INSIGHT
MAGAZINE

CROMWELL
PROPERTY GROUP

FY20 RESULTS

ANOTHER STRONG RESULT

Statutory profit	Operating profit	Distributions
up 13.3%	**up 27.0%**	**up 3.4%**

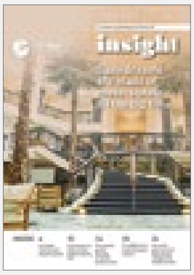
PAGE 09

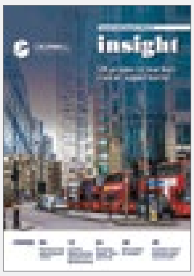
FY20 Results

CROMWELL
PROPERTY GROUP

CONTENTS

Insight Magazine,
Published by Cromwell Property Group





Sustainable Green Print
Certified Sustainable Green Printer
Cert no. L2/0008.2010
www.sustainablegreenprint.com.au
©2009 Printing Industries Association of Australia

Keeping up to date

LinkedIn.com

YouTube.com

www.cromwellpropertygroup.com

www.cromwell.com.au/insights

If you would like to receive the next Insight Magazine by email, go to www.cromwell.com.au/insights to subscribe.

Cromwell Property Group (ASX:CMW) (Cromwell) is a real estate investor and manager with operations on three continents and a global investor base. The Group is included in the S&P/ASX 200. As at 30 June 2020, Cromwell had a market capitalisation of $2.4 billion, a direct property investment portfolio in Australia valued at $3.0 billion and total assets under management of $11.5 billion across Australia, New Zealand and Europe.

Insight Magazine is published by Cromwell for our 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.

CEO UPDATE

Paul Weightman
Managing Director / Chief Executive Officer

Dear Investor,

On 26 August 2020, Cromwell reported its FY20 results. Operating profit, considered by the Directors to best reflect underlying earnings, was $221.2 million, up 27.0% on last years' result. This was equivalent to 8.50 cents per security, ahead of original FY20 earnings guidance of 8.30 cents per security.

Cromwell's strategy seeks to balance risk and return. It is based on an underlying principle of resilience and a commitment to invest in IT, systems and people to ensure that we can manage through unforeseen events and market dislocations. These initiatives have enabled us to manage the business remotely, work from home and operate relatively smoothly throughout the last few months.

Distributions of 7.50 cents per security were up 3.4%, meeting our original guidance despite being in the middle of a once in a lifetime pandemic. This is a great result and one of which we are very proud.

Cromwell retains a strong balance sheet with ample liquidity and 45% of gross passing income sourced from government entities. This puts us in a strong position and we have enough confidence in the resilience of the business to maintain distributions guidance for the coming year at the current level of 7.50 cents per security, which represents a distribution per security yield of 8.20%.[1]

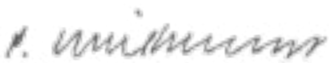
We know our securityholders depend on us for their distributions. I would like to thank them for their continued faith in us and we look forward to continuing to deliver for them in the future.

In Insight #31, we look at Cromwell's FY20 results in detail, examine why your vote is vital at General Meetings, investigate the burgeoning world of data centres and provide an update on both the listed A-REIT and direct property markets.

Our regular 'In conversation' feature talks to Danya Pollard, Senior Capital Solutions Manager, based in London who is responsible for new product development and has been working on Cromwell's proposed European Logistics Fund. Finally, we introduce this year's Cromwell Property Group Foundation beneficiaries and the projects towards which the Foundation has donated funds.

I hope you enjoy this edition of Insight.

Yours sincerely,



Paul Weightman
Managing Director / Chief Executive Officer
Cromwell Property Group

1 Based on Cromwell security price of $0.905 on 26 August 2020

DATA CENTRE PARTNERSHIP ANNOUNCED

Cromwell has entered into a strategic partnership with Stratus Data Centres (Stratus), a member of the EXS Capital Group (EXS), to invest in and manage the rollout of a data centre property platform across Europe and Asia Pacific through the proposed Stratus Cromwell Data Centre Fund (Fund).

This partnership will combine the data centre sector specialisation of Stratus, who will be responsible for project development, leasing, design and construction with the Asian network of EXS and Cromwell's capital, funds management and real estate investment experience.

Simultaneously, Cromwell European Real Estate Investment Trust (CEREIT) has entered into a Heads of Terms Agreement with Stratus and Cromwell to co-invest directly into 50% stakes in the proposed Fund's first two data centre projects in London and Frankfurt, subject to various milestones.

The first project is a two-stage, 6-acre, 100-megawatt (MW) data centre serving London due for completion in 2021.

The second, larger project is on a 34-acre strategic site serving Frankfurt. A multi-stage 300MW project, with advanced pre-leasing agreements and planning processes underway, once completed it will be one of the largest data centre campuses in Germany and Western Europe.

CROMWELL PURCHASES SEVEN DHL LOGISTICS ASSETS ACROSS ITALY

Cromwell and Korean real estate investment manager, IGIS Asset Management, have signed binding agreements to purchase seven DHL logistics assets in Italy for A$85.7 million (€52.5 million), with settlement due in September. It is intended that the assets will then form the seed portfolio for a new Cromwell European Logistics Fund once launched.

"Logistics is a 'high conviction' sector that we believe will prove resilient in these difficult times and provide our capital partners with strong potential for outperformance over the medium term. We are excited by our new capital partnership with IGIS and the opportunity to launch a new European Logistics Fund," said Cromwell's Chief Investment Officer, Rob Percy.

"This exciting new initiative is another example of our 'Invest to Manage' strategy. The strategy has seen Cromwell launch CEREIT in Singapore, LDK Seniors Living and partner with BlackRock at 475 Victoria Avenue, Sydney."

The Fund will be focused on core+ logistics assets throughout Benelux, France, Germany and Italy, with a target Gross Asset Value of €400 to €500 million (A$650 to A$800 million).

REVISED DA LODGED AT 475 VICTORIA AVENUE, CHATSWOOD

Cromwell recently lodged an amended development application (DA) at 475 Victoria Avenue, Chatswood.

Cromwell revised the vision for the 475 Victoria Avenue precinct, which now includes a third office tower rising to 11 storeys. Originally five levels per the initial DA, the 11-level design will see floorspace more than doubling from 3,148 sqm to approximately 6,500 sqm of Net Lettable Area.

Additionally, a relocated entry and lobby on Victoria Avenue including cafe retail space will allow for greater street front activation for the new tower.

Cromwell's Head of Property, Bobby Binning, stated, "We were delighted to be able to expand our vision for the site."

EASTS TIGERS RECLAIM THE CROMWELL CUP

Cromwell is in its 14th year of sponsoring Easts Tigers Rugby Union Club, based in Coorparoo, Brisbane. As part of that support, the Tigers play fellow Brisbane-based club, the GPS Gallopers, annually for the Cromwell Cup.

This year, the Cromwell Cup was held on Saturday 22 August at the Tigers' first home game of the season and saw Queensland Premier Rugby's only two undefeated first grade teams go head to head.

After a back and forth match, in which the lead changed multiple times, Easts came away with the win, defeating GPS 36-29 to reclaim the coveted trophy.

Cromwell CEO Paul Weightman was on hand to present the Cromwell Cup to Easts.

CROMWELL PARTNERS WITH GOLDMAN SACHS FOR AMSTERDAM OFFICE DEVELOPMENT

In mid-August, Cromwell announced its partnership with Jacana BV, a special-purpose vehicle of the Goldman Sachs Merchant Banking Division, for a new eight-storey, 24,078 sqm office building known as 'The Joan'. The building will be developed by Being, a new generation of developers focusing on creating highly sustainable projects.

Targeting a BREEAM Excellent certification, The Joan will consist of a multi-functional and creative ground floor, onsite restaurant, as well as ample natural light and greenery in a sustainable and healthy business environment. The adjacent parking garage will have 246 dedicated car parks, alongside bicycle parking and charging points for electric vehicles.

Wouter Zwetsloot, Head of Real Estate in Europe, discussed the development, stating "The Joan will add much needed future-proofed sustainable office space to the Amsterdam office market. With investors increasingly basing

their investment decisions on sustainability and wellness factors, The Joan is specifically designed to exceed these requirements."

"We are excited to continue our longstanding partnership with Goldman Sachs and continue to create high-quality and well-managed space for our customers in the Dutch office market."

Construction is due to commence in late-2020, with completion expected in mid-2022.

RAND DISTRIBUTION CENTRE SELLS AT 18.96% PREMIUM TO BOOK VALUE

Following an expression of interest campaign, Cromwell Funds Management has exchanged contracts for the sale of the Rand Distribution Centre in Direk, South Australia for $63.05 million on behalf of the asset's owner, Cromwell Property Trust 12 (C12 or the Trust). The sale represents an 18.96% premium to the asset's book value.

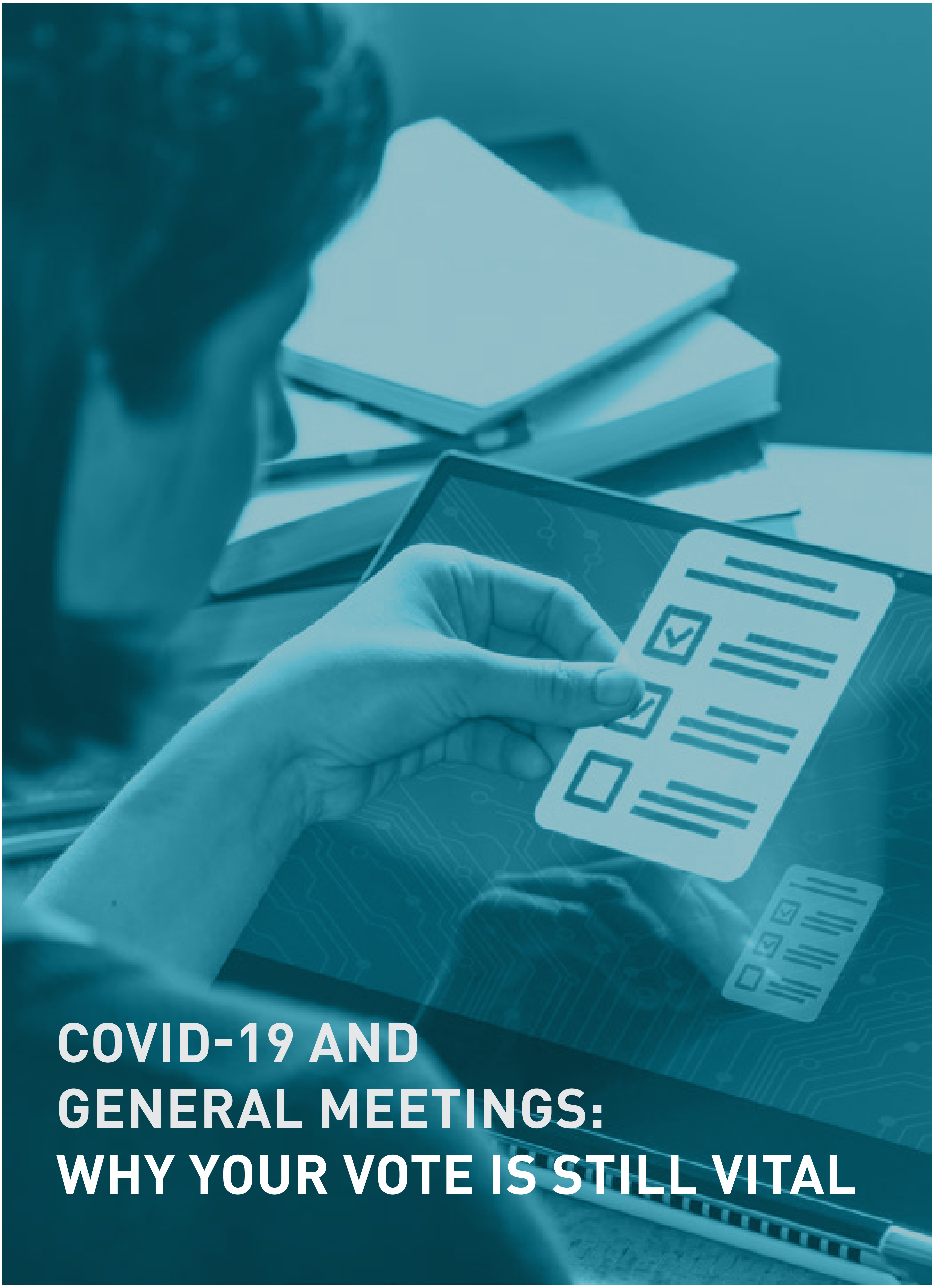
Located within the industrial precinct of Direk, approximately 27 kilometres north of the Adelaide CBD, Rand Distribution Centre is a modern, purpose-built cold storage facility currently leased to Rand Transport, a wholly-owned subsidiary of Anchorage Capital Partners. The asset has a 15-year remaining lease term.

