

**CENTURIA NZ PROPERTY FUND (The Fund)  
2022 ANNUAL MEETING MINUTES**

**WEBINAR AND IN-PERSON MEETING  
VODAFONE EVENTS CENTRE, 770 GREAT SOUTH ROAD, MANUKAU, AUCKLAND  
4:00 pm, Thursday 1 September 2022**

*These minutes are a summary of the meeting (not a verbatim record)*

**PRESENT:** Centuria Funds Management (NZ) Limited (Centuria): Bernie Smith (Centuria NZ Property Fund & Senior Asset Manager), Nick Gibson (Finance Manager), Mark Madigan (Financial Controller & Deputy Treasurer NZ), Maddy Morey (Portfolio Coordinator) and Wendy Roycroft (Investor Relations Associate) as minute taker and scrutineer.

**COVENANT TRUSTEE SERVICES LIMITED:** Samantha Te Au (Relationship Manager)

**CHAIRPERSON:** As per section 162 of the Financial Markets Conduct Act 2013, Covenant has appointed Samantha Te Au to chair the meeting.

**REQUIRED QUORUM:** The quorum is 2 investors or their proxies. Quorum has been achieved.

**NOTICE OF MEETING:** Notice was sent to all investors on 8 August 2022 and the notice was prepared in accordance with the Fund's Governing Document.

**MINUTES FROM THE LAST MEETING:** Minutes were circulated to all investors after the last annual meeting held on 2 September 2021.

**DECLARED CONFLICTS OF INTEREST:** Nil.

**MANAGEMENT PRESENTATION:** By Bernie Smith (the power point presentation is attached to the minutes).

**PRESENTATION SUMMARY:**

- The Fund now has 30 tenants across three properties. The portfolio valuation is \$76m. WALE is 5.47 years. The LVR is nil as there is no debt at this time.
- The medical market has strong projections as health expenditure has risen at an average of 7.7% since 2017 and projected to be \$25.2bn in 2023.
- Increasing life expectancies and an ageing population increases the demand for health-related services, and this is expected to continue to grow.
- In recent years there has been significant demand for private sector medical space. There are concerns about the adequacy of services and waiting times at public hospitals, and a growing awareness in the community of health-related issues.
- We have entered into a contract to purchase a 538sqm adjoining site at 40 Clarence St, for \$2.2m which is 100% leased by Waikato District Health Board.
- The Fund has no bank loan and there is cash in the Fund's bank account of \$8.59m, which will be partially utilised for the purchase of 40 Clarence St.

## **INVESTOR QUESTIONS:**

**INVESTOR:** We notice in the middle of the Anglesea St property there are some valuable car parking spaces. This is an important aspect - for patients to be able to drive up to their appointments.

**ANSWER:** This is a potential redevelopment area. In time, our master plan is to look at putting in a carparking building in the central area behind the buildings which would be accessed from the carpark. Customers and tenants say that carparking at the Centre is absolutely paramount. Generally, the needs of the customers with medical appointments are to drive to the Centre in their car from outside Hamilton CBD or outside the region. When architects are designing new centres, they talk about having green areas and bike parking, but for this medical centre like this, clients need carparks.

**INVESTOR:** What is the criteria for further property purchases/investments into the fund? The gym seems like a random fit for the Fund.

**ANSWER:** Every Monday at the Centuria office we have a meeting to discuss new investment opportunities for the Fund. The main thing is to provide sustainable long-term income for investors with quality investments. City Fitness in Christchurch complimented the Anglesea property which has redevelopment potential, but CityFitness was a brand new facility and provided a long-term lease through to 2033 with annual increases in rent of 3% which helps provide sustainable monthly income for the Fund.

**INVESTOR:** You mention that there are term deposits in the Fund's bank account, can you elaborate?

**ANSWER (NICK GIBSON):** We have \$5m on a three-month term deposit and the remaining on a one-month term deposit. We did not want to enter into longer term deposits in case a new property comes up for the Fund to potentially purchase. From a competitive advantage this also allows us to move really quickly to purchase a property with the funds available compared to being subject to raising capital.

## **CONSIDERATION OF THE AUDITED FINANCIAL STATEMENTS BY THE INVESTORS:**

No Investor comments.

## **GENERAL BUSINESS:**

**INVESTOR:** I would like to thank Bernie and the team. Everyone must be happy with the way it has been managed. I live in Hamilton and the property was previously looking tired and now it is looking a lot better.

**INVESTOR:** Do you have a recording of this meeting that can be viewed at a later date?

**ANSWER (BERNIE):** A recording is made for the accuracy of the minutes, it does not get distributed. Feel free to contact me personally if you need further information.

**INVESTOR:** This is an interesting discussion regarding multi-tenants versus Penrose Fund's single tenant.

**ANSWER:** Similarly to the Healthcare Fund which has a single tenant, a sound investment is about finding the right tenant and the right property. The Healthcare Fund has a quality tenant, Heritage Lifecare, in a well performing industry and a strong 30-year triple net lease. Therefore, it is about the quality of the tenant, industry they are in and the type of property they are in.

**There being no further business to discuss, the meeting closed at: 4.46pm.**

Confirmation that this is a true record of the meeting:

**SIGNED:**  \_\_\_\_\_  
**SAMANTHA TE AU – CHAIRPERSON**

**DATE: 19/09/2022**