

## REAL ESTATE MARKET UPDATE

### ECONOMIC OUTLOOK

The outlook for the global economy remains moderate with growth in 2020 expected to be marginally stronger than in 2019. Global GDP growth to December was lower than forecast as a result of tensions between the US and China hampering international trade. Despite a more optimistic outlook for the global economy in the year ahead, any unforeseen economic shocks, including possible short-term effects from the coronavirus, could pose a downside risk to trade and tourism<sup>1</sup>.

A prolonged period of low interest rates is expected as the RBA seeks to stimulate the economy to support employment and income growth and meet medium-term inflation targets. As a result, consumer consumption is predicted to improve as low interest rates enable people to pay down liabilities, whilst household wealth is anticipated to rise should a forecast recovery in the housing market in 2020<sup>2</sup> play out.

Following the easing of monetary policy last year, lower bond yields have resulted in further downward pressure on commercial property yields which has been positive for asset valuations. Core property returns continue to look attractive in comparison to other asset classes as investors seek to attain yield in a low interest rate environment<sup>3</sup>. The low cost of debt and increasing competition for quality assets is likely to continue to drive the performance of the commercial property sector into the year ahead.

### RETAIL

Total retail turnover growth stabilised to 2.7% year-on-year at the end of 2019. Discretionary retail categories continue to demonstrate more subdued growth, with ongoing pressure from slow wage growth and the disruption of online retailing. Non-discretionary retail categories, such as food retailing and dining/takeaway, were consecutively the strongest performing retail categories during the quarter, recording 3.7% and 2.9% growth respectively<sup>4</sup>.

Forecasts suggest that the retail sector will be stable during 2020. The most meaningful catalyst for long-term growth will be a rebound in wage growth, however increasing house prices are likely to create a 'wealth effect' which could positively impact retail spending in the short term.

Population growth should aid retail spending growth in the longer term, driven by an increase in migration and the largest cohort of the population moving into peak consumption age<sup>5</sup>.

During the quarter, European retailer Kaufland announced that it would be exiting Australia prior to commencing trade in the market. The retailer had committed to 23 sites with some landlords considering them as a backfill for underperforming Big W and Target stores. From FSREC's perspective, this retraction of Kaufland from the Australian market will have a positive effect on future market share and sales growth for existing supermarkets in Australia, particularly Coles and Woolworths which are dominant in the FSREC portfolio. Supermarket sales for the quarter were strong across the FSREC portfolio averaging at 4.9% and tracking above comparable fleet averages. We are confident that our non-discretionary focussed retail assets will continue to deliver positive growth for investors in the current low inflationary environment.

Liquidity in the retail sector improved during the second half of 2019 with new sources of capital emerging, pursuing higher yields relative to other assets classes. Yields for neighbourhood assets remained unchanged over the quarter with pricing being underpinned by strong demand. Investors are increasingly recognising the resilience of neighbourhood shopping centres given their high weighting to non-discretionary retail tenants. The median yield for sub-regional centres compressed 5 basis points (0.05%) over Q2 driven by strong sales activity in Sydney. Demand for sub-regional centres has been varied, with investors targeting sub-regional centres with defensive characteristics. These characteristics include location, a limited number of specialty shops and value-add potential longer term, which correlate to centres such as Toormina Gardens and Keilor Central in the FSREC portfolio.

### OFFICE

Office market fundamentals remained strong during 2019, underpinned by the low cost of debt and broad investor demand for yield. Transaction activity levels surpassed that of 2018 with multiple capital sources competing for assets, including A-REITS, unlisted funds, sovereign wealth funds, private equity firms and international capital sources<sup>6</sup>.

Whilst the rate of rental growth has slowed in the Sydney CBD market, prime gross rents have increased by 30.7%<sup>7</sup> over the past three years and now reflects a substantial premium to other metropolitan markets, including Mascot in South Sydney. As a result, there is opportunity for positive rental reversion in Sydney metropolitan markets, which is likely to attract increased institutional investment demand as owners seek to diversify their office portfolios.

The South Sydney market, where FSREC's office asset is located, remained broadly stable over Q2, with prime yields remaining in the 5.25% to 6.00% range. Leasing activity and positive absorption resulted in the vacancy rate declining to 5.7%. Infrastructure projects in the area, and the emerging 'hub and spoke' office model (a central office in the CBD with satellite offices in metropolitan/suburban areas), are contributing to the desirability of the South Sydney market which is also likely to underpin rental growth in the medium term.