Hamish Wehl, Head of Retail Funds Management at Cromwell, said the sale was a fantastic result for C12 unitholders.

"The sale price is an exceptional outcome for investors. The asset was initially acquired in 2013 with an 'as if complete' value of $32.75 million."

"Cromwell expects to make a special distribution of the sale proceeds to C12 unitholders upon settlement of the property," Mr Wehl concluded.

Further information on page 33.



COVID-19 AND GENERAL MEETINGS: WHY YOUR VOTE IS STILL VITAL

The adage 'necessity is the mother of invention' has proven to be especially relevant throughout the COVID-19 pandemic. Companies have seen normal ways of working rendered impossible, necessitating the implementation of new innovative solutions to continue vital business activities.

One such vital activity is a General Meeting – be it the Annual General Meeting (AGM) or an Extraordinary General Meeting (EGM). The health and safety of securityholders, staff and other stakeholders is a top priority, and it is therefore imperative companies are prepared to engage with securityholders in a virtual world.

Virtual and hybrid General Meetings

The Australian Securities & Investments Commission (ASIC) considers virtual technology a valuable tool in addressing the challenges presented by the social distancing restrictions enforced as a result of the COVID-19 pandemic while ensuring continued investor engagement at General Meetings. As the social distancing and lockdown measures in place across Australia vary drastically on a state-by-state basis, ASIC has encouraged companies and responsible entities to hold General Meetings in one of the following ways:

- A **virtual meeting**, whereby all members participate using online facilities; or
- A **hybrid meeting**, in which, circumstances permitting, a small physical meeting is linked with online facilities allowing remote participation.

Regardless of whether a virtual or hybrid meeting is held, attendees must be provided with the opportunity to participate.

Temporary modifications to the *Corporations Act 2001* (Cth)

On 6 May 2020, temporary modifications to the *Corporations Act 2001* (Cth) (Corporations Act) under the Corporations (Coronavirus Economic Response) Determination (No. 1) 2020 (Determination) came into effect. Designed to further facilitate virtual and hybrid meetings, the Determination provides that:

- Persons participating in a meeting remotely are taken for all purposes (for example, a quorum requirement) to be present;
- Virtual technology may be used to provide participants a reasonable opportunity to speak at the meeting; and
- Notices of Meeting and other information to be provided with notice of a meeting may be provided using one or more technologies (for example an electronic communication) or by providing details of an online location where it can be viewed and downloaded.

On 31 July 2020, the Government announced the current arrangements under the Determination would be extended so they expire on 21 March 2021.

The shift to hybrid meetings was already underway

Prior to the COVID-19 pandemic, some companies across Australia had begun to utilise technological capabilities to hold hybrid AGMs. Highlighting this trend towards virtual meeting technology, the number of hybrid AGMs facilitated by Link Group in 2019 rose by 22%.

It is clear virtual and hybrid meetings serve a greater purpose than acting as a temporary solution throughout the COVID-19 pandemic and look like they are here to stay.

This is particularly pertinent given the benefits when compared to a traditional General Meeting include reduced meeting costs, increased securityholder participation, greater accessibility for less mobile and remote securityholders, while also being environmentally friendly.

The importance of securityholders exercising their right to vote

In 'Your vote counts', which first appeared in Insight 29, it was outlined that when you own securities in a listed company, you are putting your trust in the Board and management of that company to look after the future growth and income of your investment. As one of the owners of the company, you have the chance to vote on resolutions put forward at your company's General Meeting.

Even as COVID-19 dictates changes to the method in which General Meetings are conducted, the sentiment regarding why you should vote remains the same.

'Mum and Dad' investors sit on the sidelines

Link Group's most recent AGM Snapshot of the 2019 season showed that for ASX200 companies, the percentage of securityholders lodging a vote at the AGM was 5.60%. However, the percentage of voting issued capital for the same period was 73.41%, demonstrating larger securityholders such as institutional investors are the ones who typically participate in the voting. What these numbers also suggest is that 'mum and dad' securityholders, those same securityholders who have done the hard work to earn the money and research their original investment decisions, don't often participate in the ongoing decision making of their investments.

Why should you vote?

The ASX Corporate Governance Principles and Recommendations (4th edition) note that 'Meetings of securityholders are an important forum for two-way communication between a listed entity and its securityholders'. If you opt not to vote at General Meetings, you forgo the opportunity to participate in the decision making for your company.

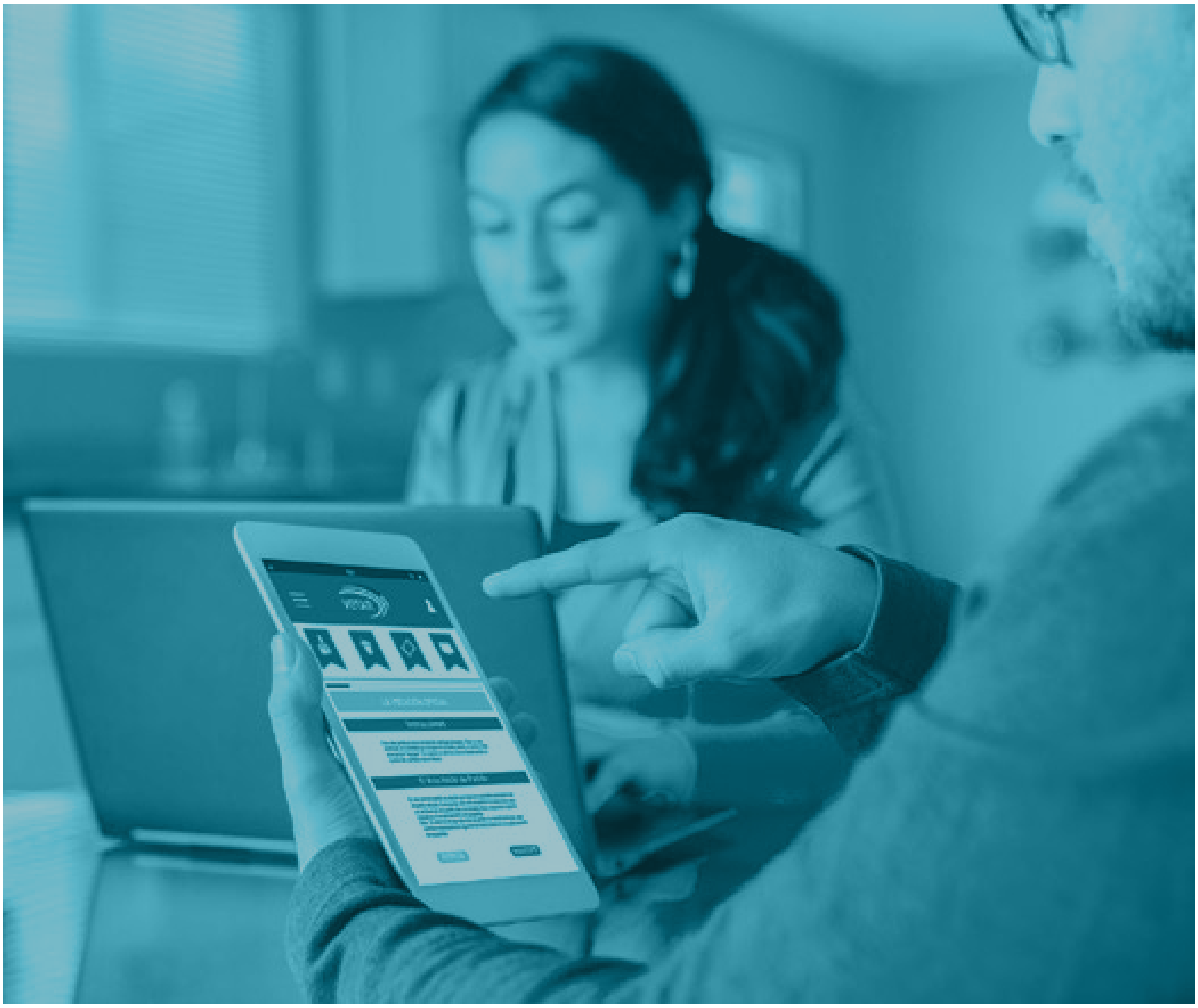
Further, institutional or wholesale investors may not necessarily have objectives that align with your own reasons for holding a security. If 'mum and dad' securityholders and smaller securityholders leave the responsibility of voting to the institutional securityholders (as evidenced by the 5.60% securityholder participation rate), the outcome may not reflect their views.

What to expect

In the lead up to a General Meeting, you will receive a Notice of Meeting which will include the details of the physical meeting, an explanation of the items of business and a formal personalised proxy form with which to vote. If you don't plan to attend the meeting, you can simply complete the proxy form and return it before the due date.

Most companies will also offer online proxy appointment, which makes it even easier to participate. Look for a link on the Notice of Meeting or call the company directly for more information.

There is no doubt the COVID-19 pandemic has changed the way in which General Meetings are facilitated, but their importance to a company remains unchanged. A General Meeting gives securityholders, as owners, the chance to participate in decision making. Every individual securityholder's opinion matters and every vote counts.



CROMWELL PROPERTY GROUP

FY20 RESULTS

ANOTHER STRONG RESULT

Statutory profit of **$181.1 million**	Operating profit of **$221.2 million**	FY20 distributions ↑ **3.4% to 7.50 cps**
↑ **13.3% on the prior year** (FY19 $159.9 million)	↑ **27.0% on the prior year** (FY19 $174.2 million)	meeting original guidance despite COVID-19

Net Tangible Assets of **$0.99** (FY19 $0.97)	Gearing of **41.6%**
with Weighted Average Lease Expiry of **6.2 years**	with total assets under management (AUM) of **$11.5 billion**

OPPORTUNITIES ON THE EDGE OF DATA

As the world adjusts to life with COVID-19, there will be many lessons learnt about the pandemic. How did we adapt? How well did we respond? What did we get right? What did we get wrong? Which systems and technology did we turn to that helped us to continue to perform life's various tasks in a COVID world?

