

AVENTUS RETAIL PROPERTY FUND

FULL YEAR INVESTOR PRESENTATION

2017

10 AUGUST 2017



Castle Hill Super Centre, NSW

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Castle Hill Super Centre, NSW



Logan Super Centre, QLD

DELIVERING ON STRATEGY

The Fund continues to implement its four key growth initiatives to drive long term value creation and sustainable earnings growth

	 Portfolio Management	 Development Pipeline	 Consolidation Opportunities	 Potential Benefits from Planning Reforms
Initiative	<p>Optimise and broaden the tenancy mix through proactive leasing, leveraging tenant relationships and delivering operational excellence</p>	<p>Identify and deliver value enhancing development opportunities within the existing portfolio</p>	<p>Selective acquisitions to enhance the Fund's portfolio and entrench the Fund as the largest pure-play large format retail ("LFR") landlord in Australia</p>	<p>Take advantage of regulatory reforms in zoning and planning regimes for the existing portfolio</p>
Outcome	<p>The portfolio continues to perform well with high occupancy, positive leasing spreads and low incentives with increased diversification to non-household tenants</p>	<p>Nearing completion of repositioning of the former Bunnings tenancy at Sunshine Coast Home and commenced construction on the portfolio's first child care facility at Cranbourne Home. Achieved 11 development approvals to expand the portfolio</p>	<p>Acquired Castle Hill Super Centre and Marsden Park Home, consolidating AVN's foothold as the largest LFR landlord in Sydney with 43% catchment coverage¹</p>	<p>Continue to progress long term master planning strategies for three centres with flexible zoning</p>

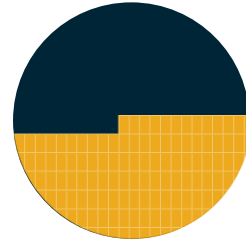
1. Source: Deep End

LONG TERM STRATEGIC OPPORTUNITIES

UNLOCK REAL ESTATE FEATURES



1.3m sqm
land



44%
site coverage ratio



13,000
car spaces

ADDITIONAL INCOME OPPORTUNITIES



11 kms
of street frontages



500,000 sqm
roof area



35,000,000
visitors p.a.

INTENSIFY LAND USE



546,000 sqm GLA
showrooms/warehouse



80% of portfolio
with expansion opportunity¹



37% of portfolio
with zoning for other uses²

1. By site area

2. By GLA attributable to zoning alternative to Large Format Retail

KEY ACHIEVEMENTS

SINGLE SECTOR FOCUS AND SUSTAINABLE INCOME GROWTH		
Fund Highlights	Financial Management	Portfolio Performance
\$71m Funds From Operations (FFO) ¹	\$2.22 NTA per unit² ↑ 10% from \$2.02 per unit ³	98.3% occupancy ↑ 60 bps from 97.7% ^{3,4}
17.7 cents FFO per unit ^{1,5} in line with guidance ⁶	13.5% index outperformance ⁷	\$440m in acquisitions
15.9 cents DPU on 90% payout ratio ¹	38.9% gearing² within target range of 30% - 40%	\$91m valuation ↑ ⁸

1. For the 12 months ended 30 Jun 2017

2. On settlement of acquisitions based on a pro forma basis. As at 30 Jun 2017, gearing is 20.5% and NTA per unit is \$2.27

3. As at 30 Jun 2016

4. By GLA; including acquisition centres

5. Based on a weighted average number of units of 399m

6. Full year FY17 FFO per unit guidance of 17.7 cents as at 30 May 2017

7. Total unitholder return for the 12 months ended 30 Jun 2017 outperformance to S&P / ASX 200 A-REIT accumulation index; Source: Bloomberg

8. Net movement excludes acquisitions, capitalised expenditure and non-cash accounting adjustments over the 12 months to 30 Jun 2017

PORTFOLIO HIGHLIGHTS



Belrose Super Centre, NSW

PORTFOLIO HIGHLIGHTS¹

FOCUSED ON OPERATIONAL EXCELLENCE AND INCOME GROWTH OPPORTUNITIES

Portfolio	Leasing	Tenant Base
Portfolio value of \$1.8bn ↑ from \$1.3bn ²	4.2 year WALE ↑ from 4.1 years ^{2,3}	34% non-household uses⁴ ↑ from 33% ²
Increased land holding to c. 1.3m sqm ↑ from 1.1m sqm ²	FY17 like-for-like Net Property Income growth of 3.0%⁵	87% of all leases have annual fixed or CPI increases ↑ from 80% ^{2,3}
43% Sydney catchment area coverage⁶	133 leasing deals GLA of 107,000 sqm⁷ with low incentives and positive leasing spreads	

1. All metrics as at 30 Jun 2017 include Castle Hill Super Centre and Marsden Park Home

2. As at 30 Jun 2016

3. By gross rent

4. By GLA

5. Excludes acquisitions and development impacted centres and is calculated on a like-for-like basis versus the prior corresponding period (year ending 30 Jun 2016)

6. Source: Deep End

7. For the 12 months ended 30 Jun 2017

DIVERSIFIED ACROSS NATIONAL AND PUBLICLY LISTED RETAILERS¹

- National retailers remained high at **84%**¹ of the total portfolio by GLA and the majority of retailers are publicly listed

RANK	RETAIL GROUP	PUBLIC COMPANY	NUMBER OF SHOWROOMS	BRANDS	% OF INCOME ²
1	Steinhoff Asia Pacific	✓	31	Freedom, Snooze, Best & Less, Harris Scarfe, Fantastic Furniture, Plush and Original Mattress Factory	9%
2	JB Hi-Fi Group	✓	19	JB Hi-Fi and The Good Guys	7%
3	Wesfarmers	✓	13	Bunnings, Officeworks, Coles and 1st Choice Liquor	7%
4	Harvey Norman	✓	7	Harvey Norman and Domayne	6%
5	Super Retail Group	✓	23	Supercheap Auto, BCF, Amart Sports/ Rebel	5%
6	Spotlight Group		9	Spotlight and Anaconda	3%
7	Beacon Lighting	✓	14	Beacon Lighting	3%
8	Nick Scali	✓	6	Nick Scali	3%
9	Woolworths	✓	4	Masters, Dan Murphys, Caltex, BWS	2%
10	Barbeques Galore		9	Barbeques Galore	2%
TOTAL			135		47%

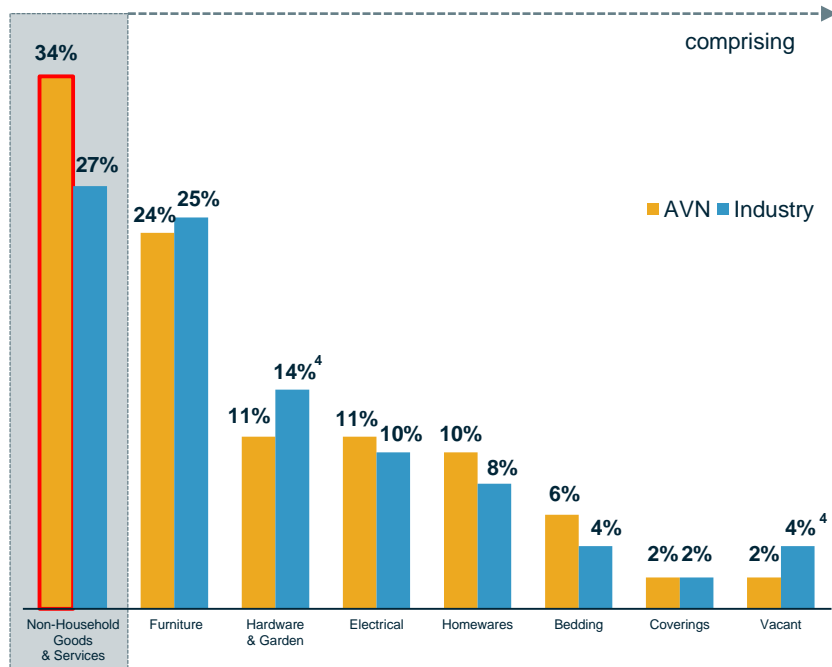
1. All metrics as at 30 Jun 2017 include Castle Hill Super Centre and Marsden Park Home

