

# Trilogy Industrial Property Trust



Investment report: February 2024

APIR: TGY1928AU

Monthly distribution, annualised<sup>1,3</sup>

**8.00 CPU, PA**

Current yield, annualised<sup>2</sup>

**7.10 % PA**

<sup>1</sup> February 2024 monthly distribution, annualised. Distributions are variable.

<sup>2</sup> February 2024 monthly distribution yield, annualised. Based on 1 February 2024 unit price. Distributions are variable.

<sup>3</sup> Past performance is not a reliable indicator of future performance.

12 month total return<sup>4,5</sup>

**7.36%**

12 month income returns<sup>4</sup>

**7.14%**

12 month growth returns<sup>4</sup>

**0.22%**

<sup>4</sup> Actual returns over the 12 months to February 2024. See footnote 6 for calculation methodology. Past performance is not a reliable indicator of future performance.

## Investment at a glance

Unit Price<sup>3</sup>: \$1.1273

Minimum initial investment: \$20,000

Minimum additional investment: \$5,000

Distribution frequency: Monthly

Automatic reinvestment: Available

Preferred method of payment:

Direct debit, BPAY. (Contact us for other options).

Withdrawal notice period:

Target offer date: Four years from most recent offer. See PDS.  
Most recent offer: March 2022.

Interim withdrawal offers:

Target offer date: Annually commencing 1 February and closing 28 February. See PDS for details.

Responsible entity management fee:

0.50% p.a. (including GST) of gross asset value. Additional fees are charged to the Trust relating to the assets. See PDS for details.

Entry & exit fees:

Nil - but other fees and costs apply, see PDS.

Risks:

All investments in unlisted property trusts carry risk. As this product invests in industrial property, it carries the market, property, and leasing risks associated with investing in property. Please refer to section 5 of the PDS before making an investment decision.



## Historical performance<sup>5</sup> (Inception May 2017)

	1 Month %	3 Month %	6 Month %	1 Year %	3 Year %PA	5 Year %PA	Since Launch %PA
Income	0.59	1.78	3.57	7.14	7.13	7.50	7.64
Growth	(0.40)	1.63	0.75	0.22	3.58	2.44	2.09
Total	0.19	3.41	4.32	7.36	10.71	9.94	9.73

## Commentary

### Fund update

The Trilogy Industrial Property Trust (The Trust) delivered a total return of 7.36% over the 12 months to 29 February 2024, and 9.73% on an annualised basis, since inception.

The Trust is excited to announce that we have secured a **new acquisition opportunity**. The asset is located in one of Australia's premier industrial precincts in the dynamic and fast-growing Moreton Bay region of Queensland.

The warehouse asset has a floor area of approximately 19,000 square metres, and is leased to Modern Star Group, a major supplier of educational resources to early childcare centres and primary schools in Australia.

The tenant has been in occupation at the site for over 20 years, and has over 5 years remaining on the lease, plus options.

The rent is assessed as below market value, which represents income growth opportunity and downside risk protection for the Trust.

The \$29m acquisition price is below the asset's most recent valuation in December 2023, and is well below replacement cost. The Trust has entered into an unconditional contract to acquire the asset, and barring any unforeseen circumstances, will settle the acquisition around May/June 2024.

The Interim Withdrawal Offer closed on 29 February 2024. This was the first such offer since the Trust announced last year that it intends to offer an annual Interim Withdrawal. Investor withdrawal requests are being pro-rated at 71%, in accordance with terms of the offer.

<sup>5</sup> Past performance is not a reliable indicator of future performance. Total returns measured from first distribution payment - May 2018. Unit price displayed from 1 July 2021. Prior to July 2021, the fund was only open intermittently for capital raises, and unit prices were calculated on a non-regular basis, making historical data prior to this point less meaningful.

<sup>6</sup> Returns calculated in accordance with MSCI unitised total returns formula for open ended funds:  $\text{Total Return} = \frac{\text{Unit Price}_t + \text{Unit Price}_{t-1} + \text{Distribution Per Unit}_t}{\text{Unit Price}_{t-1}}$



## Commentary (continued)

### Market update

Industrial land sales were the flavour of the month, with several significant transactions reflecting the ongoing appetite of institutional investors for this asset class. In Melbourne's south-east, Fraser and ESR partnered to acquire a 64.4ha industrial site with intended end value over \$900m. In the west of Melbourne, UniSuper acquired a 66ha development site for \$260m, which it will look to develop as a logistics and warehouse precinct. UniSuper also acquired north of the border, partnering with ISPT to acquire a 280ha development site near the new Western Sydney Airport.

