



**\$412m**  
Total portfolio value

**99%**  
Portfolio occupancy

**37%**  
Loan-to-value ratio (Debt/Property value)

**22**  
Properties

**58**  
Tenants

**6.7 yrs**  
Weighted Average Lease Term (WALT)

<sup>^</sup>Actual gross cash return for the month ending 31 December 2023 (annualised gross distribution in cents per share expressed as a percentage of the board approved share price at the end of the quarter). Other metrics are stated as at 31 December 2023, excluding any investments in other funds.

## OVERVIEW

The Fund delivered a monthly gross distribution return of 5.75 cents per share (cps) per annum for the quarter ending 31 December 2023.

During the quarter, the Fund's borrowing cost has continued to rise materially as interest rate hedges (fixed interest rates) have steadily expired. As a result, the Fund's distribution rate was reduced to 5.00 cps per annum, effective 1 January 2024. On the board approved share price, this corresponds to a yield of 4.55% per annum. This updated distribution level is believed to be sustainable in the current high interest rate environment.

With significant leasing activity occurring during the quarter, key portfolio metrics are very favourable in support of resilient income – with occupancy now above 99%, and WALT lifting to 6.7 years.

## NOTABLE ACTIVITY

**El Prado Drive Property:** We are delighted that the entire property is now subject to a 10-year lease with national logistics operator PTS. With income from the property due to rise above Ezibuy's previous rental rate later in 2024, this lease is also expected to materially increase the value of the property.

**Strong leasing outcomes:** A 10-year lease to White Fox & Jones at the Gloucester Street Property was signed during the quarter, expected to commence November 2024 in the current Anderson Lloyd tenancy. An eight-year lease to Opzeeland at the Link Drive Property has also been signed, reducing vacancy.

**Transactions:** The Fund strategically sold the Dominion Road Property for \$18.5m during the quarter, above current market valuation. The property had material forward capital expenditure expectations, and no longer met the Fund's core focus areas in a market where tenant expectations of quality are growing. Proceeds from the sale have been used to reduce the Fund's level of borrowings.

## OUTLOOK

Given where we believe we are in the interest rate and property valuation cycle, we may see some further moderation in property values on revaluation in March 2024. However, the positive impact of leasing at the El Prado Drive property will offset some of this expected moderation.

Looking through the short-term environment, we believe it is a matter of time until interest rates begin reducing and the economic cycle turns. Taking a long-term view of property valuations, we remain focussed on ensuring the Fund continues to be in a position to acquire well-located properties, at what is currently good value, to ultimately support distribution levels and growth in share value over time.

## FUND STRATEGY

To target sound and well-located industrial, office, and retail properties across major metropolitan and regional centres of New Zealand, that offer sustainable returns.

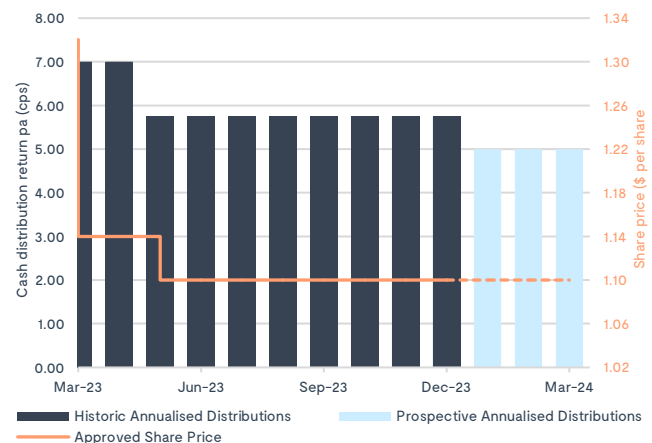
## GOAL

To develop a resilient, diversified portfolio of quality industrial, office and retail properties across New Zealand with the robustness of scale that can deliver sustainable cash distribution returns and growth in value over time.

