

# CROMWELL DIRECT PROPERTY FUND

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## SUMMARY OF INFORMATION

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**Please note this is NOT a Statement of Advice (SoA) and should not be used as such. Rather it contains information which may assist an advisor to prepare a hypothetical recommendation for an investment in the Cromwell Direct Property Fund (Cromwell DPF) and is, accordingly, provided as an information document to assist financial advisors in preparing their own SoA.**

**Please refer to your licensee for appropriate SoA templates in which to insert this information. Advisers or their licensee should obtain their own legal advice as to the content requirements of the SoA.**

**This document is provided for the use of licensed financial advisors only. It does not consider the investment objectives, financial position or particular needs of a particular investor. A recommendation should only be made by an advisor who has considered and determined the relevant personal circumstances of their client and who forms a reasonably held view that the Cromwell DPF meets their client's goals and objectives and so is appropriate for them. This document is not intended to illustrate the giving of suitable or best advice.**

**Should a recommendation be made, applications can only be made on the application form in the Product Disclosure Statement for the Cromwell DPF dated 17 November 2020. Any potential investor should consider the terms of the PDS and TMD for the fund in deciding whether to invest in the Cromwell DPF.**

**Current PDS and TMD are available on our website at:**

**[Cromwell Direct Property Fund - Cromwell Property Group Australia](#)**

# 1. Basis of Recommendation

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It is recommended that an investment of < > be made to acquire units in the Cromwell Direct Property Fund (Cromwell DPF or Fund) as we believe it meets your goals and objectives by <insert how recommendations will meet client's objectives>.

The Cromwell DPF is an open-ended managed fund investing in non-residential Australian property. The Fund had an initial term of 7 years, with an inception date of August 2013. This has now been extended for a second term with the Fund's next full withdrawal opportunity being in July 2025.

The Cromwell DPF aims to provide investors with a monthly tax advantaged income stream combined with the potential for capital growth<sup>1</sup> through investing in a diversified portfolio of quality Australian property assets.

Distributions of 4.75<sup>2</sup> cents per unit per annum are currently being paid, with the entitlement to distributions arising from the date an application is accepted, and units are issued<sup>1</sup>.

The Cromwell DPF offers a full withdrawal facility that will be available at the end of July 2025 and at the expiry of every fifth year thereafter. If withdrawal requests amount to less than 50% of the Fund's units on issue, then Cromwell Funds Management Limited (CFM) will seek to satisfy withdrawal requests within six months. If withdrawal requests total 50% or more of the Fund's units on issue CFM will take steps to wind up the Fund and distribute net proceeds to investors.

Further information on the Fund is included in this Sol under "The Offer" heading.

CFM is a wholly owned subsidiary of Cromwell Corporation Limited, which is part of the Cromwell Property Group (ASX: CMW), a Global Real Estate Investment Manager with a track record of delivering superior long-term performance through a disciplined and diligent approach to managing property and investors' funds.

As at 31 December 2023 Cromwell had a market capitalisation of \$1.14 billion, a direct property investment portfolio in Australia valued at \$2.4 billion, and total assets under management of \$11.4 billion across Australia, New Zealand and Europe.

[Note to advisers: please ensure that you have also considered alternative strategies, products and any consequences of replacing existing products – refer to your SoA template for full recommendation instructions in relation to what else must be addressed when completing recommendations. Further, please consider whether the level of diversification in your client's portfolio remains appropriate after any investment in the Cromwell DPF]

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<sup>1</sup> Capital growth and income distributions are not guaranteed and are subject to the assumptions and risks contained in the PDS. Past performance is not a reliable indicator of future performance.

<sup>2</sup> Distributions were reduced to 4.75cpu as at 1st January 2024

## 2. Offer Information

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### 2.1 The Offer

The manager and responsible entity of the Cromwell DPF is Cromwell Funds Management Limited ABN 63 114 782 777.

CFM has selected a direct property portfolio which provides both yield and diversification through investments in underlying property trusts managed by CFM, in addition to direct property owned wholly by the Fund.

Over time, as the Fund acquires or sells assets, the Fund's investment portfolio will change.

#### FEATURES OF THE FUND

- **Periodic (every 5 years) full withdrawal opportunity**
- **Limited monthly liquidity<sup>3</sup>**
- **Currently paying 4.75 CPU per annum (monthly distribution)<sup>4</sup>**
- **Potential for capital growth<sup>4</sup>**
- **Portfolio occupancy 95.5% by NLA<sup>5</sup>**
- **Weighted Average Lease Expiry of 4.0 Years by gross income<sup>6</sup>**

### 2.2 Structure

The minimum subscription is \$10,000 and multiples of \$1,000 will apply thereafter.