### INVESTMENT TEAM MEMBERS



*David Rogers – Director, Investments*



*Jason Hay – Director, Asset Management*



*Richard Hunt – Chairman, Fort Street Real Estate Capital*

Sources:

<sup>1</sup> RBA (2020). <sup>2</sup> RBA (2020). <sup>3</sup> JLL Research (2020). <sup>4</sup> JLL Research (2020). <sup>5</sup> JLL Research (2020). <sup>6</sup> M3 (2020). <sup>7</sup> JLL Research (2020).

## SERIES OVERVIEW

## DISTRIBUTIONS ANNOUNCED (LAST 12 MONTHS)

	FUND I	FUND II	FUND III	FUND IV
December 2019	1.84 cents per unit	2.10 cents per unit	1.90 cents per unit	1.60 cents per unit
September 2019	1.84 cents per unit	2.10 cents per unit	1.90 cents per unit	1.60 cents per unit
June 2019	1.74 cents per unit	2.10 cents per unit	1.90 cents per unit	1.60 cents per unit
March 2019	1.74 cents per unit	2.10 cents per unit	1.90 cents per unit	1.60 cents per unit

## QUARTER HIGHLIGHTS

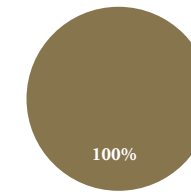
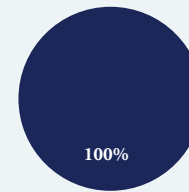
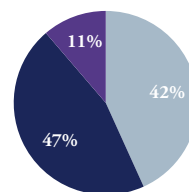
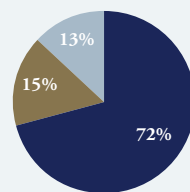
NTA per unit (unaudited estimate)	\$1.63	\$1.63	\$1.53	\$1.51
Gross assets (unaudited estimate)	\$265.1 million	\$184.5 million	\$241.5 million	\$122.5 million
Weighted lease expiry	4.7 years	5.5 years	3.7 years	4.3 years
Gearing ratio (based on unaudited estimates)	36.2%	38.4%	32.2%	38.2%

## KEY FUND DETAILS

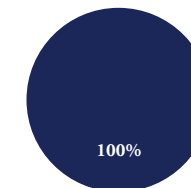
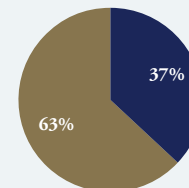
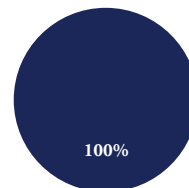
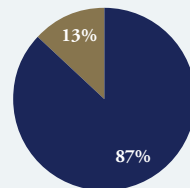
Inception	June 2013	June 2014	December 2016	June 2018
Structure	Unlisted unit trust	Unlisted unit trust	Unlisted unit trust	Unlisted unit trust
Sector	Australian commercial property	Australian commercial property	Australian commercial property	Australian commercial property
Currency	AUD (unhedged)	AUD (unhedged)	AUD (unhedged)	AUD (unhedged)

 GEOGRAPHIC DIVERSIFICATION  
 (BY CURRENT VALUE)

■ NSW
 ■ VIC
 ■ QLD
 ■ SA

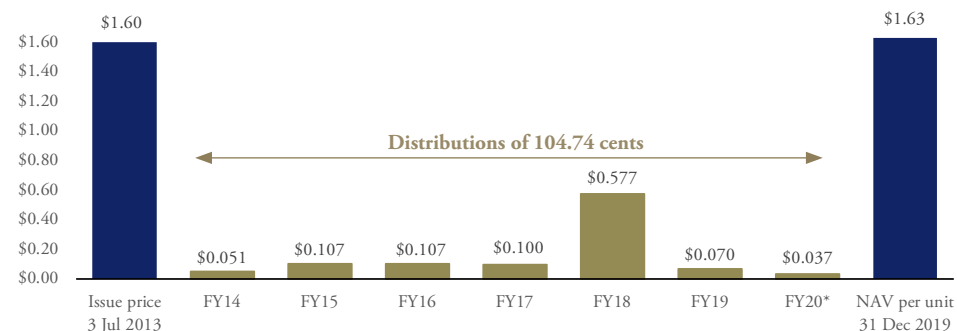

 SECTOR DIVERSIFICATION  
 (BY CURRENT VALUE)

