
INVESTORS VOTE TO EXTEND TERM OF FOLKESTONE REAL ESTATE INCOME FUND AT SYDNEY OLYMPIC PARK

Folkestone Funds Management as Responsible Entity for the Folkestone Real Estate Income Fund at Sydney Olympic Park ("Fund") is pleased to announce that Unitholders today overwhelmingly voted¹ in favour to extend the Fund term by three years to December 2020.

The Fund owns 7 Murray Rose Ave, Sydney Olympic Park, a 5,931 square metre A-Grade commercial building comprising five levels of office, ground floor retail together with parking for 53 vehicles and a weighted average lease expiry of 4.5 years. Thales, a leading international electronics and systems group, currently leases 100 per cent of the office space which expires in December 2022, and has two five year options. The Fund's initial term was five years from the commencement of the Thales lease on 1 December 2012.

As part of the proposal to extend the Fund term, a limited liquidity facility of up to 15 per cent of Units on issue was offered, with less than 1.0 per cent of Units taken up under the offer.

Investors have generated a total return since inception of circa 17.2 per cent per annum compared to the hurdle benchmark of 10.0 per cent per annum. As a result of the extension and the Fund's outperformance, Folkestone will receive a performance fee of \$2.2 million.

Folkestone's Managing Director, Mr Greg Paramor, said "We are delighted that investors have approved an extension of the Fund term. We believe 7 Murray Rose Ave's key location in the Sydney Olympic Park Town Centre and long-term lease to Thales will continue to deliver an attractive investment return to our Fund investors. Also, the Sydney Olympic Park office market continues to perform well and is set to benefit from significant infrastructure works in and around the park."

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 more than \$1.3 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 97.4 per cent of Units that were voted were in favour of the resolution to extend the Fund term by three years.