, last year dealt its fair share of challenges and opportunities for investors, while COVID-19 continued to dominate conversation and shape policy and strategy. As we ring in the new year, we take a look back at Cromwell's most read articles of 2021.

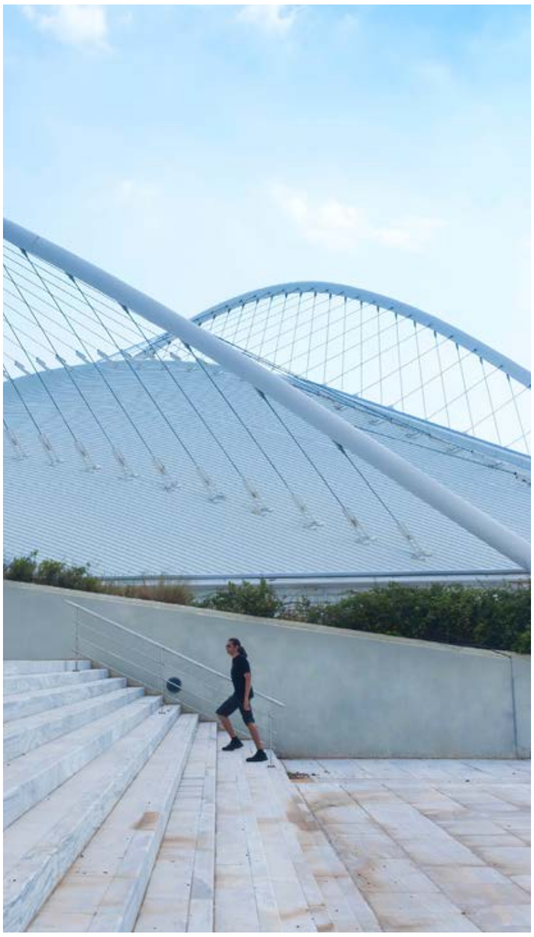
We look forward to bringing you more insightful content in 2022 and beyond.

1. Brisbane's 2032 Olympic bid: Why it's bigger than sport

In July 2021, the International Olympic Committee formally awarded Brisbane the 2032 Olympic Games.

The Olympics have been known for making or breaking a host city long after the closing ceremony. Sydney played host to 'the best Olympic Games ever' in 2000, with the sporting, economic, social and environmental legacy still evident two decades on. On the other hand, Athens 2004 and Rio de Janeiro 2016 have given rise to the idea of an 'Olympic curse', due to these cities facing budget blowouts and little long-term benefit to the economy or locals.

As such, now that Brisbane is officially looking ahead to 2032, it is walking a fine line between holding a successful event and not being left with expensive and unused infrastructure once the Games are over.



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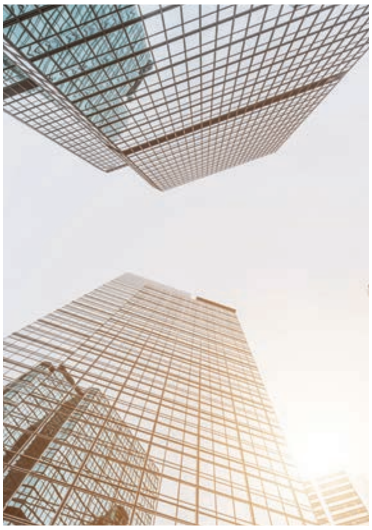

Inflation and its impact on real estate

Inflation and the relative economic uncertainty surrounding COVID-19 dominated conversation throughout 2021. The longer-term economic effects of COVID-19 will take time to fully emerge. While interest rates are extremely low, making it a good time to borrow, the huge and ongoing economic stimulus funded by governments around the world could drive an increase in inflation.

The benefits of the stimulus currently outweigh the potential future issues – but with debt levels at an all-time high, the balance between the two will be an increasingly fine one. Irrespective of the outcome, the real estate sector's ability to offset inflation through rental value growth makes it an attractive asset class relative to bond or equities.

3.

Counting down to retirement: seven considerations before you say goodbye to work for good

According to the most recent data available, there were just under 4 million retired Australians in 2019, with another half a million intending to join them over the subsequent five years. For many, retirement can be a drastic change of pace and lifestyle, meaning it is vital to make a plan, review your finances and consider your mental and physical health in preparation.

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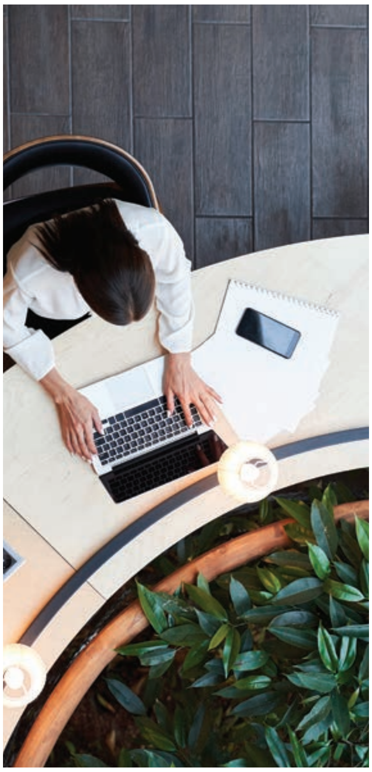


Offices 2025: The next evolutionary cycle

Office demand is evolving, not disappearing. The type of office that businesses will need in the post-COVID-19 world will change to reflect new working practices, which carries significant ramifications for investors.

At present, a large proportion of Australian office stock is misaligned to future occupational demand, especially when increasingly stringent sustainability requirements are overlaid. Compounding this issue is that, moving forward, occupiers will be more discerning when leasing space, given they have greater optionality in meeting their workplace needs.

As such, more intensive asset management and a more customer-oriented approach will be needed to enhance the experience of office workers. An in-house management model, as opposed to outsourcing to third parties, can help in building trust in the landlord / tenant-customer relationship, which will be increasingly important when dealing with shorter lease terms.

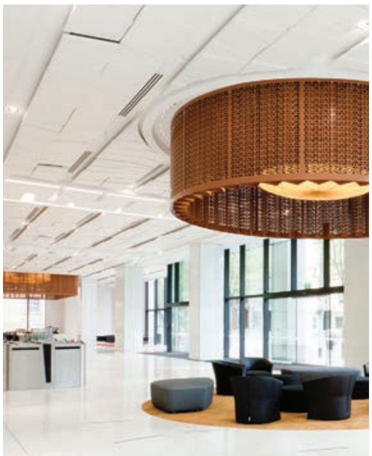
5.

Preserving wealth for future generations

Over the next decade, the world will experience the greatest ever wealth transfer between generations as baby boomers, the richest generation in history, push into the later stages of life.

In Australia, it is estimated that $3.5 trillion in wealth will be transferred from baby boomers to their millennial children (as well as their grandchildren) over the next two decades. That averages to $320,000 per person.

6.



The benefits of a boutique: Why bigger doesn't always mean better

The idea that smaller, more agile boutique fund managers are at an advantage when it comes to performance is nothing new. Often, the more money a small, highly successful fund takes in results in the manager finding it difficult to maintain a liquid position in a small-cap stock or to seek out new opportunities.

Remaining open to new investment for too long can also change the fund's profile as managers are forced to invest into larger companies to deploy growing investor capital.

Managing Director of Phoenix Portfolios, Stuart Cartledge, outlines three reasons why it (literally) pays to be nimble.

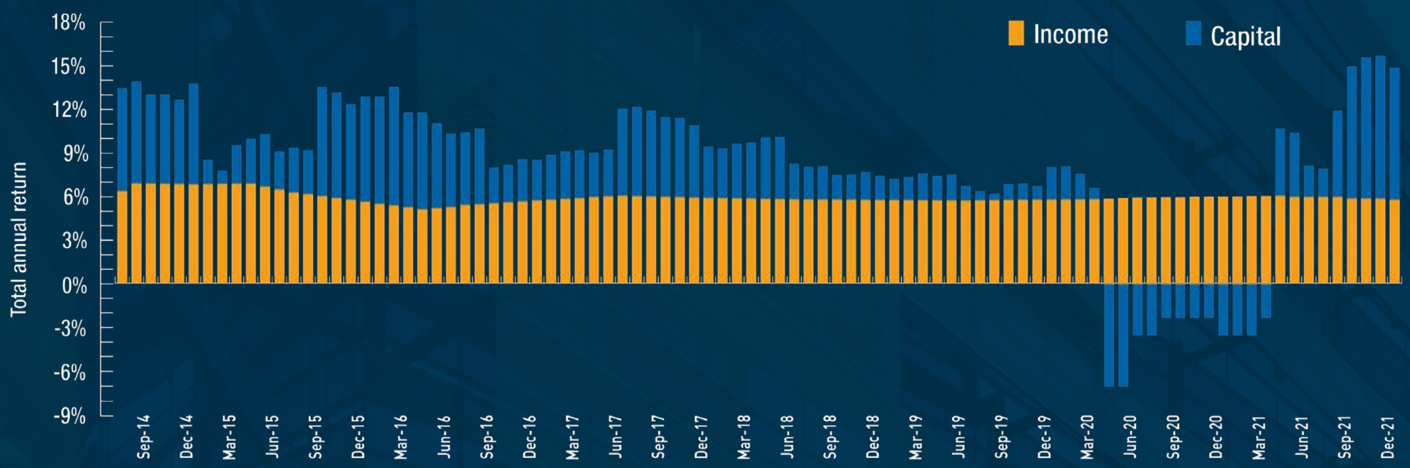
Read more at www.cromwell.com.au/research-and-insight. ■

CROMWELL DIRECT PROPERTY FUND

ARSN 165 011 905 | APIR CODE CRM0018AU | PRODUCT FLYER | DECEMBER 2021

Regular, reliable income[1]

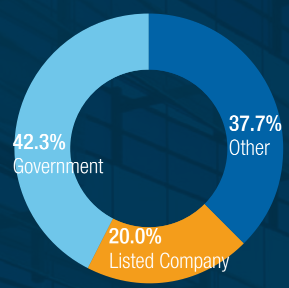
An income-producing investment with long-term capital growth potential,[1] consisting of a diverse portfolio of carefully selected commercial properties.