■ Retail
 ■ Office

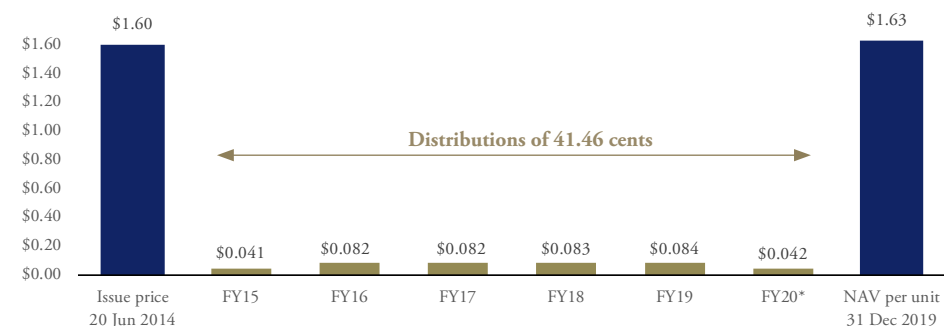


**FUND PERFORMANCE**
**FSREC I**

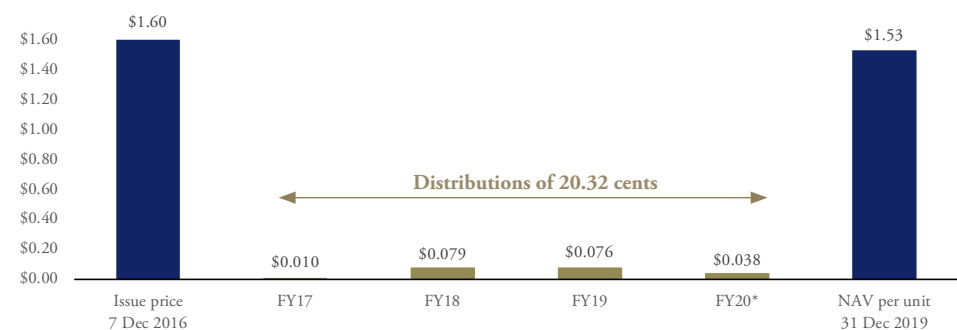
	3 Months	6 Months	1 Year	3 Years p.a.	5 Years p.a.	Inception p.a.
<b>NTA Total Return<sup>1</sup></b>	4.3%	5.5%	7.2%	10.6%	14.3%	10.9%
<b>Growth</b>	3.2%	3.2%	2.5%	-3.8%	2.4%	0.8%
<b>Income</b>	1.2%	2.4%	4.7%	14.4%	11.9%	10.1%


**FSREC II**

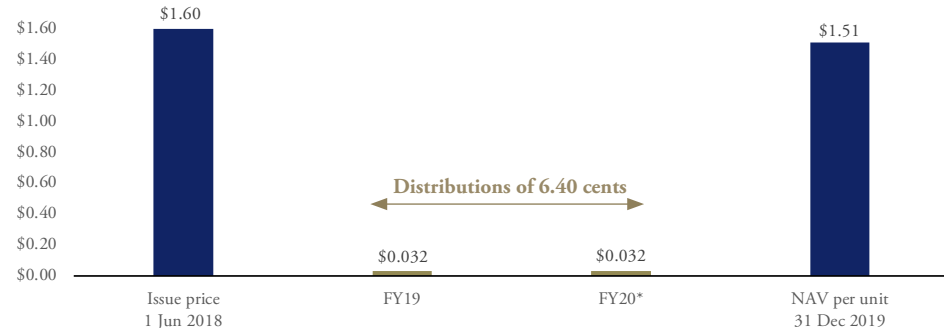
	3 Months	6 Months	1 Year	3 Years p.a.	5 Years p.a.	Inception p.a.
<b>NTA Total Return<sup>1</sup></b>	3.2%	4.5%	6.0%	9.0%	6.3%	5.8%
<b>Growth</b>	1.9%	1.9%	0.6%	3.5%	0.9%	0.9%
<b>Income</b>	1.3%	2.7%	5.4%	5.5%	5.4%	4.9%