### Market Outlook

During the month Centuria's listed Industrial REIT (CIP) reaffirmed distribution guidance at 5.1%. In CIP's distribution announcement, fund manager Jesse Curtis forecasted continued strong growth for the sector over the next three years. This view is generally representative of the market sentiment for the sector, which continues to perform favourably against other property sectors.

## Portfolio information

### Gross asset value (GAV)<sup>8</sup>

\$255,633,673

### Net asset value (NAV)<sup>8</sup>

\$1.1273

### Occupancy rate<sup>8</sup>

100.0%

### Trust Loan to valuation ratio (LVR)<sup>8</sup>

44.7%

### Weighted average lease expiry (WALE)<sup>9</sup>

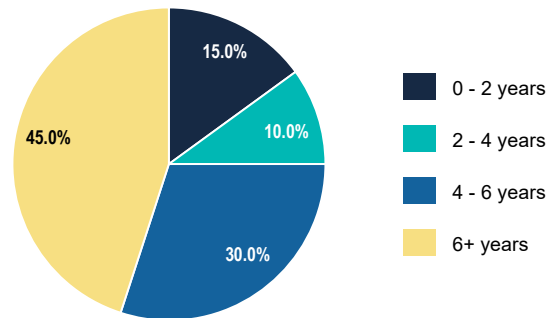
5.79 years (by income)

### Number of properties<sup>8</sup>

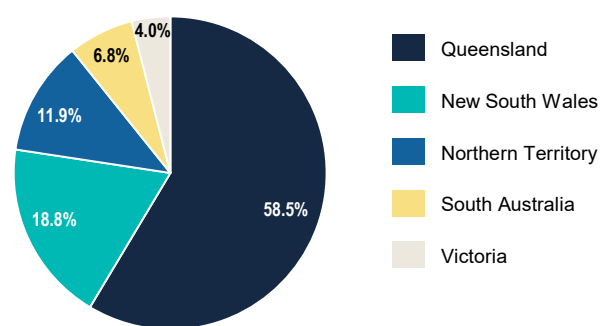
15

## Portfolio diversification

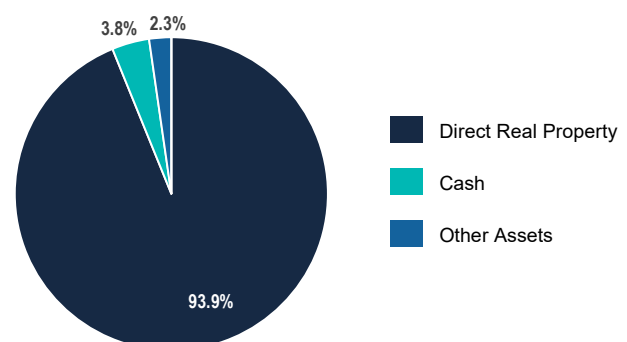
### Lease expiry<sup>8</sup>



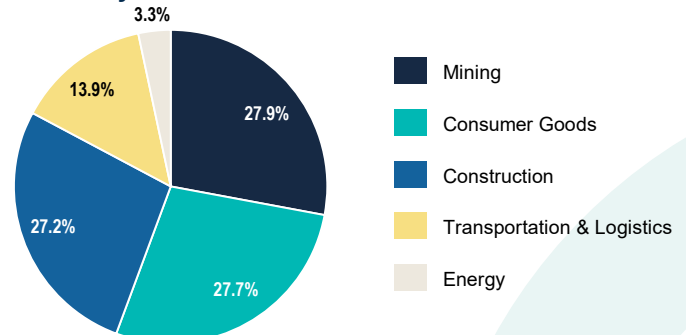
### Geographic spread<sup>8</sup>



### Trust asset exposure<sup>8</sup>



### Income by tenant sector<sup>8</sup>



<sup>8</sup> As at 29 February 2024

<sup>9</sup> Weighted average lease expiry (WALE) is calculated based on income of the properties as at 29 February 2024

Investments in the Trilogy Industrial Property Trust ARSN 623 096 944 can only be made on the application form accompanying the Product Disclosure Statement (PDS) dated 11 September 2023 issued by Trilogy Funds Management Limited (Trilogy Funds) ABN 59 080 383 679 AFSL 261425 and available from [www.trilogyfunds.com.au](http://www.trilogyfunds.com.au). Please also consider the Target Market Determination (TMD) dated 11 September 2023 which is available at [www.trilogyfunds.com.au](http://www.trilogyfunds.com.au). Information included in this communication about investment yield and returns should be considered only as part of a balanced review of all the features, benefits and risks associated with the product. Please read the PDS and the TMD in full. All investments, including those with Trilogy Funds, involve risk which can lead to no or lower than expected returns, or a loss of part or all of your capital. Investments in Trilogy Funds products are not bank deposits and are not government guaranteed. Past performance is not a reliable indicator of future performance.