One thing is certain. The adoption of cloud-based IT systems enabled many to continue working remotely in a way that would have been unimaginable as little as ten years ago. The pandemic is pushing everyone to adapt to new circumstances and forcing even the most stalwart office workers to change lifelong habits.

Whether remote working becomes the new normal or not is almost irrelevant. The exponential growth of data created by social media, mobile devices, video streaming and cloud computing has been with us for some time and this has driven an unprecedented demand for data and data centres. This demand has only been accelerated by COVID-19 as it pushes even more of modern life and business online.

Of course, behind every online and cloud-based technology, there is something physical – an asset sitting on a strategically-chosen plot of land somewhere in the world. These centres are the engines that power the modern data-driven world.

With more than $100 billion invested in data centres over the past decade by a broad cross section of institutional investors including pension funds, private equity, infrastructure funds and sovereign wealth funds, the growth potential of the sector is well-established. With strong real estate asset backing and long-term leases against world class cloud operators, investors have realised data centre properties can provide stable income, downside protection and strong potential upside.

The challenge investors face is how to find the right investment opportunity capable of providing these attractive returns over the long term. As much an infrastructure asset as a straight real estate investment, a thorough understanding of data centre fundamentals and demand drivers is essential.

Among these, the ability to assess the suitability of the land, where it sits in the ecosystem of data centres and the level of political and regulatory support is crucial.

For example, in Singapore, where land availability is a major constraint, multi-level facilities are being constructed, whereas in other jurisdictions proximity of a data centre site to power facilities and fibre connectivity are defining considerations.

From an environmental, social and governance (ESG) perspective, and in a world where businesses including major cloud storage providers like Google and Amazon have set themselves ambitious targets to become carbon neutral by 2050, availability of renewable power sources is a major consideration.

Different jurisdictions can also offer a broad variety of incentives, particularly where competition between countries or states is high. These come predominantly in the form of sales or property tax incentives and can have significant influence on a project's overall viability.

Latency is a key issue

Roughly speaking, latency is linked to the amount of time it takes data to travel from user to data centre and then back to user. Perhaps surprisingly, in an era of super-fast fibre communications, the physical distance of the data centre from the user or customer is still a key factor in determining latency.

As technology advances and applications based on the Internet of Things (IoT) pervade our everyday lives, latency is one of the key considerations for end users. After all, would you trust a driverless car if you knew it was prone to glitches caused by connectivity issues and latency?

To address the latency issue, organisations have developed smaller data centres, so-called EDGE data centres, which are located closer to the end user. They typically connect to a larger central data centre or multiple data centres. By processing data and services as close to the end user as possible, edge computing allows organisations to reduce latency, thus enabling the adoption of services and applications linked to the IoT.

Where are the opportunities?

In Western Europe, most large data centres are grouped into a discontinuous corridor of urbanisation with a population of around 111 million people known as the Blue Banana. It stretches from North West England to Northern Italy, crossing a number of countries including Belgium, the Netherlands, Eastern France and Germany. Lying at the heart of this area, Belgium has the fastest connectivity.

As demand for faster connectivity grows, driven by artificial intelligence (AI) and the IoT, there is an attractive opportunity to devise real estate investment strategies that plug the geographic gaps between large data centres, enabling EDGE capability in not just Western Europe but most developed countries.

As long as the right projects are selected, data centres have the potential to be great investments. For example, a speculative build would normally only start once good lease commitments had been secured and new sites should pay for themselves in a relatively short time period. Once up and running, the risk to investors can be limited with phased build outs possible and data centres typically producing high EBITDA margins and high cash conversion.

Despite all the current uncertainty and market volatility created by COVID-19, future long-term demand for the applications that rely on data centres appears to be not only healthy, but to have been reinforced by our COVID-19 behaviour and the enhanced adoption of systems reliant on the technology.

Ultimately, in the current climate, many organisations are looking to incorporate a more flexible and agile approach to their operations to ensure they are better able to mitigate the impact of future disruption, whatever the source. While this will be beneficial to the sector, and as is the case with all real estate investments, timing, market knowledge and experience will be key to ensuring success.

WHAT IS NTA?

Real Estate Investment Trusts (REITs) own properties, each of which has its own individual value. Net Tangible Assets (NTA) is a good reference point for what an investor could expect to obtain from the sale of a REITs properties, and in doing so, it provides the investor with a valuation baseline or 'floor' for the business.

NTA does, however, exclude the value of earnings derived from 'active' sources, such as development activities or, for example, the fees and income derived from a funds management business. Where these activities occur, they would also need to be assessed to arrive at a sum of the parts value for the entire business.

NTA is calculated by taking a company's gross tangible assets and subtracting any liabilities such as bank debt, payables and leave entitlements. The resultant number is then divided by the amount of outstanding securities to get a value per security. Tangible is referenced because intangible assets such as 'goodwill' are ignored when calculating the NTA value.

The vast majority of Cromwell's assets are physical properties that are regularly and independently valued by third parties. This is done to ensure investors can be assured of the value of the property portfolio. For assets that are partly owned, the percentage of ownership is reflected in the calculation. Assets can also include cash, debtors and other investments which would similarly need to be regularly revalued.

Calculating a value for the additional 'active' earnings or income streams, whether they are development projects or from a funds management business, is usually done through either a multiple based valuation methodology or a discounted cashflow model (DCF).

Finally, in contested situations, where one company is bidding for another, securityholders usually require the bidding company to pay them an additional 'premium', for handing over control of the business and its future prospects. This is called a takeover premium.

VALUE = NTA + Valuation of active earnings (DCF or 'multiple' basis) **+ takeover premium** (if applicable)

WHAT IS A PROPORTIONAL OFF-MARKET TAKEOVER BID?

Takeover bids are a common way to acquire control of Australian listed companies and managed investment schemes. There are two types of takeover bids, off-market – which is the most common – and on-market. They can be friendly if the target's board recommends securityholders accept the bidder's offer or, alternatively, they can be hostile if the target's board recommends securityholders reject the offer.

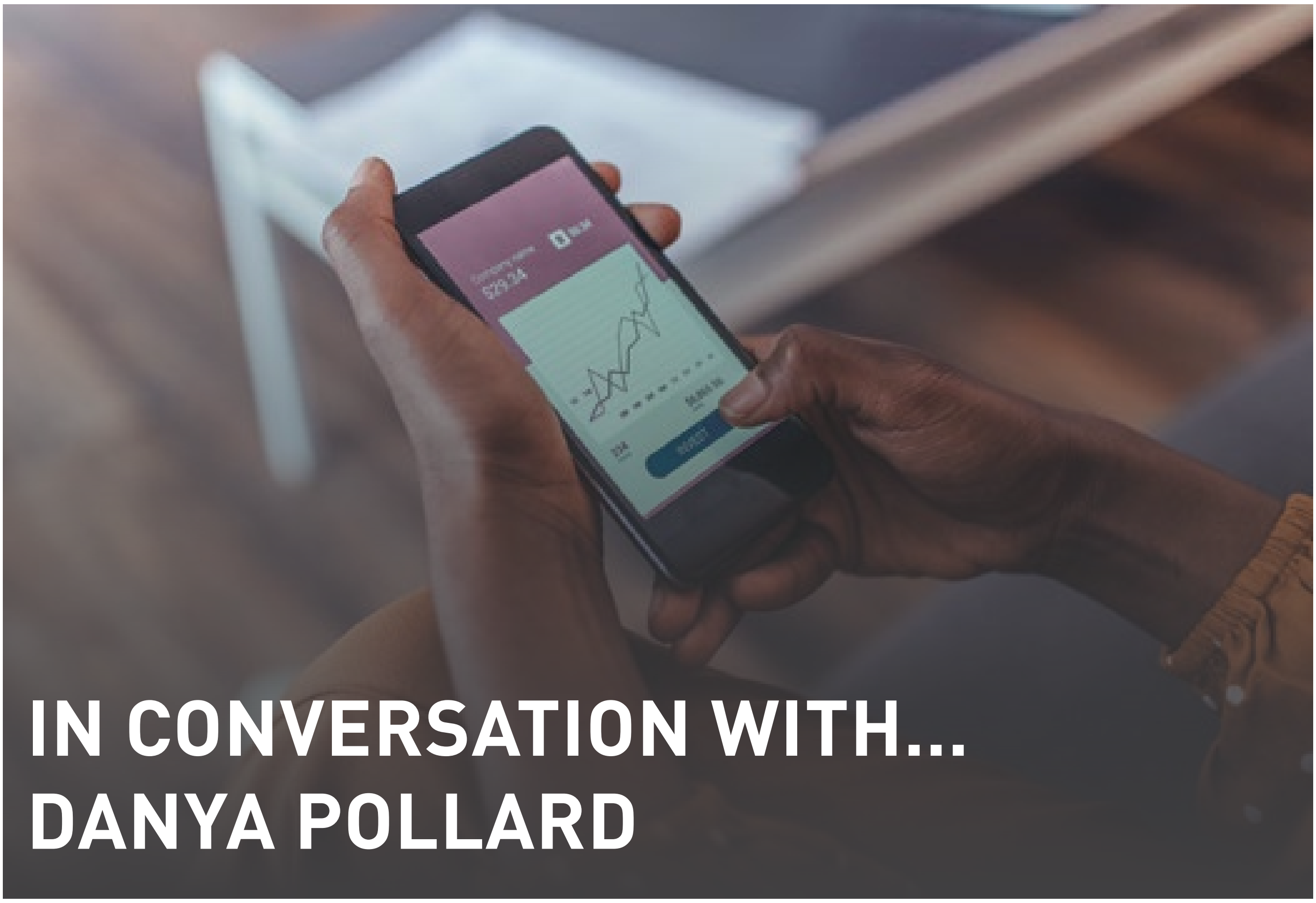
Proportional off-market takeover bids are a form of off-market takeover offer made to each securityholder for a specified proportion of their securities.

In ARA's case, they have lodged a Bidder's Statement in relation to a proportional off-market takeover bid to acquire 29% of all Cromwell stapled securities that ARA does not already own, at a discount to Net Tangible Assets (as at 31 December 2019), rather than 100% of Cromwell securities at a significant premium.

Proportional bids are extremely rare with only two such offers launched in the last three years. There is a good reason for this.

Proportional bids are not popular with target securityholders because, if successful, they can deliver effective voting control of the target company, without having to make an offer for all the target's securities.

Additionally, as securityholders can only sell a proportion of their holding into the bid they could potentially become minority securityholders in the target which becomes controlled by the bidder, without necessarily having received a premium for giving up voting control.



IN CONVERSATION WITH... DANYA POLLARD

Danya Pollard
Senior Capital Solutions Manager
Cromwell Property Group

There are numerous elements to consider when developing new fund products. The fund structure, target returns, leverage, fees, governance and oversight are all important. Every investor will also want to understand the manager's competencies, track record and investment history. The thematic, types of assets being sought, pipeline of opportunities and market conditions are all also vital.

In this Insight's 'In conversation', we ask Danya Pollard, who is responsible for Product Development and Capital Solutions at Cromwell, about her five key considerations when establishing new investments and funds.