Income/Capital Growth Split[2] as at 31 December 2021

	1 Year	3 Years	5 Years	Inception (August 13)
Income	5.8%	5.9%	5.9%	6.0%
Growth	9.2%	2.7%	2.7%	3.8%
Total Returns	15.0%	8.6%	8.6%	9.8%

Tenant Type by Income[3]



9 quality commercial property assets[4] with a 5.3 year weighted average lease expiry (WALE)[5]

FURTHER DETAILS ON PAGE 36

CROMWELL FUNDS MANAGEMENT

1. Capital growth and income distributions are not guaranteed and are subject to the assumptions and risks contained in the PDS. Past performance is not a reliable indicator of future performance.
2. After fees and costs. Performance data for periods longer than one year have been annualised. Past performance is not a reliable indicator of future performance.
3. Positions in the Fund are subject to change.
4. As at 31 December 2021.
5. 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 17 November 2020 (PDS). A copy of the Fund's target market determination (TMD) is available.

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.

THE SUPPLY CHAIN CRISIS EXPLAINED

The relative fragility of the global supply chain has been revealed through a 'perfect storm' of events ranging from the culmination of COVID-19-induced lockdowns, significant shifts to the patterns of demand, labour shortages and extreme weather.

The jig is up

Over the course of the last two years, COVID-19 restrictions have hit the global economy in a number of ways. The start of the pandemic saw a supply shock as activity was deliberately brought to a halt in an effort to stop the spread of the virus. As restrictions were lifted, production was unable to kick off as quickly as it had initially shut down.

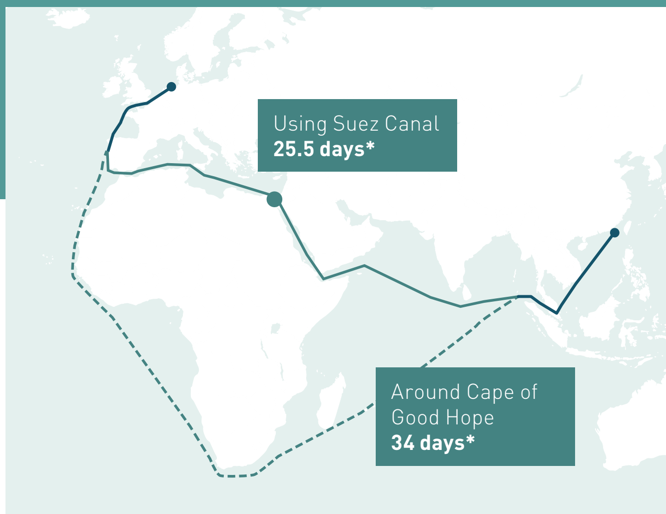
China was the first country to shut down as a result of the pandemic in early-2020, and while the manufacturing powerhouse ground to a halt, the rest of the world carried on, thereby causing an imbalance between supply and demand.

In Australia, many organisations reported weeks-long delivery delays. According to the ACCC, only 10% of container ships arrived in their designated berth windows in 2020 and 2021, the lowest rate on record.

The ground below

The last 12 months, in particular, have been tough for global supply chains. In March 2021, the Ever Given, a 400-metre, 200,000-tonne container ship ran aground in Egypt's Suez Canal, which provides the crucial trade link from Asia to Europe (responsible for 12% of global trade), in a catastrophe that was seemingly symbolic of the state of the global shipping industry. It took six days to free the ship, with estimates the blockage delayed $10 billion worth of goods every day and held up hundreds of ships over this same time period.

While the Suez Canal blockage undoubtedly caused mass delays and a global ripple effect to trade, supply chains were already struggling.



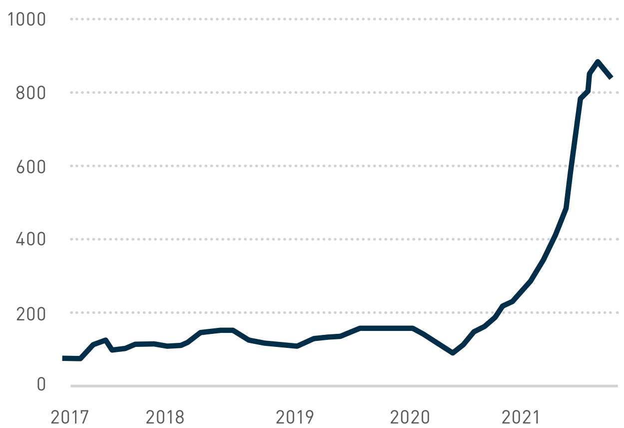
*Based on ship's average speed of 16.43 knots
Source: Vessels Value

As it became increasingly apparent lockdowns would be more prolonged than initially hoped, consumer spending was reallocated across sectors, shifting towards goods and away from contact-intense services. This has seen bottlenecks in some places and spare capacity elsewhere. People who transitioned to a remote working environment, for example, spent big on office equipment for their home, while non-discretionary spend such as travel took a major hit.

Despite experiencing the impact of supply chain disruptions, comparatively, Australia has been spared the worst. Supply chain bottlenecks have been milder in Australia and neighbouring Asia compared to the United States, who have borne the brunt of the supply chain issues.

Shipping costs have soared through the pandemic as quarantine restrictions limited trade and created bottlenecks at critical ports. However, these costs appear to have passed their peak and are expected to ease back in 2022.

Global shipping costs
Harpex Index, 2017 = 100



Source: Haver Analytics, BIS Oxford Economics

The butterfly effect of supply chains

Lockdowns, labour shortages and strains on logistics networks have all resulted in unprecedented rises in shipping costs. However, there are signs the worst has now passed, and the recovery is underway. While global shipping costs remain at all-time highs, they have begun to plateau and are anticipated to begin receding. This, however, will take time, and is likely to mean supply disruptions will not be fully resolved until the back end of 2022.

It is not simply the imbalance between supply and demand that is causing these issues, there are numerous additional contributing factors. Here, we look at the ports of Los Angeles and Long Beach to explain the complex ecosystem at play.

Sea legs

Southern Californian ports are some of the busiest in the world, accounting for 40% of all container traffic entering the United States.

In early-February 2022, the ports of Los Angeles and Long Beach had 78 container ships queueing at sea to offload goods, down from the January peak of 109. Although ship congestion is easing, it remains severe by historical standards. Prior to the pandemic, it was unusual for ships to wait to unload goods at the port of Los Angeles. Now, container ships are waiting an average of 18 days.

Help wanted

But it's not just shipping which is disrupting supply chains. Labour shortages due to lockdowns, sickness, huge stimulus, and resilient economic activity has seen some of the lowest paid finally get a 'pay rise'.

Continuing on with our exploration of the movement of goods supply chain, a massive shortage of workers on wharves and associated land-based transport had ships unable to offload containers. As a result, fresh goods spoiled, exacerbating supply and price issues.

The American Trucking Association estimates that a shortage of 61,500 truck drivers has swelled 30% to 80,000 since the beginning of the pandemic.

Up all night

In mid-October 2021, despite the truck driver shortage, US President Joe Biden announced the Port of Los Angeles would begin operating 24/7. However, an estimated 30% of times available to pick up freight at the port continues to go unused.

Exacerbating capacity concerns further is the impact the Omicron variant has had on dockworkers. Throughout January 2022, approximately 1,700 dockworkers at West Coast ports tested positive for COVID-19, with 80% of these infections from the ports of Los Angeles and Long Beach. This compares to 1,624 infections across the entirety of 2021.

