



PFA 2019 CONFERENCE

< *Hobart*

Hotel Grand Chancellor
5-7th MAY



Critical Change



CRISIS,
CHALLENGE
OR CATALYST
FOR PROPERTY
INVESTMENT



Fund Financials

Managing Investor Expectations

Melissa Kingham
Director
MAK Property Advisors



What do investors want....

What are we telling investors?





I'm new to commercial
property investing



I know a thing or two



I already invest with
Charter Hall

**With interest rates
low, direct property
funds offer strong
returns and low
volatility.**

Commercial property provides an attractive alternative investment to residential property, shares and term deposits.

Invest in one of our funds and you'll enjoy high levels of tax-advantaged income, derived from real properties with long-leased tenants and locked-in annual rent increases and the potential for capital growth.

▶ [Learn about commercial property investing](#)

▶ [View our video to learn about typical property jargon](#)

▶ [Get in touch](#)



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CONTACT



LOGIN

We are 'Property for Income' specialists

In today's low-growth, volatile world, investors are increasingly seeking consistent, sustainable income.

At Australian Unity, we aim to deliver **income to investors** by investing in commercial property.



Direct Property

Australian Unity Healthcare Property Trust – Class A Units

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Direct Property
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INVEST IN CONFIDENCE

Castlerock is driven by one ambition, to provide investors with predictable long-term income to give investors control over their financial futures. We deliver this by investing in assets leased to the Commonwealth and State Governments of Australia.

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Superior returns. Capital growth.

Mair Property Funds (MPF) has been helping investors grow their wealth through commercial property investment for more than 35 years.

SPECIALISED EXPERTISE

Mair Property Funds is a Western Australian owned company specialising in the acquisitions and management of commercial property investment through unlisted property trusts:

- Fund management
- Wholesale & retail trusts
- Commercial property investment

FOCUSED ON HIGH PERFORMANCE

A good investment strategy means above-average returns, capital security and growth.

We secure superior investments using our thorough investment philosophy. We then actively manage the properties on behalf of our investors to ensure property performance and lease compliance, keeping investors informed along the way.

YOUR WEALTH. OUR BUSINESS.

Mair Property Funds manages more than \$220m of commercial properties, holding assets over 14 trusts and syndicates. We specialise in the acquisition, management and disposal of commercial property and the establishment and operation of unlisted property trusts.

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[**About Us**](#)[**Funds**](#)[**Projects**](#)[**Investor**](#)[**News**](#)[**Contact**](#)

Our Investment Strategy

We cultivate a partner relationship with our investors and hold the management of their wealth in the highest regard.

We have the confidence and imagination to think big whilst managing risk. We believe in the true value of select assets and possess the patience to think long term.

With decades of industry experience Newmark's team is driven to create compelling outcomes that preserve and enhance investor's capital and provide stable returns.

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Tom Davis of KordaMentha commented, “We were attracted to the portfolio as both properties have excellent lease covenants, long leases and are 100% occupied. The combined weighted average lease term of the portfolio is 5.5 years”.

KMFM completed the capital raising of the Cambridge Bedford Property Fund prior to settlement. Mr Davis added, “The fund offering to investors was compelling, resulting in the fund being over-subscribed and us raising \$28 million in three weeks. Investors were attracted to the Cambridge Bedford Property Fund’s forecast 8.5% distribution yield, the strategic nature of the assets, and the attractive purchasing metrics of the properties.”

The fund is the fourth in KordaMentha’s property funds platform since acquiring [Placer Property](#) in August 2017 and brings total assets under management to \$175 million.

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Overview

ABOUT

OVERVIEW

BOARD OF DIRECTORS

MANAGEMENT

ARENA IN THE NEWS

GOVERNANCE

CAREERS

Arena REIT is an ASX300 listed group that owns, manages and develops social infrastructure property assets across Australia.

Our objective is to deliver an attractive and predictable distribution to investors with earnings growth prospects over the medium to long term.

We invest in social infrastructure property assets in growing sectors that are supported by favourable demographic and economic trends. Our current portfolio of over 200 social infrastructure facilities is leased to a diversified tenant base in the growing childcare and healthcare sectors.

With a core focus on earnings predictability, all of Arena's leases are long-term and include annual rent reviews. Under net lease structures, this upside is passed through to investors, with tenants responsible for the majority of outgoings, maintenance and capital expenditure.

As an active property manager, we focus on enhancing portfolio quality and mitigating risk. We value diversification and strong tenant covenants, prioritise long-term investment opportunities and actively recycle assets to optimise portfolio performance.

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02. [WHY INVEST WITH US](#)

03. [INVESTOR PROFILE](#)

04. [PROPERTY SELECTION](#)

05. [OUR PROPERTY STRATEGY](#)

06. [THE QUINTESSENTIAL
EQUITY MASTER FUND](#)

07. [OUR SUSTAINABILITY
COMMITMENT](#)

WHY INVEST WITH US

OUR TRACK RECORD IS JUST ONE REASON TO INVEST WITH US.

23.4%

**Weighted Average Net Internal Rate of
Return**

by sale prices/values at 30 June 2018

91.7%

Weighted Average Net Total Return

by sale prices/values at 30 June 2018

95.1%

Tenant Retention Rate

Since commencement

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Open Offers



Centuria Diversified Property Fund

Open for Investments

An open-ended diversified fund offering investors tax-effective monthly income and the potential for long-term capital growth:

- Diversified property portfolio
- Limited monthly liquidity facility
- Monthly distributions
- Minimum investment of \$10,000.

[Learn More](#)[Download PDS](#)[Invest Now](#)**97.98%¹**

Portfolio occupancy

**7.50 years¹**

Portfolio WALE

**14¹**

Properties

1. Key portfolio metrics are based on the underlying unlisted property schemes CDPF invests in as at 31 December 2018.

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What investors want.....

partner relationship

TRACK RECORD

managing risk.

funds offer strong returns and low volatility.

97.98%¹

Portfolio occupancy

SPECIALISED
EXPERTISE

strong tenant covenants,

long-leased tenants

Diversified property portfolio

earnings growth

tax-effective monthly income

income to investors by investing in commercial property.

preserve and enhance investor's capital

capital security and growth.

• Limited monthly liquidity facility

diversification

100% occupied.

attractive and predictable distribution

CONFIDENCE

earnings predictability,

management of their wealth

predictable long-term

excellent lease covenants, long leases

potential for capital growth.

lease compliance,

23.4%

Weighted Average Net Internal Rate of Return

by sale prices/values at 30 June 2018

We know what investors want....

What returns are they getting?