The Fund is an open-ended Fund and will continue to raise equity and seek appropriate investments over the term of the Fund.

Investors will be issued units once their application is accepted by CFM.

The offer opened on 21 August 2013.

### 2.3 The Investments

Over time, as CFM acquires or sells assets consistent with its investment strategy, the specific assets comprising the Fund's investment portfolio will change. Furthermore, the Property Trusts the Fund invests in may also buy, sell or expand on their portfolios, resulting in changes to the Fund's exposure to various assets.

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<sup>3</sup> Please note that as per the Update to Cromwell Direct Property Fund dated 29 September 2023, DPF will cease to offer redemptions from 1 October 2023

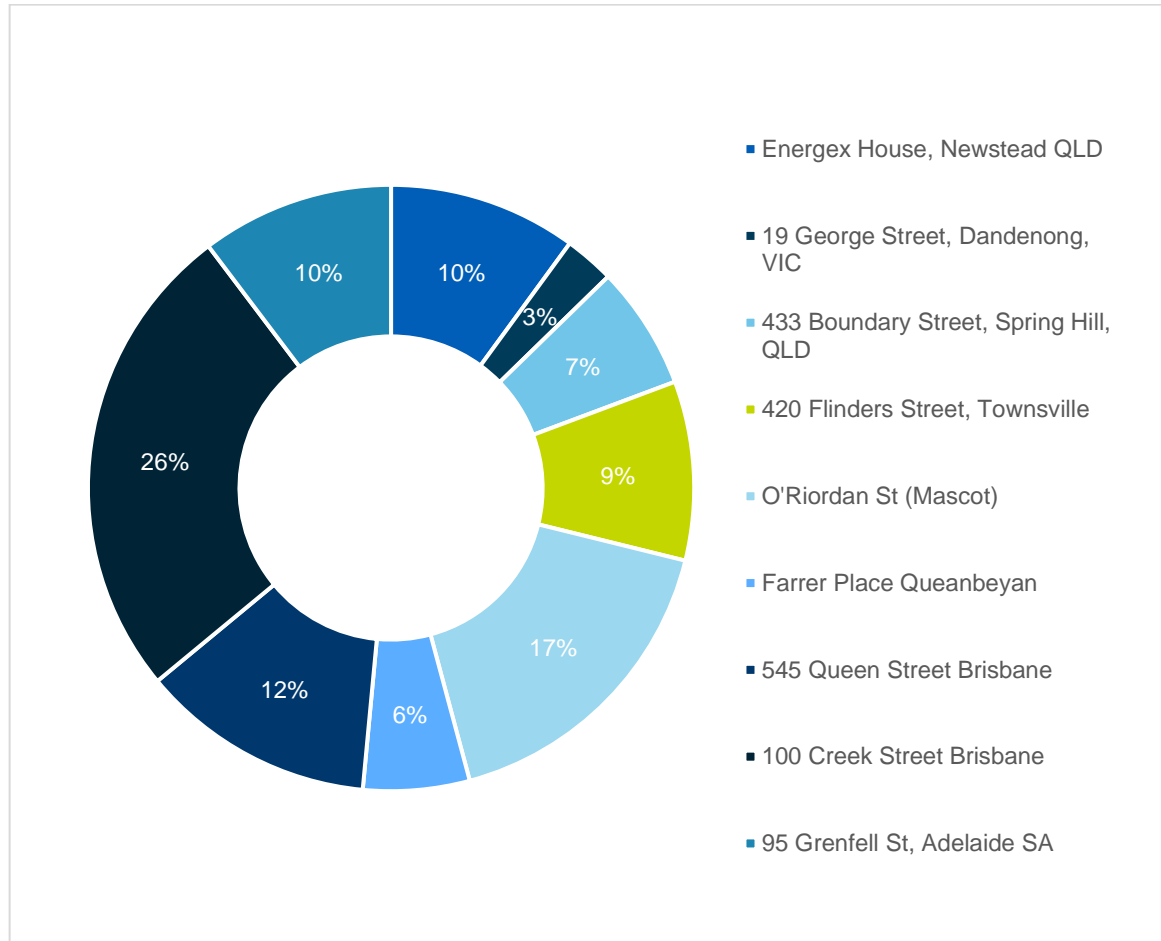
<sup>4</sup> Distributions were reduced to 4.75cpu from 1<sup>st</sup> January 2024

<sup>5</sup> As at 30 June 2024. Positions in the Fund are subject to change.