Everything must go

Even without these aforementioned concerns, the sheer volume of shipping containers arriving are causing problems of their own. A twenty-foot equivalent unit (TEU) is the standard size of a shipping container (although forty-foot equivalent units are also common). At its January 2022 peak, there were over 700,000 TEU's waiting on ships offshore of Los Angeles and Long Beach.

While this number has reduced, there are currently hundreds of thousands of TEU's on ships waiting to dock. They cannot be unloaded until what has already been unloaded is picked up and taken away by an empty truck. A truck would normally bring back an empty container and take on a full one, but when a storage yard is full of containers, there is nowhere to store empty ones.

Effectively, to move 700,000 full containers, there would need to be space for 700,000 empty ones. As it stands, for every available truck, there are 18 containers waiting to be removed from the ports of Los Angeles and Long Beach.

What are the broader implications?

At its simplest, if demand outstrips supply for food, fuel, a car, a trade or a service, you can expect prices to rise for that good or service. The growth in prices from one period to another is inflation. Given the scenario outlined above, it's easy to see how prices for goods and services have moved.

Sectors that have been hit the hardest by bottlenecks have seen the greatest inflationary pressures. This has been most evident and instant in the export of goods. Labour supply has been a slower burn as latent capacity is absorbed, but we are now starting to see wages increase. The net effect, though, has seen annual headline inflation in the US hit 40-year highs of 7.5%.

Similar to the global supply chain issues, Australia has been affected to a lesser extent. This is due, in part, to our lesser reliance on global trade to supply key commodities. In fact, we tend to export most of these, but have a heavier reliance on partially or fully manufactured goods. Headline inflation now sits at 3.5%, with underlying inflation at 2.6%. This is forecast to continue to rise to 3.25% over the next few quarters and expected to decline to 2.75% in 2023 as supply-side problems are resolved and consumption patterns normalise.

However, the persistence of these supply chain disruptions and the resulting effects on prices will continue to cast uncertainty on these forecasts. Policymakers will keep a close eye on this situation, because if inflation is baked in and likely to keep growing, there will need to be policy adjustments and rises to interest rates. While this may sound bad, at this stage, the level of inflation is not deemed significant and the economy can withstand it.

AUSTRALIAN INFLATIONARY STATE OF PLAY AND OUTLOOK

Some seasoned investors haven't had to grapple with high inflation for more than three decades. For others, they've never experienced it at all. It is for this reason, prudent investors need to understand the inflationary outlook and consider how they can adapt their investment strategies.

When breaking down what inflation is, it is the measure of the change in the value of something over a period of time. This could be anything from petrol at the bowser from June to September, or the price someone pays for bananas compared to a year ago. In order to maintain economic stability, central banks typically lift interest rates to moderate any radical movements in price.

Regardless, Cromwell's view is that the best inflation mitigation is to ensure real estate portfolios comprise well specified, well-located stock suitable for modern occupiers. This article looks at the current inflationary environment and outlines ways in which commercial real estate can act as a hedge against inflation.

What is inflation?

Inflation refers to the average rate of price increases over a given period, typically a year. A moderate rate of inflation is considered desirable for growth and stability. Inflation that is perceived as too low may prevent business and consumer spending due to the expectation that prices will fall. On the other hand, inflation that is perceived as too high creates pricing uncertainty and limits expansionary activity.

The Reserve Bank of Australia (RBA) has a duty to contribute to the stability of the currency, full employment and the economic prosperity and welfare of the Australian people. As such, the RBA has outlined the appropriate target for monetary policy is to achieve an inflation rate of 2% to 3% on average, over time. This is a rate of inflation sufficiently low that it does not materially distort economic decisions in the community, provides discipline for monetary policy decision-making and serves as the anchor for private sector inflation expectations.

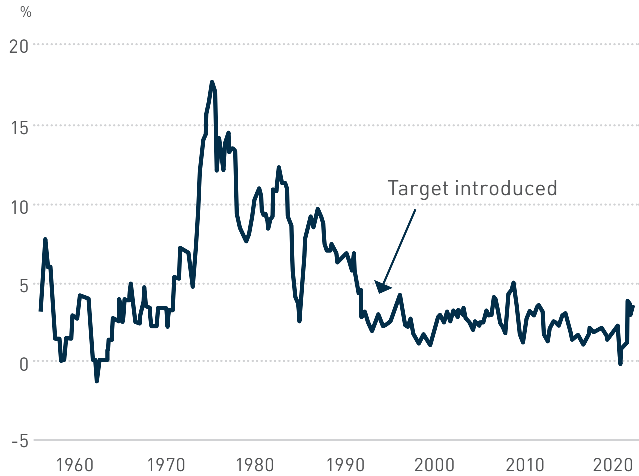
Implications for investors

For an individual, inflation results in a deterioration of their purchasing power over time. A dollar today will be able to buy more than it will at a future point in time. This is of particular concern for those nearing or in retirement, as they can no longer rely on wage growth to counteract increases in inflation.

The consumer price index (CPI) measures household inflation and includes statistics about price change for categories of household expenditure. In Australia, CPI inflation rose 3.5% across the 12 months to December 2021. This means a basket of goods which cost $100 in December 2020 cost $103.50 in December 2021.

Inflation over the long run

Excludes interest charges prior to September quarter 1998 and adjusted for the tax changes of 1999-2000



Source: ABS: RBA

The impact of inflation varies across asset classes and investment types.

Fixed income

Investors typically buy fixed income securities such as bonds due to their stable income stream in the form of regular interest payments. However, since the rate of interest remains the same on most fixed income investments until maturity, the purchasing power of the interest payments declines as inflation rises.

A bond's stated, or nominal (before inflation), interest rate does not take inflation into account, so investors only earn that amount when inflation is zero. As a result, bond prices tend to fall when inflation is increasing. For example, a bond paying 2% annually in an environment where inflation sits at 3.5% means the real return (after inflation) is -1.5%.

As such, the big worry for investors is whether their return can outpace the rate at which their purchasing power declines amid mounting inflation. The nominal return needed to generate a positive real return rises during inflationary periods. This is more pronounced in a low-rate environment, as investors holding higher-quality government bonds could see their purchasing power diminish with fairly low inflation.

Stocks

Inflation that rises modestly and in line with expectations is generally seen as a positive for the broader sharemarket, given it is consistent with an economy growing at a sustainable pace. However, inflation above a certain level, or inflation that spikes unexpectedly can be negative. The impact may also vary across different sectors.

When inflation rises significantly, it is generally seen as a negative for stocks as the associated increased borrowing costs, higher costs of materials and labour and reduced expectations of earnings growth tend to put downward pressure on stock prices.

Real assets

Real assets - including real estate, land, precious metals, commodities and natural resources – tend to fare well in times of high inflation.

Income from real assets is generally inflation-linked. For example, it is common for commercial real estate leases to have annual rent increases tied directly to increases in inflation. This is why commercial property is regarded as an inflation hedge. This is explained in greater detail on p.29.

Over the long term, unlisted property, a real asset class, has outperformed other sectors such as equities and government bonds.

Dec-88 to Jun-21	Average Annual Total Return	
AUS Asset Class	**Periods where CPI > median**	**Periods where CPI < median**
Equities	8.7%	11.3%
Government Bonds	8.8%	9.7%
Unlisted Real Estate	10.3%	7.4%

Source: MSCI; AMP Capital Equities = MSCI Australia Equities Index Gross in Local Currency. Government Bonds = J.P. Morgan GBI, Australia Unedged in AUD, 7-10 Years. Unlisted Real Estate = MSCI Australia All Property Index

What is causing inflation?

A lot of debt, not a lot of correlation

Australia's total debt reached $855 billion at the end of 2021, with an additional $60 billion expected to be issued over the first half of 2022. Debt is anticipated to continue climbing over the coming years to reach an all-time high of $1.2 trillion by 2024-2025, with the budget remaining in deficit until at least 2031-2032.

Australia is comparatively faring well with central government debt at the end of 2020 (the most recent figures available) totalling 44.1% of GDP, particularly compared to the United States (199.01%), United Kingdom (103.5%) and Japan (221.07%).

At a glance, it would appear as though mammoth fiscal spending by the Australian Government in response to COVID-19 is the primary cause of Australia's inflationary spike. The 2021-22 Federal Budget committed an additional $41 billion in direct economic support, bringing total support since the onset of the pandemic to $291 billion as of May 2021. This included economic stimulus initiatives such as the $89 billion JobKeeper programme, as well as $1.9 billion for the vaccine rollout and additional spending for the emergency response to the pandemic and Medicare.

However, this is not a typical case of overall demand in the economy, supported by fiscal policy, being unusually high. High inflation is not attributable to fiscal policy when economic activity has yet to fully recover, as is the case in the current landscape.

That's not to say ballooning government debt isn't an inflationary concern, but the fundamental constraint at present is that supply capacity is unusually low. This indicates we may not be in the midst of a normal cyclical recovery.

Making sense of this

Over the course of the last two years, COVID-19 restrictions have hit the global economy in a number of ways. The start of the pandemic saw a supply shock as activity was deliberately brought to a halt in an effort to stop the spread of the virus. As restrictions were lifted, production was unable to kick off as quickly as it had initially shut down.