2. By gross income as at 30 Jun 2017 excluding rental guarantees

SIGNIFICANT NON-HOUSEHOLD CATEGORY¹

- The largest tenant category, non-household goods and services, drives weekday traffic, increases visit frequency and lengthens customer linger time
- Non-household goods tenants contribute **37%** of gross income whilst covering **34%** of the portfolio's GLA

Tenancy Mix: AVN vs. Industry (by GLA)^{2,3}



Tenants in the non-household category include:



1. All metrics as at 30 Jun 2017 include Castle Hill Super Centre and Marsden Park Home

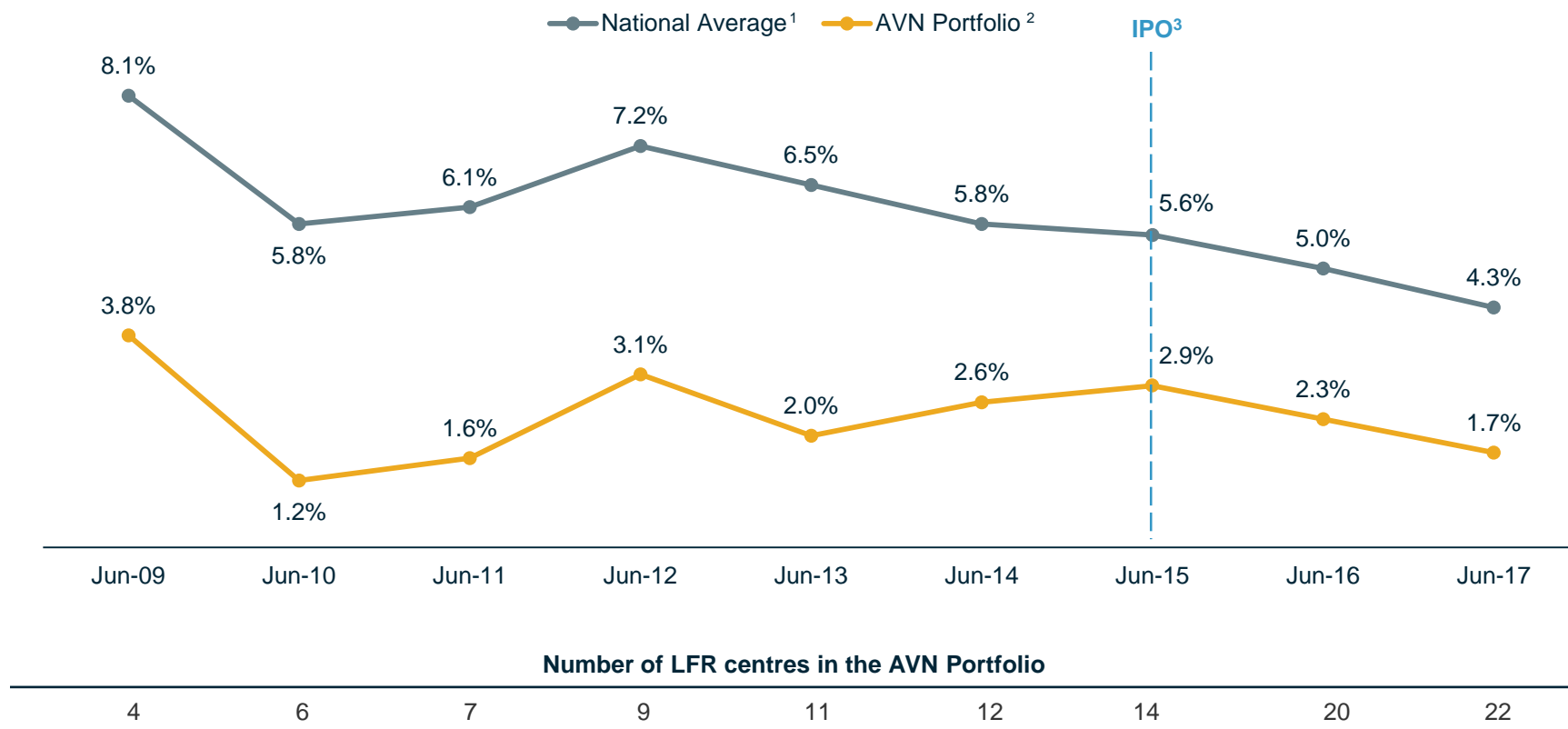
2. Non-household goods include pet supplies, baby supplies, sporting, camping and leisure, cafes, restaurants, supermarkets, liquor, fitness centres, medical centres, offices, chemists, automotive, children's play centres and child care facilities

3. Source: Deep End Services (centres larger than 10,000 sqm) as at 30 Jun 2017

4. Excluding Masters

CONSISTENTLY HIGH OCCUPANCY

- High occupancy of **98.3%** achieved with low incentives and positive leasing spreads



1. Source: Deep End Services (centres larger than 10,000 sqm); By GLA. Jun 2017 excluding Masters

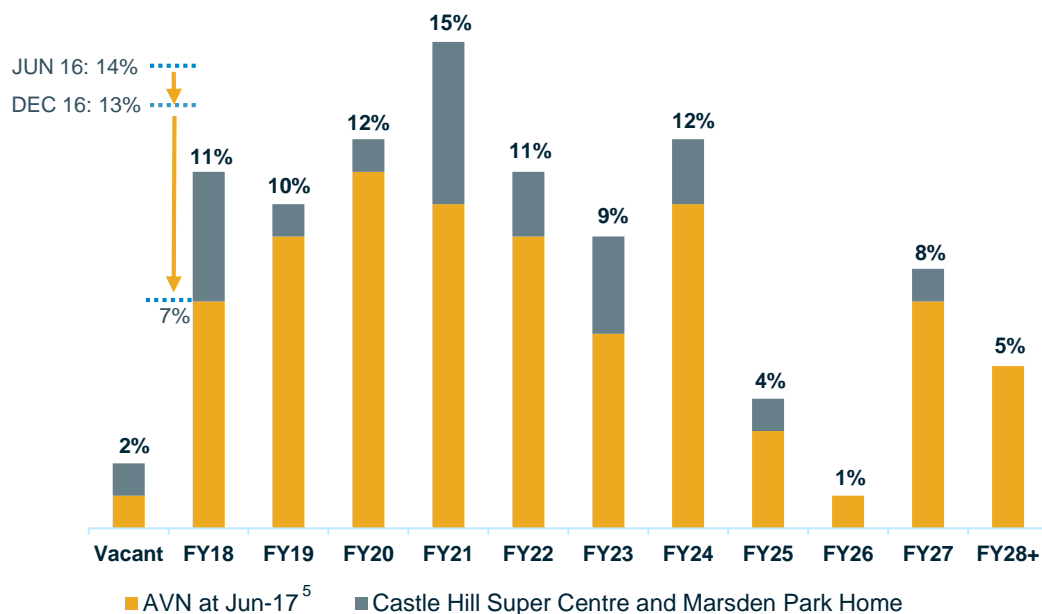
2. Historical metrics exclude centres prior to acquisition by the Fund. Jun 2017 metrics include Castle Hill Super Centre and Marsden Park Home

