

Trilogy Industrial Property Trust

Adviser Investment Report: August 2024

Monthly distribution annualised
8.00 CPU, P.A.^{1,2}
 Current yield annualised
7.31% P.A.³

Fund Overview

Key Metrics	
Inception	Jan 2018
Gross asset value	\$277.61m ⁶
Occupancy rate	100%
Trust LVR	48.3% ⁷
WALE	5.62 years (by income) ⁸
Number of properties	15
% of inflation-linked income	54%
Fund Information	
Unit price	\$1.1095 ²
Minimum initial investment	\$20,000
Minimum additional investment	\$5,000
Distribution frequency	Monthly
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.
APIR	TGY1928AU
Platform Availability	
Australian Money Market	HUB24
Mason Stevens	uXchange/Dash
Netwealth	

Independent research ratings⁹



Investment Objective

The Trilogy Industrial Property Trust (Trust) is designed to build a diverse portfolio of industrial properties located in established regional and metropolitan precincts. The Trust's primary objective is to maximise potential investor returns diversified by both geographical location and the industries in which the tenants operate.

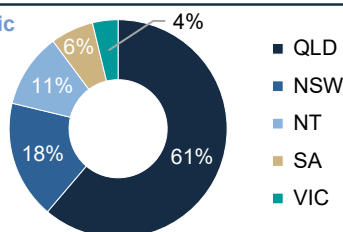
Historical Performance^{2,4,5}

	1 month	3 month	6 month	1 year	3 year	5 year	Inception
Income	0.60%	1.80%	3.58%	7.15%	7.08%	7.40%	7.60%
Growth (0.99%)	(1.75%)	(2.89%)	(2.14)%	0.79%	1.86%	1.47%	
Total	(0.39)%	0.05%	0.69%	5.01%	7.87%	9.26%	9.07%

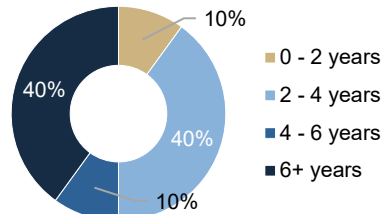
Note: 3-year, 5-year and inception data are reported on a per annum basis

Fund Snapshot⁶

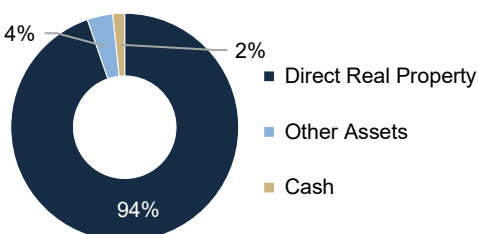
Geographic spread



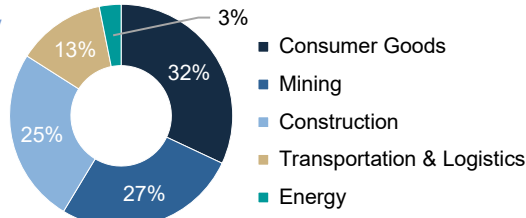
Lease expiry



Asset exposure



Income by tenant sector



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. Please also consider the Target Market Determination (TMD) dated 11 September 2023 which is available at 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.

Fund Update

The Fund Manager, Laurence Parisi, is pleased to report the completion of another busy month for the Trust. The Fund Manager is actively investigating several asset recycling opportunities which, if complete, will further enhance the key metrics of the Trust. Minor capital expenditure works to several individual assets continue to progress in August as the Trust understands the importance of the symbiotic relationship between asset owner and occupier.

The acquisition of the North Geelong asset is progressing well, with the first Call Option Deed recently executed. The official date of settlement is expected to occur towards the end of October 2024. The acquisition will expand the geographical diversification of the Trust as well as providing future tenant income exposure in the consumer goods space, specifically sporting apparel and clothing. The current lease agreement is favourable with fixed 3% annual rent reviews and a potential expiry date including options of July 2045.

Finally, the team is pleased to report that the Trust was awarded a 'Highly Commended Certificate' at the Financial Newswire / SQM Fund Manager of the Year Awards on 12 September 2024.

Asset Highlight



Asset upgrade

Location 660 Stuart Highway, Berrimah, NT

Details

- The final details of the installation of a solar system to the asset are currently being approved.
- This installation will prove to be beneficial to the tenants located in the asset and will enhance the environmental credentials of the Trust.

Outlook

Australia's inflation rate has fallen to 3.50% p.a. for the year to July 2024 in the latest data published by the Australian Bureau of Statistics (ABS) in September 2024. Australia's gross domestic product (GDP) grew just 0.2% p.a. in three months to June 2024, in line with the previous two quarters¹⁰.

Despite this economic backdrop, several tailwinds remain in the industrial sector with the outlook remaining positive. A greater number of industrial assets have recently transacted relative to prior periods. These are predominantly made up of both syndicators and private groups who are attracted by the underlying fundamentals of the industrial property market and the potential to be the first movers to take advantage of expected interest rate cuts which experts estimate as soon as the end of 2024 or early 2025. CBA are forecasting an easing by December 2024 whilst ANZ and Westpac have are forecasting an easing in February 2025 and NAB in May 2025¹¹

Awards



HIGHLY COMMENDED

Direct Property



WINNER

Direct Property



FINALIST

Direct Property



Product Disclosure Statement (PDS) is available on the Fund webpage [here](#)

The Target Market Determination (TMD) for Units in the Fund is available free of charge on the Fund webpage [here](#)

1. Monthly distribution annualised. Distributions are variable. All distribution rates quoted are variable, net of fees, costs and taxes and assume no distribution reinvestment.
2. Past performance is not a reliable indicator of future performance. As at 31 July 2024.
3. Monthly distribution yield, annualised. Based on 1 August 2024 unit price.
4. 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.
5. 3-year, 5-year and inception data are reported on a per annum basis.
6. Data updated as at 31 July 2024.
7. LVR is defined as loan to valuation ratio. Data updated as at 31 July 2024.
8. WALE is defined as weighted average lease expiry. Calculated based on income of the properties as at 31 July 2024.
9. The rating contained in this document is issued by SQM Research Pty Ltd ABN 93 122 592 036 AFSL 421913. SQM Research is an investment research firm that undertakes research on investment products exclusively for its wholesale clients, utilising a proprietary review and star rating system. The SQM Research star rating system is of a general nature and does not take into account the specific person. The rating may be subject to change at any time. Only licensed financial advisers may use the SQM Research star rating system in determining whether an investment is appropriate to a person's particular circumstances or needs of any specific person. You should read the product disclosure statement and consult a licensed financial adviser before making an investment decision in relation to this investment product. SQM Research receives a fee from the Fund Manager for the research and rating of the managed investment scheme.
10. <https://theconversation.com/this-is-the-weakest-economy-outside-of-a-recession-heres-what-the-gdp-figures-show-236128>
11. <https://www.afr.com/policy/economy/hopes-for-2024-cuts-weaken-as-data-signals-rba-stuck-on-hold-20240827-p5k5tu>