Cromwell
PROPERTY GROUP

CROMWELL COMPLETES UNLISTED RETAIL FUND RAISING

Cromwell Property Group (Cromwell) is pleased to announce that the Cromwell Ipswich City Heart Trust (the Trust), an unlisted single property trust managed by Cromwell, has closed for applications earlier than planned and oversubscribed.

Cromwell CEO Paul Weightman said the recent announcement of an increase in forecast Trust distributions combined with falling official interest rates significantly boosted the rate of inflows.

"With the Trust's monthly distributions forecast at 8.00% per annum[1], and with expectations of further falls in interest rates, the investment has become extremely attractive to yield-conscious investors," he said.

He said the success of the fund raising further demonstrated the attractiveness of Cromwell's back-to-basics investment offerings and the strength of its distribution network.

"The strong response from investors proves the continuing appeal of simple, transparent, yield-based products underpinned by quality Australian commercial property assets," Mr Weightman said.

"With a distribution network of more than 20,000 retail investors, continuing support from many of Cromwell's 12,000 plus securityholders and relationships with thousands of financial planners, we believe we can continue to grow the business well into the future with this kind of high-quality product."

More than 800 investors have invested in the Trust, many of whom have invested in a Cromwell managed fund for the first time. The average investment size was approximately $50,000.

The Trust was initially launched as a 7-year single property syndicate with commencing distributions at a rate of 7.75% pa paid monthly, forecast to increase to 8.00% pa from July 2013 and 8.25% from July 2014[1]. Cromwell increased distributions from the Trust by 0.25% from 1 July 2012 to 8.00% per annum with forecast distributions for the remainder of the forecast period in the PDS also increased by 0.25%[1].

Like the successful Cromwell Riverpark Trust before it, the Ipswich Trust's income is underpinned by a long term pre-commitment from a blue chip tenant, in this case the Queensland Government which has signed a 15-year lease over 91% of the net lettable area. The lease will commence when practical completion of the building on the property is reached. Construction of the building commenced in January 2012 and is on target to be completed by September 2013. The building is the first stage of the $1 billion ICON Ipswich Masterplan redevelopment.

"Given the level of inflows over the last 2-3 months, Cromwell is now focussed on meeting this demand for quality direct property by bringing another similar opportunity to market over the next few months," Mr Weightman said.

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Media Enquiries:

Paul Weightman
Managing Director/CEO (Cromwell)
+61 411 111 028
pweightman@cromwell.com.au

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[1] Distributions are not guaranteed. Distributions are subject to the risks and assumptions outlined in the product disclosure statement for the Ipswich Trust dated 16 December 2011.