3. IPO at Oct 2015 based on Jun 2015 metrics

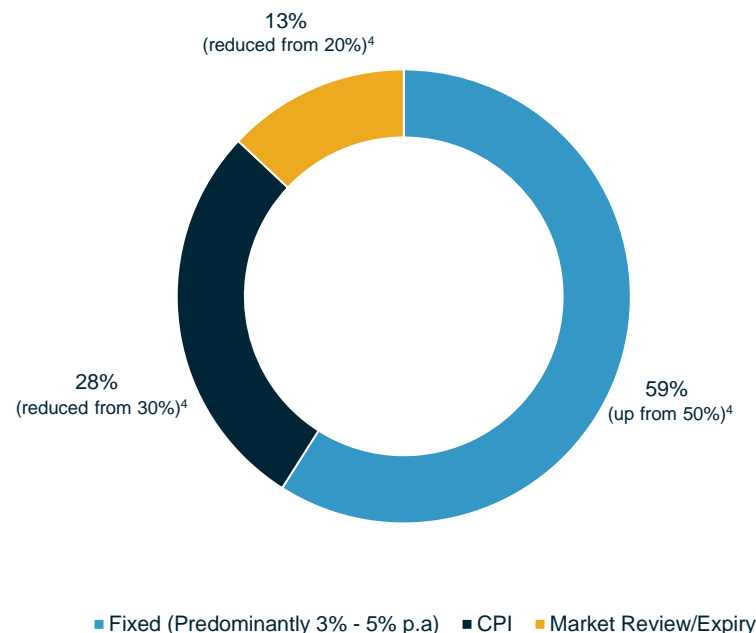
STAGGERED LEASE EXPIRY PROFILE AND ANNUAL RENT INCREASES

- Proactive leasing has reduced FY18 expiries from 13% to 7% on a like-for-like basis (excluding Castle Hill Super Centre and Marsden Park Home)

SIGNIFICANT PROGRESS ON FY18 EXPIRIES¹



87% OF LEASES HAVE ANNUAL FIXED OR CPI RENT INCREASES^{2,3}



1. Holdover tenancies as at 30 Jun 2017 treated as FY18 expiries

2. Including Castle Hill Super Centre and Marsden Park Home

3. By gross rent

4. As at 30 Jun 2016

5. Excluding acquisition centres

PORTFOLIO UPDATE

Castle Hill Super Centre and Marsden Park Home Acquisitions

- These acquisitions settled on 3 July 2017 and are performing in line with expectations with the following upcoming focus:
 - Rebranding and aesthetic upgrades of the centres
 - Leasing strategy implemented focussed on boosting occupancy by leasing four vacancies at Marsden Park Home and remixing opportunities at Castle Hill Super Centre
 - Initial concepts and feasibilities prepared on accommodating tenant demands
 - Investigating operational synergies to improve customer experience and achieve efficiencies across a range of operational services

Masters Update

- The portfolio includes one Masters tenancy at Cranbourne where Woolworths remains as guarantor and continues to pay rent
- With respect to the other former Masters tenancies, there is minimal overlap with only five centres in AVN's portfolio located within a 5 km radius of vacant former Masters tenancies. These centres at Ballarat, Bankstown, Marsden Park, Mile End, and Peninsula are established, substantially larger in size and represent superior locations to the proximate former Masters tenancies



Castle Hill Super Centre, NSW

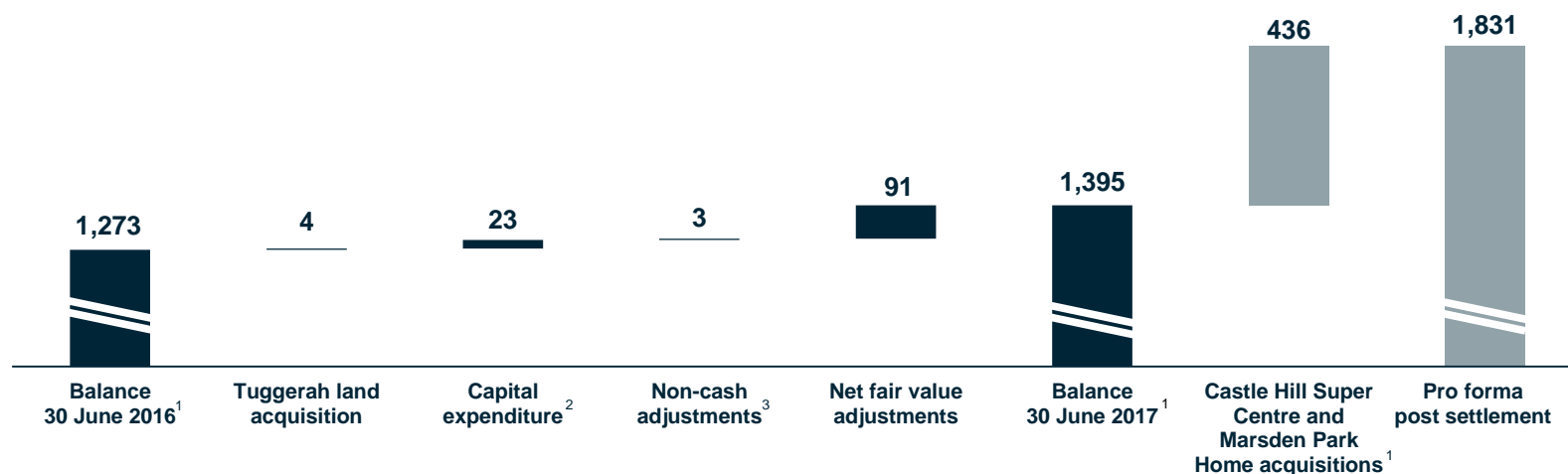


Marsden Park Home, NSW

CENTRE VALUATION UPLIFT

- Portfolio value increased by \$122 million, on a gross basis, and \$91 million on a net basis excluding acquisitions, capitalised expenditure and non-cash accounting adjustments over the year to 30 June 2017
- Independent valuations as at 30 June 2017 were obtained for Bankstown Home, Belrose Super Centre, Logan Super Centre, McGraths Hill Home and Sunshine Coast Home with these centres increasing in value by \$48 million (+13.0% on a net basis). Consequently, the Weighted Average Cap Rate (WACR) of the portfolio tightened to 7.24% from 7.53% (6.85% post settlement of Castle Hill Super Centre and Marsden Park Home acquisition) at 30 June 2017
- The valuations take into account annual rent increases, market rent reviews, positive leasing spreads, completion of a number of asset management and development initiatives together with reductions in capitalisation rates

Portfolio Valuation (\$M)



1. Portfolio valuation includes rental guarantees

2. Capitalised expenditure represents development and maintenance capex, capitalised leasing costs and capitalised interest on developments

3. Non-cash adjustments represent rental straight-lining adjustments and amortisation of rental guarantees

FINANCIAL RESULTS



FINANCIAL HIGHLIGHTS

Financial Performance	Debt Management	Capital Structure
\$159m Profit for FY17	3.0% Weighted Average Cost of Debt at Jun 2017 ¹	\$215m Entitlement Offer
17.7 cents FFO per unit ² in line with guidance ³	58.5% interest rate hedging⁴ ↑ from 51.9% ⁵	↑ \$300m debt facility
Maintained 90% distribution payout ratio	3.4 years Weighted Average Debt Expiry⁴ ↓ from 3.6 years ⁵	DRP activated in FY17

1. Weighted average cost of debt is calculated based on historical finance costs excluding debt establishment costs for the 12 months ended 30 Jun 2017

2. For the 12 months ended 30 Jun 2017. Based on a weighted average number of units of 399m

3. Full year FY17 FFO per unit guidance of 17.7 cents as at 30 May 2017

4. On a pro forma basis post settlement of acquisitions, extension of debt facility and entering into interest rate swaps. As at 30 Jun 2017, weighted average debt expiry is 2.6 years, interest rate hedging is 72.9%.
Weighted average debt expiry is calculated based on debt facility limits

5. As at 30 Jun 2016

FINANCIAL PERFORMANCE

	FY2017 \$M	FY2016 \$M
Rental and other property income	130	77
Net movement in fair value of investment properties	91	82
Other income	1	-
Property expenses	(34)	(20)
Finance costs	(12)	(12)
Management fees	(8)	(4)
Performance fee	(6)	-
Portfolio acquisition and transaction costs	(2)	(71)
Other expenses	(1)	(1)
Profit for the year	159	51

Comments

- FY17 includes full year contribution from the Blackstone portfolio
- FY16 represents the results of Kotara Home South for the period 1 Jul 2015 to 30 Jun 2016 plus the post IPO results of the Group for the period 20 Oct 2015 to 30 Jun 2016
- Finance costs include mark-to-market gains on interest rate swaps of \$3.0m
- \$6m provision for performance fee which will not be payable until after 30 Jun 2018

FUNDS FROM OPERATIONS (FFO)