AUSTRALIA PROPERTY DATABASE

Direct Level

1,422 assets | A\$192 bn value

151 Property	Challenger Limited	Lend Lease Real Estate
Abacus Property Group	Cromwell Property Group	Local Government Super
ALE Property Group	Charter Hall Group	Mirvac
Aligned FM	DEXUS Property Group	<u>Mulpha</u> Australia Limited
AMP Capital	EG Funds Management	<u>Perron</u> Group
Arcadia Funds Management	GARDA Capital Group	QIC
Arena REIT Limited	Goodman	SB&G Hotel Group
Australian Unity	GPT Group	Schwartz Family & Co
AXA Investment Managers – Real Assets	Harmony Group	Stockland
Barwon Investment Partners	<u>Heathley</u> Limited	Vicinity Centres
Brookfield	<u>Investa</u> Property Group	Vital Healthcare Property Trust
BWP Trust		

Fund Level

61 funds | A\$115 bn value

WHOLESALE MANAGERS

151 Property
AMP Capital
Charter Hall
DEXUS
Goodman
GPT
Investa Property Group
ISPT
Lend Lease
Mirvac
QIC

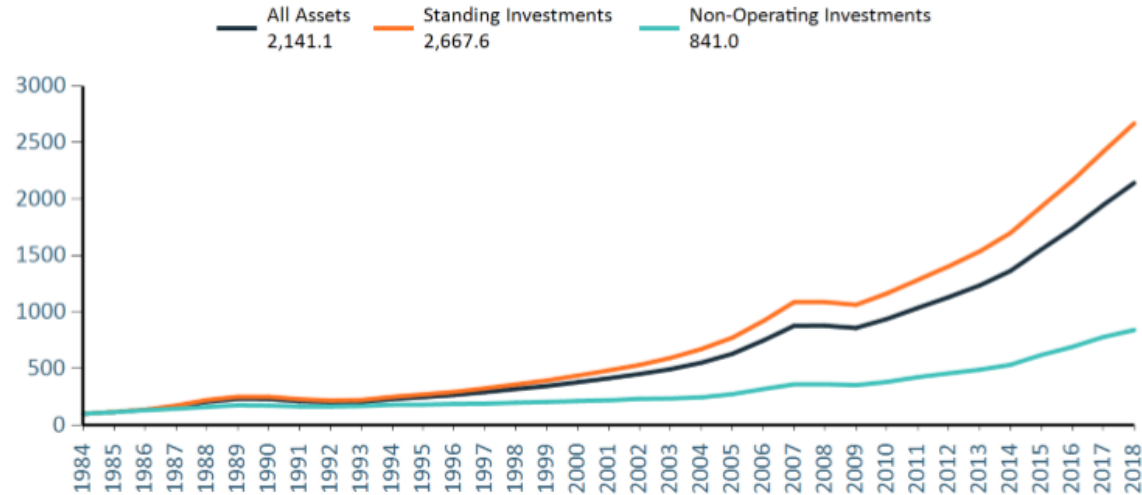
RETAIL MANAGERS

Australian Unity
Centuria Property Funds
Charter Hall
CorVal
Cromwell Property Group
Charter Hall Group
Quintessential Equity

THE PROPERTY COUNCIL OF AUSTRALIA/MSCI AUSTRALIA ANNUAL PROPERTY INDEX (UNFROZEN) PUBLISHED QUARTERLY

This index, produced by MSCI, measures unlevered total returns of directly held standing property investments from one valuation to the next. The index tracks performance of 1,422 property investments, with a total capital value of AUD 192.1 billion as at December 2018.

ANNUAL INDEX PERFORMANCE - PROPERTY RETURNS (AUD) (DEC 1984 - DEC 2018)



CALENDAR YEAR PERFORMANCE (%)

YEAR	ALL ASSETS ⁽¹⁾	STANDING INVESTMENTS ⁽²⁾	NON-OPERATING INVESTMENTS ⁽³⁾
2018	10.0	10.3	8.0
2017	12.0	11.9	12.6
2016	11.8	11.8	11.4
2015	14.0	13.7	16.4
2014	10.4	10.7	8.8
2013	9.1	9.3	7.0
2012	9.2	9.4	8.0
2011	10.4	10.3	11.1
2010	9.3	9.5	8.0
2009	-2.3	-2.3	-2.4

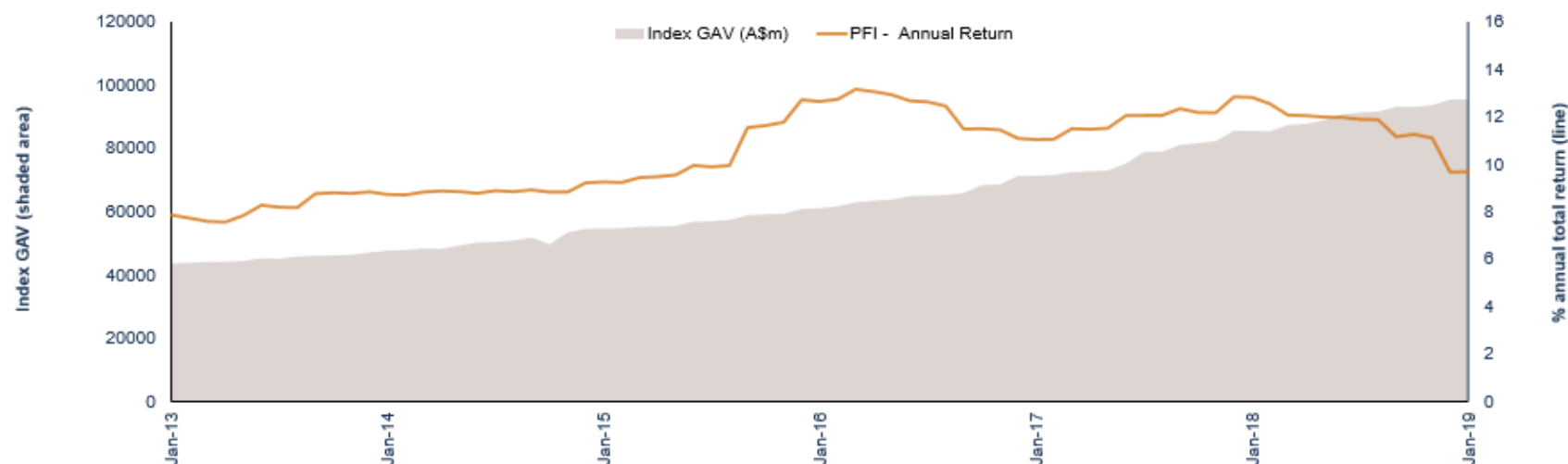
INDEX PERFORMANCE - PROPERTY RETURNS (%) (DEC 2018)