**FSREC III**

	3 Months	6 Months	1 Year	3 Years p.a.	5 Years p.a.	Inception p.a.
<b>NTA Total Return<sup>1</sup></b>	1.9%	3.2%	4.4%	4.1%	-	4.0%
<b>Growth</b>	0.7%	0.7%	-0.6%	-0.4%	-	-0.4%
<b>Income</b>	1.3%	2.5%	5.0%	4.5%	-	4.4%


**FSREC IV**

	3 Months	6 Months	1 Year	3 Years p.a.	5 Years p.a.	Inception p.a.
<b>NTA Total Return<sup>1</sup></b>	1.1%	2.1%	1.6%	-	-	1.0%
<b>Growth</b>	0.0%	0.0%	-2.6%	-	-	-1.6%
<b>Income</b>	1.1%	2.1%	4.2%	-	-	2.7%



Note: <sup>1</sup> Performance is calculated on a total return NTA basis, inclusive of distributions and net of fees and costs, using audited and unaudited NTA per unit on a quarterly basis. The initial NTA used is the proforma NTA, or issue price net of issue costs. Historical performance is not a reliable indicator of future performance. \* Year to date.

All data as at 31 December 2019 unless stated otherwise.

## FUND I

### PORTFOLIO SUMMARY

	PURCHASE DATE	OCCUPANCY (%)	COST (INCL. CAPEX) (\$m)	VALUE (\$m)
Oxford Village, NSW	Oct-13	99%	76.1	99.0
Windsor Riverview, NSW	Jul-14	99%	55.5	55.8
Lynbrook Village, VIC	Nov-13	97%	33.9	39.0
Noosa Village, QLD	Nov-14	97%	29.2	33.5
Lake Innes, NSW	Nov-13	100%	19.3	33.0
<b>Total</b>		<b>98%</b>	<b>214.0</b>	<b>260.3</b>

Note – all figures are unaudited estimates, as at quarter end.

### PORTFOLIO UPDATE

#### Fund highlights

- ▶ Distribution of \$0.0184 per unit
- ▶ Portfolio occupancy was maintained at 98%
- ▶ Strong leasing momentum with one new lease and seven lease renewals negotiated during the quarter
- ▶ Placemaking works were completed at Lake Innes on time and on budget.

#### Asset management

Occupancy was strong at 98% following two renewals during the quarter at **Oxford Village**. The barber shop exercised their option to renew their lease for an additional five years, and the café renewed their lease on a new seven-year term. This is an excellent result as both of these experienced operators provide a quality offer which resonates well with the local community.

Vintage Cellars commenced their store refurbishment following the exercise of their lease option last year. They will be introducing their latest store concept which is expected to add further appeal to customers and drive enhanced sales performance.

At **Windsor Riverview**, 99% occupancy was maintained over the quarter. Two lease renewals were agreed during the period with Westpac Bank and Flight Centre. This is a positive outcome for the asset as the drawcard of these two national brand tenants contributes to the service offering at the centre and attracts repeat foot traffic.

A priority for the management team over the coming quarter will be to continue investigations into expanding the existing solar panel system, with the aim of increasing the delivery of clean energy to the asset, improving operational efficiency and enhancing returns for investors.

During the Christmas period, the management team organised a Santa photo booth at the centre which was well received by customers. A gift-wrapping service was also offered during the period with all proceeds raised being donated to bushfire affected communities.

**Lynbrook Village** occupancy remained steady during the quarter at 97%. The management team have been focused on leasing the remaining vacancies at the centre, with a successful leasing campaign resulting in a new lease being agreed with a local café operator who is due to commence fitout works in Q3. This new addition to the centre will further improve the casual dining offer by offering a unique Middle Eastern inspired menu. A lease renewal with the optician was also signed during the quarter, whilst the bakery completed their refurbishment as part of a lease renewal negotiated earlier in the year. Their new store has been completed to a high specification and has been well received by customers.

Coles continues to perform strongly, recording MAT growth of 4.7%, consistently tracking above their national store benchmarks.

In December, the centre hosted a Christmas market for the local community. The market consisted of 30 stalls offering hand crafted items, street food and children's entertainment such as face painting. The event was a big success and raised funds in support of our elected charity, The Little Blue Dinosaur Foundation.

