



FORT STREET
REAL ESTATE CAPITAL



FSREC Property Fund

FY21 Annual Results Presentation

FY21 Portfolio Highlights

For the financial year period ending 30 June 2021

Financial

Net Tangible Assets

\$1.64¹

FY21 Distribution

6.75 cents per security²

Distribution Growth

+21.8% vs prior year³

Operational

Occupancy

98.6%

Leasing Spread

+2.0%

Portfolio MAT Growth

+3.6%

Portfolio

Portfolio Value

\$666.1m

Weighted Average Cap Rate

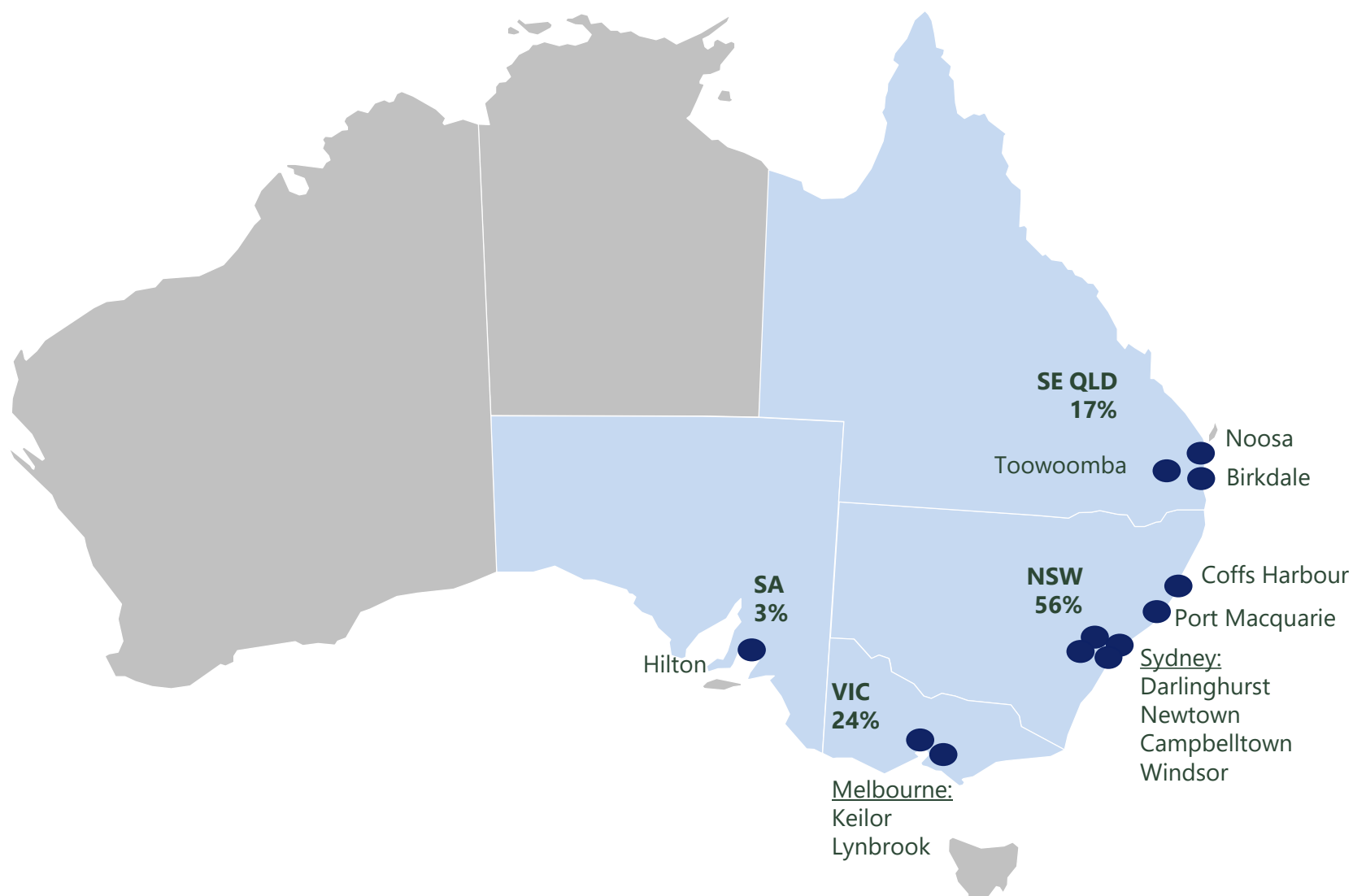
6.0%

Transactions

Sale of 241 O'Riordan Street,
Mascot

Portfolio Overview

Geographically diversified portfolio of convenience retail assets across the East Coast of Australia



