
**FOLKESTONE REAL ESTATE INCOME FUND AT OXLEY TO SELL
ASSET AND WIND-UP FUND**

Folkestone Funds Management as Responsible Entity for the Folkestone Real Estate Income Fund at Oxley ("Fund") is pleased to announce that unitholders today overwhelmingly voted¹ in favour of the sale of the Fund's sole asset, The Station at Oxley, and wind-up the Fund.

The Station Oxley ("Centre"), at 133-157 Oxley Station Road, Oxley, in Brisbane's inner west, is anchored by a 3,200 square metre Woolworths supermarket and the Queensland Government's Department of Communities, Child Safety & Disability Service which occupies 2,400 square metres of office space on level 1 of the Centre.

The Centre has been sold for \$43.5 million, a 25.6 per cent premium to the April 2014 acquisition price and a 13.0 per cent premium to the last independent valuation at 30 June 2016. The Centre has been sold to a fund managed by Savills Investment Management which is an investment manager with more than AU\$23.0 billion of assets in Europe, the US and Asia.

Folkestone's Managing Director, Mr Greg Paramor, said "Although the Fund was originally established with a six-year term, we decided to take advantage of the strong demand for high quality neighbourhood retail centres from both domestic and international investors, and sell the Centre after only three years. The sale price reflects an excellent outcome for our investors who have received an internal rate of return of 14.5 per cent per annum since inception of the Fund and validates Folkestone's active management of its unlisted funds."

Folkestone Funds Management will receive a performance fee of approximately \$800,000, in June 2017 when the limited retention period associated with the sale of the Centre is due to expire and the Fund is wound up.

For further information

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About Folkestone

Folkestone (ASX:FLK) is an ASX listed real estate funds manager and developer providing real estate wealth solutions. Folkestone's funds management platform, with \$1.2 billion under management, offers listed and unlisted real estate funds to private clients and select institutional investors, while its on balance sheet activities focus on value-add and opportunistic (development) real estate investments. www.folkestone.com.au

¹ 95.7 per cent of Units voted in favour of the resolution to sell the Centre and wind-up the Fund.