

LONG WALE PROPERTY TRUST NO.2

INVESTMENT SYNOPSIS
MAY 2021

EG



FORECAST IRR
11.25% P.A.



INITIAL FORECAST DISTRIBUTION
6.90% P.A. PAID QUARTERLY



GEOGRAPHIC
DIVERSIFICATION

1. OPPORTUNITY OVERVIEW

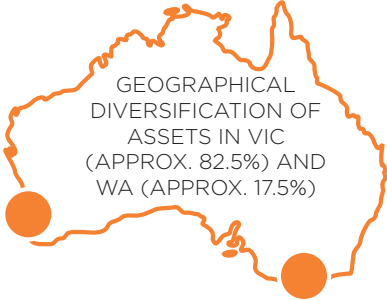


EG Long WALE Property Trust No. 2 provides investors the opportunity to acquire two (2) Long WALE industrial assets with strong income distributions and potential for further upside on exit.

EG has successfully negotiated (off-market) lease extensions on both assets to strong covenants, adding value to the assets prior to exchange, mitigating any short-term leasing risks at an attractive acquisition price to allow for strong risk-adjusted returns in the long term.

The proposed syndicate provides for the acquisition of the following two assets:

- Bibra Lake, Western Australia
- Oakleigh South, Victoria

2. KEY HIGHLIGHTS

<p>\$30.4m COMBINED ACQUISITION PRICE</p>	 <p>GEOGRAPHICAL DIVERSIFICATION OF ASSETS IN VIC (APPROX. 82.5%) AND WA (APPROX. 17.5%)</p>
<p>6.90% P.A. FIRST YEAR DISTRIBUTION FORECAST PAID QUARTERLY</p>	<p>11.25% P.A. FIVE-YEAR FORECAST IRR</p>
 <p>DEPRECIATION BENEFITS ON BOTH ASSETS</p>	<p>EG HAS PRE-NEGOTIATED LONG LEASING COMMITMENTS (THROUGH AN EXTENSION AND A LEASEBACK) WITH EACH TENANT OUTSIDE OF THE SALE PROCESS TO SECURE LONG TERM STABLE INCOME RETURNS AVERAGING 7.0% P.A.</p>
<p>MULTIPLE EXIT STRATEGIES FOR BOTH ASSETS, WITH THE OPPORTUNITY FOR GREATER VALUE-ADDED RETURNS UPON EXIT</p>	 <p>MINIMUM INVESTMENT OF \$250,000 FOR INVESTORS WHO QUALIFY AS WHOLESALE INVESTORS</p>

BIBRA LAKE, WA



\$5.3 million

PRICE

5,274sqm (\$1,004/sqm)

LAND AREA

2,639sqm (\$2,008/sqm)

NLA

35 on-grade car spaces

CAR BAYS

\$290,290 per annum

NET PASSING INCOME

3.0% p.a.

RENT REVIEWS

5.48% p.a.

NET PASSING YIELD

**12 months gross rental
bank guarantee**

BANK GUARANTEE

10 years

WALE (BY INCOME)

Mixed Business

ZONING

OAKLEIGH SOUTH, VIC



\$25.1 million

PRICE

16,773sqm (\$1,496/sqm)

LAND AREA

13,042sqm (\$1,925/sqm)

NLA

48 on-grade car spaces

CAR BAYS

\$1,300,000 in the commencing year

NET PASSING INCOME

3.5% p.a.

RENT REVIEWS

5.18% p.a.

NET PASSING YIELD

**12 months gross rental
bank guarantee**

BANK GUARANTEE

10 years

WALE (BY INCOME)

Mixed Business

ZONING

4. INVESTMENT HIGHLIGHTS

EG considers the investment to be a compelling opportunity for the following reasons:

BIBRA LAKE

- Acquisition in the early stages of a market revival post-COVID. The Perth industrial market has experienced a prolonged period of negative sentiment and growth and has a positive medium-term outlook primarily driven by increased mining activity.
- EG has pre-negotiated long leasing commitments (through a lease extension) with the tenant outside of the sale process to secure long term, stable income returns.
- Fixed rental growth to provide stabilised and secure growth in distributions.
- Generous depreciation benefits as a result of modern improvements.

