

OPEN FOR INVESTMENT

CROMWELL DIRECT PROPERTY FUND

Investment Report to 31 December 2023



The Fund's 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.

Please visit the Fund webpage for the latest performance figures: www.cromwell.com.au/dpf

KEY STATISTICS

as at 31 December 2023

Unit Price	\$0.9147¹
Distribution Yield	5.2% p.a.²
WALE	4.2 years³

PERFORMANCE

	1 Year	3 Years	5 Years	Inception [Aug-13]
Fund Performance After fees & costs	(24.1%)	(4.2%)	(0.4%)	5.1%
Benchmark PCA / MSCI Australia Unlisted Retail Quarterly Property Fund Index (Unfrozen)	(4.6%)	6.8%	9.3%	14.9%
Excess Returns After fees & costs	(19.5%)	(11.0%)	(9.7%)	(9.8%)

Past performance is not a reliable indicator of future performance.

FUND UPDATE

- Please refer to our most recent edition of **Insight #45** for an overview of what is happening in the real estate market and the market in general.
- The fund currently remains closed to applications until the audited December half-year financials are completed.
- The portfolio continues to experience positive leasing outcomes, with its current weighted average lease expiry being 4.2 years and occupancy sitting at 96.4%.
- The December valuation cycle has been completed, with the portfolio value falling 8.9%, on a gross basis, and the weighted average capitalisation rate expanding by 72 basis points to 6.87%.
- During the quarter, the Fund implemented new hedging which lifted the hedge ratio to 51.7% against drawn balances, and produced a weighted average hedge term of 1.85 years as at 31 December 2023.
- Since inception, the Fund has delivered an annualised return of 5.12% per annum with 12-month performance of -24.06%.
- The Fund's distribution rate will be adjusted to 4.75 cpu as of 1 January 2024 as Cromwell Funds Management continues to navigate a more difficult operating environment.

Applications for units in the Cromwell Direct Property Fund are temporarily suspended, with likely reinstatement in early 2024. Please refer to continuous disclosure notice dated 20 November 2023 on our website for further information – www.cromwell.com.au/dpf.

Withdrawals are limited and cannot be guaranteed. Please note that as per the Update to Cromwell Direct Property Fund dated 29 September 2023, DPF ceased to offer redemptions from 1 October 2023 for a period of 6 months, see Continuous Disclosure Notices for more details. For further information, see Section 7.4 of the PDS.

- Unit prices are calculated daily. See the PDS for further information and www.cromwell.com.au/dpf for latest pricing.
- Based on distributions of 4.75 cents per unit p.a. effective from 1 January 2024 and ex-unit price of \$0.9147 as at 31 December 2023.
- Figures as at 31 December 2023. Calculated on a 'look-through' gross passing income basis.

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

Cromwell Funds Management Limited ABN 63 114 782 777 AFSL 333 214 (CFM) has prepared this notice/communication/webpage 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), and the target market determination (TMD). The PDS and TMD are available from www.cromwell.com.au/dpf, by calling Cromwell's Investor Services Team on 1300 268 078 or emailing invest@cromwell.com.au. Applications for units in the Fund can only be made on the application form accompanying the PDS. This communication has been prepared without taking into account your objectives, financial situation or needs. Before making an investment decision, you should consider the PDS and assess, with or without your financial or tax adviser, whether the Fund fits your objectives, financial situation or needs. CFM and its related bodies corporate, and their associates, do not receive any remuneration or benefits for the general advice given in this notice. If you acquire units in the Fund, CFM and certain related parties may receive fees from the Fund and these fees are disclosed in the PDS.

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