As it became increasingly apparent lockdowns would be more prolonged than initially hoped, consumer spending was reallocated across sectors, shifting towards goods and away from contact-intense services. This has seen bottlenecks in some places and spare capacity elsewhere.

There are signs the worst has now passed, and any further turbulence as a result of the Omicron variant appears manageable. While global shipping costs remain at all-time highs, they have begun to plateau and are anticipated to begin receding. This, however, will take time, and is likely to mean supply disruptions will not be fully resolved until the back end of 2022.

Inflationary pressure has been building in goods sectors which have seen the largest price rises as a result of being hit hardest by bottlenecks. This stands to reason why there is rising inflation overall, despite economies not yet reaching full capacity.

An economic landscape shaped by supply constraints will carry with it greater macro volatility. For example, where inflation is predominately demand-driven, stabilising inflation also stabilises growth. There is no trade-off. However, where supply constraints drive inflation, monetary policy cannot stabilise both inflation and growth – it must choose between them.

Spared the worst

Despite experiencing the impact of supply chain disruptions, comparatively, Australia has been spared the worst. Supply chain bottlenecks have been milder in Australia and neighbouring Asia compared to the United States, who have borne the brunt of the supply chain issues.

Relatively speaking, this is good, but the looming inflationary threat will persist for some time yet.

> Despite experiencing the impact of supply chain disruptions, comparatively, Australia has been spared the worst.

Outlook

At their 1 February 2022 Board meeting, the RBA announced a willingness to be patient and live with some higher inflation while domestic price pressures are less severe than those abroad. Headline consumer price index (CPI) inflation sits at 3.5% and is being affected by not only supply chain disruption, but also higher prices for petrol and newly constructed homes.

Underlying inflation sits at 2.6% and is forecast to continue rising to 3.25% over the next few quarters, prior to declining to 2.75% in 2023 as supply-side problems are resolved and consumption patterns normalise. However, the persistence of these supply chain disruptions and the resulting effects on prices will continue to cast uncertainty on these forecasts.

Regardless, Australia's underlying inflation figure (2.6%) is less than half of the United States (5.5%) and comfortably under the UK (4.2%) and Canada (3.4%).

Despite bringing its quantitative easing programme to an end in early-February, the RBA insists this does not imply a near-term increase in interest rates. The RBA have stated it remains committed to maintaining highly supportive monetary conditions to achieve its objectives of a return to full employment in Australia and inflation that sits sustainably within the 2% to 3% target range.

While inflation has increased, it is too early to determine whether it currently sits sustainably within the target range. This has largely been attributed to the uncertainties around how persistent the inflationary spike will be as supply problems are resolved. As a result, while interest rates rising is inevitable, a rise is unlikely in the immediate future. ■

HOW CAN COMMERCIAL REAL ESTATE HEDGE AGAINST INFLATION?

Inflation can be detrimental to an investor as it chips away at savings and investment returns. Where inflation picks up, investors often turn to real assets such as real estate as a hedging strategy. Here, we outline a number of ways in which commercial property can act as a hedge to inflation.

Value increase for existing stock

An upside for investors is that inflation can lead to an increase in property values.

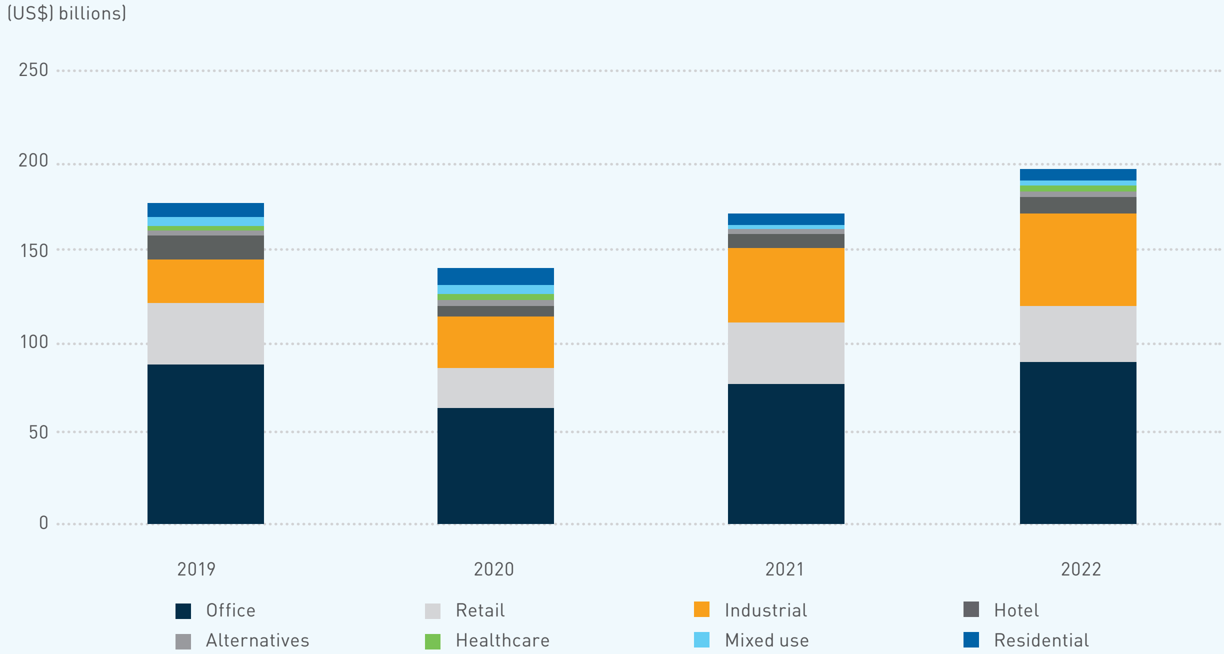
Rising inflation can lead to an increase in the cost of building materials for developments in one of two ways. First, should interest rates rise, it would lead to higher borrowing costs and resultingly, increases in the cost of building materials for developments.

Second, and most relevant in the current environment, supply constraints have made access to building material increasingly scarce, thereby driving prices up.

Both of these factors lead to new construction becoming increasingly less attractive or viable. As a result, this can limit the supply pipeline and increase the price for existing properties.

Value-add office strategies an alternative to new builds

According to JLL, demand and occupancy throughout the pandemic of modern, quality office stock has outperformed the market as COVID-19 has heightened awareness of health, safety and sustainability. As construction of new stock is strained, this will likely result in an uptick in value-add strategies to redevelop or retrofit older stock with a particular focus on occupant wellness.



Source: JLL, Q3 2021
Note: 2021 and 2022 are forecasts

Lease structure

Commercial property leases can include fixed annual rental increases, giving investors an income boost that offsets the effects of higher inflation. It is common for annual rent increases to be set above the long-term inflationary outlook, or even specifically tied to increases in inflation.

For example, a long-term lease to a government tenant in an office building might have annual rent increases structured at a fixed rate plus CPI inflation.

For quality, well-located stock in an environment with heightened demand due to less stock coming to market, landlords are in a position to charge higher rent.

The downside is that if inflation is too high, it is harder for investors to capture rental growth at or above inflation, resulting in a hit to income streams.

Where are investors looking?

According to JLL, investment into commercial real estate across the Asia Pacific region is tipped to increase by 15% in 2022, after a 30% increase in 2021. As economic activity stabilises, travel restrictions continue to lift and employees return to cities, office investment is tipped to increase by between 20% and 30% this year.

Higher quality assets with lower levels of vacancy, often leased on long-term deals to government, listed and blue-chip tenants will continue to curry favour with investors due to their ability to provide access to regular, reliable income through market ups and downs. ■

DIRECT PROPERTY UPDATE

Peta Tilse
Head of Retail Funds Management
Cromwell Property Group

The final quarter of 2021 originally had many states and regions emerge from Delta lockdowns as vaccination rates successfully hit critical milestones. However, optimism soon dwindled as the new Omicron variant brought health orders back, impacting supply chains and labour markets instantly. Incredibly, during this time Australian economic activity remained strong with household spending a key driver. This was supported by the unemployment rate falling to 4.2% and underemployment falling to 13-year lows.

The Reserve Bank of Australia, in its November Statement of Monetary Policy, had forecast GDP to grow by around 3% over 2021, and 5.5% in 2022, but at its February meeting it upped 2021 estimates to around 5% and 2022 to 4.25% showing the strength of economic tailwinds.

What does all this mean for direct property?

