



Investor Update

27 March 2024

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General Advice Warning:

This information is of a **general nature only** and does not take into account your objectives, financial situation or needs. Past performance is not a guarantee of future performance.

No earnings estimates are made.



Any discussion of forecast profitability, distributions, redemptions, etc. are derived from unaudited financial projections. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Responsible Entity. The Responsible Entity cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.



Agenda

- Audited Financial Statements
- Unit pricing
- Property sales
- Distributions
- Contingencies
- Q & A + Wrap up





Part 1

Audited Financial Statements

Profit & Loss



INCOME	FY23	FY22
Rental Income	\$5,667	\$10,827
FV Capital Gains	(\$5,602)	\$20,569
Realised Capital Gains	\$14,984	\$5,353
All Other Income	\$1,016	\$1,061
Total Income	\$16,065	\$37,810

Dollars in thousands



Profit & Loss

EXPENSES	FY23	FY22
Property	\$4,835	\$5,082
Finance	\$720	\$702
RE Fees	\$1,565	\$5,442
Other	\$378	\$301
Total Expenses	\$7,498	\$11,527

Dollars in thousands

Profit & Loss

BEFORE TAX	FY23	FY22
Income	\$16,065	\$37,810
Expenses	(\$7,498)	(\$11,528)
Operating Profit Before Tax	\$8,567	\$26,282

Dollars in thousands



Profit & Loss

AFTER TAX	FY23	FY22
Operating Profit Before Tax	\$8,567	\$26,282
Taxation	\$3,208	(\$7,716)
Operating Profit After Tax	\$11,775	\$18,566

Dollars in thousands



Balance Sheet

ASSETS	12/2023	12/2022
Property	\$11,066	\$101,423
Cash	\$25,458	\$24,644
Other	\$426	\$1,603
Total Assets	\$36,950	\$127,670

Dollars in thousands





Balance Sheet

LIABILITIES	12/2023	12/2022
Borrowings (Property)	\$5,412	\$13,451
Deferred Tax Liability	\$136	\$13,890
Distributions Payable	\$14,522	\$9,128
Other	\$1,358	\$4,552
Total Liabilities	\$21,428	\$41,021

Dollars in thousands

Balance Sheet

EQUITY	12/2023	12/2022
Unitholders' Funds	\$82,205	\$84,930
Distributions (Paid/Payable)	(\$70,939)	(\$20,396)
FCTR	\$4,257	\$22,115
Total Equity	\$15,523	\$86,650

Dollars in thousands





AUD:USD

31/12/22	0.68149
31/12/23	0.68069
MVT	-0.080¢ (0.1%)



Conclusion

- Fund is winding up
- Currency was neutral
- Remained profitable in FY23
- Took a hit with the reval of Westlake
- Impact on periodic statements



Part 2

Understanding Unit Pricing (& Accounting Anomalies)

Unit Prices

Issue Price

- NTA / Issued Units
- Fair market value used in NTA
- Excludes sales costs




Unit Prices


Redemption Price


- $(\text{NTA} - \text{Transaction Costs}) / \text{Issued Units}$
- Fair market value used in NTA
- Estimated sales costs deducted



Month	Unit Issue Price	Unit Redemption Price
January 2024	\$0.2187	\$0.2076
December 2023	\$0.2133	\$0.2018
November 2023	\$0.4540	\$0.4405
October 2023	\$0.4909	\$0.4706
September 2023	\$0.8013	\$0.7440
August 2023	\$0.8592	\$0.8121
July 2023	\$0.8313	\$0.7857
June 2023	\$1.0354	\$0.9895
May 2023	\$1.4064	\$1.3448
April 2023	\$1.4196	\$1.3464
March 2023	\$1.3601	\$1.2773
February 2023	\$1.3599	\$1.2887
January 2023	\$1.2940	\$1.2228








Part 3

Latest Property Sales Info



Westlake

12/15 PP	\$7.2m
12/21 FMV	\$8.64m
12/22 FMV	\$10.50m
12/23 FMV	\$7.55m
03/24 SP	\$8.40m

Conditional
17 April 24



Part 4 Forecast Distributions

Disclaimer

Payments depend on:

- Westlake selling
- FX
- Actual Expenses
- Contingencies



Distributions

Declared	Paid	RP = 21.05¢
Apr 24	May 24	Target 10¢
Jun 24	Jun 24	Final Distn



SOGIF Reinvestment

- DRAF election via the Investor Portal
- Can participate even if SOGIF is otherwise closed



Part 5 Contingencies



IRS (2020)



Paid tax



Paid tax



Paid tax

Lodge
Return
(1042)



What happens

- IRS issues refund check \$2.95m
(bank in solicitor trust account)
- We begin an investigation
about why we received a
refund



What happens

- We discovered the amount tax paid exceeded the amount due based on the income reported in the return
- Why? No area on the return to record capital gains income



What happens

- We seek professional advice and are told that CG income should be reported on a 8288 return
- We file an 8288 return and return money to IRS



What happens

- IRS assesses us as if we never paid the tax and imposes penalties:
 - Failure to file \$661,412
 - Failure to pay \$249,867
 - Interest \$166,312
 - Total \$1,077,592



What happens

- We write to the IRS explaining what has happened and ask for the penalties to be abated
- They say 'no'
- We are appealing



Law Suit

- Being sued for a public liability claim
- Car accident in car lot: \$80k claim, but we have \$11m insurance
- In the hands of the insurer



Law Suit

But the issue is:

- Can wind up while the court case is pending?





Part 6

Q&A

Periodic Statement


- ASIC mandated
- Six months to 31 December
(Financials are for 12 months)
- Show a slight loss due to the reval of Westlake
- Run performance report

Tax Statement

- Posted to investor portal soon
- Use the 2023 tax statement
(1/1/23 – 31/12/23) data in
your FY2024 (1/7/23 – 30/6/24)
Australian tax return

Let's Meet Up!

Brisbane	15th April
Sydney	16th April
Melbourne	17th April
Adelaide	22nd April
Perth	23rd April



**Already
approx 1/3rd
full after 1 day!**

Catch Up

- 7pm – 9pm
- Pre drinks and nibbles
- Market Update
- Case Studies
- Risk Assessment



How To Book

<https://www3.propertyinvesting.com/mu>

- Choose your event
- Choose number of seats
- Pay your seat deposit
- **Just be quick!**