Occupancy at **Noosa Village** remained stable over the quarter at 97%. A lease renewal was negotiated with Australia Post who exercised their lease option for a further five-year term. Australia Post provides an important service offer and traffic driver for the centre and retaining them as a tenant is in-line with our strategy to focus on non-discretionary retail uses. The management team are proactively working on securing a new café operator for the centre to further improve the food catering offer for customers.

Sales performance at Noosa Village over the quarter was strong. Total centre MAT increased by 6.1% during December with the centre benefitting from Christmas trade and the influx in tourism over this period.

The management team are continuing work on the potential expansion of the Woolworths store having previously obtained development approval from the local Council.

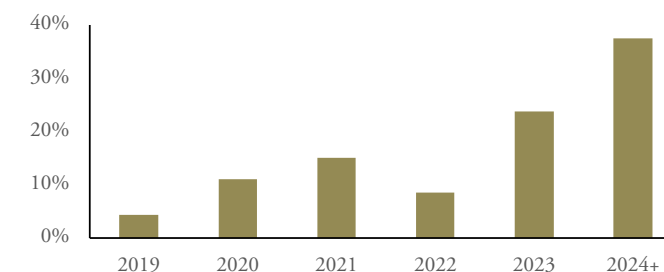
**Lake Innes** maintained 100% occupancy following a lease renewal successfully negotiated with the existing café operator. The performance of Coles continues to drive the overall growth of the asset, with the store recording consistent sales increases over the quarter and continuously outperforming national store benchmarks.

The key highlight during the quarter was the completion of the placemaking works at the front of the centre. The centerpiece of the project is a new sushi kiosk with outdoor seating, creating income from a previously under-utilised space. The works also create better access and connectivity with the neighbouring university campus which is expected to drive additional foot traffic to the centre.

#### Capital management

The Fund announced a distribution of \$0.0184 per unit representing an annualised distribution yield of 4.5%.

### WEIGHTED AVERAGE LEASE EXPIRY (BY GROSS INCOME)



### TOP TENANTS (BY GROSS INCOME)

Coles Group Limited	19%
Study Group	15%
Fitness First	6%
Woolworths Group	4%
Aldi Group	4%

All data as at 31 December 2019 unless stated otherwise.

## FUND II

### PORTFOLIO SUMMARY

	PURCHASE DATE	OCCUPANCY (%)	COST (INCL. CAPEX) (\$m)	VALUE (\$m)
Marketfair, NSW	Aug-16	99%	52.6	53.5
Northpoint, QLD	Sep-14	95%	39.5	46.5
Newtown Central, NSW	Apr-15	98%	29.1	31.3
Birkdale Fair, QLD	Mar-15	99%	28.2	30.5
Hilton Plaza, SA	Aug-16	95%	21.3*	20.4
<b>Total</b>		<b>97%</b>	<b>170.7</b>	<b>182.2</b>

\*Includes capital expenditure incurred in 2019 of \$0.9 million, not reflected in the asset value.

Note – all figures are unaudited estimates, as at quarter end.

### PORTFOLIO UPDATE

#### Fund highlights

- Distribution of \$0.0210 per unit
- Portfolio occupancy remained steady at 97%
- Leasing activity was strong across the Fund with five new leases and two tenant renewals
- Solar installation completed and switched on at Marketfair Campbelltown.

#### Asset management

Occupancy at **Marketfair** remained high at 97%. During the quarter, Bakers Delight exercised their option to renew their lease for an additional five years, testament to the strong performance of the centre.

The management team completed two projects during the quarter; the car park upgrade works and the installation of a rooftop solar system. The car park works were undertaken to improve both the efficiency and flow of the car park and have been positively received by both tenants and customers. In line with our sustainability strategy, the rooftop solar system was installed and turned on with a view to improving the carbon footprint of the asset and optimising returns for investors.

**Northpoint** continues to be a key focus for the management team with occupancy improving to 95% during the quarter, following a targeted leasing campaign. Two new leases were signed with Indian and Mexican food operators who are both taking space in the 'Food Lane' precinct. This leasing success is a positive result for the centre and will further diversify the tenancy mix to continue to attract customers in Toowoomba which has been affected by both drought and the bushfires.

The Toowoomba Bypass was recently delivered by the Department of Transport and Main Roads and will play a key role in accelerating growth to the area by providing a direct connection to Brisbane. The bypass has improved accessibility to the centre and is expected to enhance liveability for residents.