	1 Qtr.	6 Mo	YTD	1 Yr	ANNUALIZED					
					2 Yr	3 Yr	5 Yr	7 Yr	10 Yr	Since Inception
All Assets ⁽¹⁾	-	-	10.0	10.0	11.0	11.3	11.6	10.9	9.3	9.4
Standing Investments ⁽²⁾	-	-	10.3	10.3	11.1	11.4	11.7	11.0	9.4	10.1
Non-Operating Investments ⁽³⁾	-	-	8.0	8.0	10.3	10.6	11.4	10.3	8.8	6.5

MSCI/Mercer Australia Core Wholesale Monthly Property Fund Index

Results for the month to 31 January 2019

Historical Performance - Annual Total Return %



The MSCI/Mercer Australia Core Wholesale Monthly Property Fund Index measures post fee NAV total returns to core unlisted wholesale funds within the Australian investment market

MSCI/Mercer Australia Core Wholesale Monthly Property Fund Index - Post Fee Total Return Performance

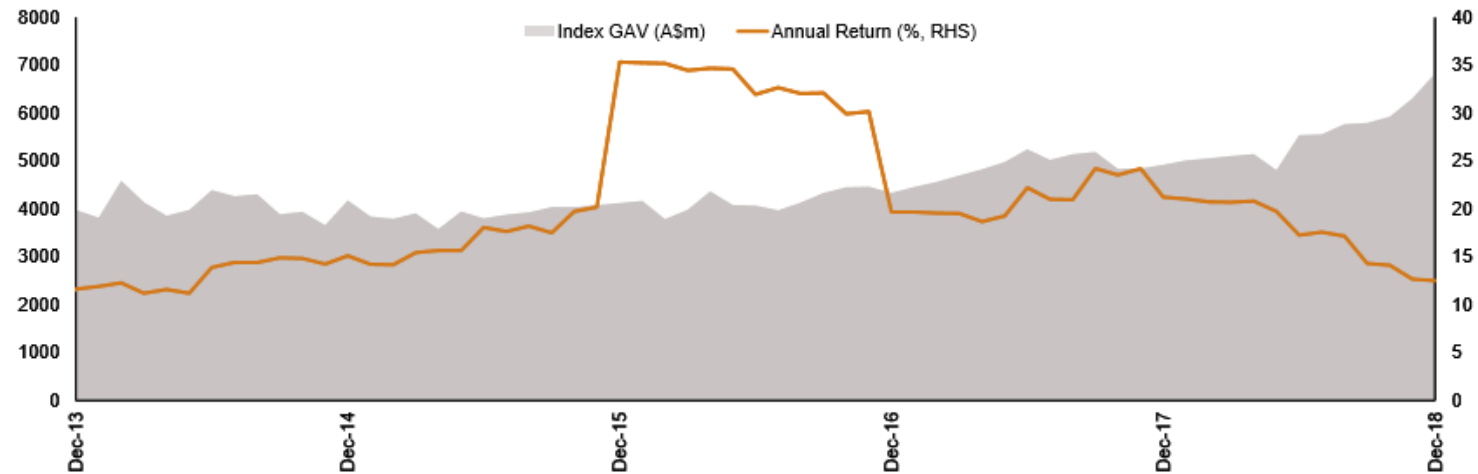
	Total Return Index to Jan-19 Jun 2007 = 100	Total return (%) for						Distributed Income return (%) Month Jan-19	Capital growth (%) Month Jan-19
		1M	3M	FYTD	12M	3Y*	5Y*		
All Funds	234.8	0.3	2.1	4.7	9.7	11.2	11.1	0.3	0.0
Office Funds	252.7	0.3	3.2	6.6	13.7	14.1	13.7	0.3	0.0
Retail Funds	237.9	0.3	0.7	2.2	4.7	8.9	8.8	0.3	0.0
Industrial Funds	206.3	0.5	3.5	6.7	13.1	10.2	11.0	0.5	0.0
Diversified Funds	234.6	0.4	2.2	5.2	10.0	10.8	10.9	0.4	0.0

*Annualised

The Property Council of Australia/MSCI Australia Unlisted Retail Quarterly Property Fund Index (Unfrozen)

Results for the quarter to 31 December 2018

Historical Performance - 12 Month Total Return %



The Property Council of Australia/MSCI Australia Unlisted Retail Quarterly Property Fund Index (Unfrozen) - Post Fee Total Return

	Total Return Index to Dec-18 April 2008 = 100	Total return (%) for					Distributed Income return (%) for year to Dec-18	Capital growth (%) for year to Dec-18
		3M	FYTD	12M	3Y*	5Y*		
Core Funds^	322.3	4.2	5.8	12.5	17.8	20.5	6.4	5.8

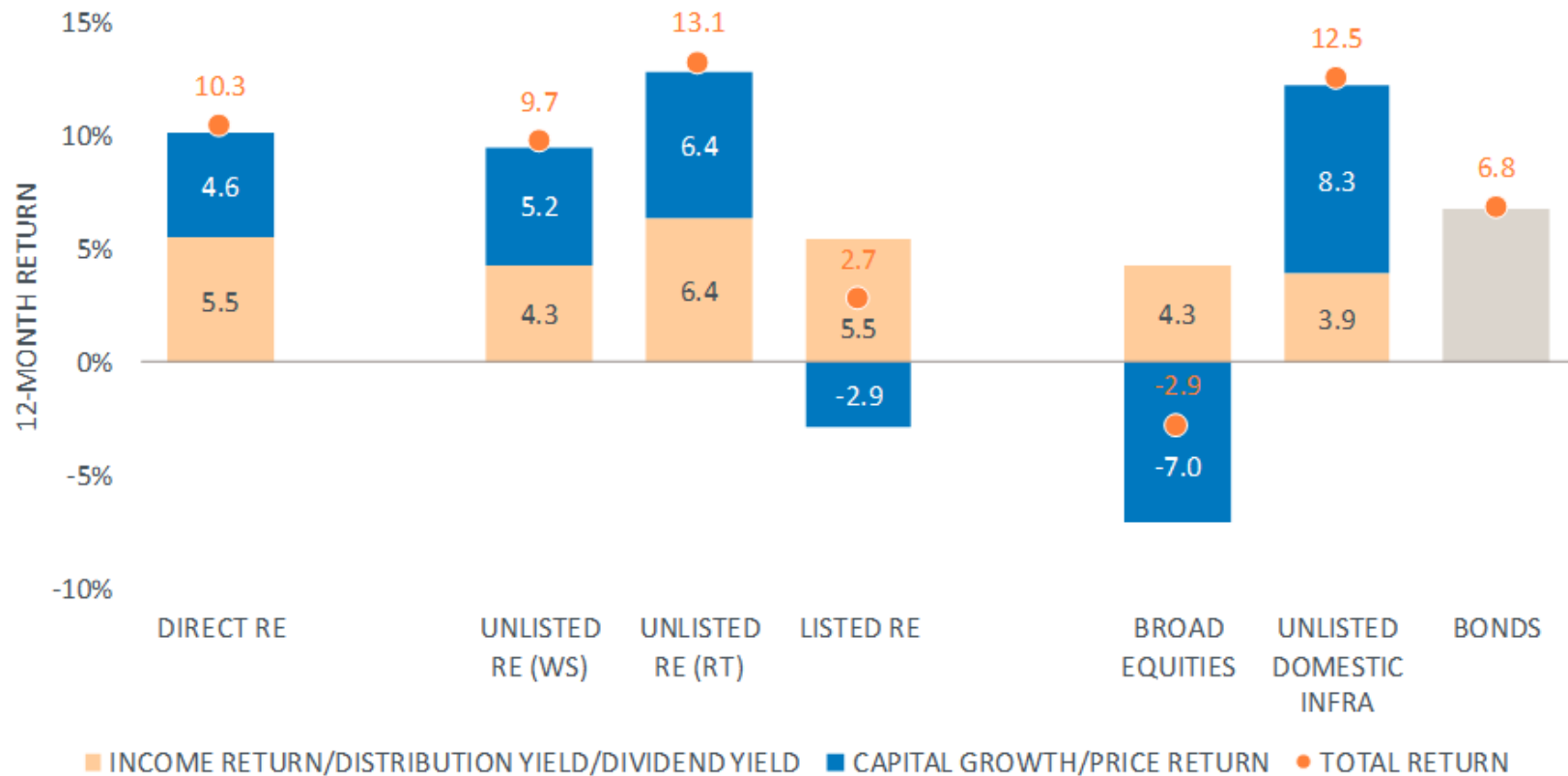
^ Core funds must have <20% development exposure, gearing <50%, >90% direct property exposure, must not capitalise interest and must be ASIC registered Managed Investment Schemes. Any fund not classified as a core fund is considered to be a non-core fund