1. Understanding your target investors and return expectations

It is crucial to understand the ever-changing investment landscape with economic, political and social impacts, themes and considerations at the forefront of our strategies. Cromwell's Capital team spend a lot of time understanding these considerations. We then look to create and develop long-term strategic and tactical investments for investors based on their risk-return appetite and performance requirements.

Real estate as an asset class provides an attractive long-term risk-return profile, particularly when compared to bond yields. The tangible nature of the assets also gives rise to stability and value in uncertain macroeconomic environments, and many investors are looking for certainty within the current environment.

We objectively review sectors and markets and provide investors with access to specific investments which represent a good match for their requirements and support sustainable long-term income streams. In essence, 'conviction' in the investment strategy, supported by in house expertise and experience, is at the heart of what we do, and how we operate.

2. Leverage – Why is debt important?

Simply put, leverage refers to the use of debt or borrowed funds to amplify returns from an investment or project. Therefore, investors use leverage to multiply their buying power.

Cromwell has an in-house specialist Capital Markets and Treasury (Debt) team. They continuously review the cost of debt, and accordingly, look to source and utilise debt efficiently from the start of, and throughout the life of an investment. The use of debt contributes as a source of capital, and helps you to achieve the targeted return on equity but it is important to achieve the right balance of debt as excessive gearing can increase your overall risk.

3. Alignment of interest

As a part of the 'Invest to Manage' strategy, Cromwell, as a Fund Manager, seeks to align its interests with that of its investors. The best way to achieve this is for the Manager to be an investor itself, by way of balance sheet commitment, into the product and investment strategy. This ensures focus of direction throughout the life of an investment.

'Alignment of interest capital', as it is called, provides investors with comfort, and shows Cromwell's transparency, commitment and conviction to the investment strategy. Investors know that decisions are taken in the interest of all investors. This is at the heart of who we are and what we do.

4. Good Pipeline of opportunities

A good pipeline of investment opportunities starts with a deep understanding of the markets to be invested in, and buying 'right', in accordance with the Fund's Investment Strategy.

The ability to uncover opportunities is important to success. Identifying the right assets in the right locations, at the right time, and, most importantly, at the right price are key. Cromwell's Funds Management and Transactions Team are highly disciplined in their approach to asset selection and are always supported by a detailed investment analysis of the opportunity from our Research team.

Cromwell has a unique and substantial footprint in Europe, possessing extensive local networks with the proven ability to source good quality assets off market, and also execute on transactions at speed. As a vertically integrated platform, we understand the occupier landscape across countries and have longstanding and strong relationships on the ground, all of which translates into the ability to offer investors unique investment opportunities.

5. Expertise and experience

Cromwell is a diversified real estate investor and manager with over 20 years of experience, diversely spread across a range of sectors including office, retail, industrial/logistics and property securities with a total AUM of A$11.5. In Europe, Cromwell's strength lies in its local knowledge drawn from 200+ people in 19 local offices across 11 European countries (as at June 2020).

This powerful combination of experience and expertise guides Cromwell's fund and investment strategies and has resulted in success through the identification of the right opportunities for investors and also understanding what challenges may lay ahead (and how to mitigate those challenges).

Finally, Cromwell's robust governance processes ensure that all risks are reviewed, monitored, actioned and reported on a regular basis by the in-house Investment and Real Estate Committees. This is a requisite for any institutional investor. Experience is crucial to success, as real estate often involves investing over long timeframes and multiple economic cycles. Investors want to be reassured that their capital is in safe hands.

CROMWELL DIRECT PROPERTY FUND ENTERS SECOND TERM

Unitholders show confidence in the Cromwell Direct Property Fund to weather the COVID-19 storm as the Fund enters its second Term.

Current yield of 5.9%[1]

Performance of 9.2%[2] per annum (annualised) since inception

Distributions of 7.25 cents per unit per annum paid monthly[2]

Potential for capital growth[2]

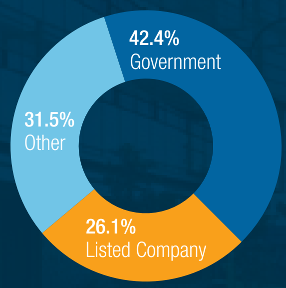
Limited monthly liquidity available[3]

Portfolio occupancy of 99.9%[4] by gross income

Ten quality commercial property assets with strong tenant profile and long WALE OF 7.4 years[4]

Low gearing and good liquidity mean DPF is well positioned to take advantage of any opportunities that eventuate from the COVID-19 pandemic.

Current Tenant Profile[5]



As the Fund moves into the second term, the key objective is to continue to provide investors with a regular, reliable monthly income stream[2] combined with the potential for capital growth by investing in a diversified portfolio of quality property assets.

There's a lot to like about the Cromwell Direct Property Fund (DPF or the Fund), and unitholders clearly agree. Throughout the month of July, the Fund's unitholders were given their first opportunity in seven years for full withdrawal. The result proved to be a vote of confidence for the Fund, with final withdrawal requests totalling just 9.9% of issued capital.

"When we launched the Cromwell Direct Property Fund in August 2013 we never envisaged that the first withdrawal opportunity would occur during a pandemic," said Fund Manager, Hamish Wehl.

"Investors representing 90% of issued capital elected to continue with their investment in the Fund. This is a testament to the Fund's track record of delivering regular, reliable monthly income for its unitholders," said Mr Wehl.

"With the Fund's first term and first full withdrawal opportunity successfully behind us, we are pleased to announce that it will continue for a second Term, this time of five years."

Liquidity from Direct Property?

Liquidity is a front-of-mind consideration for investors when the global economy suffers an unexpected crisis, such as the current COVID-19 pandemic. While large-scale direct commercial property is usually considered an illiquid investment, the Fund retains a small percentage of cash holdings to provide a limited monthly withdrawal facility.

With the monthly withdrawal generally set at 0.5% of the Fund's net assets, the Fund and its investors have some protection from the immediate fallout of an extraordinary event such as a pandemic.

As COVID-19 shook investors in all sectors in March, Cromwell Funds Management was able to manage the payment of all withdrawal requests over a number of months, satisfying the needs of both those withdrawing and those remaining in the Fund.

The full withdrawal opportunity provides an additional element of liquidity, with the next opportunity to occur in July 2025.

Regular, reliable income[2]

As Australia enters reporting season, the economic damage caused by COVID-19 has become more evident as companies in every sector have announced they're cutting dividends or not paying anything at all. For the self-funded retirees who rely on these dividends to pay for their everyday living expenses, this is a major blow and means many are now having to reassess their dividend-producing investments.

With at least 40% of the Fund's rental income sourced from government or government-owned tenants and a current WALE of 7.4 years[4], the composition of the Fund's property portfolio provides comfort for investors.

Outlook positive for the Fund

The Fund enters its second term with low gearing, high occupancy of 99.9%[4] and a positive outlook. Current gearing is 18%, meaning the Fund is well-placed to take advantage of any opportunities that eventuate as a result of the COVID-19 pandemic.

"We will look to add to the portfolio by targeting quality commercial properties with reliable rental income, tenanted by either government, ASX-listed or quality privately-owned companies," added Mr Wehl.

ENERGEX HOUSE
33 Breakfast Creek Road, Newstead QLD

420 FLINDERS STREET
420 Flinders Street, Townsville QLD

ALTITUDE CORPORATE CENTRE
163-175 O'Riordan Street, Mascot NSW

Further information is available at

www.cromwell.com.au/investment-options/cromwell-direct-property-fund.

1. *Based on current distributions of 7.25 cents per unit p.a. and a current unit price of $1.2278 as at 30 June 2020.*
2. *Capital growth and income distributions are not guaranteed and are subject to the assumptions and risks contained in the PDS and SPDS.*
3. *Withdrawals are limited and cannot be guaranteed. For further information, see Section 7.4 of the PDS.*
4. *Calculated on a 'look-through' gross passing income basis.*
5. *Positions in the Fund are subject to change.*

Cromwell Property Group Foundation announces 2020 beneficiaries

On 18 August 2020, the Cromwell Property Group Foundation (Foundation) announced Active Rehabilitation, Bolton Clarke, Griffith University, MercyCare and the Lady Musgrave Trust as beneficiaries of its FY20 fundraising activities.

A total of $166,400 was donated in FY20, which takes the total donations of the Foundation to more than $1 million since its 2014 inception.

"The Foundation surpassing $1 million in donations is a significant milestone," stated Foundation President and Cromwell CEO, Paul Weightman.

"With a focus on charities and causes that fly under the radar, the Foundation has supported tangible change to the mature-age community. This has continued in 2020, with Active Rehabilitation, Bolton Clarke, Griffith University, MercyCare and The Lady Musgrave Trust all working towards important positive change to the lives of many."

An overview of each cause is detailed below.

Active Rehabilitation Research Foundation - $33,900

The Active Rehabilitation Research Foundation has been provided with $33,900 in an attempt to identify and prevent people at risk of falling, before they feel dizzy and fall.

Patients with deficits of the vestibular system (within the inner ear) often suffer from the symptoms of dizziness, imbalance and vertigo. The most common effect of these deficits are 'falls', which can have catastrophic consequences, particularly for the elderly. In many cases, the injuries sustained as a result of a fall require surgery, long periods of rehabilitation, or can result in premature death.

When a patient reports symptoms of dizziness or vertigo, referral to a Vestibular Physiotherapist for assessment and treatment is typically made. However, some people may have balance and coordination deficits due to vestibular disorders and not exhibit these obvious symptoms. Reduced or slow movement (such as during a hospital admission) can result in vestibular function loss. Therefore, elderly people or those suffering from conditions such as Parkinson's are at the greatest risk of falls.

Experience has shown that if vestibular system deficits are identified early, treatment with specialised rehabilitation exercises prescribed by a physiotherapist can, in many cases, improve balance and coordination, reduce future fall risks and improve patient outcomes.

The incidence of vestibular disorders in elderly patients who do not present with obvious symptoms but fall into these categories is anticipated to be high, but not currently quantified. The Foundation has provided funding to Active Rehabilitation to undertake initial research to identify the prevalence of vestibular disorders in the older population admitted to hospital. Specialised equipment is required to diagnose vestibular disorders in the absence of dizziness or vertigo.

Active Rehabilitation's initial research will immediately provide evidence to influence screening recommendations in all those over 60 years of age admitted to a hospital and provide essential information to plan further research to evaluate the best way to manage patients with deficits of the vestibular system.

This research has the potential to improve patient quality of life, independence and freedom of movement as age progresses and may reduce costs to the healthcare system if the incidence of falls can be reduced.

Active Rehabilitation Research Foundation CEO, John Fitzgerald stated, "We are delighted to have been chosen as a beneficiary for the 2020 grants from the Cromwell Property Group Foundation."

"The vestibular research we will undertake in the mature-age patients of our community is very important. It is a wonderful opportunity for smaller, efficient non-university and non-government research foundations like ours who traditionally struggle to attract research funding."

Bolton Clarke - $17,500

Bolton Clarke offers nursing services, resources and real community support to help people age well, delivering more than one million days of residential aged care and more than four million home visits every year. Their community nursing services enable thousands of people to live and age with dignity and choice while playing an active role in their healthcare.

With more than 200 years' expertise, the organisation operates across the health and aged care services continuum to provide health and wellbeing support, personal care, domestic support, chronic disease management, hospital substitution and residential services.