FY21 Financial Performance

Summary of the key fund metrics for the financial year to 30 June 2021

Valuation Metrics	30 Jun 21	30 Jun 20 (proforma financials)	Change
Investment properties	\$666.1m	\$786.1m	
Assets held for sale ¹	\$145.9m	-	
Portfolio Total	\$811.9m	\$786.1m	+3.3%
Average capitalisation rate	6.0%	6.1%	(0.1)%

Key Metrics	30 Jun 21	30 Jun 20 (proforma financials)	Change
Net Tangible Assets	\$1.64	\$1.57	+4.5%
Distribution (cents per security) ²	6.75 cps	5.54 cps	+21.8%
Total Return (1 Year) ³	8.8%	1.8%	+7.0%
Gearing Ratio	36%	37%	(1.00)%



Source: FSREC

All figures based on preliminary unaudited estimates for 30 June 2021. Audited financials are due to be released in mid September 2021. Figures may not add due to rounding

¹ Gross contract price for sale of 241 O'Riordan Street \$151.5m. less disposal costs and tenant incentives.

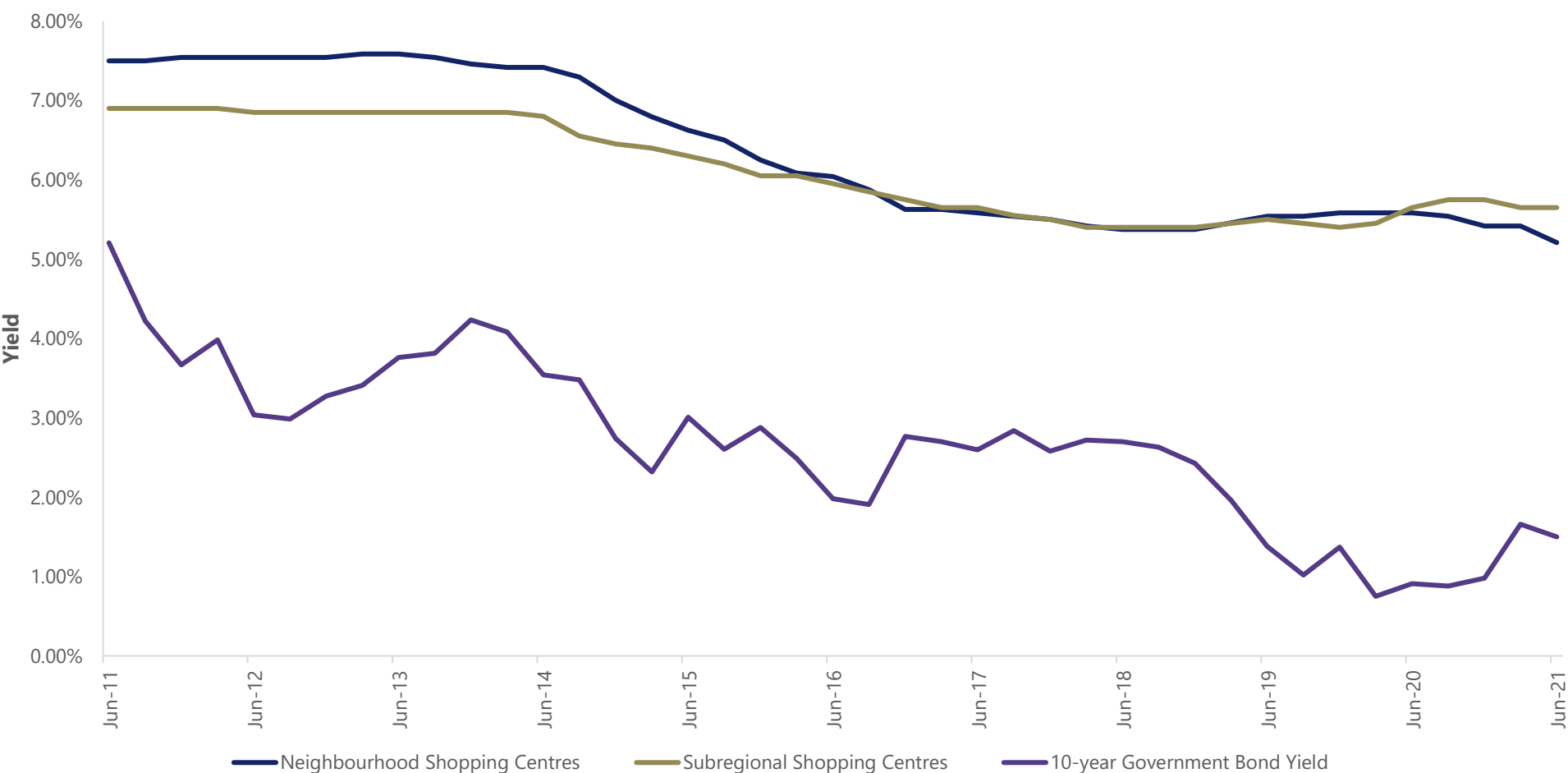
² Distribution of 6.75 cps for FY21 and 5.54 cps for FY20 calculated using proforma distribution returns prior to merger.