Index Profile

	Size No of Funds	Value			Distribution Yield	Gearing (Debt/GAV)	Valuation Evidence (%)
		GAV \$m	NAV \$m	NAV in Index \$m			
Core Funds	30	6,832.1	4,261.7	4,261.7	6.4	35.5	72

2018 ASSET CLASS COMPARISON

Direct commercial property recorded an 10.3% total return in 2018 with a 5.5% income return and 4.6% capital growth

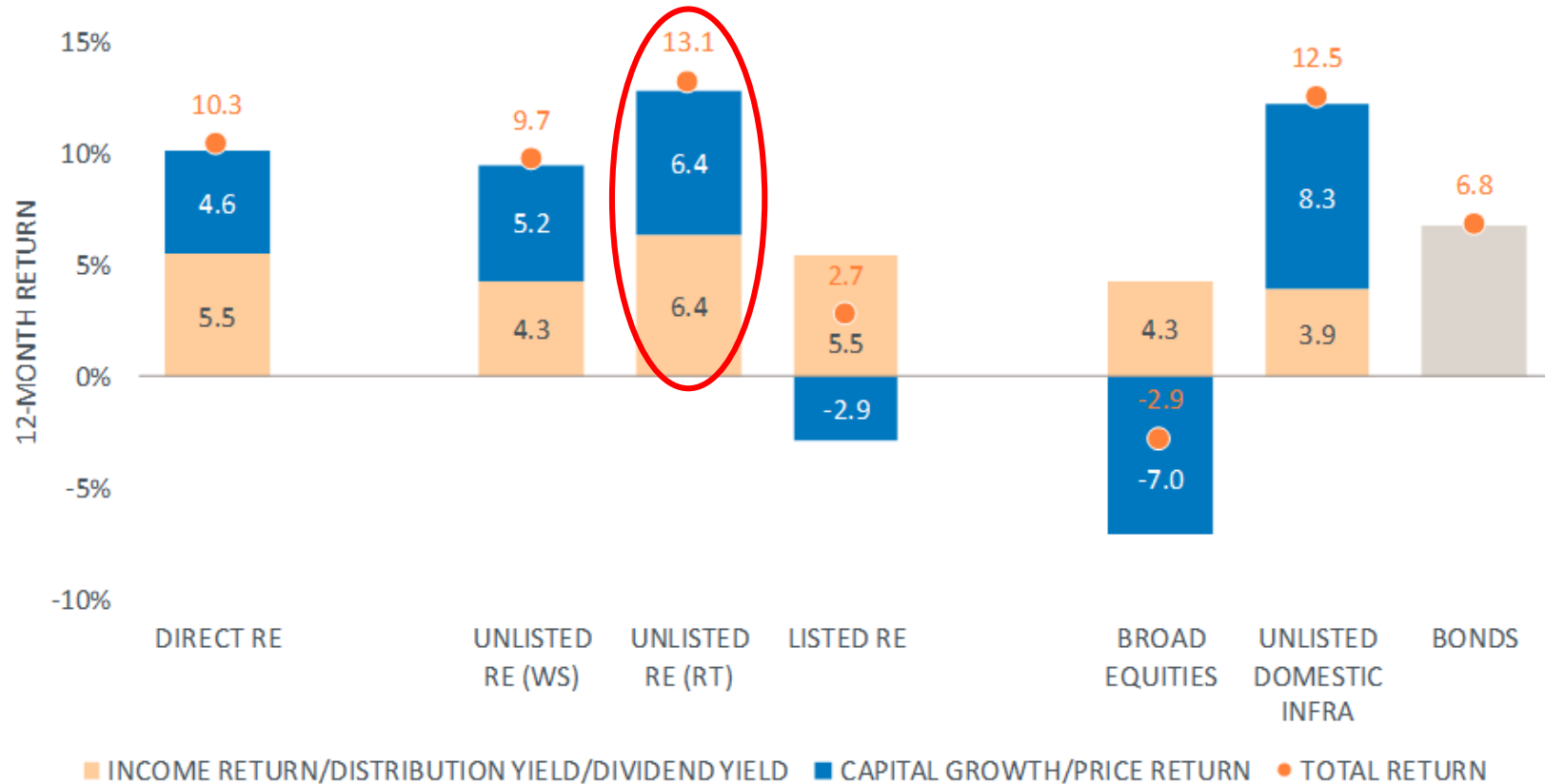


Property Council/PP Australian All Property Index, Mercer/IPD Australia Unlisted Core Wholesale PFI, The Property Council/IPD Australia Unlisted Retail Property Fund Index, MSCI Australia IMI Core REIT Index, MSCI Australia IMI, MSCI Australia Quarterly Unlisted Infrastructure Index, J.P. Morgan GBI Global Australia Unhedged index