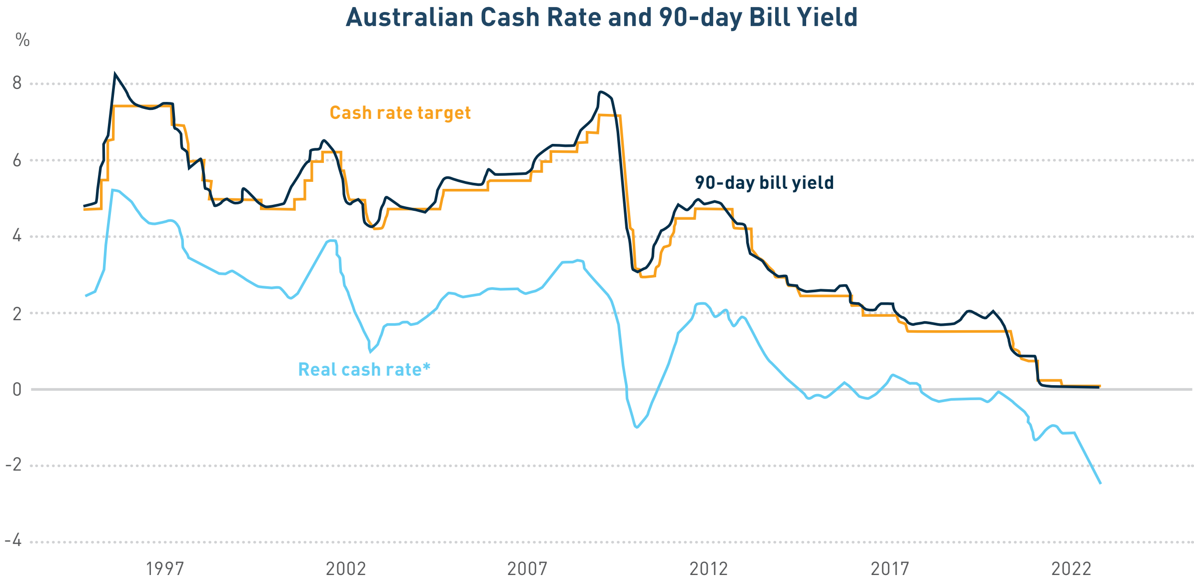
Undoubtedly economic activity is strong, which is good for employment and business. BIS Oxford Economics believe property sentiment is 'healthy', with industrial a clear sectoral winner for the year. The office sector has been challenged by the two COVID-19 waves, but with health and work-from-home orders changing, and employers wanting staff to be collaborating together again, demand for office floorspace is picking up. The retail outlook is more dependent on subsectors and location, with neighbourhood and large format centres firming, but many businesses continuing to be impacted by weak cashflow and staff shortages.

Over the last decade, interest rates have been on a downward trajectory toward near zero, which in turn has inflated most asset prices. The Morningstar data below compares major

10 year asset class performance

Return	1-month	6-month	1-year	3-year	5-year	10-year
Aust. Equity	2.7%	3.8%	17.2%	13.6%	9.8%	10.8%
Small Caps	1.4%	5.5%	16.9%	15.7%	11.2%	8.0%
Intl.Equity	1.7%	11.5%	29.6%	20.6%	15.1%	16.8%
A-REITS	5.2%	15.3%	27.0%	13.4%	9.9%	14.1%
Global REITS (H)	7.0%	12.9%	34.5%	12.5%	7.9%	11.4%
Aust. Fixed Interest	0.1%	-1.2%	-2.9%	2.9%	3..4%	4.2%
Intl. Fixed Interest (H)	-0.4%	0.1%	-1.5%	3.5%	3.2%	4.6%
Cash	0.0%	0.0%	0.0%	0.5%	1.1%	1.9%
Emerging Markets	-0.6%	-6.2%	3.8%	10.1%	10.2%	9.6%
Infrastructure (H)	5.7%	7.3%	13.7%	7.8%	6.0%	8.9%
Commodities	0.0%	0.0%	23.4%	5.0%	2.6%	0.2%
#Hedge Funds	3.6%	8.7%	14.5%	7.9%	6.1%	8.6%

Source: Morningstar as at 31 December 2021



*Calculated using average of year-ended weighted median inflation and year-ended trimmed mean inflation
Sources: ABS; AFMA; ASX; RBA

asset classes and their respective returns over the period. Out of all the asset classes, however, property has consistently proven to be one of the standouts. The data also highlights the value of property's place in investment portfolios in helping to deliver consistent returns over the long term.

With a ten-year annualised total return of 9.5% (comprising 6% income and 3.5% capital return)[1], direct property offers investors a tweak on its listed compatriot, combining reduced asset volatility and the ability to tap into stable income streams. The ability to link income (in the form of rent) to inflation, can offer a hedge to rising prices. It is this characteristic which helps property assets perform in inflationary periods.

Through the market's ups and downs, the Cromwell Direct Property Fund has continued to pay investors monthly income of ~5-6% p.a. (annualised since inception), while generating capital growth of circa ~3-4% p.a. (annualised since inception), reflecting its true 'real asset' nature, instead of market whims.

Outlook

While we see prices rise for goods impacted by supply chain disruptions (such as fuel, and groceries), the question remains as to how much of the price rises are transitory or baked in (like wages).

Higher inflation rates generally see interest rates rise, and major banks are now calling for the cash rate to lift off after the federal election, from the current 0.10% to circa 2% in 2023.

Inflation and interest rates naturally impact on property valuations and capitalisation rates (cap rates), but at this stage there is still room for cap rate compression as real interest rates remain negative (See blue line).

The quantum of interest rate rises may flush out heavily levered borrowers, presenting opportunities for buyers.

How did Cromwell Funds Management fare this quarter?

Cromwell Funds Management continues to deliver for investors as the settlement of the Cromwell Ipswich City Heart Trust returned 14.15% IRR since inception for Unitholders. Similarly, the Cromwell Riverpark Trust is currently seeking expressions of interest for sale of the asset.

The Cromwell Direct Property Fund settled 100 Creek Street, Brisbane in December, as Cromwell utilised being unrestricted by border lockdowns for the due diligence process and a motivated seller. The previous owner had recently refurbished the 24-storey office tower, which is located amongst the amenities of the prized "Golden Triangle" of Brisbane.

Read more about the Cromwell Direct Property Fund on page 36.

Source: The Property Council of Australia/MSCI Australia All Property Digest Quarter Ending December 2021

LISTED MARKET UPDATE

Stuart Cartledge
Managing Director
Phoenix Portfolios

The S&P/ASX 300 A-REIT Accumulation Index moved sharply higher over the quarter, adding 10.1%. Property stocks significantly outperformed broader Australian equities, despite the S&P/ASX 300 Accumulation Index rising by 2.2%.

There continues to be strong demand for direct exposure to Australian property. Whilst this has been true across certain subsectors for a while, demand during the quarter has been broad-based, with office and retail property transactions taking place at robust prices. This thematic has been particularly supportive of property fund managers, who are facing record demand for access to their investment products. Charter Hall Group (CHC) upgraded their full year earnings guidance twice in the quarter, supported by a combination of transactional activity, performance fees and revaluations. Goodman Group (GMG) also increased its earnings guidance for the financial year at its quarterly update. GMG added 22.9% for the December quarter, whilst CHC gained 21.1%.

Office property owners have struggled to keep pace with other property index constituents in recent periods. It is likely that a lot of this can be attributed to ongoing concerns with regards to future demand for office space, as employees' abilities and desires to work from home continue to expand. Despite these concerns, direct market transactions have either been supportive of book values or occurred at reasonable premiums. Dexus (DXS) has been a beneficiary of this, selling a number of their office properties at solid prices. DXS rose 5.6% for the quarter. Other office owners did not fare as well, with Centuria Office REIT (COF) losing 5.1% and GDI Property Group (GDI) and Mirvac Group (MGR) both giving up 1.0%.

Large shopping centre owners also struggled to keep up in hot markets. Short term influences on foot traffic were mixed across the period. A broad easing of restrictions associated with the suppression of COVID-19 and increased savings rates should have supported outcomes across the all-important Christmas period. Offsetting this, an increase in confirmed COVID-19 cases towards the end of 2021 is likely to have reduced the desire to visit busy shopping centres for some. In this environment, Scentre Group (SCG) underperformed the broader sector, but still rose 5.7% for the quarter, whilst competitor Vicinity Centres (VCX) lifted by 1.2%. With more challenging restrictions put in place across European jurisdictions, Unibail-Rodamco-Westfield was a substantial underperformer, losing 10.7%.

Industrial property continues to be the hot sector, with transaction activity supporting ever-contracting capitalisation rates and therefore increasing valuations for properties. Unsurprisingly, those with exposure to industrial property were strong performers during the quarter. Garda Property Group (GDF) was supported by its large exposure to industrial development land and gained 17.8%. Irongate Group (IAP) received multiple indicative takeover bids and as such lifted by 18.0%. Centuria Industrial REIT (CIP) received independent valuations for the half year, resulting in a like-for-like increase of 9.6% from prior book values. It closed the quarter 13.5% higher.