In order to promote a sense of community, the centre recently held a 'Spring Festival' showcasing local producers from the area and providing children's entertainment. The event was positively received by customers and reinforced Northpoint's position as the convenience shopping centre of choice for local customers.

Occupancy at **Newtown Central** improved to 98% during the quarter. This was as a result of a new lease being agreed with a bubble tea operator that was attracted to the centre following the external upgrade works. This project is now largely complete with new exterior awnings installed during the quarter.

Foodworks, the major tenant at the centre, completed an upgrade of their tenancy during the period to introduce their latest store concept. This upgrade complements the external ambience upgrade recently undertaken and is anticipated to be popular with customers and drive additional sales for the retailer.

As part of the Fund's commitment to reducing its environmental footprint and investing in sustainability performance, lighting and air conditioning upgrades were completed at the centre to improve overall energy efficiency as part of a project being rolled out across the wider portfolio.

At **Birkdale Fair**, occupancy increased to 97%, with one new lease and two renewals executed over the quarter. The new lease was agreed with a local café operator, whilst the renewals were negotiated with the existing newsagent and greengrocer, both important non-discretionary uses to retain for a balanced tenancy mix at the centre.

The management team lodged a Development Application with local Council over the quarter to develop a gym and a pad site at the asset. Negotiations have already begun with potential operators and updates will be provided to investors as the project progresses in the coming months.

Woolworths reported a consistently strong sales performance for the quarter after the recent refurbishment and investment into their store with MAT increasing by 9% in December.

**Hilton Plaza** maintained 95% occupancy during the quarter with one new lease agreed to replace the existing café with a highly regarded local operator. The operator has a good reputation in the Adelaide market and will improve the quality of the offer at the centre.

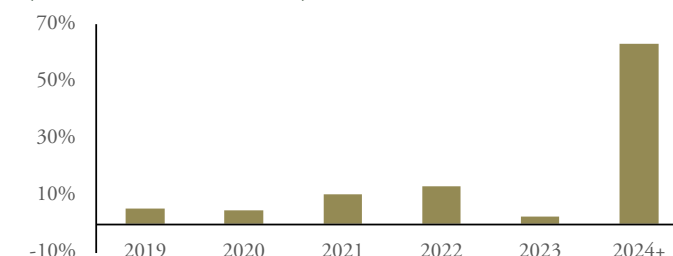
Following the closure of another Woolworths store in the trade area, Woolworths has continued to record strong sales performance over the quarter. The retailer reported 12.5% MAT growth for December and has now reached their turnover rent threshold, which will deliver additional income growth for investors. Specialty sales are also up 9% for the month of December reflecting the significant increase in foot traffic which is up 23% compared to the same period the year prior.

Local Council has outlined plans to upgrade the streetscape of Bagot Avenue where the centre is located. These works will improve the centre entrance and egress onto Bagot Avenue and will include essential repair works, the introduction of a turning lane, the relocation of pedestrian crossings for improved accessibility, as well as new landscaping. The works are due to commence in early 2020 and will add greater convenience for customers once complete.

#### Capital management

During the period, the Fund announced a distribution of \$0.0210 per unit, representing a 5.3% annualised yield.

### WEIGHTED AVERAGE LEASE EXPIRY (BY GROSS INCOME)



### TOP TENANTS (BY GROSS INCOME)

Woolworths Group	20%
Coles Group Limited	10%
Fitness First	6%
TK Maxx	5%
Foodworks	4%

All data as at 31 December 2019 unless stated otherwise.



## FUND III

### PORTFOLIO SUMMARY

	PURCHASE DATE	OCCUPANCY (%)	COST (INCL. CAPEX) (\$m)	VALUE (\$m)
Toormina Gardens, Coffs Harbour, NSW	Aug-16	98%	90.9	87.5
241 O’Riordan Street, Mascot, NSW	Sep-14	99%	145.0	152.3
<b>Total</b>		<b>99%</b>	<b>235.9</b>	<b>239.8</b>

Note – all figures are unaudited estimates, as at quarter end.

### PORTFOLIO UPDATE

#### Fund highlights

- Distribution of \$0.0190 per unit
- Portfolio occupancy increased 99%
- Four leases were executed during the quarter

#### Asset management

At **Toormina Gardens** occupancy remained stable at 99% during the period. Two lease renewals were agreed with the optometrist and noodle operator, with both retailers committing to undertake refurbishments as part of their renewals. The new newsagent, phone accessory kiosk and butcher opened during the quarter with initial sales performance being positive. The butcher is a prominent figure in the local community with a diverse offer of fresh produce and prepared hot food which is likely to underpin their sales performance.