<sup>6</sup> Calculated on a "look-through" basis using gross passing income. Calculated using the Fund's unaudited monthly management accounts as at 30 June 2024

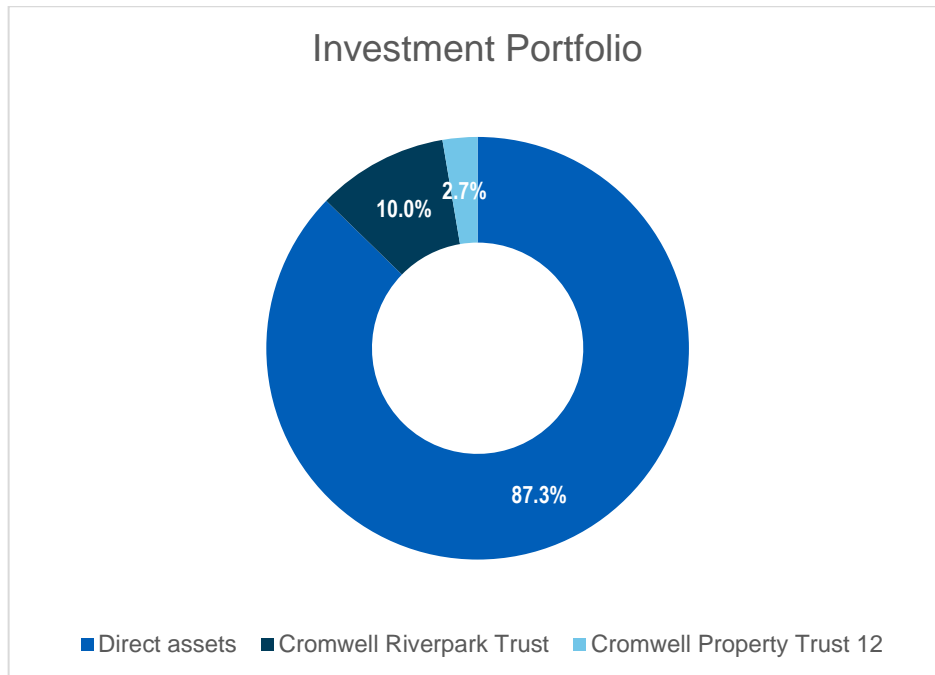
The following charts outline the Fund's investment and property portfolio as at 30 June 2024.<sup>7</sup>

### Property Portfolio (look through)



<sup>7</sup> As at 30 June 2024. Positions in the Fund are subject to change.

## Investment Portfolio (look through)



For ongoing up-to-date information on the Fund’s investment portfolio, please refer to the most recent “ASIC Benchmarks and Disclosure Principles (RG46 Disclosure Guide): Cromwell Direct Property Fund” which is available online at [www.cromwell.com.au/dpf](http://www.cromwell.com.au/dpf) or can be obtained free of charge, on request from Cromwell’s Investor Services Team on 1300 268 078.

The Target Market Determination (TMD) should also be used as a guide to clarify whether your clients are suitable for this fund. The TMD should be read in conjunction with the PDS.

## 2.4 Distributions

The current distribution upon issue is 4.75 cents per unit per annum<sup>1</sup>.

Distributions are paid approximately 12 days after the end of each month directly into investors’ bank accounts. A reinvestment option is available and is currently being offered a 5% discount. If no option is chosen on the application form distributions will automatically be reinvested.

## 2.5 Manager (Responsible Entity)

CFM is a wholly owned subsidiary of Cromwell Corporation Limited. Its objective is to provide individual investors and superannuation funds with access to the income, tax deferral and capital growth that can be achieved through owning professionally selected and managed industrial, retail and commercial property.

CFM holds an Australian Financial Services License (AFS Licence No 333214) which entitles it to act as the responsible entity of the Cromwell DPF.

## Cromwell Direct Property Fund – Summary of Information

The Directors and senior executives of CFM and the Cromwell Property Group have a diverse background and wide variety of skills and experience in the creation and management of direct property investments. These skills include areas such as contract negotiation, due diligence, valuation, financial and credit analysis, loan structuring, property law, commercial real estate, funds and asset management, tax, accountancy and development management.

### 2.6 Custodian

The assets of the Cromwell DPF are held by Cromwell BT Pty Ltd as Custodian for the Cromwell DPF.

### 2.7 Borrowing Policy

The Fund will only borrow against directly owned property and aims to limit gearing to no more than 50% of the value of the directly held properties.