Market Outlook

The Australian listed property sector has recovered strongly, after an initial, sharp drop following the onset of COVID-19. As restrictions surrounding its suppression ease, investors will be able refocus on a sector with defensive and forecastable earnings. In an ongoing low interest rate environment and with uncertainty in other market sectors, the reliability of property-based cash flows is highly valued by many market participants. Strong balance sheets, with low cost, widely available debt is only serving to support this thematic.

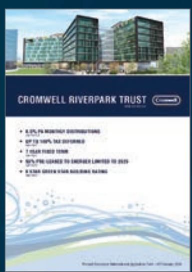
Phoenix does remain cognisant of the structural changes occurring in the retail sector with the growing penetration of online sales and the greater importance of experiential offering inside malls. Recent events will likely accelerate these changes. As Australia moves towards reopening, physical retail sales are likely to pick up and test new highs, as seen during sporadic periods of more limited restrictions. These factors are well understood and the trajectory to a new 'normal' is only now beginning to reveal itself. This explains why retail stocks have been the most volatile of all property sub-sectors.

Phoenix has for some time discussed the risk of inflation, given the enormous fiscal stimulus and extreme monetary policy setting that we now live with. In very recent times, commentators and bond markets have begun to acknowledge the presence of such a risk. Historically, real assets such as property and infrastructure have performed well during inflationary periods. ■

Cromwell Direct Property Fund (OPEN)

Cromwell Phoenix Property Securities Fund (OPEN)

The closed property trusts below are only accessible via investment in the Cromwell Direct Property Fund



Cromwell Riverpark Trust

Cromwell Ipswich City Heart Trust

Cromwell Property Trust 12

Cromwell Phoenix Opportunities Fund (CLOSED)

QUARTERLY FUND REPORTS

Investment Reports to 31 December 2021

OPEN FOR INVESTMENT

CLOSED TO INVESTMENT

Any investment, including an investment in Cromwell-managed Funds, 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 disclosure document issued for the Fund for examples of key risks. Capital growth, distributions and tax consequences cannot be guaranteed.

Cromwell Funds Management Limited ABN 63 114 782 777 AFSL 333214 (CFM) has prepared these reports and is the responsible entity of, and the issuer of units in, the funds and trusts referred to in these reports (the Funds). In making an investment decision in relation to a Fund, it is important that you read the disclosure document for that Fund. The report for each Fund refers to the disclosure document (product disclosure statement and any supplementary product disclosure statement) and if applicable the target market determination (TMD) issued for that Fund. The disclosure document and TMD for each Fund is issued by CFM and is available from www.cromwell.com.au or by calling Cromwell's Investor Services Team on 1300 268 078. Not all of the Funds are open for investment. Applications for units in open Funds can only be made on application forms accompanying the disclosure document for the Fund.

These reports have been prepared without taking into account your objectives, financial situation or needs. Before making an investment decision, you should consider the report and the disclosure document for the particular Fund and assess, with or without your financial or tax adviser, whether the Fund fits your objectives, financial situation or needs. Past performance is not a reliable indicator of future performance. Forward-looking statements (provided here as a general guide only) and the performance of a Fund are subject to the risks and assumptions set out in its disclosure document. CFM and its related bodies corporate, and their associates, do not receive any remuneration or benefits for the general advice given in these reports. If you acquire units in a Fund, CFM and certain related parties may receive fees from the Fund and these fees are disclosed in the disclosure document for that Fund. Performance data for Cromwell-managed Funds are calculated based on unit prices for each Fund, which may differ from underlying net asset values. Performance data for periods longer than one year have been annualised. Distribution rates and yields are based on the 31 December 2021 unit price and are subject to change. The proportion of distributions that are tax deferred will depend on a number of factors (for example, building amortisation and depreciation of plant and equipment) and may vary from year to year. Deferred tax may be payable, in whole or in part, on the sale, transfer or redemption of units in the Fund.

OPEN FOR INVESTMENT

CROMWELL DIRECT PROPERTY FUND

www.cromwell.com.au/dpf

The Fund 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.

Investment Report to 31 December 2021

KEY STATISTICS
as at 31 December 2021

Status	OPEN[1]
Unit Price	$1.3477[2]
Distribution Yield	5.4% p.a.[3]
WALE	5.3 years[4]

PERFORMANCE

	1 Year	3 Years	5 Years	Inception (Aug-13)
Fund Performance After fees & costs	15.0%	8.6%	8.6%	9.8%
Benchmark PCA/MSCI Unlisted Retail Property Fund Core Index	19.4%	15.2%	15.8%	18.5%
Excess Returns After fees & costs	(4.4%)	(6.6%)	(7.3%)	(8.6%)

Past performance is not a reliable indicator of future performance.

FUND UPDATE

- The Fund acquired 100 Creek Street, Brisbane on 2 December 2021. The property is accretive to the Fund's earnings and takes the Fund's direct property portfolio to seven assets valued at $585.7 million
- External valuations for assets as at 31 December 2021 held within the Cromwell Direct Property Fund (Fund) were as follows:
  - 433 Boundary Street, Spring Hill increased by 3.8% to $40.5 million, up from $39 million as at 31 December 2020;
  - 11 Farrer Place, Queanbeyan, increased by 1.4% to $38.5 million, up from the valuation of $38 million as at 30 June 2021; and
  - 64 Allara Street, Canberra, decreased by 5.4% to $17.5 million, down from the valuation of $18.5 million as at 31 March 2021.
- Distributions continue to be paid at 7.25 cents per unit per annum
- The Fund's look through gearing at 31 December 2021 was 39.5%, with direct gearing at 37.5%
- The Fund's performance to 31 December 2021 was 9.8% per annum annualised since inception with 12-month performance of 15.0%

In addition to the footnotes below, please read the important disclaimer at the beginning of the Quarterly Reports section on page 35.

1. Withdrawals are limited, cannot be guaranteed and are subject to the assumptions and risks set out in the Product Disclosure Statement dated 17 November 2020 (PDS).
2. Unit prices are calculated daily. See the PDS for further information and www.cromwell.com.au/dpf for latest pricing.
3. Paying 7.25 cents per unit p.a. Yield based on unit price of $1.3477 as at 31 December 2021.
4. Figures as at 31 December 2021. Calculated on a 'look-through' gross passing income basis.

See the PDS and TMD available at www.cromwell.com.au/dpf.

OPEN FOR INVESTMENT

www.cromwell.com.au/psf

CROMWELL PHOENIX PROPERTY SECURITIES FUND

The Fund is one of the top performing property securities funds in Australia, with underlying investments chosen by Phoenix Portfolios using a 'best ideas' approach.

Investment Report to 31 December 2021

KEY STATISTICS

as at 31 December 2021

Status	OPEN[1]
Unit Price	$1.4637[2]
Distribution Yield	N/A

PERFORMANCE

	1 Year	3 years	5 years	10 years	Inception (Apr-08)
Fund Performance After fees & costs	26.5%	12.4%	9.5%	15.3%	9.5%
Benchmark S&P/ASX 300 A-REIT Accumulation Index	27.0%	13.4%	9.9%	14.1%	6.0%
Excess Returns After fees & costs	(0.6%)	(1.0%)	(0.4%)	1.2%	3.5%

Past performance is not a reliable indicator of future performance.

TOP TEN STOCK HOLDINGS[3]

- CENTURIA CAPITAL LIMITED
- CHARTER HALL GROUP LIMITED
- DEXUS
- GENERAL PROPERTY TRUST
- GROWTHPOINT PROPERTIES AUSTRALIA
- MIRVAC GROUP
- SUNLAND GROUP LIMITED
- SYDNEY AIRPORT
- TRANSURBAN GROUP
- VICINITY CENTRES

FUND UPDATE

- Since inception, in April 2008, the Fund has delivered an annualised return, net of fees, of 9.5% compared to 6.0% return from the S&P/ASX 300 A-REIT Accumulation Index
- The Fund delivered a net return of 7.3% over the December 2021 quarter
- The property sector finished strongly over the quarter, adding 10.1% outperforming the broader market with the S&P/ASX 300 Accumulation Index rising by 2.2%
- Positive contributions to the Fund's relative performance over the quarter came from an overweight position in the outperforming Charter Hall Group and Sunland Group along with underweight positions in the underperforming Stockland, Scentre Group and Ingenia Communities Group
- Detracting from the Fund's relative performance over the quarter was an underweight position in the outperforming Goodman Group combined with overweight positions in Lendlease Group, Transurban Group and GDI Property Group, each of which performed poorly

In addition to the footnotes below, please read the important disclaimer at the beginning of the Quarterly Reports section on page 35.

Phoenix Portfolios Pty Ltd ABN 80 117 850 254 AFSL 300 302 (Phoenix) is the investment manager of the Fund. None of CFM, Phoenix nor their related entities, directors or officers makes any promise or representation, or gives any guarantee as to the success of the Fund, distributions, amount you will receive on withdrawal, income or capital return or the taxation consequences of investing.