The management team remain focused on executing the centre repositioning strategy including expanding the fresh food and service offer to meet customer demand and add further value for investors.

**241 O’Riordan Street** increased occupancy by 2.5% during the quarter to 99%. Two new leases were negotiated during the period; with an existing tenant who relocated to a larger suite in the building and with a new tenant specialising in the import and export business who chose the building because of its proximity to key infrastructure in Sydney.

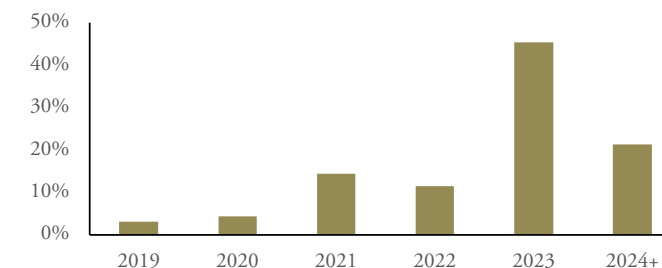
As part of the ongoing sustainability upgrades, new low flow toilets were installed throughout the building in December and are already delivering a reduction in water consumption. This aligns with our commitment to reducing the Fund’s environmental footprint, achieving greater operational efficiency, and driving returns for investors.

Management continue to work collaboratively with RMS and Austrack on the adjacent road and rail upgrades, and recently held an information session for tenants with presenters from both agencies providing an update on progress and timing. Once complete, the projects are anticipated to improve accessibility and traffic flow around the building, which will be important for attracting and retaining tenants.

#### Capital management

During the period, the Fund announced a distribution of \$0.0190 per unit, representing a 5.0% annualised yield.

### WEIGHTED AVERAGE LEASE EXPIRY (BY GROSS INCOME)



### TOP TENANTS (BY GROSS INCOME)

NSW Government	24%
AbbVie	10%
Woolworths Group	7%
Landis & Gyr	6%
Coles Group Limited	6%



All data as at 31 December 2019 unless stated otherwise.

## FUND IV

### PORTFOLIO SUMMARY

	PURCHASE DATE	OCCUPANCY (%)	COST (INCL. CAPEX)* (\$m)	VALUE (\$m)
Keilor Central, VIC	Dec-18	99%	121.2	119.5
<b>Total</b>		<b>99%</b>	<b>121.2</b>	<b>119.5</b>

\*Includes acquisition costs and stamp duty.

Note – all figures are unaudited estimates, as at quarter end.

### PORTFOLIO UPDATE

#### Fund highlights

- ▶ Distributions of \$0.0160 per unit
- ▶ Portfolio occupancy remained high at 99%
- ▶ Asset repositioning and energy efficiency strategies progressing.

#### Asset Management

Occupancy at **Keilor Central** remained high at 99% following a very active leasing period with three renewals and a new lease agreed during the quarter. Lease renewals were agreed with the massage operator, the jewellery store, and the delicatessen. The deli is popular within the local community and commands a loyal customer base, as well as contributing to the diversity of the fresh food offer at the centre. The new fish operator opened for trade over the period adding further variety to the fresh food tenancy mix. A new lease was agreed with a national services provider which will replace an underperforming apparel tenant, in-line with the asset repositioning strategy to reduce exposure to discretionary retail uses.

Furthermore, a 19% rental increase was achieved which will contribute to enhancing returns for investors.

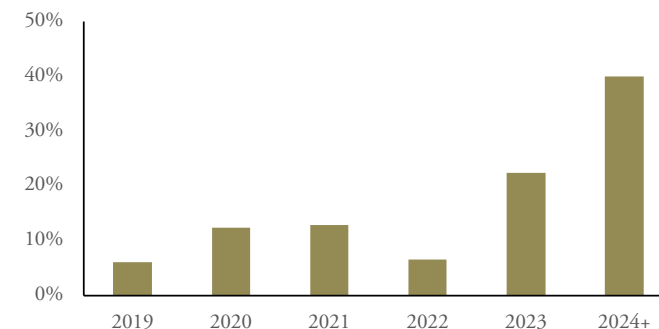
Sales performance at the centre continued to be strong, with overall centre MAT increasing by 3.7% in December. This was primarily driven by positive sales increases across most retail categories including fresh food, food catering and retail services reinforcing our strategy to focus on non-discretionary retailing.

