



9.21%
AVERAGE ANNUAL RETURNS
(excluding capital growth)

128%
UNIT VALUE UPLIFT

BACKGROUND

In December 2010 the Gawler Central Trust ("Trust") was established with the purchase of Gawler Northern Markets Shopping Centre, as it was then known, located on Murray and Cowan Streets in Gawler, South Australia.

Leyton Funds saw value in the aging centre for which the trading performance belied its strong property and demographic fundamentals. Applying our active management approach, Leyton Funds has turned 'Gawler Central' into the dominant neighbourhood centre in the catchment.

A total of \$11.89 million was raised to complete the initial \$19.5m purchase. Since then the Trust has purchased an adjoining free-standing office building, completed several rounds of major refurbishment works, and extended the centre. All works have been debt funded without exceeding a 50% Loan-to-Value ratio. The Centre has recently been valued at \$43.0 million, reflecting an increase of approximately 121% in the 13 years of ownership.



DISTRIBUTIONS OF THE TRUST TO DATE

	Pre 2015/16**	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
DISTRIBUTION	\$2,771,236	\$973,320	\$969,933	\$1,191,562	\$1,139,803	\$1,303,574	\$1,743,046	\$1,738,399	\$1,563,851
% RETURN*	23.31%	8.19%	8.16%	10.02%	9.59%	10.96%	14.66%	14.62%	13.15%

*% returns on a per unit basis at purchase value (\$1). **Distribution for 2010/11 to 2014/15.

Retail (Neighbourhood Shopping Centre) returns are considered to sit at the lower end of the risk curve for commercial property investments for two reasons. Firstly, a large portion of income is derived from a supermarket anchor tenant like Coles or Woolworths, providing the security of large national listed entities. Secondly, the remaining portion of income is derived from a diversified pool of specialty tenants which spreads vacancy and leasing risk. With this in mind the trust has outperformed in the years following the centre repositioning.





GAWLER CENTRAL TRUST

ACTIVE MANAGEMENT

In addition to the management and renewal of the Centre, during the last seven years there have been several significant additional investments, all of which have been funded without further equity contributions.

- ◇ King Street Purchase: In 2013 the Trust purchased an adjoining property improved with a converted house, providing lettable office space as well as additional carparking for the Centre.
- ◇ Pharmacy Tenancy: Internal mall works were undertaken to create a new tenancy targeting a pharmacy, now leased to National Pharmacies.
- ◇ Coles Lease Extension: It was known at the commencement of the Trust that the Coles lease would expire during the initial term of the investment. Although a five-year option was provided for under the lease, Leyton Funds managed to secure a 15-year extension.
- ◇ The Trust also completed upgrade works to enhance visitor experience of the mall and entrances plus the installation of shade sails over the carparking area.
- ◇ Telstra and Optus Extension: In 2017 the Trust extended the Centre to create two new specialty tenancies to accommodate two new retailers, Optus and Telstra.
- ◇ In 2020 solar panels were installed to generate additional revenue and promote sustainability.
- ◇ Beyond Bank and Studio Pilates Extension: In 2022 the Trust extended the Centre to create a further two new specialty tenancies totalling 238 m² to accommodate Beyond Bank and Studio Pilates.
- ◇ Coles has recently invested \$6m into a new store fit out, highlighting its commitment to the Centre.

The value uplift resulting from these developments / acquisitions has improved investor returns and facilitated debt funding for all capital expenditure, whilst maintaining a conservative Loan to Value Ratio of sub 50%.



INVESTOR RETURNS

Using the actual distributions to Q4 2022 as well as the value uplift as calculated by the most recent Valuation, the Trust has produced an annual Internal Rate of Return (IRR) of **12.60%**

VALUE UPLIFT OF THE ASSET

The centre was purchased in December 2010 for \$19.5 million plus acquisition costs, utilising funds raised from investors of \$11.89 million, and debt.

In April 2023 the Centre was re-valued at \$43.0 million, an uplift of 121% from the initial acquisition.