	FY17 \$M
Profit for the year	159
Straight-lining of rental income	(4)
Amortisation of rental guarantees	1
Amortisation of debt establishment costs	1
Net movement in fair value of investment properties	(91)
Net movement in fair value of derivative financial instruments	(3)
Portfolio acquisition and transaction costs	2
Provision for performance fee	6
FFO	71
Maintenance capex	(4)
Leasing costs	(4)
Adjusted FFO (AFFO)	63
FFO per unit (cents)¹	17.7
Distribution per unit (cents)	15.9
Payout ratio (% of FFO)	90%

1. Based on a weighted average number of units of 399m

BALANCE SHEET

	30 JUN 2017 \$M	30 JUN 2016 \$M	MOVEMENT \$M
Assets			
Cash and cash equivalents	34	4	30
Investment properties ¹	1,395	1,273	122
Other assets	47	9	38
Liabilities			
Borrowings	(327)	(459)	(132)
Other liabilities	(37)	(31)	6
Net assets	1,112	796	316
Units on issue (million)	490	395	95
NTA per unit (\$)	\$2.27	\$2.02	\$0.25
Gearing (%)²	20.5%	35.7%	(15.2%)

Comments

- Investment properties include gain of \$91m from fair value adjustments, \$23m capital expenditure and \$4m for additional land at Tuggerah
- Other assets include \$20m deposit and \$24m stamp duty relating to the acquisition of Castle Hill Super Centre and Marsden Park Home
- Decrease in net borrowings due to the receipt of entitlement offer proceeds
- Other liabilities include \$6m provision for performance fee

1. Investment properties includes rental guarantees of \$3m at 30 Jun 2017

2. The gearing ratio is calculated as total bank debt less cash and cash equivalents divided by total assets less cash and cash equivalents

PRO FORMA BALANCE SHEET (POST ACQUISITION)

	ACTUAL 30 JUN 2017 \$M	IMPACT OF ACQUISITIONS \$M	PRO FORMA 30 JUN 2017 \$M
Assets			
Cash and cash equivalents	34	(29)	5
Investment properties ¹	1,395	436	1,831
Other assets	47	(44)	3
Liabilities			
Borrowings	(327)	(387)	(714)
Other liabilities	(37)	-	(37)
Net assets	1,112	(24)	1,088
Units on issue (million)	490		490
NTA per unit (\$)	\$2.27		\$2.22
Gearing (%)²	20.5%		38.9%

Comments

- Pro forma balance sheet shows the financial effect of settlement of the acquisitions of Castle Hill Super Centre and Marsden Park Home
- Pro forma NTA includes \$24m in stamp duty costs
- Pro forma gearing ratio of 38.9% is within the target range
- Proposed capital management initiatives include continued operation of the DRP and potential selective divestments of smaller centres

1. Pro forma investment properties balance includes rental guarantees of \$8m at 30 Jun 2017

2. The gearing ratio is calculated as total bank debt less cash and cash equivalents divided by total assets less cash and cash equivalents

CAPITAL MANAGEMENT

KEY METRICS	PRO FROMA ¹ \$M	JUN 17 \$M	JUN 16 \$M
Drawn debt (\$M)	718	329	462
Facility limit (\$M)	800	500	500
Cash and undrawn debt capacity (\$M)	87	205	42
Gearing ²	38.9%	20.5%	35.7%
LVR (max. 55%) ³	40.2%	24.4%	36.9%
ICR (min. 2.0x) ⁴	N/A	5.5x	6.3x
Weighted average cost of debt ⁵	N/A	3.0%	3.3%
Weighted average debt expiry (years) ⁶	3.4	2.6	3.6
Weighted average hedged debt expiry (years)	3.4	2.6	3.6
Proportion of drawn debt hedged	58.5%	72.9%	51.9%

DEBT AND HEDGING PROFILE AT 30 JUN 2017

BANK DEBT	DRAWN \$M	UNDRAWN \$M	MATURITY
Tranche A	40	160	Oct 2020
Tranche B	200	-	Oct 2018
Tranche C	89	11	May 2021
Total	329	171	

INTEREST RATE SWAP MATURITY	NOTIONAL AMOUNT \$M
FY19	80
FY20	60
FY21	100
Total	240

- On 3 July 2017, AVN finalised a \$300m extension of its debt facility comprising \$100m expiring in July 2021 and \$200m expiring in July 2022
- An additional \$180m in interest rate swaps were entered into during July 2017 with fixed rates ranging from 2.3% to 2.4%. Maturity dates range from June 2021 to July 2022

1. Post settlement of Castle Hill Super Centre and Marsden Park Home acquisitions, \$300m extension of debt facility and entering into \$180m of interest rate swaps in July 2017

2. The gearing ratio is calculated as total bank debt less cash and cash equivalents divided by total assets less cash and cash equivalents

3. The LVR ratio is calculated as total bank debt divided by the total fair value of investment properties. Fair value is calculated by reference to the most recent independent valuation for each property

4. ICR is calculated for the 12 months ended 30 Jun 2017

5. Weighted average cost of debt is calculated based on historical finance costs excluding debt establishment costs for the 12 months ended 30 Jun 2017

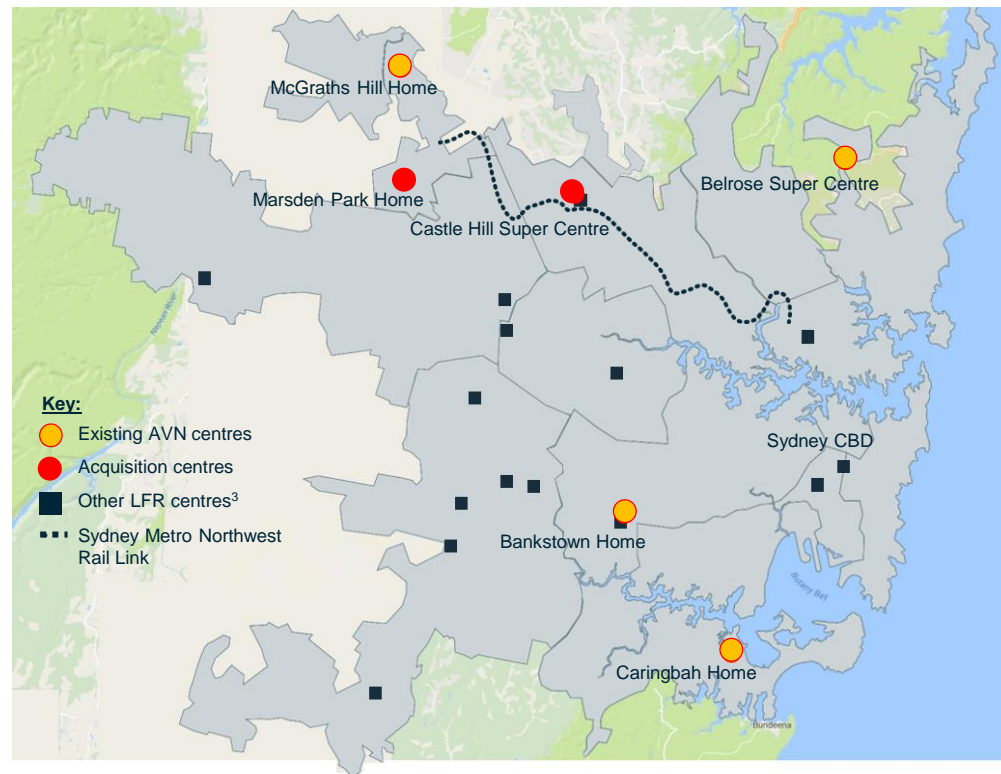
6. Weighted average debt expiry is calculated based on debt facility limits