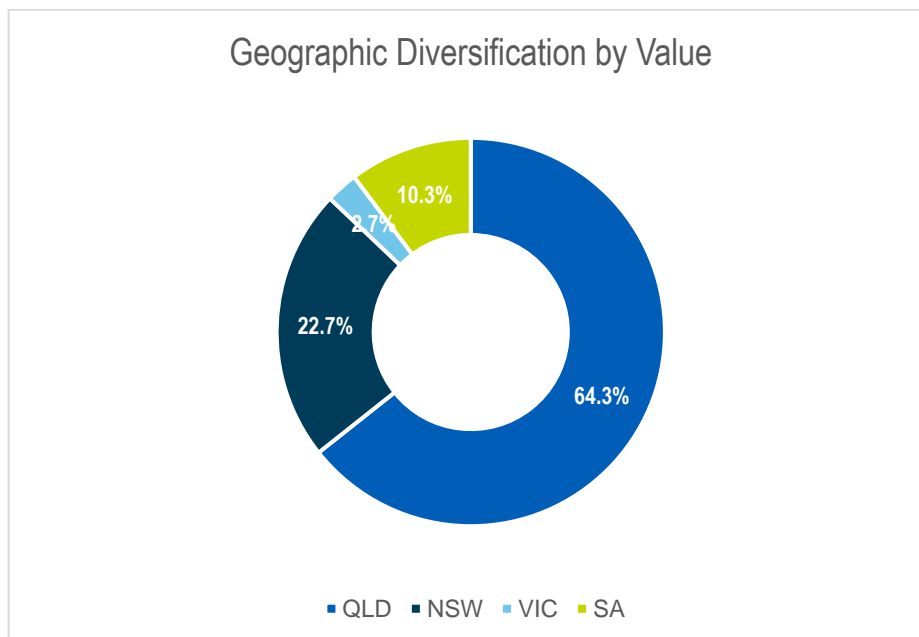
The Fund will limit look-through gearing, which takes into account each underlying Property Trust's borrowings, to no more than 50%.

The gearing ratio for the Fund at 30 June 2024 was 49.5% and look-through gearing was 52.2%. Positions in the Fund are subject to change.

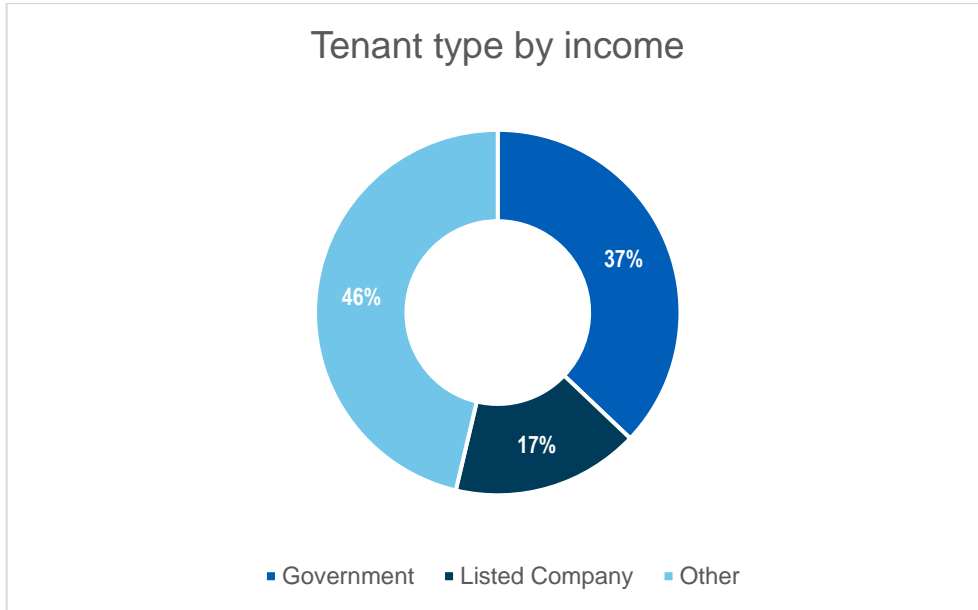
### 2.8 Investment Risk

As with any investment, there are risks in investing in the Cromwell DPF. However, CFM has put in place various strategies such as geographic, sub-sector (within property) and tenant type to minimise risk where possible.

#### Geographic Diversification by Income



## Tenant Type by Income



**<This may be supplemented by commentary about the investor's specific circumstances, and how an investment in Cromwell Direct Property Fund meets the client's portfolio diversification requirements.>**