³ Total Return (12 months) calculated using proforma NTA for 30 June 2020 and Fund distributions over 12-month period, including proforma distribution for September 2020 quarter.

Disclaimer: Historical performance is not a reliable indicator of future performance.

Retail Property Market

Macro factors continue to support the performance of the retail sector



Retail Property Market

Recent comparable sales evidence



MarketPlace Raymond Terrace NSW | \$87.55m, 5.68% | Jul 21



Casey Central VIC | \$225m, 5.38% | Jul 21



Caddens Corner NSW | \$65m¹, 5.05% | Apr 21



Bellarine Village VIC | \$38.0m, 5.30% | Feb 21

Capital Management

Update on liquidity initiatives for investors

1 Asset sales



- Sale of 241 O’Riordan Street, Mascot completed at a price of \$151.5m
- Withdrawal offer completed with proceeds returned to securityholders



2 Raising equity



- Commenced discussions with institutional and high net worth investors about potential investment in the FSREC Property Fund



3 Debt capital



- Completed a debt refinance into a single facility with a new 4 year term
- Reduction in borrowing expenses for investors



6.

Operational Update

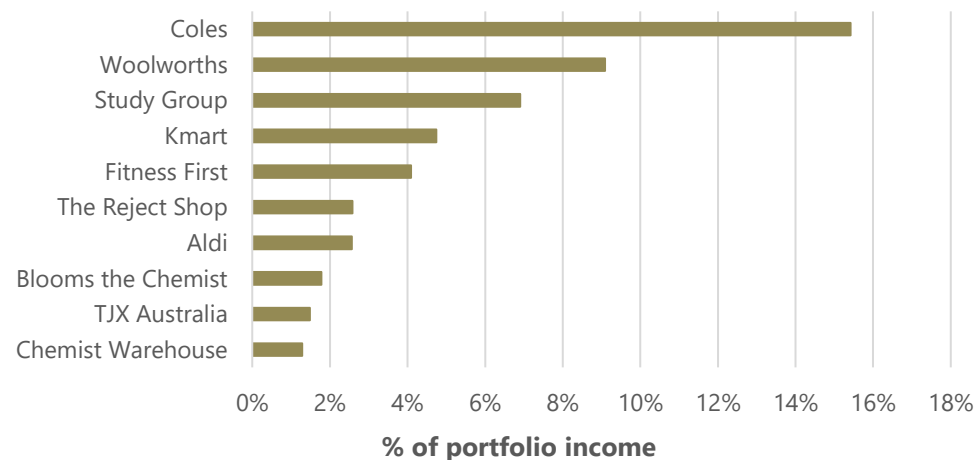


Portfolio Update

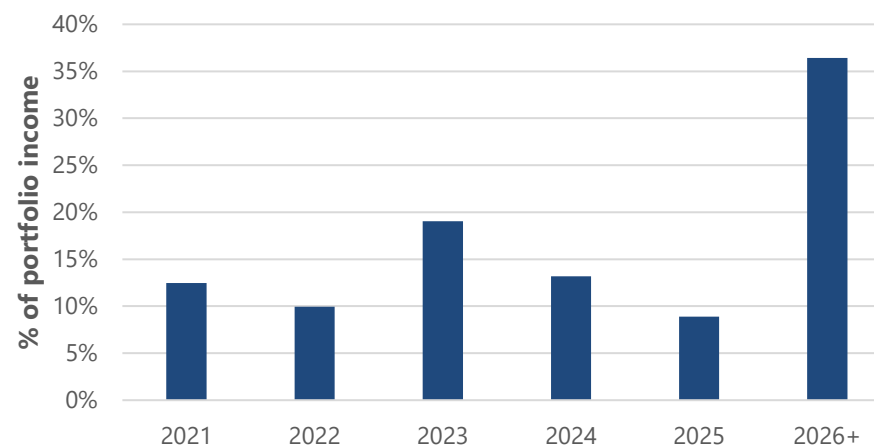
Retail portfolio weighted towards grocery and essential services

