

Newmark Warrnambool Property Trust

Investment Summary

For investors seeking regular income and the potential for capital growth over the medium to long-term from exposure to an established and strong-performing investment property.



Premier
Retail
Property



Targeting 8.0% p.a.
distribution yield
(Forecast 1 October 2023 to
30 September 2024)



Income
Paid Quarterly



Proven
Manager



Property Features

Significant income weighting to major national and chain retailers

Anchored by Coles, Kmart and Aldi, which together occupy 65% of the gross lettable area (GLA). The centre offers national and chain retailers including food, fashion and services that account for 95% of the GLA.

Major regional service centre

Warrnambool is the major service centre in the south western region of Victoria. Employment strengths are in the service sectors of retail, education, trade and tourism, health and community, food processing and government.

Upside potential

There are opportunities to create pad sites for other retailers outside of the centre in the carpark area which we are actively working on, and is incremental to our forecasts. Also, our analysis suggests that a number of the specialty retailers are currently on below-market occupancy costs. Newmark intends to deliver positive rental growth upon renewing these leases and has already secured additional incremental rent compared to forecast.

Major government infrastructure investment

This includes the Warrnambool rail line upgrade between Warrnambool and Geelong for an estimated cost of \$251.85 million and the \$384.2 million redevelopment of the Warrnambool Base Hospital expected for completion in 2026.

Prominent location

The centre is prominently positioned on the Princes Highway and is the primary shopping centre in Warrnambool. It is well located in the middle of Warrnambool's eastern activity district and at the doorstep of the region's housing growth corridor.

A thriving retail growth precinct

The centre is located in a precinct that will continue to be a focus of Warrnambool's future commercial and retail growth. The precinct features Woolworths, Bunnings, Dan Murphy's, Spotlight and Harvey Norman.

Anchored by Major Tenants



Mini Major Tenants



National Tenants



Request your Information Memorandum today

Contact Newmark Investor Relations: investor@newmarkcapital.com.au

Newmark Warrnambool Property Trust

Investment overview

Trust name	Newmark Warrnambool Property Trust ('Trust')
Trust objective	The investment objective of the Trust is to pay Unitholders regular quarterly income distributions with potential for capital growth over the medium to long-term. The Trust is also expected to provide tax deferred benefits.
Investment strategy	<p>The Trust owns Warrnambool Gateway Plaza Shopping Centre, an established and strong-performing investment property.</p> <p>To enhance the income and capital value of the investment property, Newmark will:</p> <ol style="list-style-type: none"> 1. Maintain the strong trading performance of the major retailers; 2. Unlock new income sources; 3. Manage operating costs in a prudent manner; and 4. Work with retailers to optimise the overall offering of the centre.
Exit strategy	The primary exit strategy for the Trust is divestment of the property at the expiry of the initial term, unless extended by a special resolution of Unitholders, and a final return of Unitholders' equity.
Initial investment term	Six-year term
Trustee	Newmark Capital Limited ('Newmark') ACN 126 526 690, AFSL 319 372

Property overview

Property	Gateway Plaza Shopping Centre, Warrnambool
Major tenants	Coles (3,078m ²), Kmart (6,659m ²), Aldi (1,621m ²) – 65% of GLA
Other tenants	31 specialty shops, 5 kiosks, 2 ATMs and 1 padsite – 35% of GLA
Gross lettable area (GLA)	17,525m ²
WALE	3.13 years weighted average lease expiry by income
Occupancy	99% by GLA 100% by income (subject to Year 1 vendor rent guarantee)
Car parking	926 spaces
Property purchase price	\$63,200,000
Independent valuation	\$63,200,000 (as at March 2023)

Key financial information

Distributions	The forecast distribution yield to be paid to investors for the first full year is expected to be 8.0% with approximately 75% tax deferred
Distribution payments	Quarterly, paid within six weeks after the quarter end
Loan-to-value ratio (LVR)	50%



