



ASX ANNOUNCEMENT

13 December 2013

TWO NEW FOLKESTONE FUNDS CLOSE OVERSUBSCRIBED

Folkestone Funds Management (FFM) is pleased to announce that the Folkestone Real Estate Income Fund at Altona North (Altona North Fund) and the Folkestone West Ryde Development Fund (West Ryde Fund) both closed oversubscribed.

The Altona North Fund is a single asset, closed end, unlisted real estate fund which has acquired a 21,553 square metre large format retail centre (Centre) currently being developed by Folkestone. The Centre comprises a strong tenancy mix anchored by Bunnings, Officeworks, JB Hi-Fi Home, Repco, PETstock and PetVET. The Fund has a forecast annualised distribution of 8.5 per cent in FY14 and FY15. As a result of the strong demand from investors, FFM increased the amount of equity raised by \$0.23 million, from \$16.35 million to \$16.58 million, to assist in satisfying part of this excess demand.

The West Ryde Fund is an unlisted real estate fund undertaking a development project in a 50/50 joint venture with Toga, a leading residential developer. The project, known as Central Square, comprises 205 residential apartments and 22 commercial suites and is located at 7-19 Chatham Road, West Ryde. The Fund has a forecast equity IRR of 18.0 per cent per annum (pre-tax, net of fees) on drawn equity and a forecast return on equity of 32.0 per cent (pre-tax, net of fees). The Fund raised \$17.4 million, with Folkestone co-investing 50.0 per cent in the Fund.

Folkestone's Managing Director, Mr Greg Paramor said, "the success of both of these capital raisings demonstrates investors' appetite for quality real estate investments and Folkestone's growing reputation for delivering real estate wealth solutions to private client investors".

"Our distribution network continues to grow as illustrated by the strong support from both financial planners and private client investors. Given the continued appetite for quality, yield orientated investments, Folkestone plans to launch the fourth in its series of real estate income funds in the New Year" Mr Paramor said.

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About Folkestone

Folkestone (ASX:FLK) is an ASX listed real estate funds manager, investor and developer. Folkestone's on balance sheet activities focus on value-add and opportunistic real estate investments and its funds management platform, with more than \$700 million under management, offers listed and unlisted funds to private clients, high net worth individuals and institutional investors. For further information on Folkestone visit, www.folkestone.com.au.