ACQUISITIONS

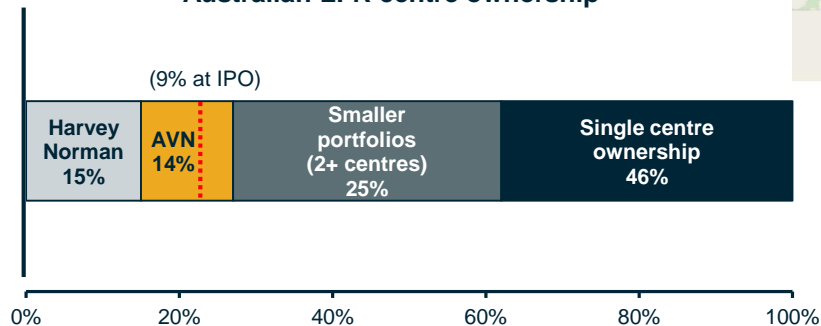


FY17 ACQUISITIONS SUMMARY

- Settlement of Castle Hill Super Centre and Marsden Park Home occurred on 3 July 2017
- The acquisition portfolio makes AVN the largest LFR landlord in Sydney¹ and increases AVN's catchment area coverage to 43% of Sydney²
- This boosts the portfolio in NSW to 11 centres valued at over \$1 billion which represents 58% of portfolio value



Australian LFR centre ownership³



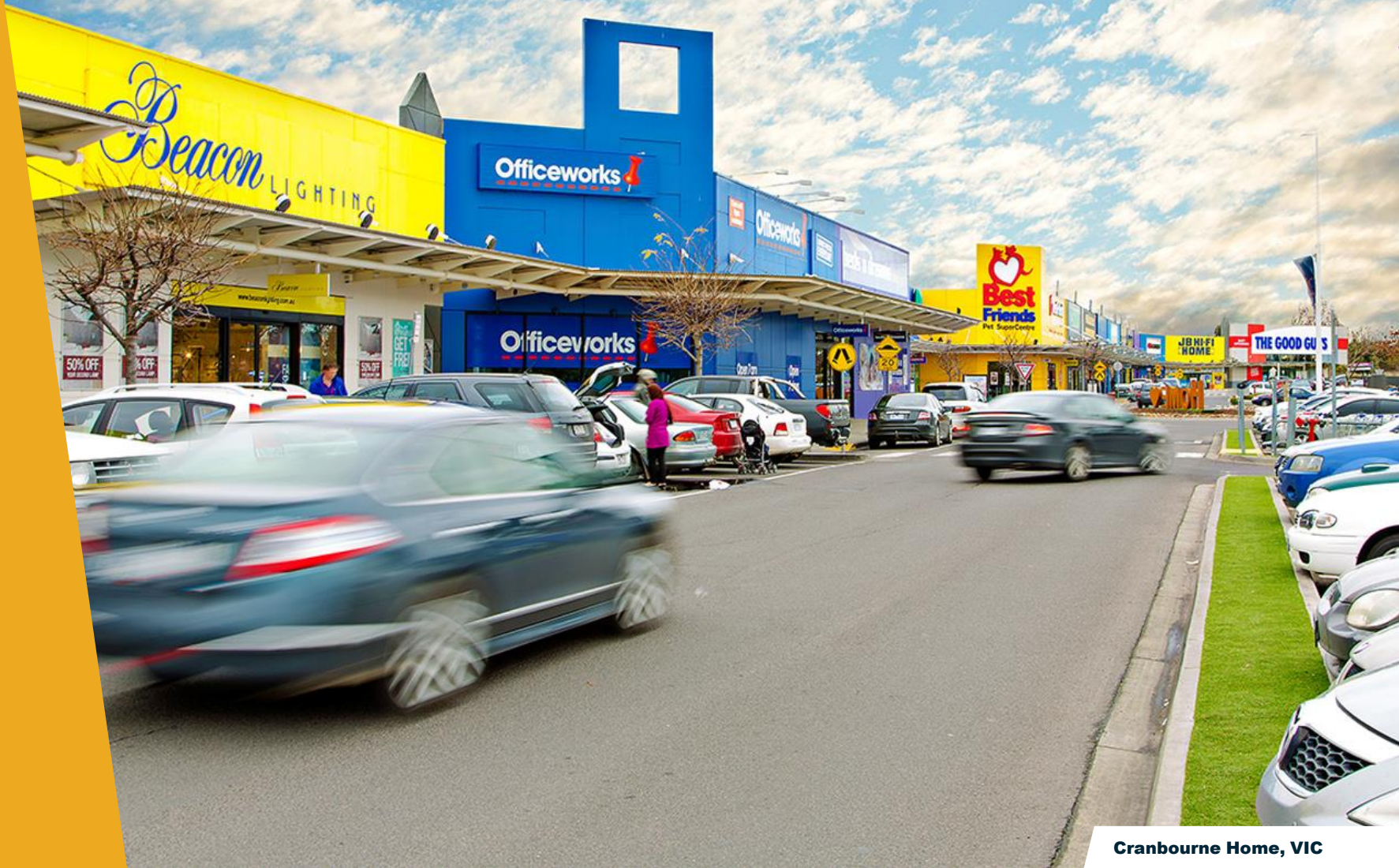
1. By number of centres that are multi-tenanted and greater than 10,000 sqm

2. Source: Deep End

3. Source: Deep End Services, centres larger than 10,000 sqm; By GLA, as at 30 Jun 2017

4. Map sources: Deep End LFRA Retail Directory 2016/17 and Sydney Metro Northwest Project Overview

DEVELOPMENT



DEVELOPMENT UPDATE FY17



5,300 sqm
New GLA created



11 DAs
Potential addition of over
30,000 sqm of GLA¹



**Weighted Average
Development Yield > 10%²**

PROJECTS	SUMMARY	STATUS	NEW TENANTS	FY17 SPEND ³ (\$M)
Sunshine Coast³	Former Bunnings tenancy conversion and other centre expansion works	Sep 2017 completion and 100% leased	Amart Furniture, Provincial Home Living and Sheridan	12
Completed projects	Peninsula Home, Tuggerah Super Centre and Belrose Super Centre	Complete and 100% leased	ALDI, Focus on Furniture, Barbeques Galore and Services NSW	8
Cranbourne³	Child care facility	Sep 2017 completion and 100% leased	Little Learning School	3
Preliminary planning and under investigation	Various	Ongoing	Not Applicable	3
TOTAL				25

1. Subject to financial feasibility and Board Approval

2. Year one development yield, on completion for projects completed and commenced in FY17

3. Includes \$9m of committed spend in 1QFY18

DEVELOPMENT PIPELINE



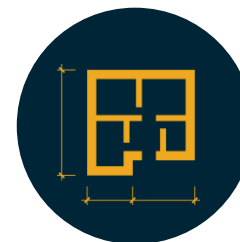
\$50m

Proposed pipeline for FY18 which is double the FY17 pipeline



17 projects

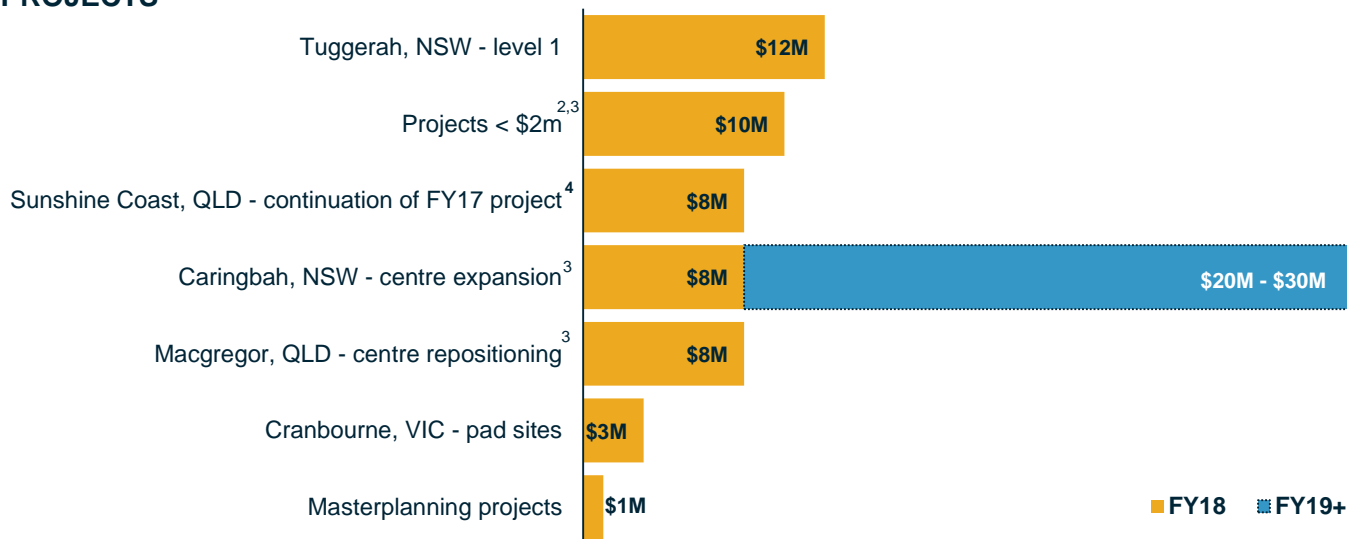
5 projects larger than \$2m



Master Planning

underway for Kotara Home, Jindalee Home and Epping Hub¹

FY18 PROJECTS



1. All three sites have flexible zoning

2. Spend includes preliminary planning on various projects

3. Subject to financial feasibility and Board Approval

4. Committed FY18 spend for the remainder of former Bunnings conversion and other centre expansion works at Sunshine Coast Home