1. Withdrawals cannot be guaranteed and are subject to the assumptions and risks set out in the Product Disclosure Statement dated 16 December 2021 (PDS).
2. Unit price as at 31 December 2021. Unit prices are calculated daily. See the PDS for further information and www.cromwell.com.au/psf for latest pricing.
3. As at 31 December 2021. Positions in the Fund are subject to change.

See the PDS and TMD available at www.cromwell.com.au/psf.

CLOSED TO INVESTMENT

www.cromwell.com.au/pof

CROMWELL PHOENIX OPPORTUNITIES FUND

This value orientated fund invests in ASX-listed microcaps using Phoenix Portfolios' 'best ideas' approach and aims to find hidden value in under-researched stocks.

Investment Report to 31 December 2021

KEY STATISTICS
as at 31 December 2021

Status	CLOSED
Unit Price	$2.8955[1]
Distribution Yield	N/A

PERFORMANCE

	1 Year	3 years	5 years	Inception (Dec-11)
Fund Performance After fees & costs, inclusive of the value of franking credits	30.1%	26.5%	20.3%	21.0%
Fund Performance After fees & costs, excluding the value of franking credits	26.7%	24.2%	18.2%	19.2%
S&P/ASX Small Ords Accumulation Index	16.9%	15.7%	11.2%	7.7%

Past performance is not a reliable indicator of future performance.

FUND UPDATE

- Since inception, in December 2011, the Fund has delivered an annualised return of 21.0% (net of fees, inclusive of franking credits)
- The Fund delivered a net return of 6.4% over the December 2021 quarter
- Positive contributions to the Fund's performance over the quarter came from, among others, positions in Korvest, Kingsgate Consolidated and Sunland Group
- Detracting from Fund performance over the quarter were holdings in, among others, SkyCity Entertainment and MMA Offshore

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1. Unit price as at 31 December 2021. Unit prices are calculated monthly. See the PDS dated 29 September 2017 for further information and www.cromwell.com.au/pof for latest pricing.

CLOSED TO INVESTMENT

CROMWELL RIVERPARK TRUST

www.cromwell.com.au/crt

This was the first of Cromwell's next generation 'back to basics' single property trusts and served as a bellwether for the type of investments being sought in an uncertain economic environment. The Trust's building, Energex House, is currently valued at $316 million[1].

Investment Report to 31 December 2021

KEY STATISTICS
as at 31 December 2021

Status	CLOSED
Unit Price	$2.49
Distribution Yield	4.92% p.a.
WALE	8.5 years[2]

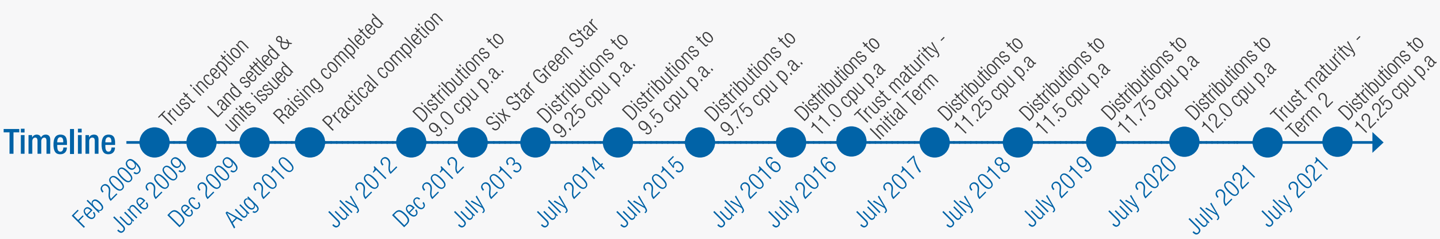
PERFORMANCE

	1 Year	3 Years	5 Years	7 Years	Inception (July-09)
Trust Performance After fees & costs	27.4%	14.4%	14.9%	16.9%	15.6%
Benchmark[3] PCA/IPD Australian Pooled Property Fund Index - Unlisted Core Retail Index	-	-	-	-	-
Excess Returns After fees & costs	27.4%	14.4%	14.9%	16.9%	15.6%

Past performance is not a reliable indicator of future performance.

TRUST UPDATE

- The Trust's unit price is currently $2.49
- The Trust's performance to 31 December 2021 was 15.6% per annum annualised since inception
- The lease extension for Energex, the main tenant within 33 Breakfast Creek Road, Newstead (the Property), has now been formally approved by both CFM and Energy Queensland Limited (Energex owner). Binding lease documents have now been executed and the lease has been extended by a further five years, expiring in August 2030, with two further option periods of five years and three years respectively
- As notified by Continuous Disclosure Notice and direct unitholder communication, the process of marketing and selling Energex House (the Property) has begun, with agents appointed in late 2021 and the campaign to sell the asset currently underway
- The process of selling the Property and winding up the Trust will take several months
- Further correspondence regarding the Trust wind-up process will be distributed to Unitholders in due course



In addition to the footnotes below, please read the important disclaimer at the beginning of the Quarterly Reports section on page 35.

1. Based on a valuation as at 30 June 2021.
2. As at 31 December 2021. Calculated by gross income.
3. Changes to MSCI's methodology for Benchmark performance reporting has resulted in an index start date that falls post the inception date of the Trust, consequently Benchmark comparison data is no longer available.

See the Product Disclosure Statement dated 25 February 2009 (PDS) and the Supplementary Product Disclosure Statement dated 30 June 2009 (SPDS).

CLOSED TO INVESTMENT

CROMWELL IPSWICH CITY HEART TRUST

www.cromwell.com.au/ich

The unlisted Trust's confirms settlement of the sale of Ipswich City Heart Building for 144.9m.[1] The Trust was the first Cromwell trust to be certified as a Responsible Investment by the Responsible Investment Association of Australasia.

Investment Report to 31 December 2021

KEY STATISTICS
as at 31 December 2021

Status	CLOSED
Unit Price	N/A
Distribution Yield	0.0% p.a.
WALE	0.0 years[2]

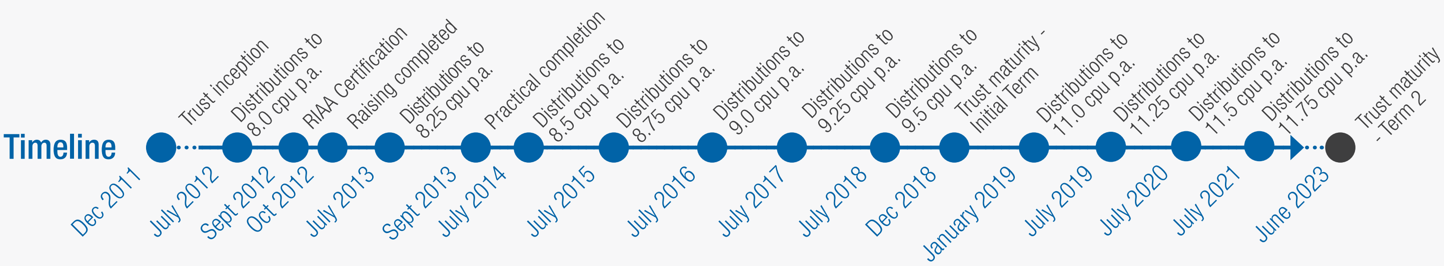
PERFORMANCE

	1 Year	3 years	5 years	7 years	Inception (Dec-11)
Trust Performance After fees & costs	24.5%	15.3%	14.7%	16.7%	14.2%
Benchmark PCA/IPD Australian Pooled Property Fund Index - Unlisted Core Retail Index	19.4%	15.2%	15.8%	19.0%	16.9%
Excess Returns After fees & costs	5.1%	0.1%	(1.1%)	(2.3%)	(2.7%)

Past performance is not a reliable indicator of future performance.

FUND UPDATE

- The sale of the Trust's asset settled on 21 October 2021 for $144.9 million, resulting in a Special Distribution to Unitholders of $1.7565 per unit on 10 November 2021, with a final payment of approximately $0.011 after the reporting period, on 10 February 2022
- Completion of the wind-up process is expected to be finalised before the end of the 2021/22 financial year
- The Trust's performance since inception to 10 February 2022 was 14.1% per annum annualised since inception



In addition to the footnotes below, please read the important disclaimer at the beginning of the Quarterly Reports section on page 35.

1. Based on a sale contract value as at 21 October 2021
2. As at 31 December 2021. Calculated by gross income.

See the Product Disclosure Statement dated 16 December 2011 (PDS).

CLOSED TO INVESTMENT

CROMWELL PROPERTY TRUST 12

www.cromwell.com.au/c12

This Trust replicates many features of Cromwell's other unlisted property trusts, including the seven-year investment period, innovative construction funding structure and long lease term. Now in its second term, the Trust is underpinned by a single asset located at 19 George Street, Dandenong and valued at $124 million[1].