The work of the Bolton Clarke Research Institute underpins services and contributes to the evidence base for health and aged care policy and new models of care and support. The Institute is at the forefront of addressing the major health issues of our time: social isolation, loneliness, ageing populations, increasing chronic disease and mounting pressure on healthcare systems.

Bolton Clarke has been provided with $17,500 to fund the Be Healthy & Active programme. Targeted at Australians aged 60 and over, the programme provides practical and accessible education in the community to improve health outcomes, reduce avoidable disease and suffering, and therefore reduce the demand on health services.

The Be Healthy & Active programme currently consists of ten free health education sessions on topics ranging from falls prevention to nutrition, bladder health and dementia. Since it began in late 2015, more than 700 health sessions have been delivered across the country to more than 20,000 people. The programme is supported by five free online information videos and downloadable resources. Sessions can be delivered online or in person and in multiple languages to provide broad community access to important health information.

The Be Healthy & Active programme receives no government funding, and therefore relies entirely on philanthropic support.

"The Cromwell Property Group Foundation funding will allow us to reach more older people across Australia with accessible health information to support their wellbeing and help them stay connected and informed," said National Be Healthy & Active Manager, Kerry Rendell.

MercyCare and Griffith University - $75,000

MercyCare and Griffith University have been provided with $75,000 in FY20, with another $75,000 planned for FY21 for their Intergenerational Project. Australia's oldest and youngest community members are currently facing significant issues that affect their wellbeing. While Australia's seniors are living longer than ever before, the quality of those extra years is declining, particularly in mental health, often a casualty of social isolation and loneliness.

The need for innovative and new care services in Australia was highlighted in the interim report released by the Royal Commission into Aged Care and Quality, in order to address the broken, systemic issues of aged care which currently 'fails to meet the needs of the elderly'.

Meanwhile, at the other end of the spectrum, one in five Australian children are developmentally delayed and are starting school with only half the vocabulary of previous generations. This directly impacts their ability to form relationships, engage with the curriculum and experience mental wellbeing, including the all-important ability to self-regulate. That's part of the big picture which shows 30% of our children, and rising, are experiencing mental health problems.

MercyCare is a leading provider of Aged Care and Early Learning, plus a host of services for those experiencing disadvantage, with the vision for individuals and communities to thrive. To make this a reality means grappling with these problems of social isolation and loneliness, cognitive decline and cognitive delay, and all the implications facing the most senior and junior people in care.

The approach, which has had success overseas, is now being led by Griffith University in Australia, and brings together individuals at either end of the age spectrum to forge relationships based around mutual activities and strengths. It is underpinned by both scientific research and the wisdom of previous generations, and is called 'Intergenerational Care'.

While it has been hailed as a gamechanger, there are significant barriers to it being implemented by organisations responsible for either seniors or early learners. These include social policy constraints, rigid institutional structures and conventions, lack of industry knowledge and organisational capacity, staff reluctance and lack of training, lack of an intergenerational learning curriculum, and limited funding resources.

The second phase of the Intergenerational Project led by Griffith University, in collaboration with MercyCare and Rehoboth Christian College, is designed to pioneer a co-designed model which will be sustainable, easy to implement and replicate, and reanimate individuals, care workers and community through reconnecting the generations.

Anneke Fitzgerald, PhD, a Professor of Health Management at Griffith University stated, "COVID-19 has caused physical distancing and rethinking of how we can build intergenerational relationships. As a community, we know this pandemic may not be a once in a lifetime situation and it is likely we may have to impose physical distancing with vulnerable people more often. This led us to think about the use of technology and the idea of virtual intergenerational practice. With the Cromwell Property Group Foundation's help, we will be able to develop this further, so that while confined, generations are not disconnected. We will use video-conferencing technology for connecting older people and school children."

"At the same time, we need to build evidence-based intergenerational practices and content. This may be achieved by setting up an intergenerational practice network. A network that serves as a hub, a centre without walls, a virtual place where information, experiences and research can be shared to upscale intergenerational practice in Australia."

"Griffith University, together with MercyCare and with the support of the Foundation, aim to be at the centre of a virtual hub that will integrate visions, promote interactions and encourage participation in this renewed social model."

The Lady Musgrave Trust - $40,000

Established in 1885, The Lady Musgrave Trust (the Trust) is one of Queensland's oldest charities, which provides life-saving services to vulnerable women and their children when they are facing critical homeless situations as a result of domestic violence, family breakdown and poverty.

The Foundation has added to its $40,000 FY19 donation with a further $40,000 in 2020. This year's donation contributed to the Trust's Annual Forum held on 5 August and the production and distribution of 'The Handy Guide for Older Women' launched at the event.

The Trust's 2020 Annual Forum on Women and Homelessness held online for the first time ever on 5 August, offered the public a free opportunity to listen to a panel of experts explore the theme of 'Older Women – Living on the Edge of Homelessness', which builds on the 2019 forum, 'Building Resilience – Surviving to Thriving'.

The forum discussed the challenges and lived experiences of women over the age of 55, the national position on older women's homelessness and risks, as well as the release of the Trust's 12-month research findings and extensive consultation into older women's homelessness.

The forum served as the official launch of the Trust's innovation tool, 'The Handy Guide for Older Women', a new product that builds on the highly-successful 'Handy Guide for Homeless Women'. The Handy Guide for Older Women provides advice, a hands-on toolkit on housing and other opportunities for older women.

The Lady Musgrave Trust's CEO, Karen Lyon Reid, said "The ABS Census Data identified a 31% increase in older women's homelessness over five years, which was alarming. We knew we needed to take action to address this critical issue."

"The Cromwell Property Group Foundation strongly believes in supporting community - it is their values that will help us to make significant progress in our charity work and particularly this project. We are grateful to Cromwell for their support and collaboration on this project."

CROMWELL PROPERTY GROUP Foundation

About the Cromwell Property Group Foundation

The Cromwell Property Group Foundation was established in 2014 to support charities or organisations that provide support to, or conduct research into causes relevant to the mature aged community. To date, the Foundation has donated over $1 million to numerous causes, resulting in significant change to countless lives.

Donations to the Cromwell Property Group Foundation of more than $2 are tax deductible. To donate, request a grant or seek more information, visit **www.cromwellfoundation.org.au**

Active Rehabilitation Research Foundation	Bolton Clarke	MercyCare / Griffith University, Queensland, Australia	The Lady Musgrave Trust
$33,900	$17,500	$75,000	$40,000

$166,400

was donated in FY20

Cromwell Property Group Foundation Corporate Partner Spotlight – **nettleton**tribe

nettletontribe has this year joined the Cromwell Property Group Foundation (Foundation) as a corporate partner, thereby strengthening their role within the Foundation's fundraising activities and contributions to the mature-aged community.

nettletontribe has been a strong supporter of the Foundation since its inception in 2014 through their generous contributions towards fundraising initiatives, including the Foundation's annual beneficiaries' dinner and the biennial Destination Outback.

Rodney Moyle, Managing Director of **nettleton**tribe said, "We are thrilled to continue our association with Cromwell Property Group and are humbled that our partnership provides us with the opportunity to be part of the fantastic work of the Cromwell Property Group Foundation."

"Through our involvement, we are pleased to be able to support other like-minded organisations doing the tireless work within and on behalf of the mature-aged community. **nettleton**tribe looks forward to engaging with the next successful beneficiaries and we remain committed to assisting the Foundation in providing support to those organisations."

About **nettleton**tribe

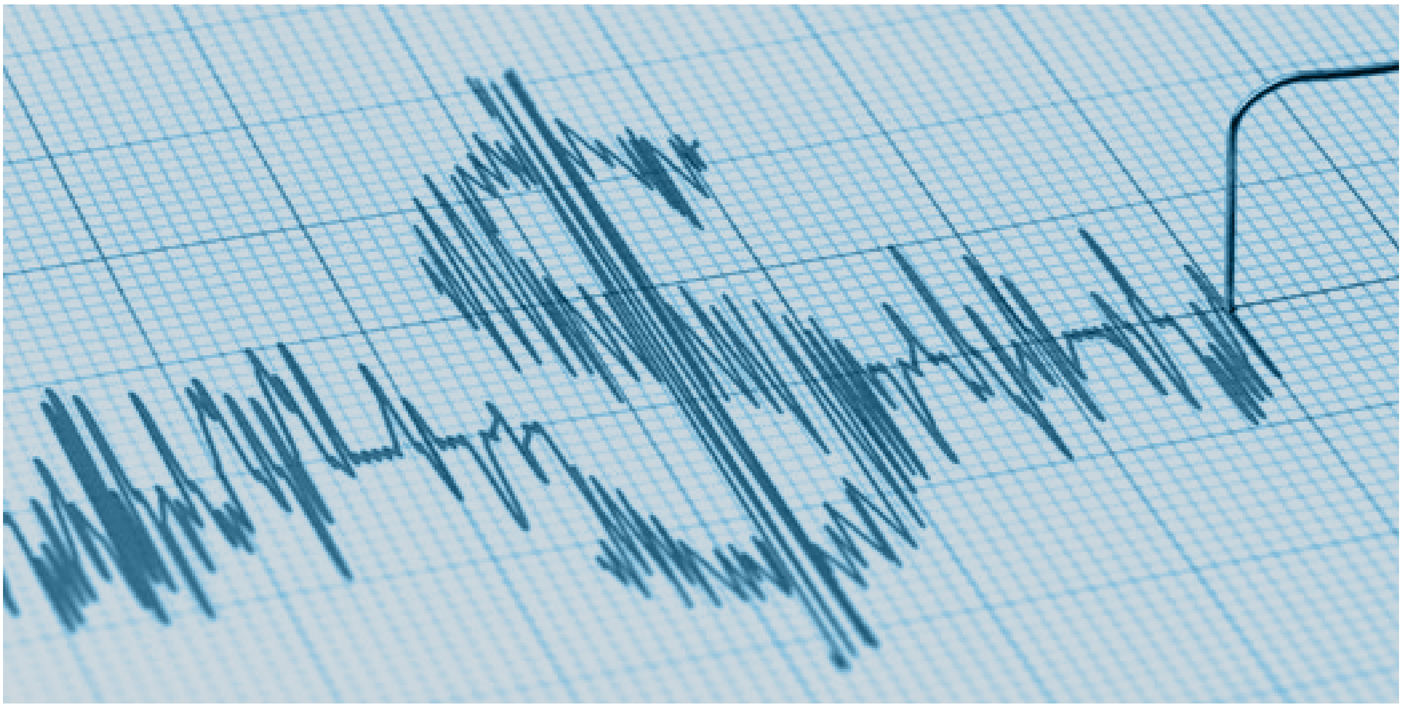
Founded in 1971 as a partnership between architects Gerry Nettleton and Mike Tribe, **nettleton**tribe has grown as an award-winning national practice, specialising in the design and planning of buildings and estates for over 49 years. Architecture is their passion and their profession. It is part of their everyday life. Their ideas, from concept to detail, impact on the way in which people live and work. Their role as architects is to balance their passion for design excellence with commercial reality, to create beautiful spaces and buildings within the urban environment.

With over 125 staff in their national design-focused practice with studios in Sydney, Brisbane, Melbourne, Canberra and Perth, they are looking ahead to the future of **nettleton**tribe with their valued clients.