CASE STUDY – SUNSHINE COAST HOME

KEY OUTCOMES

Valuation: \$85m (23% net valuation gain since acquisition)¹

WALE (years): 5.0 (from 3.5 years at acquisition)

GLA (sqm): 27,000

Net income increase: 16% since acquisition²

- Remixed 70%³ of the centre:
23 new leases executed (including the expansion of three existing tenants)
- Expanded the tenancy mix:
Eight new national retailers introduced (including Amart Furniture, Provincial Home Living, TK Maxx, Sheridan and a new food offering)
- More than 80%³ of tenants have now completed store upgrades
- Repositioning of the former Bunnings tenancy (7,700sqm):
100% pre-commitments from Amart Furniture, Sheridan and World Gym



1. Includes acquisition cost and development spend

2. Inclusive of three tenants currently under construction, due for completion 1Q18

3. By store number; includes deals done during the period of management prior to acquisition

CASE STUDY – SUNSHINE COAST HOME (CONT.)



OUTLOOK



OUTLOOK

- Growth in the net income of the portfolio underpinned by diversification in the tenancy mix, high occupancy rates, low incentives, positive leasing spreads and annual rent increases (fixed and CPI escalations)
- Ensure smooth integration of Castle Hill Super Centre and Marsden Park Home
- Expansion of development pipeline to improve the medium to long term opportunities of the portfolio
- Evaluate selective acquisition opportunities to improve the quality of the portfolio
- Consider capital management initiatives to reduce gearing and to maintain balance sheet strength
- **FY18 guidance for FFO per unit is expected to be 2% to 4% higher than FY17 FFO per unit¹**

1. Assumes no material change to the operating environment and existing portfolio

QUESTIONS?

Aventus Property Group



**Integrated and
scalable platform**



**Leading manager with a track record
for performance and adding value in LFR**



**Single sector
focus**



**Deep retail expertise
and insights**



**Specialised team focused
on operational excellence**



**Long history of LFR
retailer relationships**

APPENDIX 1 PORTFOLIO OVERVIEW



PORTFOLIO OVERVIEW

Centre	State	Valuation Date	Carrying Value (\$m)	Cap Rate	Occupancy ²	WALE (years) ³	No. of Tenancies ⁴	GLA ('000 sqm) ⁴	Site Area ('000 sqm)	National Retailers ²	Zoning	Dev. Potential ⁵
Bankstown Home	NSW	Jun-17	56	7.00%	100%	4.2	21	17	40	81%	LFR	✓
Belrose Super Centre ¹	NSW	Jun-17	159	6.75%	100%	4.9	46	37	44	92%	LFR/Retail	✗
Caringbah Home	NSW	Jun-17	91	7.75%	100%	1.6	26	19	23	85%	LFR	✓
Castle Hill Super Centre	NSW	Jul-17	336	5.50%	99%	3.1	73	52	60	81%	LFR/Retail	✓
Highlands Hub	NSW	Jun-17	32	7.50%	100%	3.5	14	11	32	86%	LFR/Retail	✓
Kotara Home South	NSW	Jun-17	112	6.75%	98%	4.4	22	29	53	91%	LFR/Retail	✓
Marsden Park Home	NSW	Jul-17	100	6.00%	95%	6.5	33	20	40	66%	LFR	✗
McGraths Hill Home	NSW	Jun-17	39	7.00%	100%	3.0	9	16	38	98%	LFR	✗
Tuggerah Super Centre	NSW	Jun-17	66	7.00%	100%	6.3	22	29	127	90%	LFR/Outlet	✓
Tweed Hub	NSW	Jun-17	35	7.50%	100%	4.3	17	10	26	48%	LFR/Retail	✗
Warners Bay Home	NSW	Jun-17	36	7.50%	100%	3.1	12	12	35	93%	LFR	✗
TOTAL NSW			1,063	6.50%	99%	4.0	295	253	519	85%		
Ballarat Home	VIC	Jun-17	39	7.50%	100%	5.5	15	20	52	93%	LFR	✓
Cranbourne Home	VIC	Jun-17	129	7.25%	100%	6.7	31	54	194	93%	LFR/Retail	✓
Epping Hub	VIC	Jun-17	41	7.75%	100%	2.5	30	22	60	66%	Mixed Use	✓
Peninsula Home	VIC	Jun-17	80	7.25%	100%	3.6	30	33	85	91%	LFR/Retail	✓
Shepparton Home	VIC	Jun-17	22	8.00%	74%	4.5	11	14	30	74%	LFR	✗
TOTAL VIC			310	7.44%	98%	5.0	117	143	421	87%		
Jindalee Home	QLD	Jun-17	110	7.50%	99%	4.2	57	27	72	65%	LFR/Retail	✓
Logan Super Centre	QLD	Jun-17	89	7.00%	94%	5.2	28	27	27	85%	LFR	✓
Macgregor Home	QLD	Jun-17	24	8.00%	100%	0.4	6	13	29	69%	LFR	✓
Sunshine Coast Home	QLD	Jun-17	85	7.00%	95%	5.0	33	27	69	86%	LFR/Retail	✓
TOTAL QLD			308	7.26%	96%	4.2	124	93	197	78%		
Mile End Home	SA	Jun-17	92	7.50%	100%	4.0	32	33	71	87%	LFR	✓
TOTAL SA			92	7.50%	100%	4.0	32	33	71	87%		
Midland Home	WA	Jun-17	58	7.50%	100%	4.7	18	23	43	94%	LFR	✗
TOTAL WA			58	7.50%	100%	4.7	18	23	43	94%		
TOTAL PORTFOLIO			1,831	6.85%	98%	4.2	586	546	1,250	84%		

1. Metrics are calculated on a weighted average basis (by value) including Belrose Super Centre and adjacent Belrose Gateway Centre