Investment Report to 31 December 2021

KEY STATISTICS
as at 31 December 2021

Status	CLOSED
Unit Price	$1.16
Distribution Yield	4.96% p.a.
WALE	8.7 years[2]

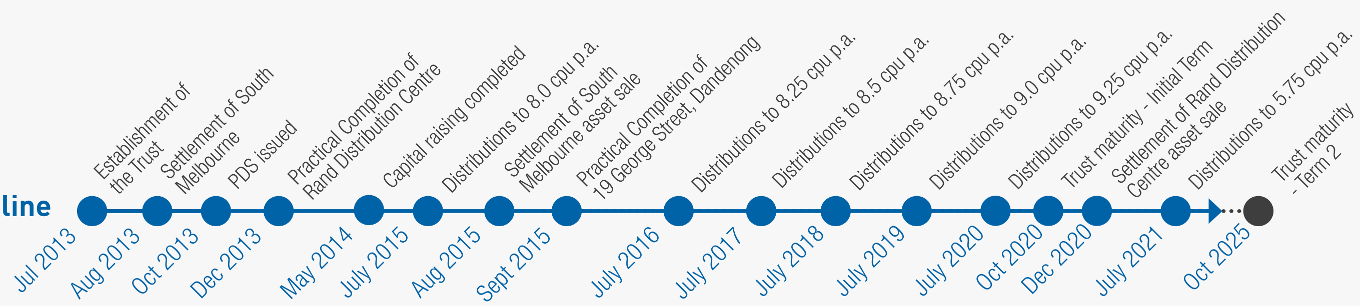
PERFORMANCE

	1 Year	3 Years	5 Years	7 Years	Inception (Oct-13)
Trust Performance After fees & costs	32.2%	21.1%	16.3%	18.3%	16.6%
Benchmark PCA Australian Pooled Property Fund Index - Unlisted Core Retail Index	19.4%	15.2%	15.8%	19.0%	18.4%
Excess Returns After fees & costs	12.8%	5.9%	0.4%	(0.7%)	(1.8%)

Past performance is not a reliable indicator of future performance.

FUND UPDATE

- The Trust's unit price is currently $1.16
- The Trust's performance to 31 December 2021 was 16.6% per annum annualised since inception



In addition to the footnotes below, please read the important disclaimer at the beginning of the Quarterly Reports section on page 35.

1. Based on valuations for 19 George Street, Dandenong as at 31 October 2021.
2. As at 31 December 2021. Calculated by gross income.

See the Product Disclosure Statement dated 29 October 2013 (PDS).

CROMWELL PROPERTY GROUP QUARTERLY SNAPSHOT

Cromwell Property Group (ASX:CMW) is a real estate investor and fund manager with operations on three continents and a global investor base. The Group is included in the S&P/ASX 200. As at 31 December 2021, Cromwell had a market capitalisation of $2.3 billion, an Australian investment property portfolio valued at $3.1 billion and total assets under management of $12.1 billion across Australia, New Zealand and Europe.

ASX announcements update - see www.asx.com.au (ASX:CMW)

16/12/2021	Changes relating to buy-back - Appendix 3D
16/12/2021	Suspension of Distribution Reinvestment Plan
16/12/2021	Dividend/Distribution - CMW
10/12/2021	Application for quotation of securities - CMW
8/12/2021	Notification of cessation of securities - CMW
19/11/2021	Notification of cessation of securities - CMW
19/11/2021	Notification regarding unquoted securities - CMW
18/11/2021	Change of Director's Interest Notice - JP Callaghan
18/11/2021	Notification regarding unquoted securities - CMW
17/11/2021	Results of Annual General Meeting 2021
17/11/2021	Annual General Meeting 2021 addresses and presentation
8/11/2021	Cromwell appoints Head of Funds Management - Australia
12/10/2021	Notice of Annual General Meeting/Proxy Form
7/10/2021	Initial Director's Interest Notice - JP Callaghan
7/10/2021	CEO Jonathan Callaghan appointed as Managing Director

FOR FURTHER INFORMATION, SPEAK TO YOUR BROKER OR VISIT WWW.CROMWELLPROPERTYGROUP.COM

Key Events Calendar

The following dates are indicative

Wednesday, 30 March 2022	March 2022 quarter distribution ex date
Thursday, 31 March 2022	March 2022 quarter distribution record date
Friday, 20 May 2022	March 2022 quarter distribution payment date
Wednesday, 29 June 2022 (tentative)	June 2022 quarter distribution ex date
Thursday, 30 June 2022	June 2022 quarter distribution record date
Friday, 19 August 2022, (tentative)	June 2022 quarter distribution payment date
Thursday, 25 August 2022 (tentative)	FY22 results announcement
Thursday, 29 September 2022 (tentative)	September 2022 quarter distribution ex date
Friday, 30 September 2022 (tentative)	September 2022 quarter distribution record date
Wednesday, 16 November 2022 (tentative)	2022 Annual General Meeting
Friday, 18 November 2022 (tentative)	September 2022 quarter distribution payment date
Thursday, 29 December 2022 (tentative)	December 2022 quarter distribution ex date
Friday, 30 December 2022 (tentative)	December 2022 quarter distribution record date

GLOSSARY

$	All dollar values are in Australian dollars
A-REIT	Australian real estate investment trust
AUM	Assets under management
Cap rate	Capitalisation rate
CCL	Cromwell Corporation Limited
CPSL	Cromwell Property Securities Limited
CPS	Cents per security
CPU	Cents per unit
DPS	Distribution per security
DPT	Cromwell Diversified Property Trust
Distribution yield	Return on investment, based on current unit price
EPS	Operating Earnings per Security
EBITDA	Earnings before interest, taxes, depreciation, and amortisation
FY	Financial year (1 July to 30 June)
Gearing	Total borrowings less cash/total assets less cash
GDP	Gross domestic product - total dollar value of all goods and services produced over a specific time period
GFC	Global Financial Crisis
IRR	Internal rate of return
NOI	Net operating income
NLA	Net lettable area
NTA	Net tangible assets per security
p.a.	Per annum
RBA	Reserve Bank of Australia
RE	Responsible Entity
REIT	Real Estate Investment Trust
Securityholder	A person who holds a Security
Security	Stapled security consisting of one share in CCL and one unit in DPT
Small Cap	Stock with a relatively small capitalisation
SMSF	Self-managed superannuation fund
WALE	Weighted average lease expiry by gross income

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CONTACT US WITH ANY QUESTIONS

For the answer to any questions regarding Cromwell and our funds, please contact your financial adviser, broker or Cromwell's Investor Services Team directly.

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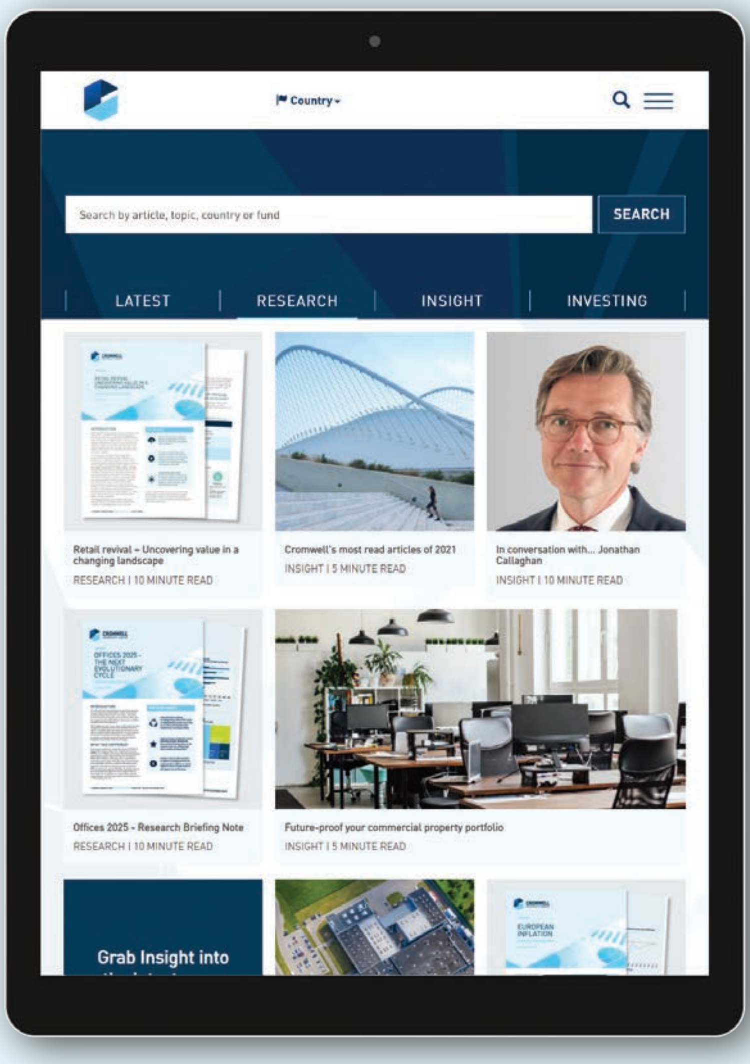

cromwellpropertygroup.com/research-and-insight

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