Portfolio Overview	30 Jun 21	30 Jun 20
Number of assets	12	13
Gross Lettable Area (GLA)	107,313 sqm	126,297 sqm
Occupancy	98.6%	97.7%
WALE	4.8 years	4.6 years

Top 10 Tenants

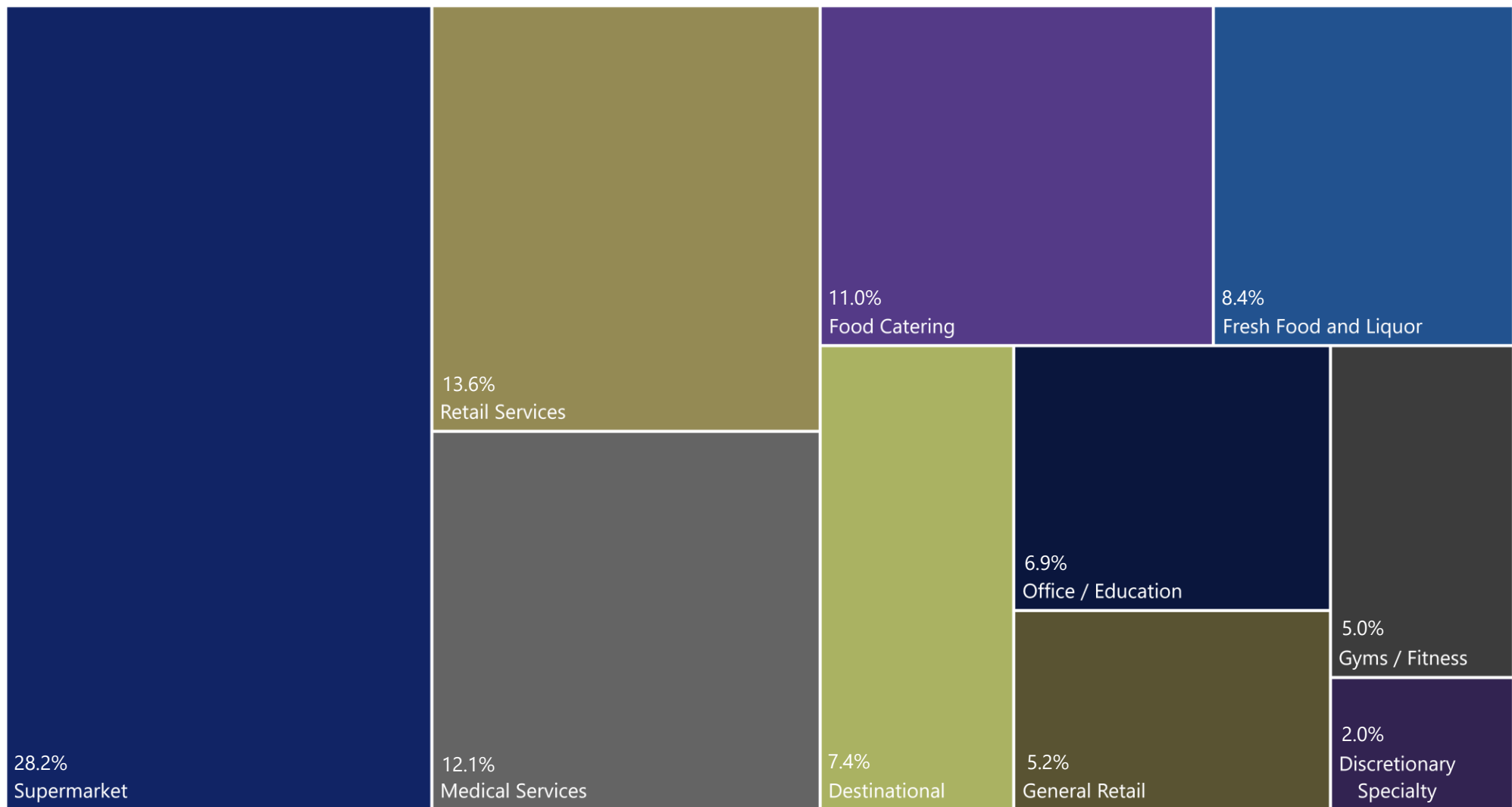


Lease Expiry Profile



Portfolio Update – Tenancy Mix

Retail portfolio has a high weighting to essential services; Only 2% weighting to discretionary specialty retail