Source: MSCI, J.P. Morgan

2018 ASSET CLASS COMPARISON

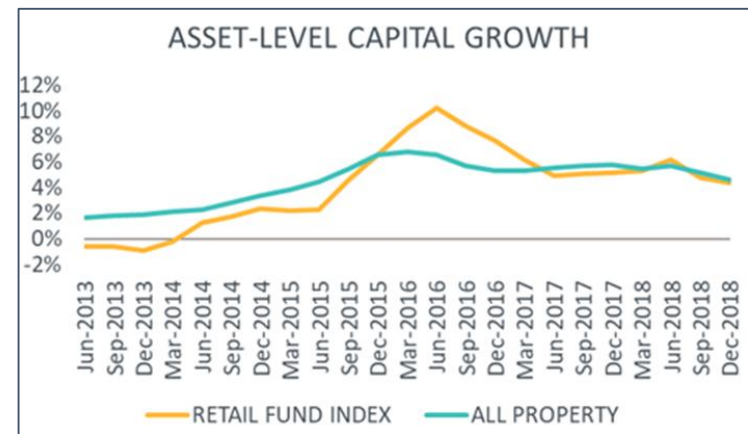
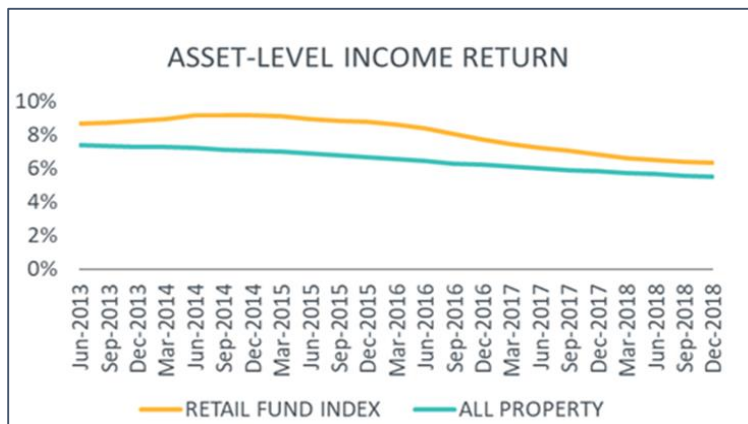
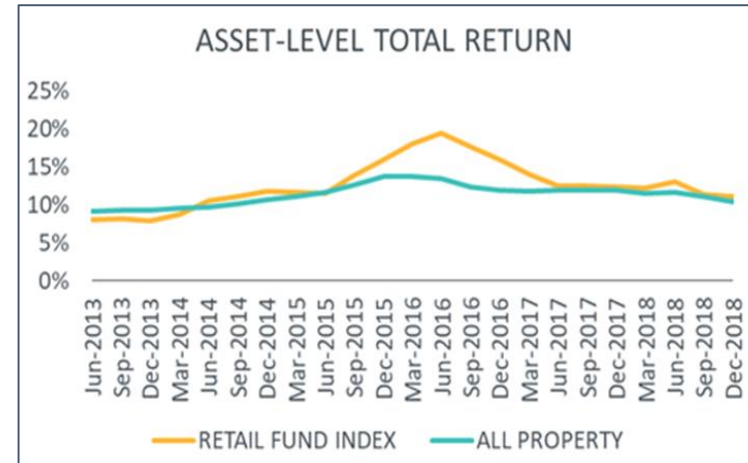
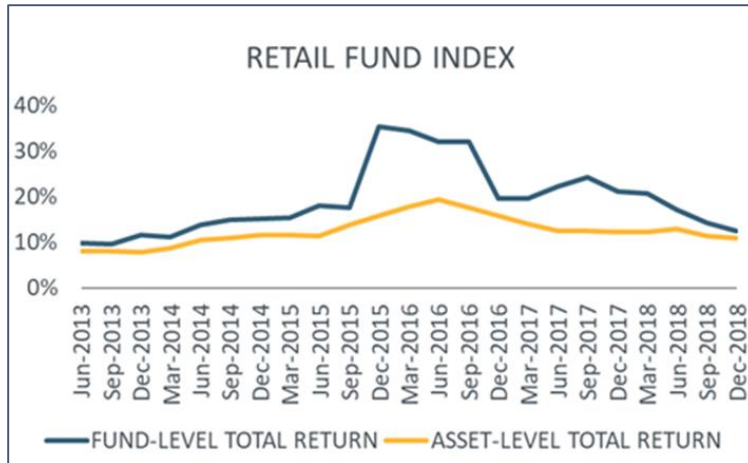
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Source: MSCI, J.P. Morgan

MSCI Investigative Work



ASX 200 and A-REIT Performance – 2013-2018

**Year End 31 Dec
2018**

Listed
ASX200
A-REIT 200

Listed
ASX200
A-REIT 200

Listed
ASX200
A-REIT 200

Listed
ASX200
A-REIT 200

Absolute Return

1 Year

	Distn	Capital	Total Return
ASX200	4.1%	-6.9%	-2.8%
A-REIT 200	5.0%	-2.1%	2.9%

2 Year

	Distn	Capital	Total Return
ASX200	9.0%	-0.3%	8.6%
A-REIT 200	10.2%	-1.4%	8.8%

3 Year

	Distn	Capital	Total Return
ASX200	14.8%	6.6%	21.4%
A-REIT 200	16.6%	6.5%	23.1%

5 Year

	Distn	Capital	Total Return
ASX200	26.0%	5.5%	31.5%
A-REIT 200	39.2%	39.6%	78.8%

Annualised Return (% p.a. average)

1 Year

	Distn	Capital	Total Return
ASX200	4.1%	-6.9%	-2.8%
A-REIT 200	5.0%	-2.1%	2.9%

2 Year

	Distn	Capital	Total Return
ASX200	4.5%	-0.2%	4.3%
A-REIT 200	5.1%	-0.7%	4.4%

3 Year

	Distn	Capital	Total Return
ASX200	4.9%	2.2%	7.1%
A-REIT 200	5.5%	2.2%	7.7%

5 Year

	Distn	Capital	Total Return
ASX200	5.2%	1.1%	6.3%
A-REIT 200	7.8%	7.9%	15.8%

**Unlisted RE
(RT)**

13.1%

17.8%

20.5%

We know what returns investors are getting....

Where are they investing?