Their award-winning work involves a wide range of expertise that covers living, working, student accommodation, education, interior design, retail, health and research, sustainability, and urban design. They approach design in a way that is sensitive to location, heritage and culture. This holistic view is fundamental to all their projects, all the way from concept to completion.

nettletontribe continually re-interpret and re-imagine design to suit individual projects, allow site-specificity and echo international trends and regional characteristics. While drawing on their experience to guide projects through local bureaucracy in the most effective way possible, their dedicated team deliver quality design solutions through their extensive knowledge of the local and international property market.

They will always remain open to change, fearless of the future and welcoming of innovation. They do this by keeping their practice at the forefront and engaging with emerging technologies. This forward-thinking, passionate and principled approach to all aspects of their design delivers outcomes that consistently meet and exceed their clients' expectations – profoundly impacting the way in which they live, work and study.



ASX A-REIT MARKET UPDATE

Stuart Cartledge
Managing Director
Phoenix Portfolios

The S&P/ASX 300 A-REIT Accumulation Index partially recouped its significant losses in the prior quarter, up 20.2% for the three months ending June 2020. The property sector outperformed the broader Australian market, with the S&P/ASX 300 Accumulation Index still rising 16.8%.

Outperformers over the quarter were broadly those that had previously underperformed due to exposure to restrictions put in place to supress the spread of COVID-19. Moves within Australia towards reopening supported these stocks. Domestic retail landlords were particularly exposed to this theme and rebounded strongly from prior losses. In early June, Vicinity Centres (VCX) undertook an equity raise, adding resilience to its balance sheet. VCX moved 38.2% higher over the quarter.

Scentre Group (SCG) provided an update, suggesting customer visitation for the weekend of 27-28 June was 86% of comparable dates in 2019. Furthermore, 92% of stores in SCG's malls are now open. It rose 38.7% for the quarter. Stockland (SGP) also benefitted from this trend, up 35.0%, as its long-time CEO Mark Steinert announced his intention to retire.

Performance amongst office owners was very divergent as debate over the future of office utilisation continues amongst market participants. Both Growthpoint Properties Australia (GOZ) and Centuria Office REIT (COF) outperformed, as each provided updates to the market demonstrating resilient earnings and rent collections. GOZ rose by 31.0%, while COF added 25.5%.

Alternatively, larger capitalisation companies with exposure to large CBD office buildings relatively underperformed. Dexus (DXS) gained 3.8% and Mirvac Group (MGR), Cromwell Property Group (CMW) and GPT Group (GPT) lifted by 5.3%, 14.8% and 14.9% respectively.

Large capitalisation fund managers were strong performers in the June quarter. Charter Hall Group was up 43.9% as it managed to grow assets under management and reaffirmed strong earnings guidance amidst an uncertain economic backdrop. Goodman Group (GMG) also outperformed, up 24.0% as global demand for industrial property remains robust. Smaller property fund managers had more mixed performance. Elanor Investors Group (ENN) performed well, rising 40.3%, however, Centuria Capital Group (CNI) and APN Property Group (APD) only gained 9.7% and 2.9% respectively.

Smaller residential property developers were underperformers for the quarter as residential property transactions slowed materially. Recent government stimulus and reopening measures have increased transaction activity in June, with some reporting strong increases in enquiries and sales. Perth-exposed Finbar Group (FRI) and Peet Limited (PPC) were up 4.5% and 10.2%

respectively, while Sunland Group Limited (SDG) gained 4.5% and AV Jennings Limited (AVJ) added 2.2%.

Market outlook

Since the onset of COVID-19, the listed property sector has been amongst the most volatile core asset classes both domestically and globally. The 35.1% fall of the S&P/ ASX 300 Property Accumulation Index in March 2020 was swiftly followed by a 20.2% rally in the June quarter.

Such extreme volatility can partly be explained by the uncertain impacts of the crisis, where a once very forecastable sector has suffered from the withdrawal of earnings guidance, expected cuts to contracted rents in support of tenants and a renewed focus on balance sheets and the cost and availability of debt. In our view, a lot of earnings deterioration is now priced into listed property stocks providing some downside protection from today's levels.

With the Global Financial Crisis (GFC) still fresh in the minds of many property trust managers, gearing levels are much lower today and the diversity of debt source and tenure positions the sector well to cater for all but the most extreme environments. This is not another GFC.

Non-discretionary retail sales have generally held up well, however, as panic buying of toilet paper, pasta and other canned goods emptied shelves. Essentials have continued to be purchased and this has supported retail assets with a substantial grocery element. Big-box retailers such as Bunnings and electronics stores have also held up well in the new 'normal'.

However, we remain cognisant of the longer term 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 particularly as discretionary retail sales continue to suffer. These structural changes will impact retail property long after social distancing restrictions have been relaxed.

These issues are well understood – it is the trajectory towards the new 'normal' that is difficult to project and explains why retail stocks have been the most volatile of all property sub-sectors. As COVID-19 passes, and the sector becomes more forecastable again, the market will be able to refocus on a high yielding sector that is likely to continue to be supported by low bond yields for the foreseeable future.

While the risk of inflation currently seems remote, the enormous fiscal stimulus and extreme monetary policy setting that we now live with, increases the risk of inflation over the medium term. Historically, real assets such as property and infrastructure have performed well during inflationary periods. Defensive stocks with strong balance sheets and long lease terms to financially robust tenants, with capable management teams able to navigate their way through the current crisis, will continue to see market support.

DIRECT PROPERTY UPDATE

Hamish Wehl
Head of Retail Funds Management
Cromwell Property Group

When writing the March 2020 quarterly update, there had been in excess of 3.6 million COVID-19 cases worldwide and over 250,000 deaths recorded. At the time of writing the current edition, cases have risen to exceed 25.1 million cases worldwide with over 844,000 deaths recorded.

In response to the crisis, on 7 April 2020, the National Cabinet issued a Mandatory Commercial Tenancy Code of Conduct (the Code). The Code is a set of principles to guide rent relief negotiations between landlords and tenants and is compulsory.

For the quarter ending 30 June 2020, all direct property assets were revalued other than two assets that were being held for sale. As seen on the below table, the June valuations generally witnessed an increase from the valuation immediately following the implementation of the Code of Conduct on 7 April. Valuations of directly held property assets within the Cromwell Direct Property Fund, Cromwell Riverpark Trust, Cromwell Ipswich City Heart Trust and Cromwell Property Trust 12 have been revalued upwards by 3.0%, 1.6%, 4.5% and 1.7% respectively.

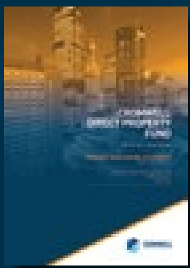
As we ride the fallout from the COVID-19 crisis, we will continue to monitor the property investment market closely to ensure the pricing of our unlisted assets remains appropriate and that all investors are treated equitably.

Post 30 June 2020, the Rand Distribution Centre's sales campaign completed. The asset was previously carried at its most recent independent valuation from September 2019 of $53 million. The final sales price achieved reflected $63.05 million. This illustrates the strong demand for quality property, even in times of significant market distress. Cromwell will shortly be writing to all Cromwell Property Trust 12 unitholders with further information including the potential to retain the Dandenong office building for a further investment term.

The Cromwell Direct Property Fund offered unitholders an opportunity to withdraw in full throughout July 2020. Despite being the first opportunity to redeem in full since the Fund's inception in 2013, greater than 90% of investors elected to remain in the Fund. This is a testament to the Fund's track record of delivering regular, reliable monthly income. The limited monthly withdrawal facility has now recommenced, with the next scheduled full withdrawal opportunity due in July 2025.

With current low gearing, the Fund is well positioned to take advantage of any opportunities that eventuate as a result of the COVID-19 crisis. We will look to add to the portfolio by targeting quality commercial properties with reliable rental income, tenanted by either government, ASX-listed or quality privately-owned companies.

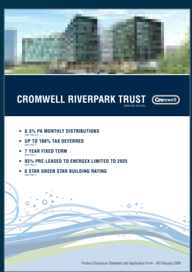
Asset	Carry Value 31 Mar 2020	Impact	Adjusted Valuation - 7 April 2020	30 Jun 2020	31 Dec 2019 - 7 Apr 2020	7 Apr 2020 - 30 Jun 2020	30 Jun 2020 - 31 Dec 2019
Energex	$280,500,000	($4,000,000)	$276,500,000	$281,000,000	(1.4%)	1.6%	0.2%
Ipswich	$126,000,000	($3,000,000)	$123,000,000	$128,500,000	(2.4%)	4.5%	2.0%
Propety Trust 12							
Rand Distribution Centre, SA	$53,000,000	$0	$53,000,000	$53,000,000	0.0%	0.0%	0.0%
ATO Building, VIC	$100,000,000	($2,500,000)	$97,500,000	$100,000,000	(2.5%)	2.6%	0.0%
Total	**$153,000,000**	**($2,500,000)**	**$150,500,000**	**$153,000,000**	**(1.6%)**	**1.7%**	**0.0%**
Allara St, ACT	$18,500,000	($1,500,000)	$17,000,000	$17,500,000	(8.1%)	2.9%	(5.4%)
Queanbeyan, ACT	$35,000,000	($1,000,000)	$34,000,000	$35,500,000	(2.9%)	4.4%	1.4%
Bunnings, SA	$33,600,000	($800,000)	$32,800,000	$34,700,000	(2.4%)	5.8%	3.3%
Parafield Retail Complex, SA	$29,000,000	($880,000)	$28,120,000	$27,250,000	(3.0%)	(3.1%)	(6.0%)
Mascot, NSW	$113,300,000	($6,000,000)	$107,300,000	$114,000,000	(5.3%)	6.2%	0.6%
Boundary Street, QLD	$48,000,000	($8,500,000)	$39,500,000	$38,400,000	(17.7%)	(2.8%)	(20.0%)
Townsville, QLD	$64,300,000	($1,600,000)	$62,700,000	$63,800,000	(2.5%)	1.8%	(0.8%)
Total	**$341,700,000**	**($20,280,000)**	**$321,420,000**	**$331,150,000**	**(5.9%)**	**3.0%**	**(3.1%)**
Total	**$901,200,000**	**($29,780,000)**	**$871,420,000**	**$893,650,000**	**(3.3%)**	**2.6%**	**(0.8%)**



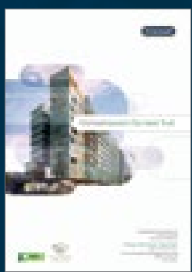
Cromwell Direct Property Fund (OPEN)

Cromwell Phoenix Property Securities Fund (OPEN)

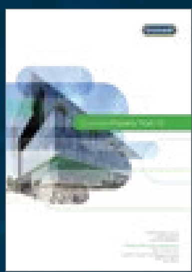
The closed property trusts below are only accessible via investment in the Cromwell Direct Property Fund



Cromwell Riverpark Trust



Cromwell Ipswich City Heart Trust



Cromwell Property Trust 12

Cromwell Phoenix Opportunities Fund (CLOSED)

QUARTERLY FUND REPORTS

Investment Reports to 30 June 2020

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) issued for that Fund. The disclosure document 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 30 June 2020 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

www.cromwell.com.au/dpf

CROMWELL DIRECT PROPERTY FUND

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

Investment Report to 30 June 2020

KEY STATISTICS
as at 30 June 2020

Status	OPEN[1]
Unit Price	$1.2278[2]
Distribution Yield	5.90% p.a.[3]
WALE	7.4 years[4]

PERFORMANCE

	1 Year	3 Years	5 Years	Inception (Aug-13)
Fund Performance After fees & costs	3.4%	6.1%	8.2%	9.2%
Benchmark PCA/IPD Unlisted Retail Property Fund Core Index	12.9%	14.1%	19.0%	18.7%
Excess Returns After fees & costs	(9.5%)	(8.0%)	(10.8%)	(9.4%)

FUND UPDATE

- Following on from internal valuations of all assets as at 07 April 2020, the Fund's assets have now undergone external valuations as at 30 June 2020
- The Fund's Initial Term ended on 01 July 2020 with the subsequent first scheduled full withdrawal opportunity undertaken in July resulting in withdrawals of less than 10%. The Fund therefore remains open for investment through to its second Term
- Distributions continue to be paid at 7.25 cents per unit per annum
- The Fund's look through gearing following the portfolio revaluation at 30 June 2020 was 23.4%, with direct gearing at 17.8%
- The Fund's performance to 30 June 2020 was 9.2% per annum annualised since inception with 12-month performance of 3.4%

In addition to the footnotes below, please read the important disclaimer at the beginning of the Quarterly Reports section on page 27.