## FINANCIAL SNAPSHOT

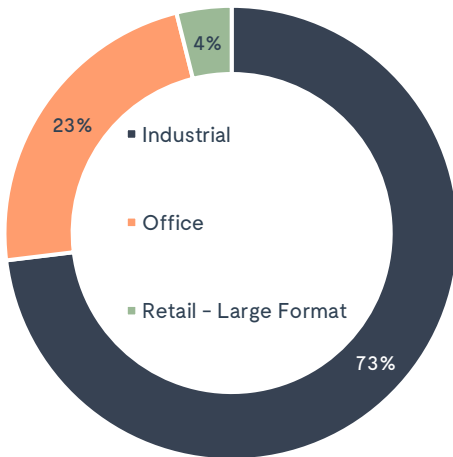
Fund share value (effective May 2023)	<b>\$1.10</b>
Cash distribution Oct - Dec 2023 (annualised)	<b>5.75 cps</b>
Forecast cash distribution Jan - Mar 2024 (annualised)	<b>5.00 cps</b>
Forecast monthly cash distribution per 100,000 shares	<b>\$416.67</b>

## GROSS CASH RETURN AND SHARE PRICE



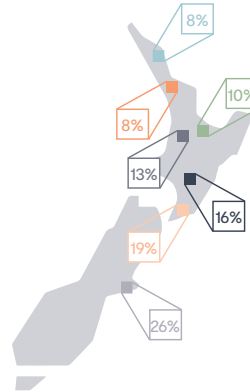
## PORTFOLIO RENTAL INCOME DIVERSIFICATION

### BY PROPERTY SECTOR

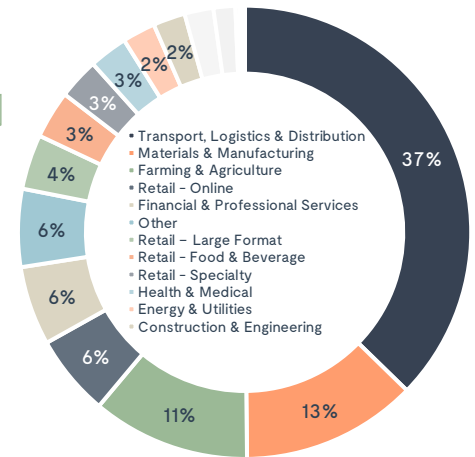


### BY PROPERTY REGION

Whangārei	8%
Auckland	8%
Hamilton	13%
Tauranga	10%
Palmerston North	16%
Wellington	19%
Christchurch	26%



### BY TENANT SECTOR\*



\* The residual 4% of rental income from tenants is from a variety of tenant sectors.

## PORTFOLIO OVERVIEW AS AT 31 DECEMBER 2023

Property	Valuation	Occupancy	Tenants	Anchor Tenants	Lease Expiry
Victoria Street Property, Christchurch	\$53,450,000	100%	9	Nexia	Mar-2029
Seaview Road Property, Wellington	\$40,000,000	97%	6	KiwiRail	Jul-2030
Link Drive Property, Christchurch	\$31,500,000	100%	4	Opzeeland	Nov-2031
El Prado Drive Property, Palmerston North	\$28,350,000	100%	2*	PTS Logistics	Dec-2033
Hutt Park Road Property, Wellington	\$24,500,000	100%	3	880 Productions	Jun-2026
Gloucester Street Property, Christchurch	\$23,750,000	100%	4	Mediterranean Shipping Company (MSC)	Apr-2026
901 Arthur Porter Drive Property, Hamilton	\$21,650,000	100%	1	Normans Transport	Oct-2031
Vickery Street Property, Hamilton	\$21,600,000	100%	1	Alto Packaging	Feb-2036
Ruffell Road Property, Hamilton	\$19,500,000 <sup>†</sup>	100%	1	Keith Andrews Trucks	Aug-2037
Truman Lane Property, Tauranga	\$17,775,000	100%	1	Evergreen Garden Care NZ (Tui)	Apr-2034
Other properties combined (12)	\$130,150,000	99%	26	Various (largest is Keith Andrews Trucks)	Various
<b>TOTAL</b>	<b>\$412,225,000</b>	<b>99%<sup>‡</sup></b>	<b>58</b>		

Information excludes investments in other funds. The Fund currently holds \$2.9 million of units in PMG Direct Childcare Fund.

<sup>></sup> Rounded down to nearest whole number, based on contractual leasing arrangements signed at 31 December 2023.

\* Ezibuy Limited continue to lease the property at a reduced rental, ahead of PTS transitioning into the property at full rental.

<sup>†</sup> Based on the latest as-if complete valuation for the property, incorporating the value of the additional warehouse.

Save the date  
**Outlook 2024**

Christchurch  
6 March 2024

Wellington  
7 March 2024

Auckland  
12 March 2024

Tauranga  
13 March 2024

### Investor Relationships Team



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