Portfolio Update - Leasing

Total number of leases agreed increased by 27% over the financial year

Occupancy

98.6%

Weighted Average Lease Expiry

4.8 years

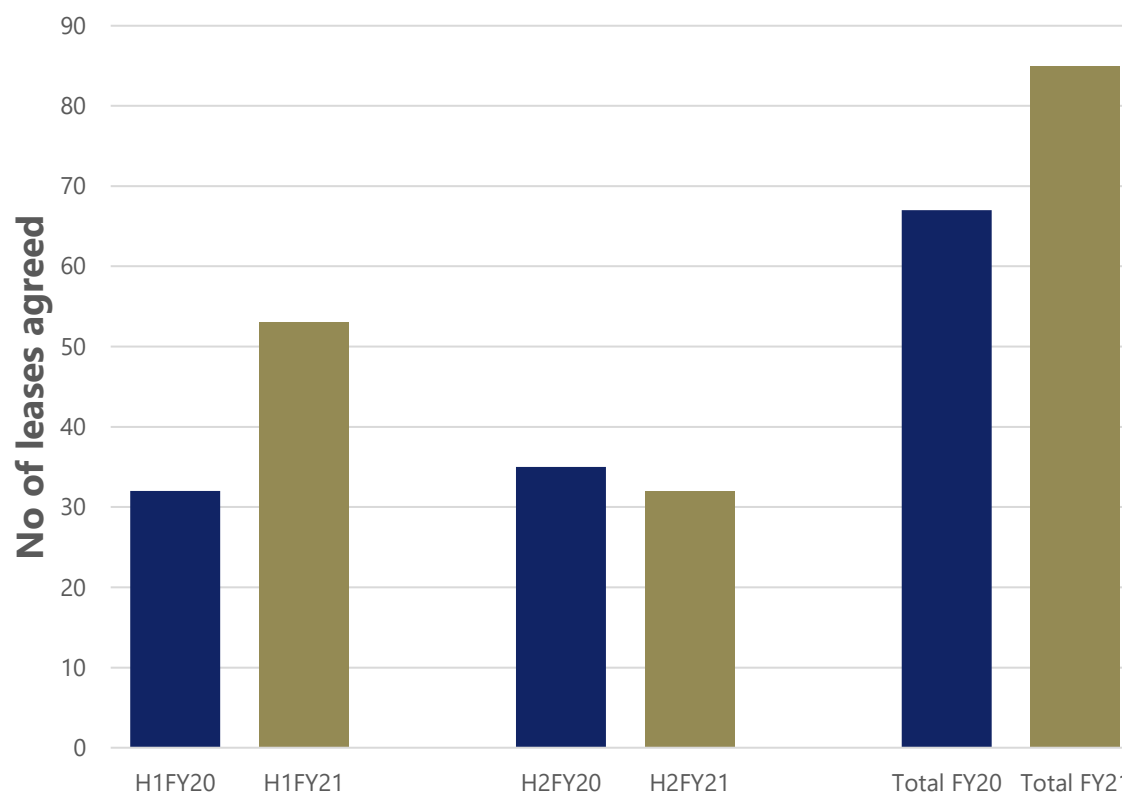
Leasing Spread

+2.0%

Tenant Retention

70%

FY20 vs FY21 Leasing Volume





Oxford Village, Darlinghurst



Birkdale Fair, Brisbane



Marketfair, Campbelltown

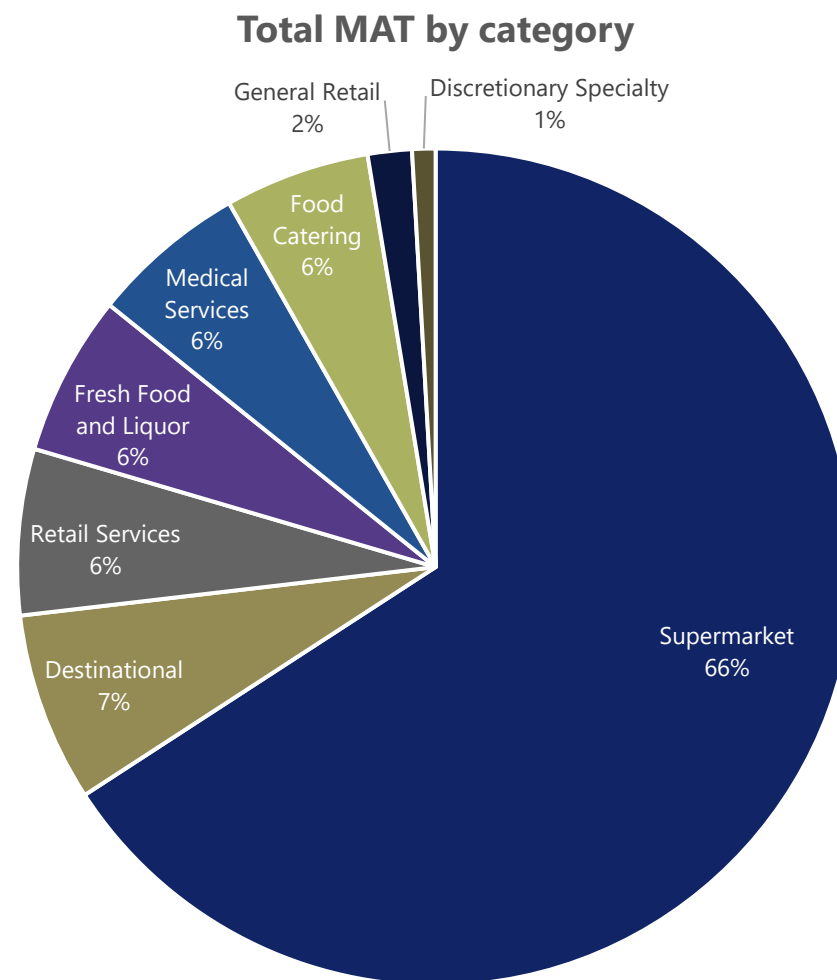


Windsor Riverview, Windsor

Portfolio Update - Sales Performance

Strong sales performance across the portfolio with total MAT increasing 3.2%

Sales Performance	30 Jun 21
Total Portfolio Sales (\$m)	892
Supermarket MAT ¹ Growth	3.5%
Supermarkets in Turnover	58%
Specialty productivity (\$/sqm)	10,337
Specialty occupancy cost (%)	10.1%
Average specialty gross rent (\$/sqm)	781
Weighting to non-discretionary & destinational retail	98%



Projects – Birkdale McDonalds



Projects - Sustainability

Several energy efficiency initiatives completed during the financial year



Oxford Village

5.5-star NABERS energy rating achieved



Toormina Gardens

5-star NABERS energy and water ratings achieved



Keilor Central

200kW solar installation completed at Keilor Central

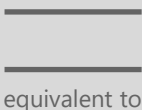
Total annual savings:



