

Property Fund update

March 2024



Fund update

- > Your investment is well positioned, stable and we are pleased to announce that monthly income distributions will be revised to **7.00% p.a.** from March 2024.
- > The 9% promotion closed to new investment on 29th February 2024, and the Key Capital Board & Senior Management are very pleased with the level of new investors who joined the Fund. The promotion has been a success and was instrumental in purchasing – The Butter Factory Shopping Centre, located in Shepparton.
- > Management completed 3 significant leasing projects over the last quarter of 2023, with the renewal of Commonwealth of Australia at Kings Meadows, new tenant – Make-up & Hairstyling at Kings Meadows, and the 10 year renewal and renovation of Dan Murphy's Shepparton.
- > Monthly foot traffic across the 3 retail sites is increasing year on year, and the Dan Murphy's Bellerive reported a record \$2,116,746 ex GST in sales for the December period. Since the refurbishment and renovation of Dan Murphy's Shepparton sales in December 2023 reported a record of \$2,581,972 ex GST for the trading month. As these assets have turnover rent built into the lease it is pleasing to see such strong results and further underpins the future capital growth.
- > Quarterly liquidity in the Fund remains in place, and we anticipate a new capital raising as we continue to grow the portfolio in 2024.
- > Management are in discussions to acquire a sub-regional shopping centre located in Victoria. The centre is a landmark property and is a great opportunity for the fund to support earnings growth into the medium and long term. The purchase is not final and is subject to many conditions. Management will advise updates regarding this opportunity.
- > Valuations in the industry at late have been a burning topic among property owners and investors. Management wish to confirm valuations for all three properties have been independently valued.
- > Many of our long term Key Capital investors are excited about the prospects of investing while the property yields are more attractive – 6% to 9%, and it is definitely a buyers market in the commercial property space in Australia in 2024.
- > Fund gearing remains in the range 40% to 55% range.
- > Key Capital directors George, Stephen and James celebrated a 10 year working together milestone in December 2023.

Key features

3

Total properties

15

Total Tenants

100%

Occupancy

Total Return

31 December 2023†

6.4%

1 year

30.9%

3 year

15.3%

5 year

* The fund will offer up to 2.5% of the net assets of the fund per quarter capped at 10% p.a.

† Source: Morningstar Inc.

Front page: Dan Murphy's, Bellerive

Properties

1.

10 Percy Street, Bellerive

Sector: Retail

Tenants:

- > Dan Murphy's
- > Fernwood

Occupancy: 100% leased



Far right: Photo is for illustration purposes.

2.

139–143 Hobart Road, Kings Meadows

Sector: Medical/Retail

Tenants:

- > Department of Premier & Cabinet (Tasmania Government)
- > Commonwealth Government of Australia
- > F45
- > Liv Eat
- > National Hearing Care
- > Eyelines
- > Makeup / Beauty bar

Occupancy: 100% leased



3.

440–452 Wyndham Street, Shepparton

Sector: Retail

Tenants:

- > Dan Murphy's
- > The Butter Factory Café
- > The Meat Factory
- > Kahma Gym
- > Active Spine Centre
- > Interact Australia

Occupancy: 100% leased



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