




\$229m
Total portfolio value


99%
Total portfolio occupancy


42%
Loan-to-value ratio
(Debt/Property value)


5.2 yrs
Weighted Average Lease Term (WALT)

^Actual gross cash return for the month ending 31 December 2023 (annualised gross distribution in cents per unit expressed as a percentage of the board approved unit price at the end of the quarter). Other metrics are stated as at 31 December 2023.

OVERVIEW

The Fund delivered a monthly gross distribution return of 4.50 cents per unit (cpu) per annum for the quarter ending 31 December 2023. The impact of the unprecedented rise in interest rates continues to suppress the Fund's distributable income, providing headwinds for increasing short-term distribution returns.

Core portfolio metrics of the Fund remain strong, with occupancy remaining above 99%, and WALT at 5.2 years. In addition, the Christmas period saw excellent activity at Bethlehem Town Centre (the Centre), with the Fund pleased to report that December 2023 delivered the highest sales month for the Centre since the Fund took ownership. An impressive result, given the financial pressures New Zealanders have been facing during this stage of the economic cycle.

NOTABLE ACTIVITY

Portfolio Improvement – Tenancy upgrades were completed at Bethlehem Town Centre, including an upgrade for Immerse Beauty as part of a new 6-year lease, as well as Unichem Pharmacy.

Bethlehem Town Centre Masterplan – The Fund remains focussed on improving the offering of the Centre to improve customer experience, ultimately aiming to drive growth in foot traffic and sales at the Centre. Major initiatives in progress include:

- Delivery of an all-day eatery offering with a national hospitality operator, increasing rental income. The eatery expects to open in the middle of 2024; and
- Progressing feasibility to increase net lettable area through development of bare land at the site.

OUTLOOK

The Fund may see further valuation pressures on its property portfolio as it carries out annual valuations over the next quarter. However, we believe we are at or around the bottom of the economic cycle, with economic commentators indicating that we'll see interest rates dropping in late 2024/early 2025, providing the potential for increasing distribution levels and property values over time.

While the Fund's LVR may move to the higher end of our target range in the near-term, we continue to actively manage the Fund's borrowings in preparation for the next stage in the property cycle.

The Fund has been given indication that Euro Corporation at the Vickery Street Property is looking to consolidate their operations and move to a purpose-built facility. It is expected that this will take some time, and an extension on their current lease term into 2025 is likely, leaving substantial time for the Fund to contract a replacement tenant.

FUND STRATEGY

To invest and grow a portfolio of strategically selected direct and indirectly held commercial property assets across New Zealand, which provide building, tenant, geographic and sector diversification.

GOAL

To provide ease of access to commercial property investment for more New Zealanders, so they can enjoy the benefits of regular and sustainable income with the potential for capital growth over time.

FINANCIAL SNAPSHOT

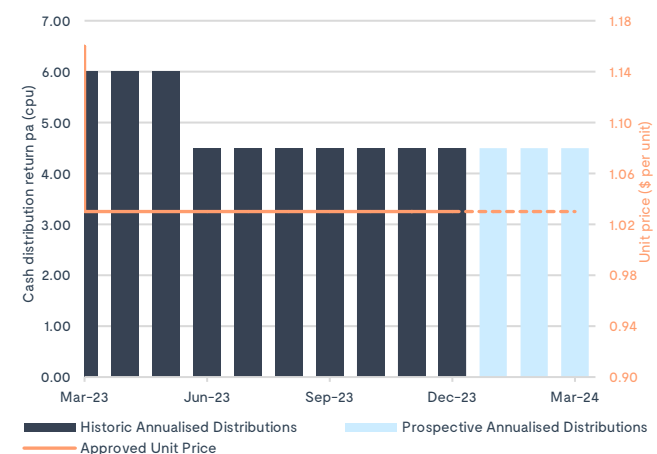
Fund unit value
(last updated as at 31 March 2023) **\$1.03**