1,447

MWh per annum

Avoided in common area electricity usage



equivalent to



1,185

tonnes CO2e per annum

Avoided in emissions



483

cars taken off the road

Cars taken off the road



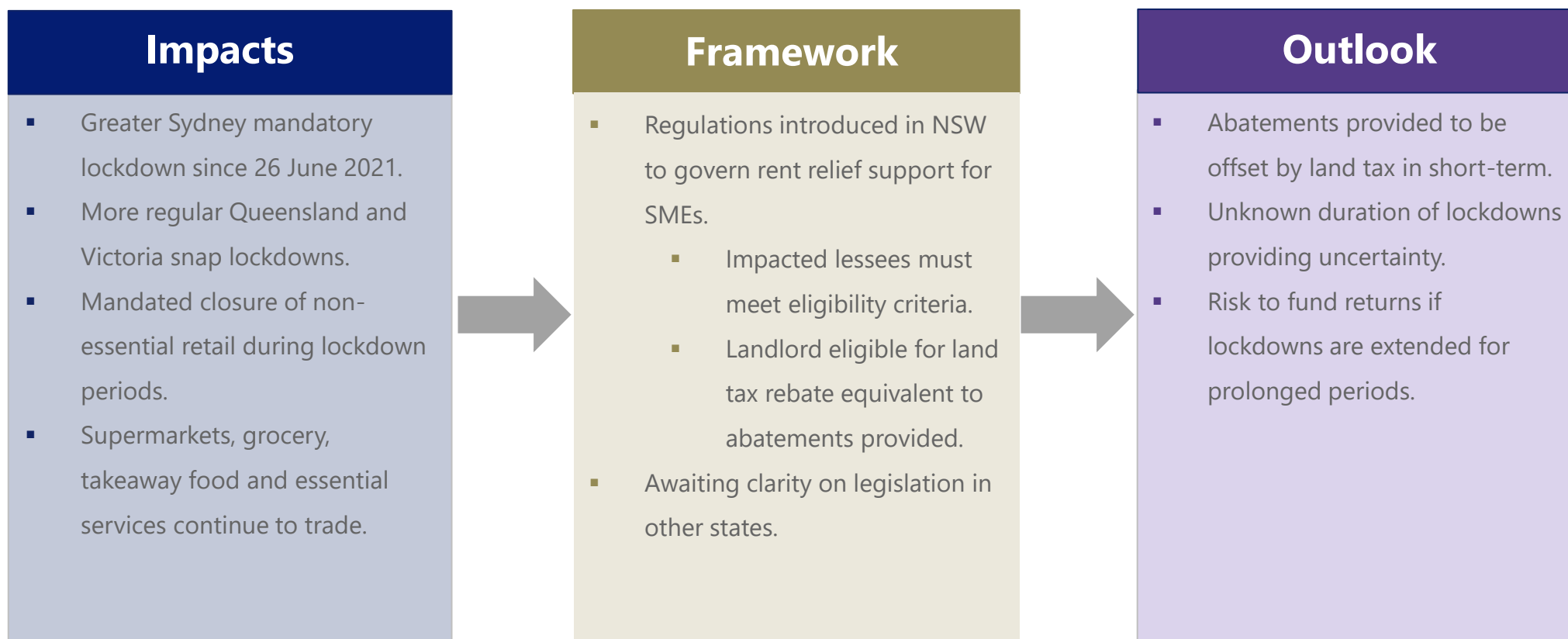
15.3%

reduction

Common area electricity usage

COVID-19 Update

Convenience retail continues to remain resilient despite ongoing challenges of COVID-19

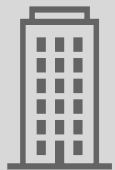


FY22 Fund Strategy

Fund strategy and areas of focus for the new financial year

FSREC Property Fund

Key Strategies



1.

**Active
portfolio
management**



2.

**Growth
opportunities**



3.

**Capital
management
& liquidity
initiatives**

For further information

Investor relations

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Appendices

FSREC Portfolio NSW

Oxford Village, Sydney



ASSET TYPE	Convenience retail and commercial centre	VALUATION	\$110.0 million	TOTAL MAT	\$16.9 million ¹
LOCATION	High Street	GLA	12,048 sqm	AV. SPEC GROSS RENT	\$980/sqm
TENANTS	(Retail) Aldi, JB Hifi, Chemist Warehouse, 30 specs (Commercial) Fitness First, Study Group	OCCUPANCY	100%	SPEC OCC COST	10.7%
		WALE	4.7 years	SPEC PRODUCTIVITY	\$8,378/sqm
STRATEGY	Expansion of health services. Unlock value through repositioning of upper levels in longer-term.				

Marketfair Campbelltown, Sydney



ASSET TYPE	Neighbourhood retail centre	VALUATION	\$49.3 million	TOTAL MAT	\$66.2 million
LOCATION	Prime metropolitan	GLA	9,097 sqm	AV. SPEC GROSS RENT	\$822/sqm