1. Withdrawals are limited, cannot be guaranteed and are subject to the assumptions and risks set out in the Product Disclsoure Statement dated 29 September 2017 (PDS) and Supplementary Product Disclosure Statement dated 6 April 2020 (SPDS).
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 current unit price of approximately $1.2278 as at 30 June 2020.
4. Figures as at 30 June 2020. Calculated on a 'look-through' gross passing income basis.

See www.cromwell.com.au/dpf for further information.

OPEN FOR INVESTMENT

www.cromwell.com.au/psf

CROMWELL PHOENIX PROPERTY SECURITIES FUND

This award-winning 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 30 June 2020

KEY STATISTICS

as at 30 June 2020

Status	OPEN[1]
Unit Price	$0.9956[2]
Distribution Yield	N/A[3]

PERFORMANCE

	1 Year	3 years	5 years	7 years	Inception (Apr-08)
Fund Performance After fees & costs	(20.5%)	0.1%	4.7%	8.3%	6.8%
Benchmark S&P/ASX 300 A-REIT Accumulation Index	(20.7%)	2.3%	4.7%	7.7%	3.1%
Excess Returns After fees & costs	0.2%	(2.2%)	0.0%	0.6%	3.7%

TOP TEN STOCK HOLDINGS[4]

- APN PROPERTY GROUP LIMITED
- CHARTER HALL GROUP LIMITED
- CHARTER HALL LONG WALE REIT
- CHARTER HALL SOCIAL INFRASTRUCTURE REIT
- DEXUS
- GENERAL PROPERTY TRUST
- GROWTHPOINT PROPERTIES AUSTRALIA
- MIRVAC GROUP
- SCENTRE GROUP
- UNIBAIL-RODAMCO-WESTFIELD

Alphabetical order

FUND UPDATE

- Since inception in April 2008, the Fund has delivered an annualised return, net of fees, of 6.8% compared to 3.1% return from the S&P/ASX 300 A-REIT Accumulation Index
- Over the June 2020 quarter, the Fund delivered a return of 17.2%, underperforming the benchmark which returned 20.2%
- The property sector outperformed the broader Australian Market, with the S&P/ASX 300 Accumulation Index rising 16.8%
- Positive contributions to the Fund's relative performance over the quarter came from an overweight position in the outperforming Charter Hall Group, along with underweight positions in the underperforming Shopping Centres Australasia and Dexus
- Detracting from the Fund's relative performance over the quarter was an underweight position in Stockland combined with no holding in Goodman Group, both of which performed well. Overweight positions in the underperforming Unibail-Rodamco-Westfield and APN Property Group also detracted value

In addition to the footnotes below, please read the important disclaimer at the beginning of the Quarterly Reports section on page 27.

Phoenix Portfolios Pty Ltd ABN 80 117 850 254 AFSL 300302 (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 29 September 2017 (PDS).
2. Unit price as at 30 June 2020. Unit prices are calculated daily. See the PDS for further information and www.cromwell.com.au/psf for latest pricing.
3. Distribution guidance has been disbanded by many constituents of the property index making near term distribution yield estimates irrelevant.
4. As at 30 June 2020. Positions in the Fund are subject to change.

See www.cromwell.com.au/psf for further information.

CLOSED TO INVESTMENT

CROMWELL PHOENIX OPPORTUNITIES FUND

www.cromwell.com.au/pof

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 30 June 2020

KEY STATISTICS
as at 30 June 2020

Status	CLOSED
Unit Price	$1.8620[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	7.2%	10.3%	15.5%	17.1%
Fund Performance After fees & costs, excluding the value of franking credits	5.3%	8.4%	13.8%	15.5%
S&P/ASX Small Ords Accumulation Index	(5.7%)	6.1%	7.9%	4.8%

FUND UPDATE

- Since inception in December 2011, the Fund has delivered an annualised return of 17.1% (net of fees, inclusive of franking credits)
- The Fund delivered a net return of 18.1% over the June 2020 quarter
- Microcaps, which are the focus of the fund's investment strategy, rebounded strongly over the quarter, with the S&P/ASX Emerging Companies Index returning 44.9%
- Positive contributions to the Fund's performance over the quarter came from, among others, positions in Alkane Resources and SkyCity Entertainment
- Detracting from Fund performance over the quarter were holdings in, among others, Ariadne Australia and MG Unit Trust

In addition to the footnotes below, please read the important disclaimer at the beginning of the Quarterly Reports section on page 27.

Phoenix Portfolios Pty Ltd ABN 80 117 850 254 AFSL 300302 (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. Unit price as at 30 June 2020. Unit prices are calculated monthly. See the PDS for further information and www.cromwell.com.au/pof for latest pricing.

See www.cromwell.com.au/pof for further information.

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 $281 million[1].

Investment Report to 30 June 2020

KEY STATISTICS
as at 30 June 2020

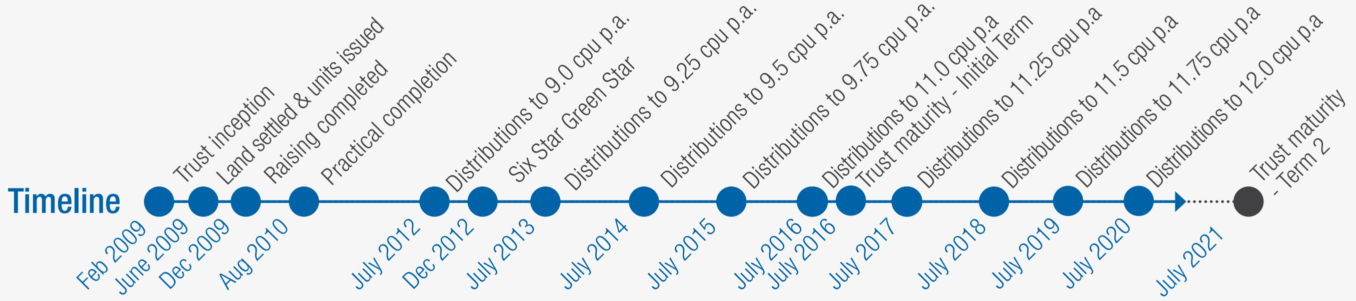
Status	CLOSED
Unit Price	$2.04[1]
Distribution Yield	5.9% p.a.
WALE	5.0 years[2]

PERFORMANCE

	1 Year	3 Years	5 Years	Inception (July-09)
Trust Performance After fees & costs	7.1%	9.6%	16.2%	14.9%
Benchmark PCA/IPD Unlisted Retail Property Fund Core Index	12.9%	14.1%	19.1%	14.6%
Excess Returns After fees & costs	(5.8%)	(4.5%)	(2.9%)	0.3%

TRUST UPDATE

- The Cromwell Riverpark Trust's (Trust) asset, Energex House, Newstead, Brisbane was revalued as at 30 June 2020 at $281 million, up from the $280.5 million carrying value prior to COVID-19
- The Trust's unit price is currently $2.04[1]
- The Trust's distribution rate increased by 0.25 cents per unit (cpu) to 12.0 cpu, or 12.0% per annum, based on the unit issue price of $1.00. The increase was underpinned by an increase in annual rental income
- Performance for the quarter ending 30 June 2020 was 3.9%
- The Fund's performance to 30 June 2020 was 14.9% 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 27.

1. Based on a valuation as at 30 June 2020.
2. As at 30 June 2020. Calculated by gross income.

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 asset is the $128.5 million[1] Ipswich City Heart Building in Ipswich, Queensland. The Trust was the first Cromwell trust to be certified as a Responsible Investment by the Responsible Investment Association of Australasia.

Investment Report to 30 June 2020

KEY STATISTICS

as at 30 June 2020

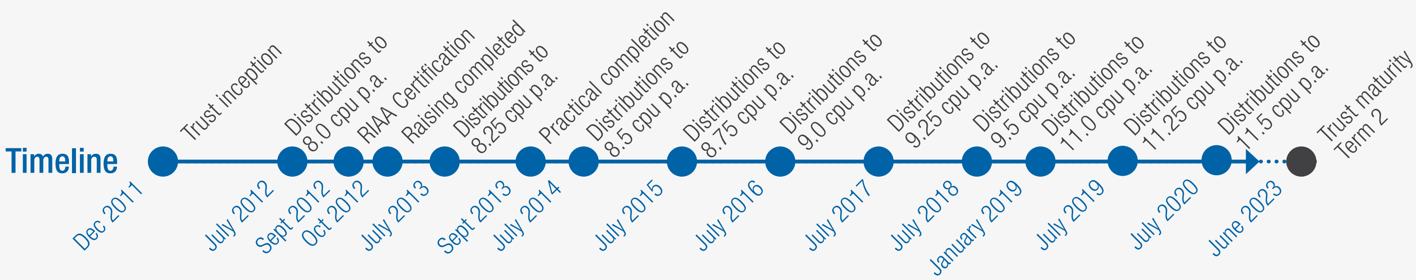
Status	CLOSED
Unit Price	$1.49[1]
Distribution Yield	7.7% p.a.
WALE	7.7 years[2]

PERFORMANCE

	1 Year	3 years	5 years	7 years	Inception (Dec-11)
Trust Performance After fees & costs	11.1%	13.6%	16.2%	14.4%	13.3%
Benchmark PCA/IPD Unlisted Retail Property Fund Core Index	12.9%	14.1%	19.1%	18.2%	16.8%
Excess Returns After fees & costs	(1.8%)	(0.5%)	(2.9%)	(3.8%)	(3.5%)

FUND UPDATE

- An external valuation of the Ipswich City Heart Building as at 30 June 2020 has provided good news for Cromwell Ipswich City Heart Trust (Trust) unitholders: a 4.5% increase in the value of the asset to $128.5 million, up from $123 million as at 7 April 2020. This increase also represents a 2.0% increase from March's valuation of $126 million
- The Trust's unit price is currently $1.49
- The Trust's distribution rate increased by 0.25 cents per unit (cpu) to 11.50 cpu, or 11.50% per annum, based on the unit issue price of $1.00. The increase was underpinned by an increase in annual rental income
- Performance for the quarter ending 30 June 2020 was 9.7%
- The Fund's performance to 30 June 2020 was 13.3% 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 27.