Cash distribution
Oct – Dec 2023 (annualised) **4.50 cpu**

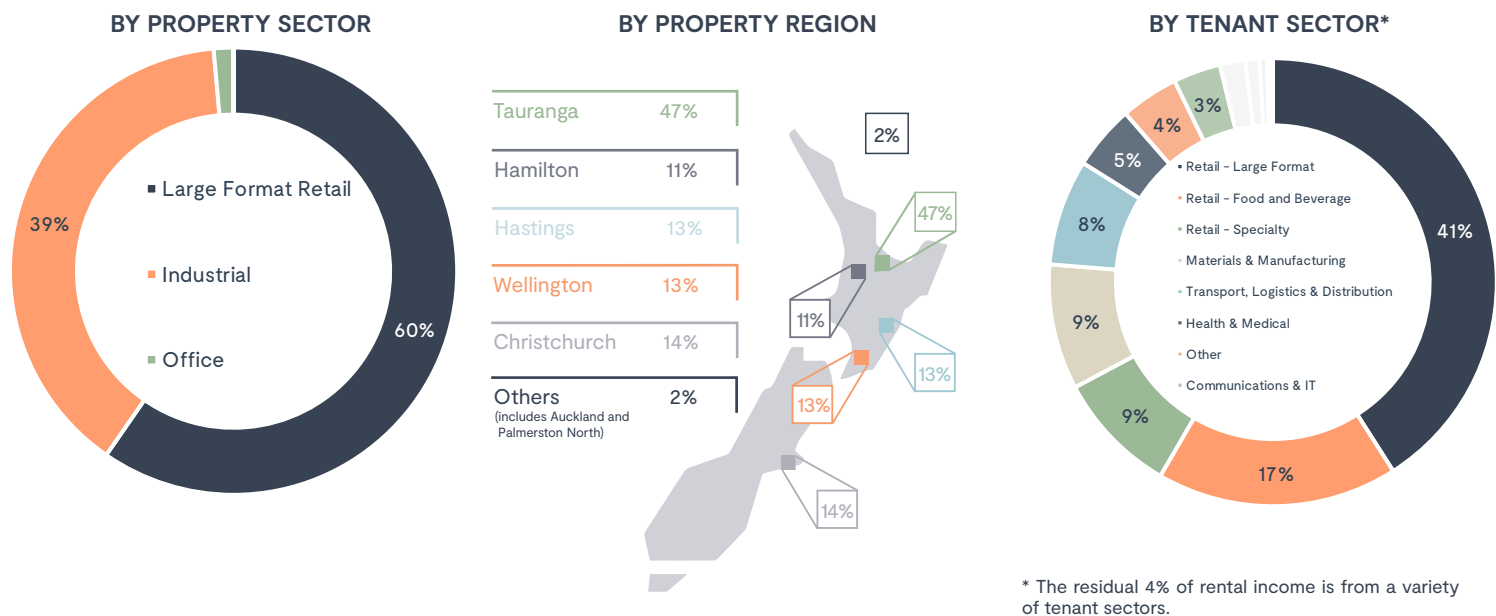
Forecast cash distribution
Jan – Mar 2024 (annualised) **4.50 cpu**

Forecast monthly cash
distribution per 100,000 units **\$375.00**

GROSS CASH RETURN AND UNIT PRICE



PORTFOLIO RENTAL INCOME DIVERSIFICATION



PORTFOLIO OVERVIEW AS AT 31 DECEMBER 2023

Property	Valuation	Occupancy [^]	Tenants	Anchor Tenant / Investee	Lease Expiry
Bethlehem Town Centre, Tauranga	\$98,500,000	99% [^]	57	Countdown/Woolworths	Aug-2035
Sharpe Road Property, Hamilton	\$30,500,000	100%	1	Torpedo7	Mar-2026
Heretaunga Street West Property, Hastings	\$25,430,000	100%	2	Farmers	Jul-2032
Cumnor Terrace Property, Christchurch	\$23,100,000	100%	1	Service Foods	Nov-2032
Jamaica Drive Property, Wellington	\$18,550,000	100%	3	Coca-Cola Europacific Partners	Dec-2026
Gough Street Property, Wellington	\$11,050,000	100%	1	HJ Asmuss & Co	Dec-2029
Vickers Road Property, Christchurch	\$10,500,000	100%	1	Euro Corporation	Aug-2024
Total Property Portfolio	\$217,630,000	99%	66		
Total Investment Portfolio	\$11,440,000	99%	86	(Pacific Property Fund Limited)	N/A
Overall Portfolio	\$229,070,000	99%[^]	152	(including look-through)	

[^] Rounded down to nearest whole number, based on contractual leasing arrangements signed at 31 December 2023.

Save the date
Outlook 2024

Christchurch
6 March 2024

Wellington
7 March 2024

Auckland
12 March 2024

Tauranga
13 March 2024

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