The management team have commenced works to install an embedded network at the asset which will deliver competitive energy rates for tenants and cost savings for investors. Once complete, this will enable the installation of a solar system which will provide additional operational cost savings. Management will provide additional updates on the projects as they progress.

#### Capital management

During the period, the Fund announced a distribution of \$0.0160 per unit representing a 4.2% annualised yield.

### WEIGHTED AVERAGE LEASE EXPIRY (BY GROSS INCOME)



### TOP TENANTS (BY GROSS INCOME)

Kmart	15%
Coles Group Limited	15%
Aldi Group	6%
Quality Pharmacy	5%
The Reject Shop	3%

All data as at 31 December 2019 unless stated otherwise.



KEILOR CENTRAL SHOPPING CENTRE – FUND IV



## COMMUNITY INITIATIVES

### BUSH FIRE APPEAL SUMMARY

In response to the devastating bushfires across Australia, management launched a nationwide fundraising appeal in our centres in conjunction with The Salvation Army and Bendigo Bank. This was rolled out in time for Christmas to encourage customers to donate and help make bushfire affected victims' Christmas that bit brighter. Just over \$12,000 was raised in the first month alone and the campaign will continue to run for the entirety of the bushfire season.

Fortunately, none of the FSREC assets have been directly impacted by the bushfires, but our team stand in support of communities around the country who are suffering, with funds raised in each state going directly to local based services. For example, one family in the Greater Noosa area near Noosa Village, was sponsored during Christmas through the Salvation Army with gifts and a food hamper provided.

Plans are currently underway to roll-out a wildlife support campaign in February 2020.

### LITTLE BLUE DINOSAUR FOUNDATION

Management have been working with the Little Blue Dinosaur Foundation since 2017 at a number of our centres to promote road and car park safety for children. This local not-for-profit organisation provides education, research and support programs nationwide to improve road safety for children. Initiatives we have run in the past quarter included raising funds at our Christmas markets at Lynbrook and installing posters during the school holidays at Windsor to highlight the importance of road and car park safety. Not only is this a worthy cause which we are proud to support, it is very relevant to our many customers who bring the whole family to our centres and use our car parks daily.



KEILOR CENTRAL SHOPPING CENTRE – FUND IV



LAKE INNES SHOPPING CENTRE – FUND I



## ABOUT FORT STREET REAL ESTATE CAPITAL

Fort Street Real Estate Capital is an experienced specialist in property investment and asset management, with the ability to draw upon extensive networks to help access opportunities, as well as manage and reposition assets. The Fort Street Real Estate Capital executives have more than 50 years' combined experience in real estate. Their extensive knowledge in this sector has assisted them to transact more than \$2 billion of commercial property in recent years.

Fort Street Real Estate Capital targets real estate opportunities with strong underlying rental income and the potential for long-term capital growth through value-add opportunities or repositioning potential.

## ABOUT WALSH & COMPANY

Walsh & Company, part of the Evans Dixon Group, is a multibillion-dollar global funds management firm founded in 2007, with assets under management across global equities, residential and commercial property, private equity, fixed income, and sustainable and social investments. It provides access to unique investment strategies not readily accessible to investors and focuses on building high-quality, diversified portfolios.

## IMPORTANT INFORMATION

This report has been prepared by Fort Street Real Estate Capital Pty Limited (ACN 164 101 731) (Investment Manager), a corporate authorised representative (CAR No. 440307) of Walsh & Company Asset Management Pty Limited (ACN 159 902 708, AFSL 450 257), and investment manager of Fort Street Real Estate Capital Fund I (ARSN 163 688 346) (Fund I), Fort Street Real Estate Capital Fund II (ARSN 169 190 498) (Fund II), Fort Street Real Estate Capital Fund III (ARSN 605 335 957) (Fund III) and Fort Street Real Estate Capital Fund IV (ARSN 623 196 298) (Fund IV), together referred to as either 'Funds' or 'FSREC Fund Series'.

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For further information on the FSREC Fund Series, please visit [fsrec.com.au](http://fsrec.com.au).



NEWTOWN CENTRAL – FUND II

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