

Gallery Securities Diversified Property Fund

INTRODUCTION

The fund aims to provide wholesale investors with exclusive access to a diversified range of value-add and opportunistic investment opportunities throughout the Australian residential real estate sector. The fund aims to reward investors with target returns of between **8-10%** over the life of the fund, whilst providing the dual benefit of a targeted annual and sustainable income yield of **6%** (paid semi-annually) to investors.

THE FUND PROVIDES INVESTORS EXCLUSIVE ACCESS TO:

- Residential land subdivision developments which have been land banked over several years
- Seed portfolio assets of approximately \$150m that will enable early investors to allocate capital quickly
- Wholesale Australian residential real estate development transactions
- Annual passive income via Build-to-rent portfolio

FUND SUMMARY

AUSTRALIA

LOCATION

8-10%

TARGET IRR²

6.00%

TARGET DISTRIBUTION YIELD³

\$600M

TARGET FUND SIZE¹

\$150M

SEED ASSET SECURED

\$10M

MINIMUM INVESTMENT

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WHO IS GALLERY SECURITIES?

Gallery Securities is the funds management business of the Gallery Group. Gallery was founded in 2011 by the Barclay Family office (an Australian based SFO). The group is a vertically integrated residential property development and investment firm.

Gallery Securities was established to provide family offices, HNWs and other wholesale investors with access to Gallery backed developments and investments, by way of investing in a range of Gallery Securities investment funds.

- Best practice funds management platform
- World class governance and compliance
- Independent Investment Committee
- Highly experience investment management and development team

Gallery has a strong track record of delivering positive returns on current and historical developments and investments.

SUMMARY OF PAST PERFORMANCE:

DEVELOPMENT/ INVESTMENT	Year	Gallery Equity	Description	Actual IRR*
Harvest	Current	20%	Land Subdivision	58%
Bayside	Current	35%	Land Subdivision	34%
Pinnacle	Current	30%	Land Subdivision	25%
Contempo	FY20	35%	Land Subdivision	18%
The Paddock	FY19	35%	Land Subdivision	15%
Contempo Residences	FY19	Confidential (JV)	Land Subdivision	15%

IRR

58 %

HARVEST

BALD HILLS

34 %

BAYSIDE

MORETON BAY

25 %

PINNACLE

HOLMVIEW

18 %

CONTEMPO

BELLMERE

15 %

THE PADDOCK

STOCKLEIGH

15 %

CONTEMPO

RESIDENCES

A snapshot of the Fund Investments

SUMMARY OF FUND COMMITTED 'SEED' INVESTMENTS

PROJECT	Co-Living QLD	Co-Living VIC	Courtney Drive	Bayes Road	Roma Street
Project Number	Co-Living Buy and Hold (Build-to-rent)	Co-Living Buy and Hold (Build-to-rent)	Courtney Drive	Logan Reserve	Roma River Views
Project Size	150 Houses	150 Houses	197 Lots	80 Lots	32 Apartments - 8,932 GFA
Construction Period	May 2021 to Jul 2022	Jul 2021 to Jan 2023	Mar 2021 to Feb 2023	Jul 2021 to Aug 2022	Jun 2022 to Feb 2024
Development Period	Jan 2021 to July 2024	Jan 2021 to Mar 2025	Nov 2015 to July 2024	Oct 2018 to Jan 2023	Sep 2017 to Jul 2024
Type	Co-Living Residential	Co-Living Residential	Land Subdivision	Land Subdivision	Residential Multi-Storey Apartments

REVENUE

GROSS REVENUE - Project Value	176,697,467	176,697,467	70,379,000	18,727,000	75,214,000
Less Sales Commission	(1,943,672)	(1,943,672)	(1,548,338)	(411,994)	(1,998,260)
Less Selling Costs	-	-	(1,826,638)	(517,594)	(2,600,862)
NET SALES REVENUE	174,753,795	174,753,795	67,004,024	17,797,412	70,614,878
Rental Income	25,659,965	25,659,965	-	-	-
Less Leasing Costs	(2,539,424)	(2,539,424)	-	-	-
NET RENTAL INCOME	23,120,541	23,120,541	-	-	-
Less GST paid Revenue	(16,063,406)	(16,063,406)	(5,070,158)	(1,243,364)	(6,292,182)
TOTAL PROJECT REVENUE (After GST paid)	181,810,930	181,810,930	61,933,866	16,554,048	64,322,696

COSTS

Land and Acquisitions Costs	55,981,525	55,869,000	21,283,725	5,464,450	6,325,525
Consultants / Professional Fees	-	-	2,113,837	532,907	3,355,000
Development Management Fees	2,468,840	2,610,418	611,061	282,587	1,029,078
Construction (Incl. Contingency)	64,140,682	70,554,720	21,514,946	4,751,415	39,684,445
Statutory Fees	-	-	584,775	208,728	463,000
Infrastructure Charges	-	-	5,488,000	2,379,712	761,200
Land Holding Costs	3,018,129	3,806,798	230,250	17,660	206,800
Interest Expense	26,904,606	30,451,261	2,117,202	817,062	5,522,634
TOTAL PROJECT COSTS	152,513,782	163,292,197	53,943,796	14,454,521	57,347,682
Less GST reclaimed	(11,552,341)	(12,220,003)	(2,541,238)	(620,203)	(4,531,331)
TOTAL PROJECT COSTS (After GST reclaimed)	140,961,441	151,072,194	51,402,558	13,834,318	52,816,351