SMSF Asset Allocations

Asset class (\$ Billions)	Allocation Dec-13 (%)	Dec-13	Dec-14	Dec-15	Dec-16	Dec-17	Mar-18	Allocation Dec-17 (%)	Movement Dec-13-17 (\$)	Movement Dec-13-17 (%)
Listed Trusts	3.6%	18.6	21	24.8	30.7	33.7	33.1	4.7%	15.1	81.2%
Unlisted Trusts	9.2%	47.3	50.8	57.4	70.7	77.8	76.6	10.9%	30.5	64.5%
Insurance Policy	0.0%	0.2	0.2	0.2	0.1	0.1	0.1	0.0%	-0.1	-50.0%
Other Managed Investments	4.6%	23.7	26.1	30.2	36.2	38.7	40.1	5.4%	15	63.3%
Cash and Short Term Deposits	28.1%	144.8	146.9	149.9	154.5	157.3	156.9	22.1%	12.5	8.6%
Debt Securities	0.9%	4.7	6.3	7.7	9.4	9.6	9.5	1.3%	4.9	104.3%
Loans	0.7%	3.6	3.8	4.1	4.5	4.5	4.5	0.6%	0.9	25.0%
Listed Shares	30.8%	158.8	168.3	173.5	196.6	218.5	207.8	30.7%	59.7	37.6%
Unlisted Shares	1.0%	5.4	5.6	6.4	7.1	7.1	7.2	1.0%	1.7	31.5%
Limited Recourse Borrowing Arrangements	1.9%	9.6	16.5	22.4	28.9	31.4	32.2	4.4%	21.8	227.1%
Non-residential Real Property	12.0%	61.8	64.0	67.7	73.7	80.1	81.5	11.3%	18.3	29.6%
Residential Real Property	3.6%	18.8	21.2	24.5	31.5	34.2	34.9	4.8%	15.4	81.9%
Collectables and Personal Use Assets	0.1%	0.5	0.4	0.4	0.3	0.3	0.3	0.0%	-0.2	-40.0%
Other Assets	2.5%	13.0	14.5	17.0	18.0	18.1	18.2	2.5%	5.1	39.2%
Overseas Assets	1.0%	5.2	5.0	7.2	8.5	9.5	9.1	1.3%	4.3	82.7%
Total Australian and Overseas Assets		516.0	550.6	593.4	670.7	720.9	712.0			

Source: ATO, table contains the appropriate distribution of assets held by SMSFs of different sizes, based on total fund assets. The data is obtained from SMSF reporting as at 30 June of each financial year. SMSF assets comprise the largest allocation of superannuation assets at 27.6%.

SMSF Asset Allocations – Largest Allocations

	Asset class (\$ Billions)	Allocation Dec-13 (%)	Dec-13	Dec-14	Dec-15	Dec-16	Dec-17	Mar-18	Allocation Dec-17 (%)	Movement Dec-13-17 (\$)	Movement Dec-13-17 (%)
	Listed Trusts	3.6%	18.6	21	24.8	30.7	33.7	33.1	4.7%	15.1	81.2%
4	Unlisted Trusts	9.2%	47.3	50.8	57.4	70.7	77.8	76.6	10.9%	30.5	64.5%
	Insurance Policy	0.0%	0.2	0.2	0.2	0.1	0.1	0.1	0.0%	-0.1	-50.0%
	Other Managed Investments	4.6%	23.7	26.1	30.2	36.2	38.7	40.1	5.4%	15	63.3%
2	Cash and Short Term Deposits	28.1%	144.8	146.9	149.9	154.5	157.3	156.9	22.1%	12.5	8.6%
	Debt Securities	0.9%	4.7	6.3	7.7	9.4	9.6	9.5	1.3%	4.9	104.3%
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	Unlisted Shares	1.0%	5.4	5.6	6.4	7.1	7.1	7.2	1.0%	1.7	31.5%
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3	Non-residential Real Property	12.0%	61.8	64.0	67.7	73.7	80.1	81.5	11.3%	18.3	29.6%
	Residential Real Property	3.6%	18.8	21.2	24.5	31.5	34.2	34.9	4.8%	15.4	81.9%
	Collectables and Personal Use Assets	0.1%	0.5	0.4	0.4	0.3	0.3	0.3	0.0%	-0.2	-40.0%
	Other Assets	2.5%	13.0	14.5	17.0	18.0	18.1	18.2	2.5%	5.1	39.2%
	Overseas Assets	1.0%	5.2	5.0	7.2	8.5	9.5	9.1	1.3%	4.3	82.7%
	Total Australian and Overseas Assets		516.0	550.6	593.4	670.7	720.9	712.0			

Source: ATO, table contains the appropriate distribution of assets held by SMSFs of different sizes, based on total fund assets. The data is obtained from SMSF reporting as at 30 June of each financial year.

SMSF Asset Allocations – Largest Movements (\$)

	Asset class (\$ Billions)	Allocation Dec-13 (%)	Dec-13	Dec-14	Dec-15	Dec-16	Dec-17	Mar-18	Allocation Dec-17 (%)	Movement Dec-13-17 (\$)	Movement Dec-13-17 (%)
	Listed Trusts	3.6%	18.6	21	24.8	30.7	33.7	33.1	4.7%	15.1	81.2%
2	Unlisted Trusts	9.2%	47.3	50.8	57.4	70.7	77.8	76.6	10.9%	30.5	64.5%
	Insurance Policy	0.0%	0.2	0.2	0.2	0.1	0.1	0.1	0.0%	-0.1	-50.0%
	Other Managed Investments	4.6%	23.7	26.1	30.2	36.2	38.7	40.1	5.4%	15	63.3%
6	Cash and Short Term Deposits	28.1%	144.8	146.9	149.9	154.5	157.3	156.9	22.1%	12.5	8.6%
	Debt Securities	0.9%	4.7	6.3	7.7	9.4	9.6	9.5	1.3%	4.9	104.3%
	Loans	0.7%	3.6	3.8	4.1	4.5	4.5	4.5	0.6%	0.9	25.0%
1	Listed Shares	30.8%	158.8	168.3	173.5	196.6	218.5	207.8	30.7%	59.7	37.6%
	Unlisted Shares	1.0%	5.4	5.6	6.4	7.1	7.1	7.2	1.0%	1.7	31.5%
3	Limited Recourse Borrowing Arrangements	1.9%	9.6	16.5	22.4	28.9	31.4	32.2	4.4%	21.8	227.1%
4	Non-residential Real Property	12.0%	61.8	64.0	67.7	73.7	80.1	81.5	11.3%	18.3	29.6%
5	Residential Real Property	3.6%	18.8	21.2	24.5	31.5	34.2	34.9	4.8%	15.4	81.9%
	Collectables and Personal Use Assets	0.1%	0.5	0.4	0.4	0.3	0.3	0.3	0.0%	-0.2	-40.0%
	Other Assets	2.5%	13.0	14.5	17.0	18.0	18.1	18.2	2.5%	5.1	39.2%
	Overseas Assets	1.0%	5.2	5.0	7.2	8.5	9.5	9.1	1.3%	4.3	82.7%
	Total Australian and Overseas Assets		516.0	550.6	593.4	670.7	720.9	712.0			

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	Insurance Policy	0.0%	0.2	0.2	0.2	0.1	0.1	0.1	0.0%	-0.1	-50.0%
	Other Managed Investments	4.6%	23.7	26.1	30.2	36.2	38.7	40.1	5.4%	15	63.3%
6	Cash and Short Term Deposits	28.1%	144.8	146.9	149.9	154.5	157.3	156.9	22.1%	12.5	8.6%
	Debt Securities	0.9%	4.7	6.3	7.7	9.4	9.6	9.5	1.3%	4.9	104.3%
	Loans	0.7%	3.6	3.8	4.1	4.5	4.5	4.5	0.6%	0.9	25.0%
1	Listed Shares	30.8%	158.8	168.3	173.5	196.6	218.5	207.8	30.7%	59.7	37.6%
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Investment strategies are changing....