TENANTS	Woolworths, 27 specs	OCCUPANCY	100%	SPEC OCC COST	6.6%
		WALE	3.8 years	SPEC PRODUCTIVITY	\$13,344/sqm
STRATEGY	Progress land rezoning and precinct masterplanning approval.				

Newtown Central, Sydney



ASSET TYPE	Convenience retail	VALUATION	\$30.25 million	TOTAL MAT	\$15.3 million
LOCATION	High Street	GLA	3,375sqm	AV. SPEC GROSS RENT	\$1,358/sqm
TENANTS	Foodworks, Fitness First, 15 specs	OCCUPANCY	100%	SPEC OCC COST²	12.1%
		WALE	4.9 years	SPEC PRODUCTIVITY	\$11,446/sqm
STRATEGY	Lease to inner city F&B and service tenants.				

FSREC Portfolio NSW (continued)

Windsor Riverview, Sydney



ASSET TYPE	Neighbourhood retail centre	VALUATION	\$55.5 million	TOTAL MAT	\$66.8 million
LOCATION	Prime metropolitan	GLA	7,915 sqm	AV. SPEC GROSS RENT	\$761/sqm
TENANTS	Coles, 33 specs	OCCUPANCY	100%	SPEC OCC COST	16.1%
		WALE	3.5 years	SPEC PRODUCTIVITY	\$4,916/sqm
STRATEGY	Increase specialty retailer performance by de-weighting exposure to apparel. Longer-term planning for development of adjoining houses with another major anchor.				

Toormina Gardens, Coffs Harbour



ASSET TYPE	Dual supermarket convenience-based subregional centre	VALUATION	\$90.0 million	TOTAL MAT	\$175.2 million
LOCATION	Coastal	GLA	21,141 sqm	AV. SPEC GROSS RENT	\$657/sqm
TENANTS	Woolworths, Coles, Kmart, 51 specs	OCCUPANCY	98%	SPEC OCC COST	7.4%
		WALE	3.8 years	SPEC PRODUCTIVITY	\$10,657/sqm
STRATEGY	Complete asset repositioning and tenant remixing with expansion of fresh food and service offerings. Development of McDonalds padsite.				

