

## Fees flow pumps Folkestone's profit

By Nick Lenaghan  
28 February 2018



*'We are delighted with the positive response to our new funds': Folkestone's Greg Paramor.* Arsineh Houspian

Sydney-based investment manager Folkestone has collected a bumper crop of performance and management fees as it launched three new funds, wound one up and extended another.

Its busy first half of funds management delivered \$3.3 million in acquisition fees after the launch of the three new funds, including a vehicle to hold its single largest acquisition to date, a Sydney airport hotel for \$76.4 million.

Another fund was created to hold a 144-room hotel to be constructed on O'Riordan Street in Alexandria, Folkestone Green Square Hotel Fund.

As well, Folkestone took in \$6.6 million in performance and management fees after selling a Wollongong office building to a wealthy offshore investor for \$46.1 million from a single-asset fund it ran.

More fees flowed in from the extension of a fund that holds a Sydney Olympic Park asset and from a series of lease renewals from a fund that holds police stations.

All in all, revenue for its funds management rose to \$17.8 million from \$7.45 million in the previous corresponding period. By contrast Folkestone's net development earnings ticked up more gently to \$3.1 million from \$2.8 million.

On the bottom line, its statutory net profit rose almost 210 per cent to \$9.9 million.

"Folkestone's results reflect a very active first half, with positive contributions from both our funds management platform and our development activities," Managing Director Mr Greg Paramor said.

During the period, Folkestone increased its funds under management from \$1.3 billion to \$1.5 billion.

The launch of the three new funds raised \$97.9 million from high net worth and family office clients. It also achieved a 19.1 per cent increase in recurring fee income and cost recoveries to \$4.4 million.

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"We are delighted with the positive response to our new funds, with all three closing oversubscribed," Mr Paramor said.

Folkestone expects a net profit of between \$11 million and \$12 million for the full year. It did not pay an interim dividend, but expects to pay 3¢ per share for the full year, a 9.1 per cent rise on the previous year.