***How can we attract investors to direct
property and unlisted fund investments?***

A catalyst for change??



Change catalysts – are we ready?





Labor's franking credit policy still falling short

THE AUSTRALIAN 



Franking fears pushing retirees to commercial property investments

The prospect of changes to franking credits ... those in a zero tax paying environment such as many self-funded retirees. For those investors that do pay tax, there are still advantages because the ...

29 April 2019

The future of franking credit refunds

[Home](#) > [Insight](#) > The future of franking credit refunds

The future of franking credit refunds

The proposed changes to franking credit refunds are sparking intense debate amongst Australian investors, particularly retirees and SMSF members. With a federal election just around the corner, now is a good time to

[/www.cromwell.com.au/](http://www.cromwell.com.au/)le that franking credits and franking credit refunds play in your portfolio.

Tax Deferred Income Advantages

SCA Unlisted Retail Funds

Tax Deferred Distributions

An investment in a property fund typically returns the investor a regular income distribution payment. The majority of the payment is generated by the fund from the rental income associated with the fund's properties. A portion of the payment may contain a tax-deferred amount.

Tax-deferred amounts arise when a property fund's distributable income is higher than its taxable income. The difference is typically attributable to tax deductions that do not arise from cash expenses that are paid during the year. These include tax depreciation on plant and equipment or buildings or other amounts deductible over time such as certain costs of raising equity and borrowing.



Source : <https://scasurf.com.au>

The potential advantages of tax-deferred income from property funds

Property funds typically make regular income distribution payments to investors. These distributions are primarily the result of rental income received from tenants in properties that are directly held by the funds. Part of these distribution payments may contain a 'tax-deferred' component.

Tax-deferred distributions have the potential to provide a number of benefits to long-term investors, such as enabling the opportunity for a deferred tax liability and, therefore, enabling greater re-investment.

For certain investors, tax-deferred distributions even have the potential to be wholly tax-free.

Key benefits of tax-deferred income

- For long-term investors on capital account, income tax **may not be payable** on the tax-deferred component of the distribution, provided the total tax-deferred components doesn't exceed an investor's cost base in the investment.
- Tax-deferred distributions operate to reduce an investor's cost base in the units held and tax-deferred income is, in effect, only brought to account when an investment is sold.
- Investors holding units in a property fund on capital account for more than 12 months will receive a 50 percent discount on capital gains (i.e. the difference between the sale proceeds and the cost base in the investment).
- Superannuation funds receive a one third discount on capital gains if their investment is held for more than 12 months on capital account.
- For superannuation funds in an allocated pension phase, capital gains may be tax-free. As such, gains realised on investments held from the period prior to the allocated pension phase may also be tax-free. Effectively, the result is that tax-deferred distributions can be tax-free.



Source: www.australianunityinvestments.com.au



Sign now to maintain the current dividend imputation system

We the undersigned call upon the Commonwealth Government and Federal Opposition to guarantee no change to the current dividend imputation system. It is unfair to change the rules on self-funded retirees, older workers and low income earners.

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Make your voice heard.

First Name

Last Name

Email

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Sign the petition

THE AUSTRALIAN



ALP may trigger \$40bn LIC reset

The \$40 billion Listed Investment Company sector — a favourite of conservative investors — is going to have to undertake a massive legal restructure to save itself should the ALP win power. Geoff Wilson, one of the most powerful players in the LIC market said

Property Boom or Bust?



The Urban Developer

OPINION ADAM DI MARCO MON 29 APR 19

Paradox or Paranoia: What the Bloody Hell Is Going On in Residential Property?

FINANCIAL REVIEW

Property investors rush to beat crackdown on SMSF loans

Agents say business owners are doing commercial real estate deals to beat a January 2020 deadline set by Labor.

Duncan Hughes *Reporter*



May 2, 2019 — 2.13pm

Share Share

The number of medical and legal professionals and business owners rushing to buy premises has soared in anticipation a future federal Labor government will axe self-managed super fund loans.

How to target a yield of 6 per cent

With volatile markets and growth set to slow, professional investors outline how to target inflation-beating income without taking on too much risk.



Duncan Hughes
Reporter

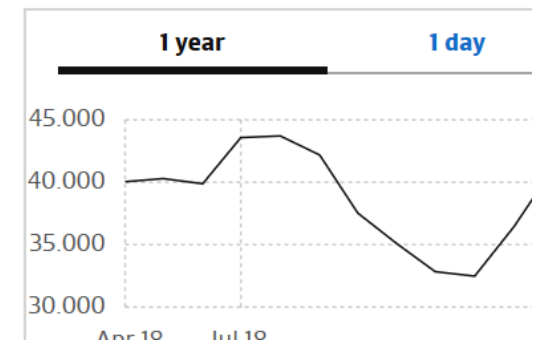
Mar 30, 2019 — 12.00am

Investors can target returns of about six per cent, or more than three times the rate of inflation, without exposing nest eggs to excessive risks from increasingly volatile equity and fixed income markets.

Investment specialists are generating the returns by combining a diversified mix of Australian shares that have a long track record of stable and sustainable dividends with managed fund exposure to unlisted commercial property and infrastructure investments.