PERFORMANCE INDICATORS

Gross Development Profit	40,849,489	30,738,736	10,531,308	2,719,730	11,506,345
Development Margin	28.98%	20.35%	20.49%	19.66%	21.79%
Peak Debt Exposure	118,401,892	128,248,179	28,537,040	10,481,049	52,887,712
Date of Peak Debt Exposure	Jul-22	Jan-23	Aug-21	Aug-21	Feb-24
INTERNAL RATE OF RETURN (IRR)	17.43%	14.47%	28.35%	27.91%	21.32%
YIELD	8.50%	8.10%			

Important assumptions and terms

- Development Profit in the above table is defined as total revenue less total cost including interest paid and received
- Distributions will be paid semi-annually and comprise passive rental income derived from the Fund's Co-Living portfolio and development profit derived from the completion of the Fund's real estate developments
- Development Margin noted as a percentage (%) in the above table is defined as profit divided by total costs (excl. selling costs)
- Net Present Value ("NPV") is defined as the project's cash flow stream discounted to present value. It includes financing costs but excludes interest and corporate tax
- Internal Rate of Return as defined in the above table is the discount rate where the NPV above equals Zero. This calculation may differ from the method used to calculate the Fund's internal rate of return (IRR)
- Weighted Average Cost of Capital ("WACC") is defined as the rate that the Investment Manager is expected to pay to finance its assets
- Annual Yield on Cost is calculated by the Current Net Rental Income divided by Total Costs (before GST reclaimed, holding costs and before interest expense)

Fund Investment Portfolio



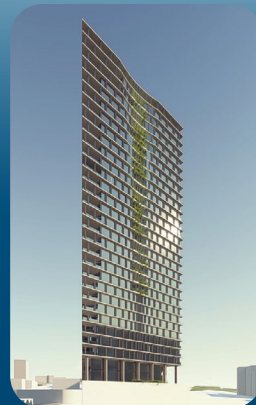
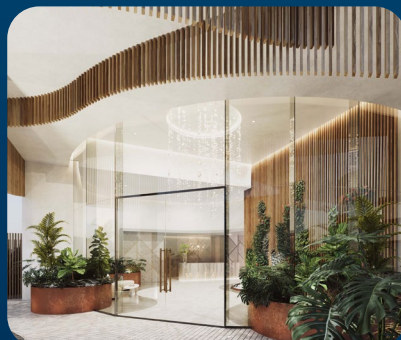
BOTANICA, Logan Reserve



SALTUS, Hope Island



NAIA, Mermaid Beach



ROMA STREET 240-270, Brisbane



THE VALLEY, Upper Coomera

Our Team

GALLERY SECURITIES INVESTMENT MANAGEMENT

Gallery Securities leadership and investment management team includes world class professionals and industry leaders who have delivered successful property developments on behalf of investors, funds, government and private sector throughout Australia, Asia, Europe and the Middle East.



ADAM BARCLAY
CHIEF EXECUTIVE OFFICER

Adam is the founder and Chief Executive Officer of the Gallery Group. Adam has over 20 years' experience in property development and property investing. Adam founded the Gallery Group in 2011 and has built the business to become a highly successful, vertically integrated property development and investment management group, employing a large team of property and investment professionals throughout Sydney, Melbourne, and Brisbane.

Adam has been instrumental in acquiring a property development pipeline in excess of \$300mil. Prior to founding the Gallery Group, Adam was Managing Director of a national real estate group. Adam is a Director of Gallery Securities and member of the Gallery Securities Investment Committee.



MARK DIMOU
CHIEF INVESTMENT OFFICER

Mark is highly experienced in all aspects of property related finance (debt and equity), investment management and property development acquired at ASX listed Group – Sunland (ASX: SDG) where he was integral in delivering a \$4 billion development pipeline and instrumental in the exponential increase of Sunland's market capitalisation during his tenure with the Group.

Prior to leading finance, investments and development at Sunland, Mark was a Consultant at PwC in Private Client Services – Audit. Mark is General Manager for the Gallery Group and is a Director of Gallery Securities. He is a Chartered Accountant (CAANZ) with extensive international experience spanning strategy, finance, debt financing, accounting, product management, business development, and industry systems.



GRAHAM COX
EXECUTIVE DIRECTOR,
HEAD OF FUNDS
MANAGEMENT

Graham is a Director of Gallery Securities Investment Management and Head of Funds Management for Gallery Securities. Graham has over 15 years' experience working in private equity, digital infrastructure, commercial and residential property development and funds management (wholesale) and has owned and operated successful related businesses throughout Australia, Asia, and the Middle East.