Investment details

Total equity to be raised	Up to \$41 million
Unit price	Units will be issued or transferred to investors at a price of \$1.00 per unit
Investment amount	A minimum investment of \$100,000 will be accepted (unless otherwise determined by Newmark at its discretion)
Eligible investors	Wholesale investors only
Liquidity	Liquidity will be made available upon sale of the investment property at the expiry of the Trust's term
Fees	Arranger fee – 2.0% of the purchase price of the property (excluding acquisition costs) Finance facility fee – 0.25% of any debt arranged Management fee – 0.60% per annum of the gross asset value of the Trust Performance fee – 15% of the amount by which the internal rate of return (IRR) to Unitholders exceeds 10.0% per annum Divestment fee – 1.0% of the gross sale price of the property
Risks	Usual commercial property investment risks apply to the income and capital returns of the Trust. Refer to the Information Memorandum (IM)

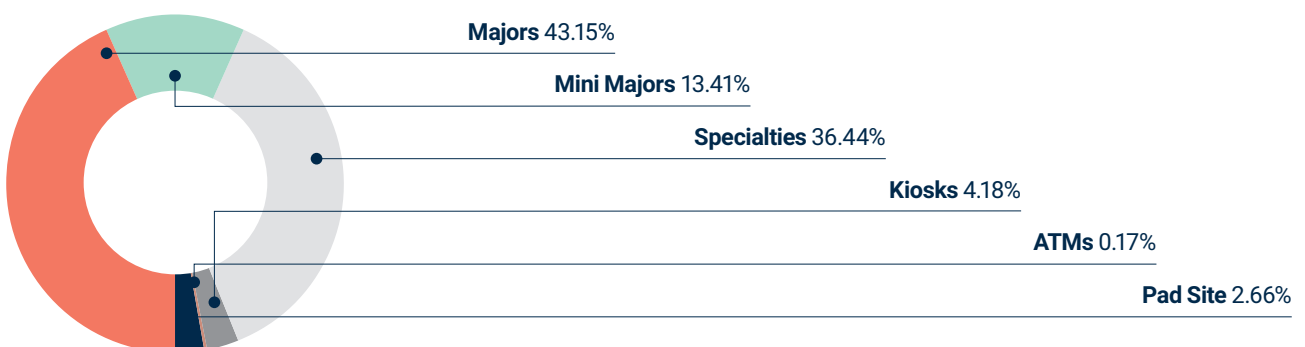
Suitable for

✓ Self-managed Super Funds (SMSF)

✓ Investors seeking consistent income

✓ Investors seeking tax-effective income

Tenancy profile (by income)





Key dates*

Offer closes	When units are fully subscribed
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Newmark Capital

Newmark, with a wealth of real estate experience and a genuine passion for the industry, provides high-quality property investment opportunities.

Newmark has maintained a strong track record since 2011, allowing investors access to major Australian commercial properties across ASX listed and unlisted funds. With assets exceeding \$1.6 billion under management, Newmark has consistently delivered an average 15% annual internal rate of return across its income-based investment funds.

Focused on generating income and superior returns, we apply a patient and prudent approach to investing but an active approach to asset management. Our expert team actively monitors the market for quality opportunities that meet our strict investment criteria. Rather than turn

over assets in the short term, we buy, hold and enhance properties to create enduring value and, when compelling opportunities present, we always consider divesting.

Our portfolio comprises some of Australia’s most iconic and sought-after office, retail, hotel and large-format retail assets, including: Jam Factory (VIC), Como Centre (VIC) and David Jones Menswear Store (299 Bourke Street, Melbourne).

When we established the firm in 2011, it was our shared vision to offer investors exposure to the income and capital-growth potential of this asset class. Often difficult to access, it is the inherent qualities of these properties – prime locations, value-add opportunities and high-calibre tenants – that can yield superior investment outcomes relative to other assets.

Contact

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* These are indicative dates only. Newmark has the absolute discretion to change these dates.



Important information

This document has been prepared by Newmark Capital Limited ACN 126 526 690 AFSL No. 319372 ('Newmark') as trustee of the Newmark Warrnambool Property Trust. The information contained in this document is current only as at 30 September 2023 or as otherwise stated herein.

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This document contains forward-looking statements that are subject to known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Trust to be materially different from those expressed or implied in such forward-looking statements. Past performance is not a reliable indicator of future performance.

All amounts shown in this document are in Australian dollars unless otherwise stated.

Unless otherwise stated, all fees described in this Investment Summary show the net effect of GST (i.e. inclusive of GST less any input tax credits including reduced input tax credits).