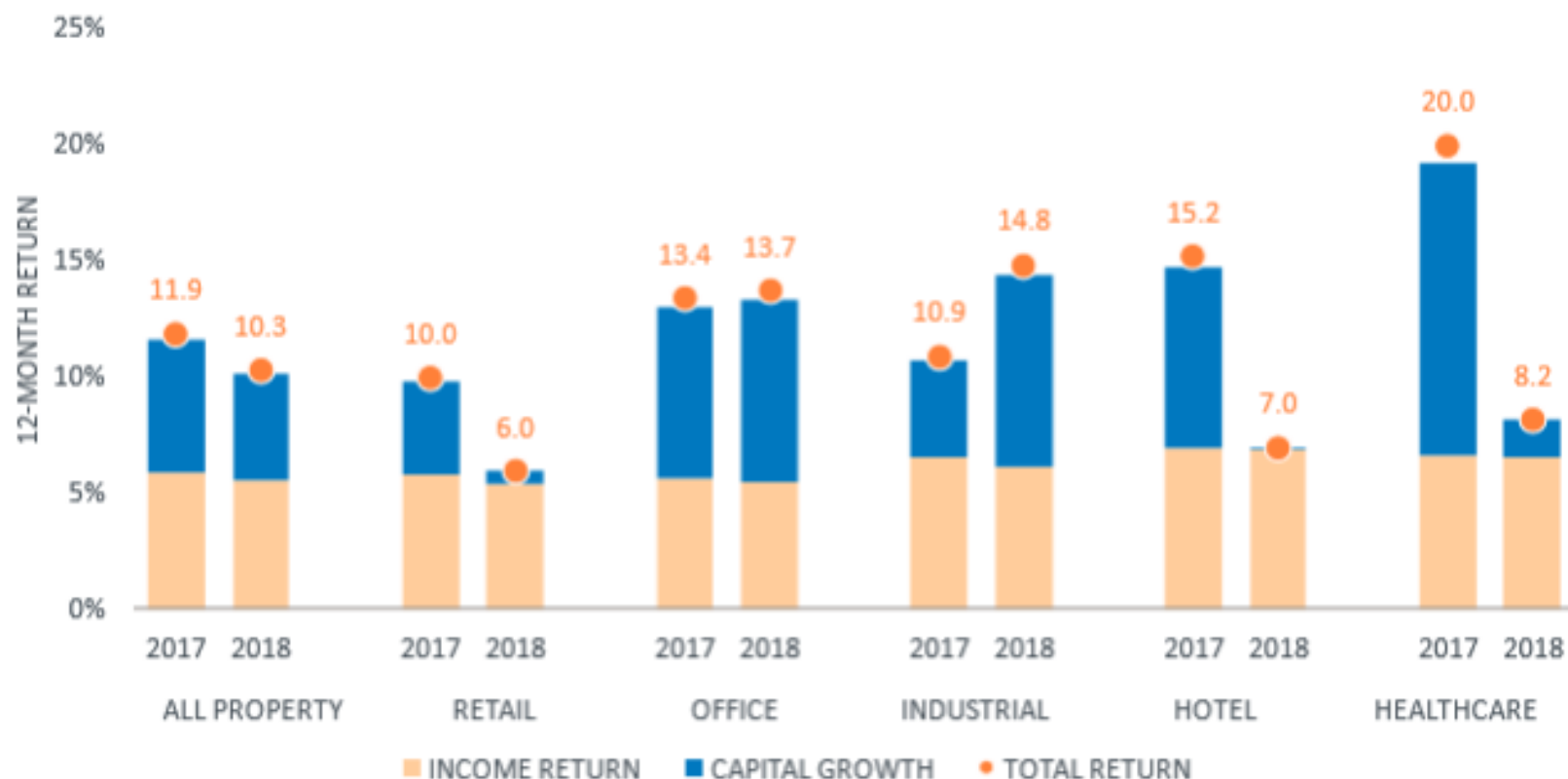
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SECTOR PERFORMANCE

Industrial and office sectors posted the strongest total returns in 2018. Retail, hotel and healthcare performance fell back to single digits.



SMSF Member Demographic Table – Age Ranges

Age ranges	Male	Female	Total
<25	0.7%	0.7%	0.7%
25–34	3.7%	3.9%	3.8%
35–44	11.8%	13.0%	12.4%
45–49	10.1%	11.1%	10.6%
50–54	11.5%	12.4%	11.9%
55–59	13.4%	14.1%	13.7%
60–64	13.4%	14.1%	13.7%
65–69	13.6%	13.5%	13.6%
70–74	11.2%	9.8%	10.5%
75–84	9.4%	6.7%	8.1%
85+	1.4%	0.7%	1.1%



- Larger % of SMSF Members from 25 – 65 are female

Source: ATO



Investing in unlisted property schemes?

Independent guide for investors about unlisted property schemes

This guide is for you, whether you're an experienced investor or just starting out.



ASIC

Australian Securities & Investments Commission

ASIC's benchmarks and disclosure principles for unlisted property schemes

The PDS* should tell you whether or not the property scheme meets each benchmark. If the benchmark is not met, the investment manager should explain why not and how the risk is dealt with in another way.

	Page
Benchmark 1: Gearing policy	14
The investment manager maintains and complies with a written policy on gearing at an individual credit facility level.	
Benchmark 2: Interest cover policy	14
The investment manager maintains and complies with a written policy on interest cover at an individual credit facility level.	
Benchmark 3: Interest capitalisation	16
The interest expense of the scheme is not capitalised.	
Benchmark 4: Valuation policy	17
The investment manager maintains and complies with a written valuation policy.	
Benchmark 5: Related party transactions	19
The investment manager maintains and complies with a written policy on related party transactions.	
Benchmark 6: Distribution practices	21
The scheme will only pay distributions from its cash from operations (excluding borrowings) available for distribution.	

* These benchmarks and disclosure principles apply to unlisted property schemes from 1 November 2012. For more information see ASIC's Regulatory Guide 46 *Unlisted property schemes: Improving disclosure for retail investors* (RG 46).

The investment manager should also disclose particular information about itself and the property scheme, as outlined in the disclosure principles.

	Page
Disclosure Principle 1: Gearing ratio	22
To what extent are the scheme's assets funded by debts?	
Disclosure Principle 2: Interest cover ratio	24
Can the scheme meet its interest payments from its earnings?	
Disclosure Principle 3: Scheme borrowing	25
What are the key terms of any loan and when must the scheme's debts be repaid?	
Disclosure Principle 4: Portfolio diversification	28
Does the scheme manage risk by spreading the money it invests between different properties?	
Disclosure Principle 5: Related party transactions	29
How many of the scheme's transactions involve parties that have a close relationship with the manager?	
Disclosure Principle 6: Distribution practices	29
Where is the money paid to you coming from and is this sustainable?	
Disclosure Principle 7: Withdrawing from the scheme	30
Can you withdraw from the scheme and how long will it take to get your money back?	
Disclosure Principle 8: Net tangible assets	31
What is the net tangible asset value per unit of your investment in the scheme?	

Each benchmark and disclosure principle is explained in more detail in the following pages.

Managing investor expectations....

Maintaining investment discipline....

Growing investment - asset enhancers...

Now is the time...



Let's meet the challenge.

Thank you

