

Trilogy Industrial Property Trust



Investment report: June 2022

Investment at a glance

Investment type:

Unlisted industrial property trust

Inception:

January 2018

Minimum investment:

\$50,000

Preferred method of payment:

Direct debit, BPAY (Please contact us if intended payment method is not listed)

Fund size

\$193.32 million**

Number of properties:

14**

Weighted Average Lease Expiry (WALE):

4.74 years (by income)***

Occupancy rate

100%

Trust loan to valuation ratio (LVR):

46.63%**

Withdrawals:

Withdrawal offers are intended every four years from Initial Settlement Date (being 12 April 2018)

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.

** As at 30 June 2022

*** Weighted average lease expiry (WALE) is calculated based on GLA income of the properties as at 30 June 2022.

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 1 July 2021 and considering the Target Market Determination (TMD) dated 1 October 2021 for the Trilogy Industrial Property Trust ARSN 623 096 944 available at www.trilogyfunds.com.au. The PDS and the TMD contain full details of the terms and conditions of investment and should be read in full, particularly the risk section, prior to lodging any application or making a further investment. All investments, including those with Trilogy Funds, involve risk which can lead to loss of part or all of your capital or diminished returns. Trilogy Funds is licensed to provide only general financial product advice about its products and therefore recommends you seek personal advice on the suitability of this investment to your objectives, financial situation and needs from a licensed financial adviser. Investments with Trilogy Funds are not bank deposits and are not government guaranteed. Past performance is not a reliable indicator of future performance.

7.57 CPU PA**

*Average net distribution annualised paid to investors monthly for the 12 months to 30 June 2022. Variable rate.

Distribution amount

The Trilogy Industrial Property Trust (Industrial Trust) paid investors an average of 7.57 CPU p.a. annualised for the 12 months to 30 June 2022.

This incorporates a distribution of 7.30 CPU p.a. annualised for the month of June. Distributions are variable each month, net of management fees, costs and assume no reinvestment. Distributions are paid monthly in arrears. Please note, past performance is not a reliable indicator of future performance.

The distribution rate has been lowered slightly due to lower capitalisation (cap) rates of recent acquisitions and the increase in interest rates for the Industrial Trust's debt. While cap rates for industrial properties generally have reduced over the last 12 months, we believe the properties that have been acquired for the Industrial Trust add value to the portfolio in terms of their diversity, high quality tenants and attractive leases.

To minimise the costs of increasing interest rates, we have both partial hedges in place on some of our facilities and partially fixed rate facilities.

Performance

During the month, the Industrial Trust's property at 8-14 Moorebank Road, Wellcamp, Toowoomba was re-valued at \$9,820,000, representing an uplift of 14% since its last valuation in March 2021. This uplift is reflected in the 1 July 2022 Unit Price of \$1.0904.



Outlook

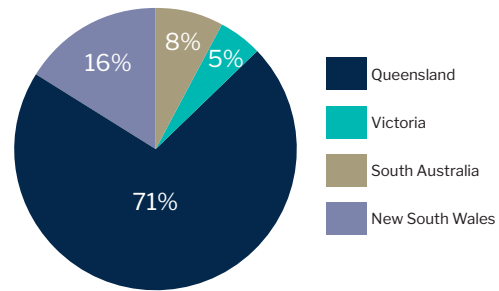
After a slight delay, the expansion of the property at Carrum Downs, Victoria is expected to begin in late July.

The industrial sector continues to perform well despite the changing interest rate environment. Whilst we await Q2 sales data, market commentary indicates that capitalisation rates within the industrial sector remain stable. Vacancy rates have further reduced to all-time lows, which provides a strong underlying basis for a sustained positive investment environment.

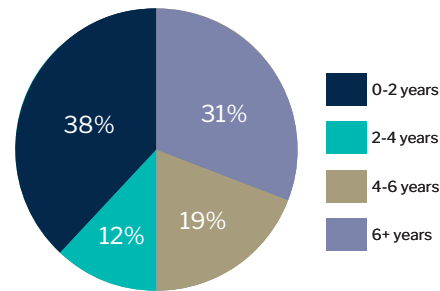
We are currently in negotiations with several tenants regarding lease renewals and will share details when available. In line with our valuation policy, further revaluations of the Industrial Trust's properties will occur throughout the course of the year.

Fund data

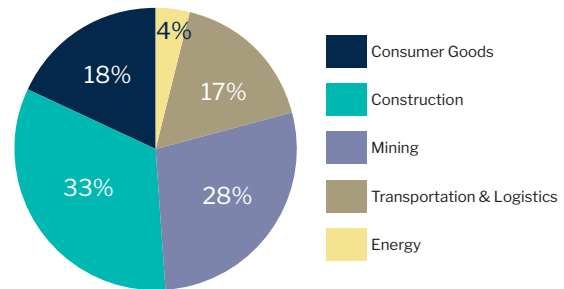
Geographic spread**



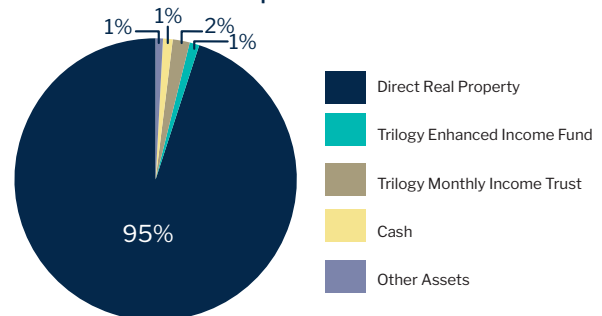
Lease expiry**



Income by tenant sector**



Trust asset composition**



**As at 30 June 2022. Figures have been rounded to the nearest percent.

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