2. By GLA as at 30 Jun 2017

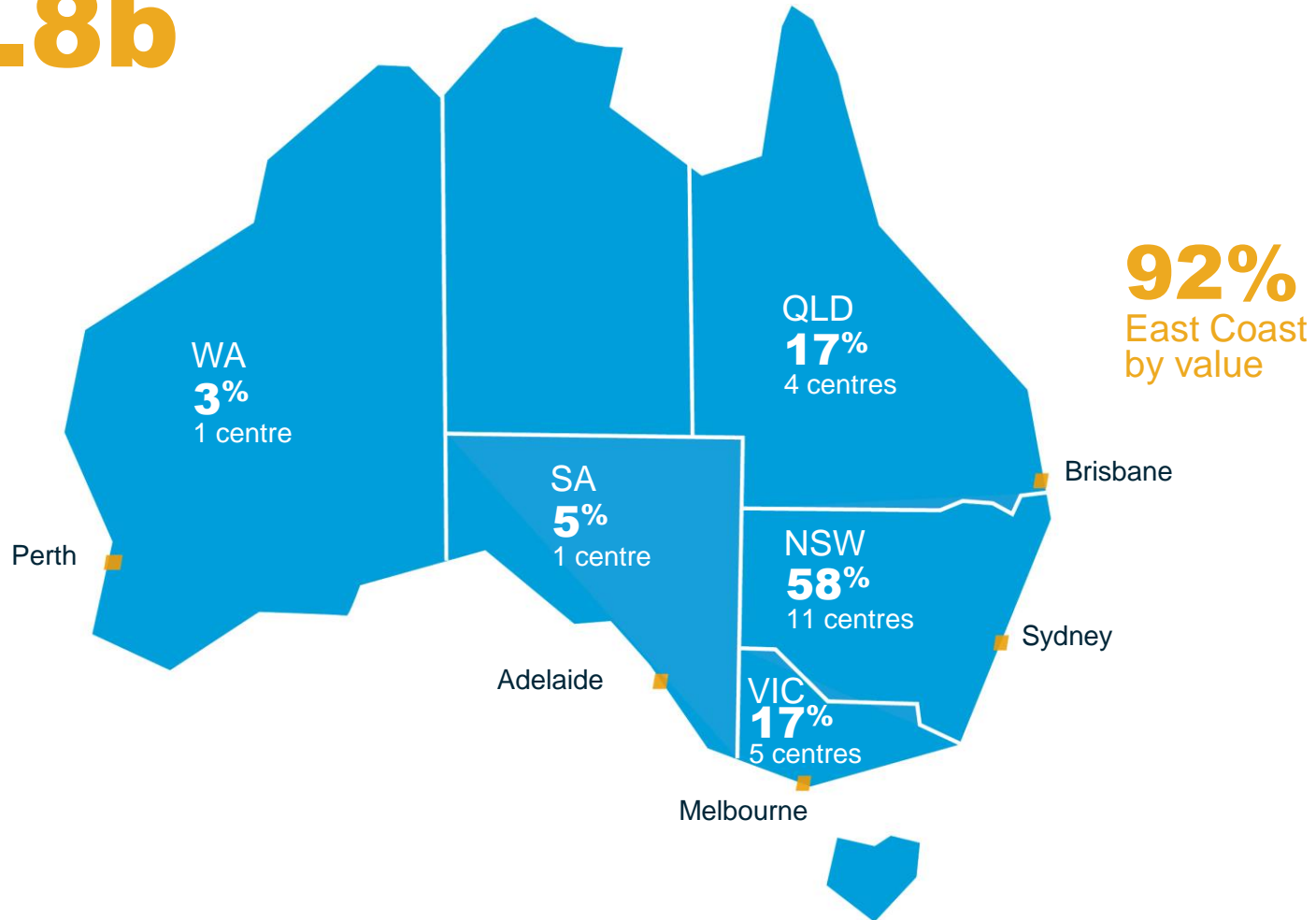
3. By gross income as at 30 Jun 2017 (excluding rental guarantees)

4. Metrics as at 30 Jun 2017

5. Further development of certain centres may be subject to contractual and regulatory approvals including planning approvals from relevant local government authorities