Lake Innes, Port Macquarie



ASSET TYPE	Neighbourhood retail centre	VALUATION	\$35.0 million	TOTAL MAT	\$76.4 million
LOCATION	Coastal	GLA	4,695sqm	AV. SPEC GROSS RENT	\$801sqm
TENANTS	Coles, 12 specs	OCCUPANCY	100%	SPEC OCC COST	8.9%
		WALE	9.0 years	SPEC PRODUCTIVITY	\$10,268/sqm
STRATEGY	Lease-up "eat street" with food retailers to capitalize on future growth in the neighbouring university campus and residential suburbs. Progress planning for additional padsite development.				

FSREC Portfolio VIC and SA

Keilor Central, Melbourne



ASSET TYPE	Dual supermarket convenience-based subregional centre	VALUATION	\$117.5 million	TOTAL MAT	\$147.8 ¹ million
LOCATION	Prime metropolitan	GLA	19,811 sqm	AV. SPEC GROSS RENT	\$763/sqm
TENANTS	Coles, Aldi, Kmart, 65 specs	OCCUPANCY	98%	SPEC OCC COST	11.2%
		WALE	4.4 years	SPEC PRODUCTIVITY	\$8,035/sqm
STRATEGY	Asset repositioning through expansion of fresh food, take away and health precincts and improve link to new \$60 million "Health and wellbeing hub" next door. Commence planning for longer-term masterplan and additional retail and mixed use development.				

Lynbrook Village, Melbourne



ASSET TYPE	Neighbourhood retail centre	VALUATION	\$43.0 million	TOTAL MAT	\$56.1 million
LOCATION	Prime metropolitan	GLA	7,666 sqm	AV. SPEC GROSS RENT	\$583/sqm
TENANTS	Coles, 31 specs	OCCUPANCY	97%	SPEC OCC COST	13.2%
		WALE	6.6 years	SPEC PRODUCTIVITY	\$5,318/sqm
STRATEGY	Lease vacancies. Improve productivity of specialty tenants through active management.				

Hilton Plaza, Adelaide



ASSET TYPE	Neighbourhood retail centre	VALUATION	\$22.75million	TOTAL MAT	\$49.1 million
LOCATION	Prime metropolitan	GLA	4,453sqm	AV. SPEC GROSS RENT	\$699/sqm
TENANTS	Woolworths, 13 specs	OCCUPANCY	94%	SPEC OCC COST	12.8%
		WALE	5.2 years	SPEC PRODUCTIVITY	\$6,716/sqm
STRATEGY	Lease remaining vacancy to medical or office. Improve productivity of specialty tenants through active management.				

FSREC Portfolio QLD

Noosa Village, Noosa



ASSET TYPE	Neighbourhood retail centre	VALUATION	\$34.0 million	TOTAL MAT	\$72.3 million
LOCATION	Prime metropolitan	GLA	4,788 sqm	AV. SPEC GROSS RENT	\$754/sqm
TENANTS	Woolworths, 21 specs	OCCUPANCY	94%	SPEC OCC COST	5.1%
		WALE	3.4 years	SPEC PRODUCTIVITY	\$19,384/sqm
STRATEGY	Planning for major asset repositioning including supermarket expansion and mall refurbishment. Complete tenant remixing and releasing strategy to expand fresh food and services offer. Position asset as leading convenience retail offer in Noosa.				

Birkdale Fair, Brisbane



ASSET TYPE	Neighbourhood retail	VALUATION	\$31.75 million	TOTAL MAT	\$79.8million
LOCATION	Prime metropolitan	GLA	5,426 sqm	AV. SPEC GROSS RENT	\$907/sqm
TENANTS	Woolworths, 17 specs	OCCUPANCY	100%	SPEC OCC COST	7.3%
		WALE	5.2 years	SPEC PRODUCTIVITY	\$11,349/sqm
STRATEGY	Continue with retail offer enhancement through expansion of medical and fresh food offer and McDonalds padsite development.				

Northpoint Shopping Centre, Toowoomba



ASSET TYPE	Neighbourhood retail	VALUATION	\$47.0 million	TOTAL MAT	\$69.6 million
LOCATION	Prime regional	GLA	6,899 sqm	AV. SPEC GROSS RENT	\$732/sqm
TENANTS	Coles, 26 specs	OCCUPANCY	99%	SPEC OCC COST	8.6%
		WALE	6.7 years	SPEC PRODUCTIVITY	\$8,919/sqm
STRATEGY	Lease last vacancy. Maintain high occupancy through active management.				

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