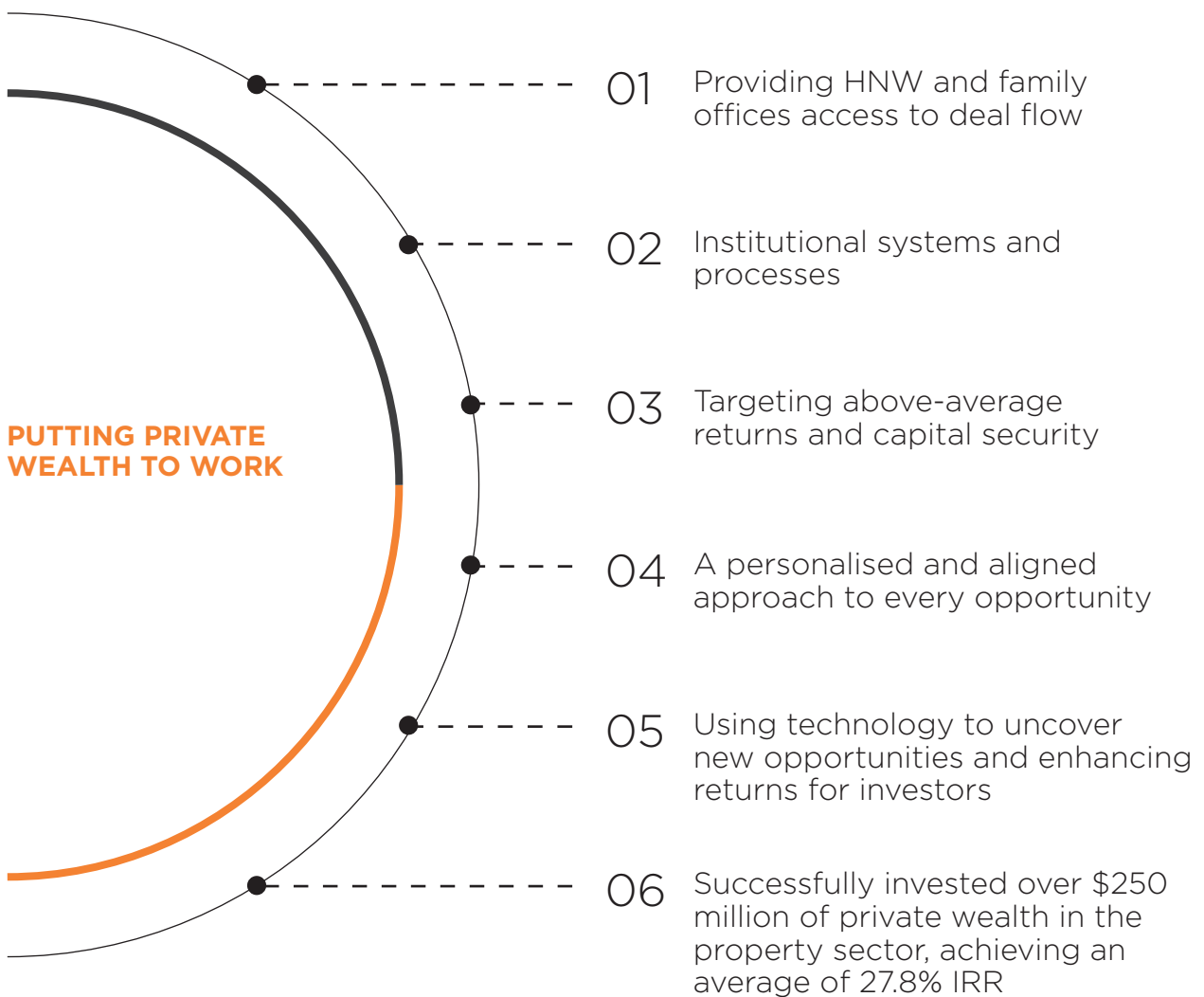
OAKLEIGH SOUTH

- EG has pre-negotiated a long-term sale and leaseback to a strong national tenant, providing secure long term, stable income returns
- Acquisition of a quality asset with a large landholding in a strong infill industrial location at an attractive yield (above core market yields seen in comparable industrial locations). The demand for industrial accommodation in strong infill locations in Melbourne has lagged beyond the key traditional industrial precincts.
- Continued investment from the landowner in the property, including the construction of a covered breezeway and some upgrades to the hardscape / carparking.
- Multiple exit strategies, with the opportunity to relet the buildings individually or potential for longer-term redevelopment of the site, providing greater value-add returns upon exit.

6. PUTTING PRIVATE WEALTH TO WORK

EG takes a personalised and aligned approach to every opportunity.

EG offers to grow the wealth of our private investors with a proven track record of above-average returns through commercial property syndication opportunities. Over the last two decades, EG's experienced team has successfully executed asset strategies to deliver tremendous value appreciation with a personalised and aligned approach.



A BETTER PATH TO BETTER RETURNS.

EG is a disciplined, data-driven investment manager and developer with over \$4.3 billion in assets under management.

We are committed to investing in property technology, keeping Australian super funds and institutional investors ahead in both rising and falling markets.

Our success is underpinned by B.I.G. Thinking™. It's our unfair advantage. We uncover what's truly best for both communities and investors.

We build in good, so you can build in growth.



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