DIVERSIFIED PORTFOLIO

22 centres¹ valued at
\$1.8b



1. Post acquisition of Castle Hill Super Centre and Marsden Park Home

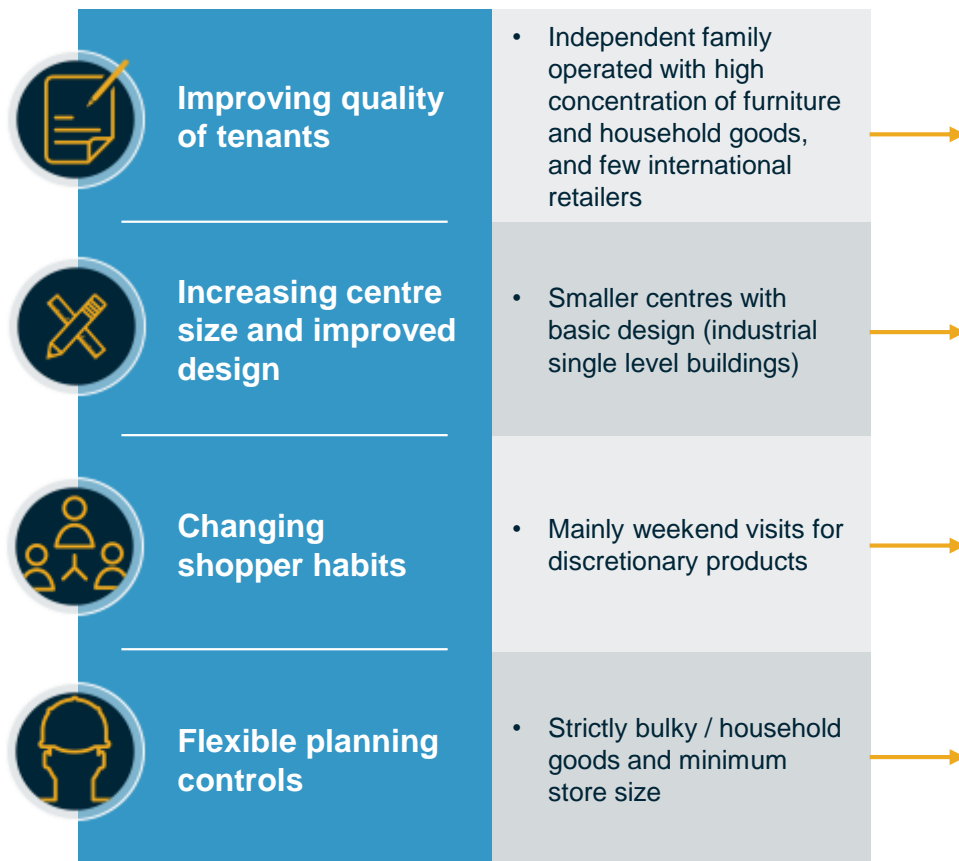
APPENDIX 2

INDUSTRY DYNAMICS



THE EVOLUTION OF LFR CENTRES

Old Bulky Goods Centres



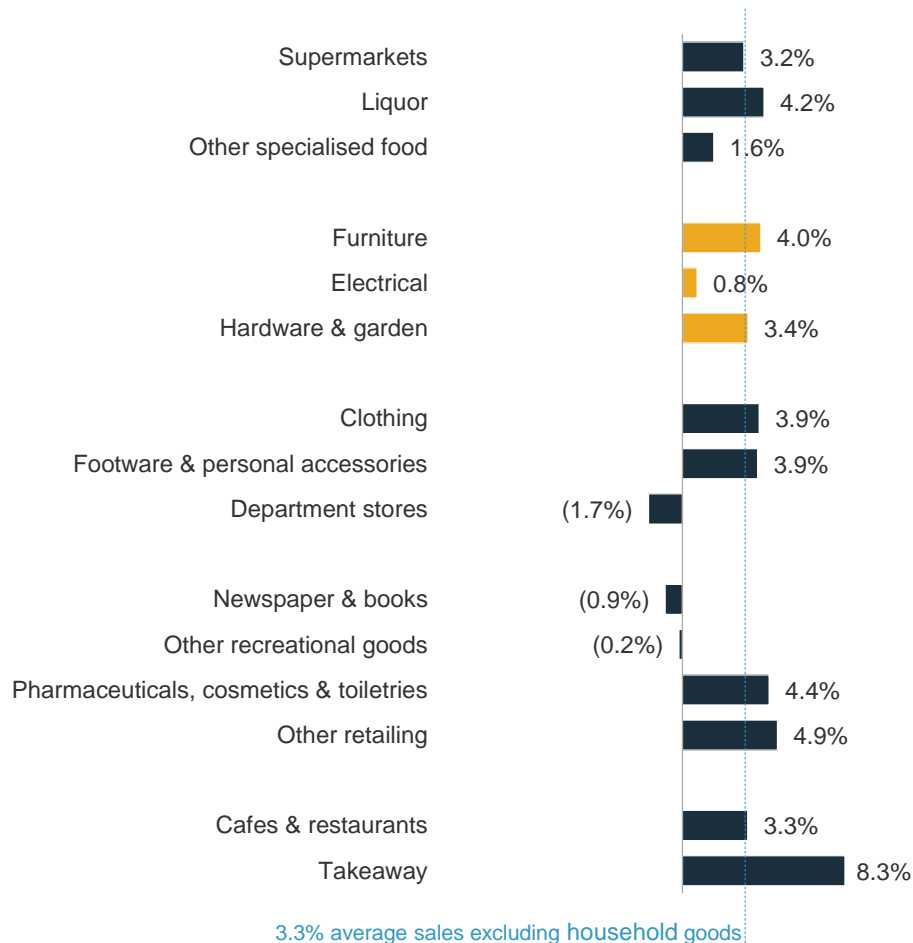
Modern AVN LFR Centres

- Predominantly national, ASX listed or international retailers with multi-brand strategy
 - Providing greater transparency of retailer performance
 - Ensuring income streams are more reliable and consistent
-
- Larger more dominant centres creating critical mass as a single destination offering
 - Development of modern multi-level centres in mainly metropolitan locations with ample car parking, ease of access and modern amenities
-
- Non-household tenants lead to increased weekday traffic with longer visit time and preference for comparison shopping
 - Demand for family focused, higher quality and diverse goods and services (eg food and beverage, small supermarkets, medical, fitness and leisure)
-
- Expansion of new uses and removal of minimum store size has allowed for the introduction of new offerings in centres
 - Upside from potential of other states reforming and improving planning controls (eg WA and NSW)

INDUSTRY DYNAMICS

- Large Format Retail goods are a substantial retail segment in Australia
 - Approximately \$67bn in sales or 22% of total retail spend in Australia¹
 - Approximately 30% of total retail floor space in Australia¹
 - BIS Oxford Economics predicts spending on household goods to grow at approximately 4% per annum for 2017 and 2018
 - Tenant demand has remained strong, not only in traditional household sectors, but also in the range of other non-household uses that are becoming more prevalent in LFR centres, such as cafes, fitness centres, pet and auto accessories, children's play centres, chemists and supermarkets

RETAIL TURNOVER GROWTH 12 MONTHS TO 30 JUN 2017²



1. Source: Large Format Retail Association

2. Source: ABS retail trade

DEMAND FOR HOUSEHOLD GOODS

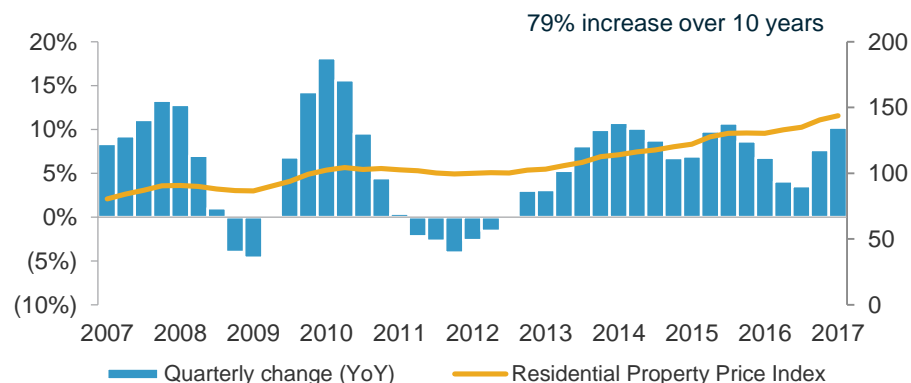
Demand for household goods influenced by many factors

- Strong growth in house prices since 2013 (now moderating)
- High levels of dwelling approvals (lag effect of up to three years) and dwelling completions
- Turnover of existing dwellings (now moderating)
- Home improvements are a natural hedge with renovations continuing through the cycle (but with smaller scope)

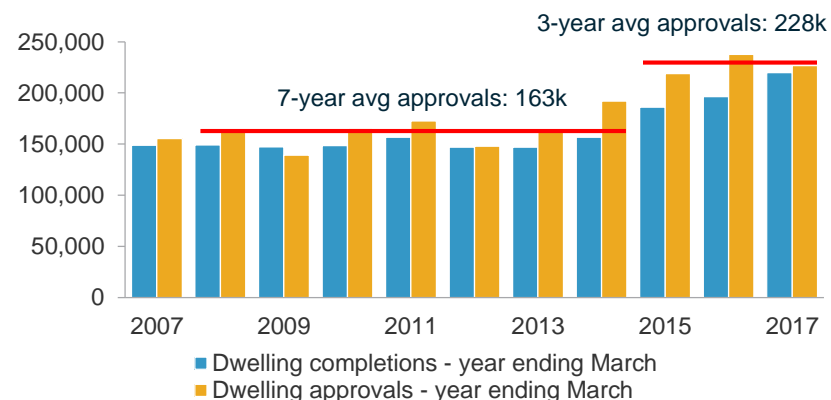
Other factors affecting demand for LFR goods include:

- Interest rate environment and employment levels impact consumer sentiment
- Household incomes and savings ratio
- Changes in life stages and population growth (births, ageing, divorce, upgraders, downsizers and migration)
- Product trends, replacements and popularity of home renovations generate interest and attention for large format retailers (eg The Block)
- Limited impact to date of online retailing as LFR goods are considered major bulky purchases, difficult to transport and have a 'touch and feel' element

RESIDENTIAL PRICES YEAR ENDED MARCH 2017¹



ANNUAL NATIONAL DWELLING COMPLETIONS AND APPROVALS²



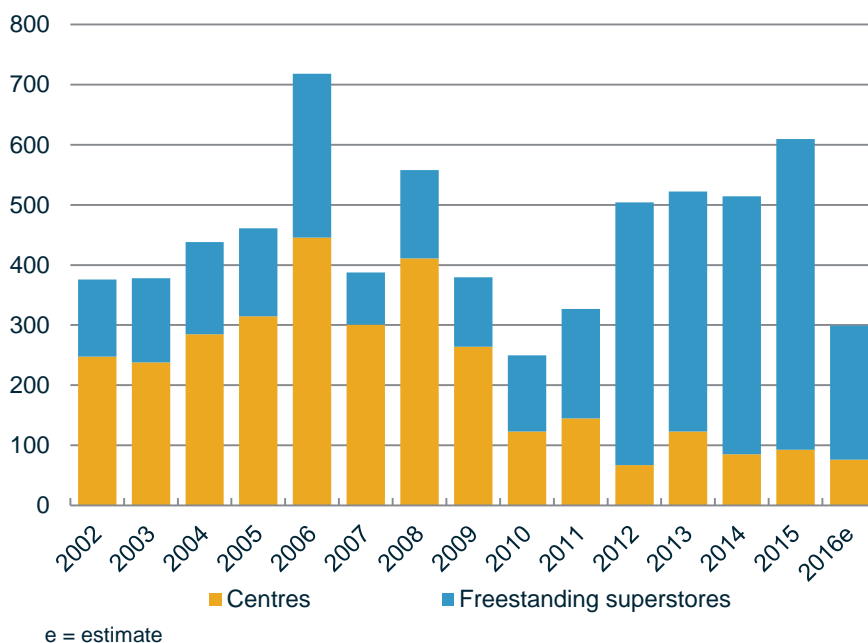
1. Source: ABS residential property price index

2. Source: ABS dwelling approvals and completions

THE LFR SUPPLY PIPELINE

- Construction of freestanding floorspace is at its lowest level since 2009, while construction of multi-tenanted centre floorspace¹ is at the lowest level on record. There were no projects of over 20,000 sqm and only two above 10,000 sqm completed in 2016
- Excluding former Masters tenancies, 2017 is likely to be another modest year for completions following subdued supply in 2016
- While the former Masters tenancies will come into supply in the coming years, the tenancies are distinguishable from AVN centres given they:
 - Have been single tenanted and the shape/depth of the former Masters tenancies could limit the introduction of smaller tenancies (e.g. food and beverage)
 - Are approximately 11,000 sqm or less than half the size of an average AVN centre
 - Their smaller scale could limit the appeal to shoppers seeking a range of large format retailers and the ability to cross and comparison shop

LARGE FORMAT RETAIL FLOORSPACE COMPLETIONS BY TYPE AND TOTAL STOCK¹



1. Source: BIS Shrapnel, Dec 2016; year ended Dec; multi-tenanted centres larger than 4,000 sqm

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