

# Trilogy Industrial Property Trust

Monthly distribution annualised  
**8.00 CPU, P.A.<sup>1,2</sup>**  
 Current yield annualised  
**7.33% P.A.<sup>3</sup>**

## Investment Report: September 2024

### Fund Overview

Key Metrics	
Inception	Jan 2018
Gross asset value	\$279.48m <sup>6</sup>
Occupancy rate	100%
Trust LVR	48.0% <sup>7</sup>
WALE	5.54 years (by income) <sup>8</sup>
Number of properties	15
% of inflation-linked income	54%
Fund Information	
Unit price	\$1.0915 <sup>2</sup>
Minimum initial investment	\$20,000
Minimum additional investment	\$5,000
Distribution frequency	Monthly
Withdrawal offer	
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

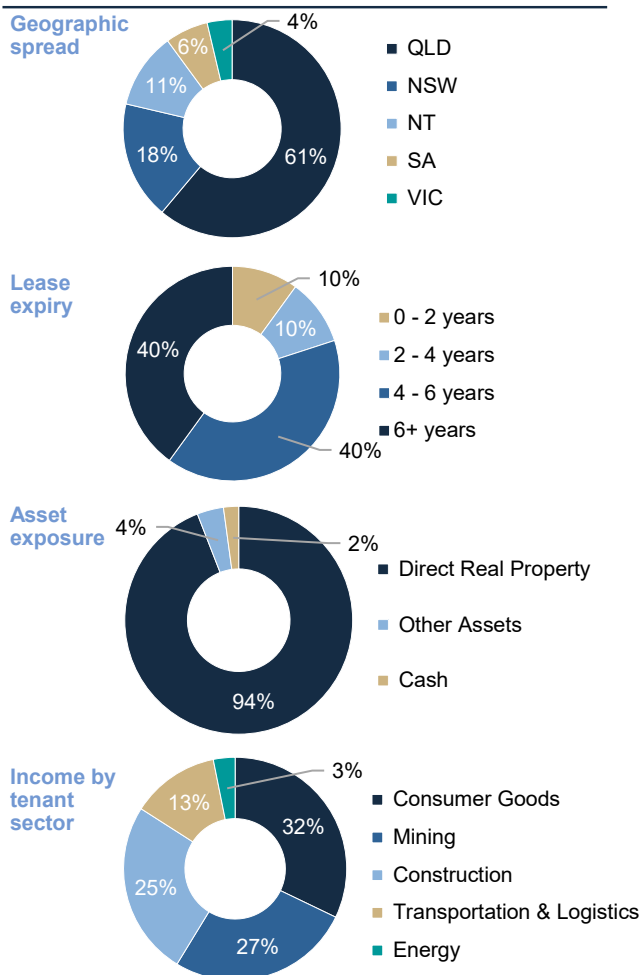
### Investment Objective

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 <sup>2,4,5</sup>							
	1 month	3 month	6 month	1 year	3 year	5 year	Inception
Income	0.61%	1.81%	3.60%	7.17%	7.09%	7.38%	7.59%
Growth	(0.33%)	(1.45%)	(3.02%)	(2.16%)	0.83%	1.80%	1.40%
Total	0.28%	0.36%	0.58%	5.01%	7.92%	9.18%	8.99%

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

### Fund Snapshot<sup>6</sup>



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.

## Fund and Market Update

September was another productive month for the Trilogy Industrial Property Trust. The property team conducted several asset inspections, where they were able to check in with various tenant representatives as well as the external property managers. This undertaking ensures a strong symbiotic relationship between asset owner and tenant(s). This also provided Trilogy the ability to discuss and further understand any planned CAPEX projects, any repairs and maintenance that might be required on the individual assets. Furthermore, an active dialog with tenants ensures all future tenancy requirements can be discussed.

The team inspected the new bathrooms which had recently been upgraded at the Coolum beach asset, with the tenant Weir Minerals, very pleased with the outcome. Other CAPEX projects are in the initial process of sourcing quotes for items such as aluminum external door replacements and energy efficient LED lights.

The acquisition of the new North Geelong asset located at 75 – 95 & 105 Corio Quay Road is expected to be completed in early November now that all due diligence undertakings have been completed. Post-settlement of this asset in North Geelong, this will increase the portfolio's exposure in Victoria to 14%.

In September, we also welcomed new team member, Mr Jufri Abidin. Jufri joins Trilogy in the role of Development and Asset Manager and has had extensive experience in all facets of real estate development, construction and asset management.

## Outlook

Australia's industrial market remains undersupplied. This is despite some 2.3 million sqm of warehouses currently under construction across the country and a normalisation in demand after significant growth in demand for industrial during the pandemic. High construction costs combined with servicing delays are set to moderate the amount of completion in the coming years, which remains the key driver behind industrial market rental growth.<sup>10</sup>

A Cushman & Wakefield report from August, details national vacancies will remain around 2.0% a figure well below the 5.0% market equilibrium. It also found uncertainty in the delivery and timing of the 2025 supply chains, a result of elevated construction costs and capital constraints. Higher construction costs and planning and servicing delays in several key precincts add further complexity and costs to developers, which continues to challenge the feasibility of projects. Warehouse construction prices are up 60% from 2020, with prices expected to level at 2.5% pa over the coming years. A moderating economic environment is also crippling developers' efforts to raise capital to fund their development pipeline. All these conditions combine into a market which is heavily towards landlords.<sup>11</sup>

Supply in Melbourne's south-east and Brisbane's trade coast falls short of annual demand levels which is expected to drive an outperformance of rental growth.

## Awards



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 30 September 2024.
3. Monthly distribution yield, annualised. Based on 1 October 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 30 September 2024.
7. LVR is defined as loan to valuation ratio. Data updated as at 30 September 2024.
8. WALE is defined as weighted average lease expiry. Calculated based on income of the properties as at 30 September 2024.
9. <https://www.australianpropertyjournal.com.au/2024/08/28/industrial-market-remains-severely-undersupplied/>
10. [www.cushmanwakefield.com/en/australia/insights/logistics-industrial-occupier-market-outlook](http://www.cushmanwakefield.com/en/australia/insights/logistics-industrial-occupier-market-outlook)