Graham has been responsible for raising and investing capital for several wholesale investment funds and has developed strong relationships with superannuation funds, pension funds, sovereign wealth funds, institutions, wealth managers and family office investors.



GRAEME MACLAREN
RESPONSIBLE
MANAGER

Graeme is an experienced Australia financial service licence responsible manager, company director and executive with over thirty years' experience in banking and financial services. Graeme has held numerous senior positions within the Commonwealth Bank of Australia involving audit, property investment, finance, operations and compliance. He currently acts as an independent director and executive director for a number of companies and as an external member on a number of compliance committees. Graeme's qualifications include a Bachelor of Business, Postgraduate Diploma in Banking Management and a Masters of Business Administration from Macquarie Graduate School of Management.

Graeme is a member of the Australian Society of Certified Practising Accountants, Australian Institute of Company Directors and a Fellow of the Financial Services Institute of Australasia.



ROBERT CARTER
RESPONSIBLE
MANAGER

Rob is a former senior executive at QIC Limited (a Brisbane, Australia based global funds manager). During his 23 years with QIC, Rob held various positions in funds management and property operations including the Head of Property Funds Management and Managing Director, Global Real Estate, which during his tenure grew to a \$9 billion global property investment portfolio. Rob was supported by an in-house management team of around 170 professionals in disciplines such as funds management, development, property management, leasing, asset management, finance and accounting. He was integral in the establishment of QIC's global property funds management platform. Rob is currently a Principle at Evolution Private, a boutique property investment and advisory company.

Our Team

INDEPENDENT INVESTMENT COMMITTEE MEMBERS

Gallery Securities believes in strong and transparent investment governance. An independent investment committee ("Investment Committee") has been formed, comprising world class investment and property professionals appointed by the Gallery Securities board.



DR. MICHAEL DREW
INVESTMENT COMMITTEE
MEMBER (INDEPENDENT
CHAIRMAN)

Michael serves as a trustee director and member of the investment committee of QSuper, is a member of the Investment Advisory Board of the Petroleum Fund of Timor-Leste and, a Trustee and Member of the Finance, Audit, and Risk Committee of Mary Aikenhead Ministries.

Michael is a consulting financial economist specialising in the areas of investment governance, asset allocation, pension plan design, and outcome-oriented investing. He is currently the Managing Partner of MGD Private and a Professor of Finance at Griffith University. He has held previous academic appointments at the Australian National University and QUT, and senior industry appointments with J.B. Were & Son, Myer Family Company, Ord Minnett, QSuper, QIC, and Wilson HTM.

Michael was awarded the inaugural Financial Services Institute of Australasia (FINSIA) Pinnacle Award in the category of Most Outstanding Thought Leader. Michael is an active company director holding a range of non-executive appointments and is a Fellow of the Australian Institute of Company Directors and the Governance Institute of Australia and is a Life Member of FINSIA.



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JOANNE DAWSON
INVESTMENT COMMITTEE
MEMBER

Joanne is currently a Non-Executive Director and Chair of the Investment Committee of Vision Super and a Non-Executive Director of Bank First Ltd and Templeton Global Growth Fund Ltd. Her previous roles include Chair of EL&C Baillieu Ltd, and Non-Executive Director of Catholic Church Insurance Ltd and CCI Asset Management Ltd.



PHILIP GARLING
INVESTMENT COMMITTEE
MEMBER

Philip serves as Independent Non-Executive Director of ASX listed property investment management company, Charter Hall (ASX: CHC), Chairman of Energy Queensland Ltd and Non-Executive Director of Downer EDI Limited (ASX: DOW), amongst several other board roles.

Philip has over 35 years' experience in property and infrastructure, development, operations and asset and investment management. His executive career included nine years as Global Head of Infrastructure at AMP Capital Investors and 22 years at Lend Lease Corporation, including five years as CEO of Lend Lease Capital Services.

Philip holds a Bachelor of Building from the University of NSW and has completed the Advanced Management Program at the Australian Institute of Management and the Advanced Diploma at the Australian Institute of Company Directors. He is a Fellow of the Australian Institute of Company Directors, Australian Institute of Building and Institution of Engineers, Australia.



MICHAEL COX
INVESTMENT COMMITTEE
MEMBER

Michael is Executive Director of Business Strategy - Real Estate investments, developments and assets with the Public Investment Fund "PIF" (the sovereign wealth fund of Saudi Arabia which is among the largest sovereign wealth funds in the world with total estimated assets of US\$382 billion).

Michael leads a large investment team to drive over US\$5 Billion worth of investment strategies for real estate assets in the Kingdom, including a portfolio of residential, hotels and retail aimed at the entertainment industry to support the Government's 2030 vision.

Michael has over two decades of funds management, sovereign wealth fund, property development and property investment industry experience spread across multiple assets classes & geographic regions. He has been associated with global top tier developers, investors and contractors such as Dubai Holding, ALDAR (UAE), Portman Holding (Shanghai), Samsung (Philippines), and UE Group (Singapore).

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TRANSPARENCY

Diversified Property Fund 2021