1. Based on a valuation as at 30 June 2020.
2. As at 30 June 2020. 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. However, this Trust is underpinned by two assets valued at $153 million[1].

Investment Report to 30 June 2020

KEY STATISTICS
as at 30 June 2020

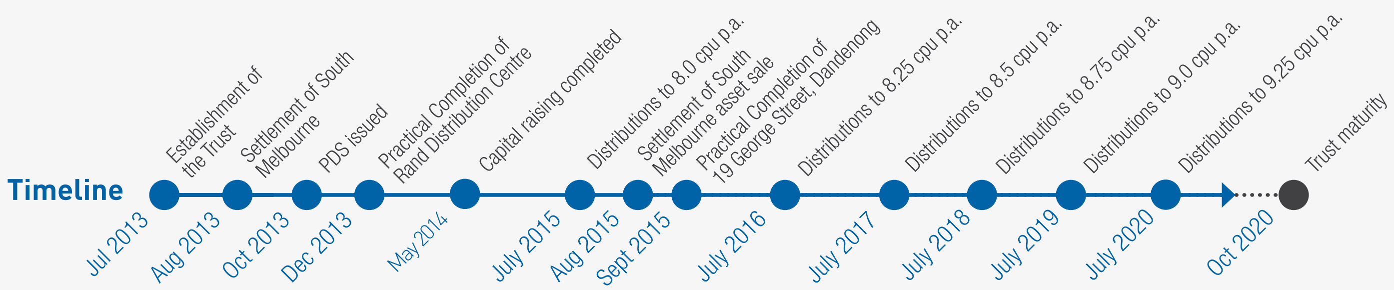
Status	CLOSED
Unit Price	$1.40[1]
Distribution Yield	6.6% p.a.
WALE	11.5 years[2]

PERFORMANCE

	1 Year	3 Years	5 Years	Inception (Oct-13)
Trust Performance After fees & costs	11.5%	10.4%	14.9%	13.5%
Benchmark PCA/IPD Unlisted Retail Property Fund Core Index	12.9%	14.1%	19.1%	18.6%
Excess Returns After fees & costs	(1.4%)	(3.7%)	(4.2%)	(5.1%)

TRUST UPDATE

- The 19 George Street, Dandenong, VIC asset was revalued on 30 June 2020 at $100 million, regaining ground following April's scale back in response to COVID-19
- A contract for sale was signed on the Rand Distribution Centre, located in Direk, SA in August 2020, for a price of $63,050,000. This is an excellent result and an increase of approximately 19% on the last independent valuation of $53,000,000 at September 2019. Settlement will not take place prior to the end of the Trust term in October 2020
- The Trust's unit price is currently $1.40
- The Trust's distribution rate increased by 0.25 cents per unit (cpu) to 9.25 cpu, or 9.25% per annum, based on the unit issue price of $1.00. The increase was underpinned by an increase in annual rental income
- The Trust reaches the end of its seven-year term in October 2020. Sections 1.3 and 1.4 of the Trust's PDS (which can be found at www.cromwell.com.au/C12) provides guidance on the process to be followed at the maturity date.
- CFM expects to put a proposal to unitholders to retain the 19 George Street, Dandenong asset, which accommodates the Australian Taxation Office, and to extend the Trust term for a further term. Details of any such proposal will be sent to all unitholders and would require a unitholder vote to proceed with any extension
- The Trust qualified for a spot in the Top Ten performing funds for the June 2020 within the PCA/MSCI Quarterly Index over 12 months and three years
- Performance for the quarter ending 30 June 2020 was 3.5%
- The Trust's performance to 30 June 2020 was 13.5% 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 27.

1. Based on valuations for 19 George Street, Dandenong ($100 million) as at 30 June 2020 and Rand Distribution Centre ($63 million) as at 31 August 2020.
2. As at 30 June 2020. 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 manager with operations on three continents and a global investor base. The Group is included in the S&P/ASX 200. As at 30 June 2020, Cromwell had a market capitalisation of $2.4 billion, a direct property investment portfolio in Australia valued at $3.0 billion and total assets under management of $11.5 billion across Australia, New Zealand and Europe.

Key Statistics

Security Price	$0.915[1]
FY21 Distribution Guidance	7.50cps[2]
Distribution Yield	8.20%[1,2]

Performance[3] as at 30 June 2020

	FY20	FY18-20	FY16-20	FY11-20
CMW Performance After fees & costs	-18%	19%	29%	213%
Benchmark ASX 200 A-REIT Accumulation Index	-22%	6%	22%	142%
Out/(under performance)	4%	13%	7%	71%

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

24/06/2020	Cromwell Directors Intend To Reject ARA Bid
23/06/2020	Cromwell Securityholders Should Take No Action On ARA Bid
23/06/2020	Pause in Trading
19/06/2020	Change in substantial holding
16/06/2020	Change Of Director's Interest Notice - L Scenna
12/06/2020	Change Of Director's Interest Notice - TL Cox
11/06/2020	Change Of Director's Interest Notice - JA Tongs
09/06/2020	Change Of Director's Interest Notice - LS Blitz
04/06/2020	Suspension Of Distribution Reinvestment Plan
04/06/2020	Dividend/Distribution - CMW
04/06/2020	Cromwell Property Group Business Update
27/05/2020	Ceasing to be a substantial holder
22/05/2020	Becoming a substantial holder
21/05/2020	Cromwell Settles Sale Of 50% Of 475 Victoria Avenue
20/05/2020	March 2020 Quarter Distribution - Taxation Components
19/05/2020	Becoming a substantial holder
03/04/2020	Mandatory Code Of Conduct And Cromwell FY20 Guidance Update
02/04/2020	Appendix 3G

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

1. Based on security price as at close of trading 26 August 2020. Securities are traded on the ASX and the price is subject to market movements and will change daily. Current pricing is available at www.asx.com.au.
2. Capital growth, distributions and tax consequences cannot be guaranteed and are subject to assumptions and risk. Annualised distributions and yield based on most recent distribution and security prices.
3. Source: Datastream as at 30 June 2020

KEY EVENTS CALENDAR

The following dates are indicative	
Friday, 18 September	Extraordinary General Meeting (EGM)
Tuesday, 29 September	Q1 FY21 Distribution Ex Date (tentative)
Wednesday, 30 September	Q1 FY21 Distribution Record Date (tentative)
Friday, 20 November	Q1 FY21 Distribution Payment Date (tentative)
Wednesday, 30 December	Q2 FY21 Distribution Ex Date (tentative)
Thursday, 31 December	Q2 FY21 Distribution Record Date (tentative)

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

CROMWELL
PROPERTY GROUP

Contact
1300 268 078 (within Australia)
+61 7 3225 7777 (outside Australia)
invest@cromwell.com.au
www.cromwell.com.au

Brisbane
T: +61 7 3225 7777
A: Level 19,
200 Mary St
Brisbane QLD 4000
Australia

Sydney
T: +61 2 8278 3610
A: Suite 2, Level 14
167 Macquarie St
Sydney NSW 2000
Australia

Amsterdam
T: +31 20 574 5800
A: Jachthavenweg 124
Amsterdam, 1081 KJ
The Netherlands

London
T: +44 20 7659 6772
A: 1st Floor,
7 Seymour Street,
London, W1H 7JW

Singapore (CEREIT)
T: +61 3 9670 7313
A: 50 Collyer Quay,
#07-02 OUE
Bayfront
Singapore 049321

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.

INSTITUTIONAL INVESTORS CONTACT:

Ross McGlade
Investor Relations Manager

+61 2 8278 3613
ross.mcglade@cromwell.com.au

DIRECT INVESTORS CONTACT:

1300 268 078

invest@cromwell.com.au

www.cromwell.com.au

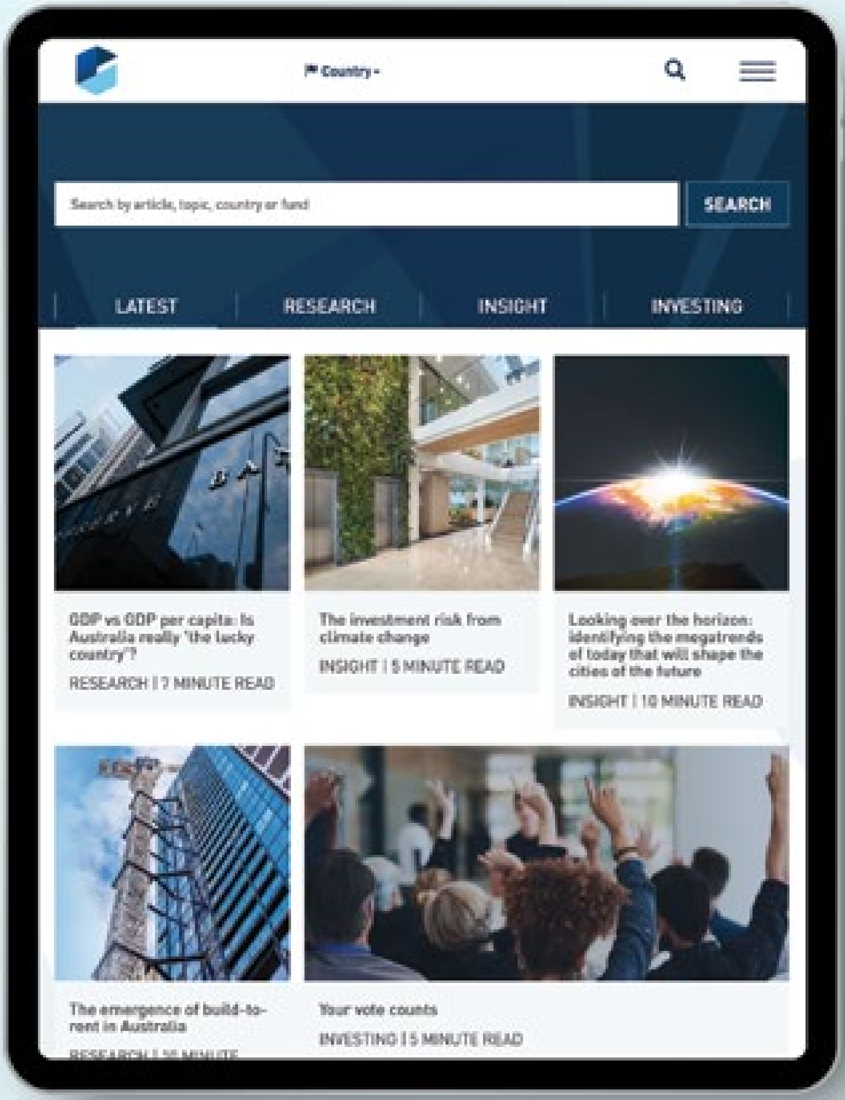
Pat Brock
Relationship Manager
pat.brock@cromwell.com.au

FINANCIAL ADVISERS CONTACT:

Daniel Thomas
National Manager – Adviser Distribution (VIC, SA, WA, TAS)
+61 438 046 893
daniel.thomas@cromwell.com.au

Scott Bradley
State Manager (QLD, NSW, ACT, NT)
+61 404 045 294
scott.bradley@cromwell.com.au

Discover more Research and Insight



cromwellpropertygroup.com/research-and-insight

CROMWELL
PROPERTY GROUP

INSIGHT
MAGAZINE

CROMWELL
PROPERTY GROUP