



Investor Update: Storehouse Residential Trust Half year ending 31 December 2021

Storehouse Pty Limited, as fund manager of Storehouse Residential Trust (ARSN 135 812 074) (SRT or the Trust) is pleased to provide this investor update.

Dashboard:

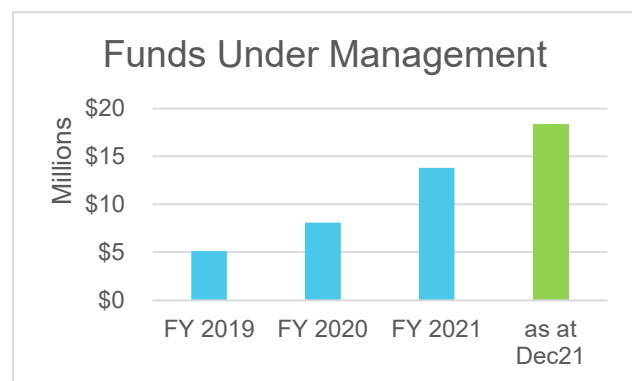
- Funds Under Management (FUM): \$18.3 million
- Net Profit 6 months:
 - ½ year Dec 2021 \$508,173
 - ½ year Dec 2020 \$91,582
- Unit Price
 - Dec 2021 \$1.08
 - Dec 2020 \$1.03
- Shared equity positions: 120
- Total property value: \$70.65 million

Key Highlights

SRT has experienced substantial and steady growth in FUM over the past two years from a combination of new Investors and the growth in property values, lowering risk, and obtaining higher returns.

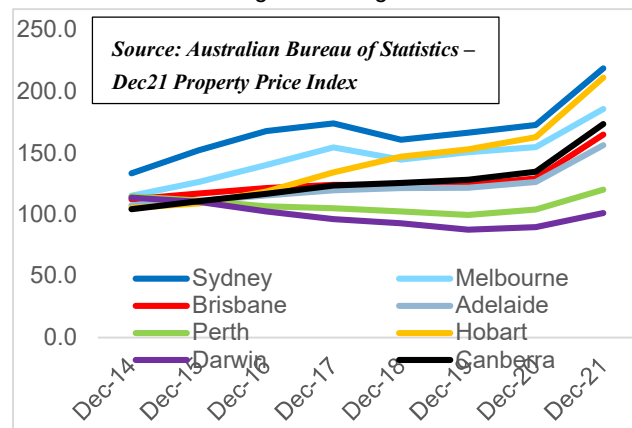
Funds Under management

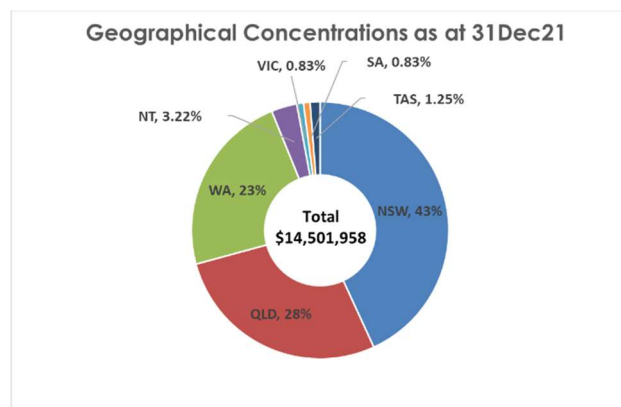
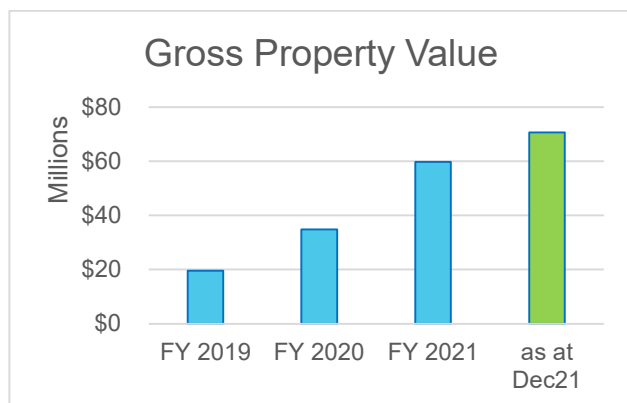
As at 31 December 2021, SRT has FUM exceeding \$18.3 million which is invested in circa \$70 million of residential property in virtually every state in Australia. It is in line with its stated investment objective of building a national residential property portfolio.



Value of Investments

Australia has experienced considerable growth in residential property prices over the past 12 months and Storehouse believes this is now emerging in increases of the unit price of the Trust as the valuation industry substantiates and recognises this growth.





As at 31 December 2020, the unit price was \$1.03. In the twelve months to 31 December 2021 the Trust has experienced a five (5) cent per unit price increase to \$1.08. * Any distributions from the Trust are in addition to any growth in value of investment.

Distributable Income

Distributable income and hence distributions from the Trust will be determined at 30 June 2022 based upon the full year result. Distributions are determined from:

- the rental and interest income of the Trust's investments over the financial year ending 30 June 2022 less its expenses for same period; plus
- any realised gains on the shared equity and property investments over the same period.

For the half year ending 31 December 2021, the realised gains were \$197,053.

Shared equity investments held by the Trust have a minimum term of 3 years. The experience to date is that virtually all shared equity investments are paid out 3-5 years after the initial investment. Each payout creates a realised gain determined by the shared equity percentage of growth in the property value (if any) since the investment was first made. As the Trust grows in size, we expect the realised gains component of the distribution to grow.

Geographic Spread of Investments

SRT has an objective of developing a national portfolio of residential property interests. As at 31 December 2021, the portfolio is diversified as set out on the chart below.

Expenses

The cost of running SRT has continued to reduce as a percentage of Funds Under Management. This is reflected the fixed cost component of Trust with operations being spread over the greater size of the fund. SRT's fee cost ratio percentage reduced from 3.576% in January 2021 to 2.98% under the new PDS dated 31 October 2021.

Month on month, the trust has a stable income which has exceeded its operating costs over the half year ending 31 December 2021.

In addition to the interest/rent and realised gains mentioned in the previous paragraph, SRT's accounting profit also include the share of unrealised gains in property values. These unrealised gains are reflected in the unit price. Accounting profits for SRT are trending from a loss in 30 June 2019 of (\$6,717) to a profit in 30 June 2021 of \$274,881 to a half year profit to 31 December 2021 of \$508,173.

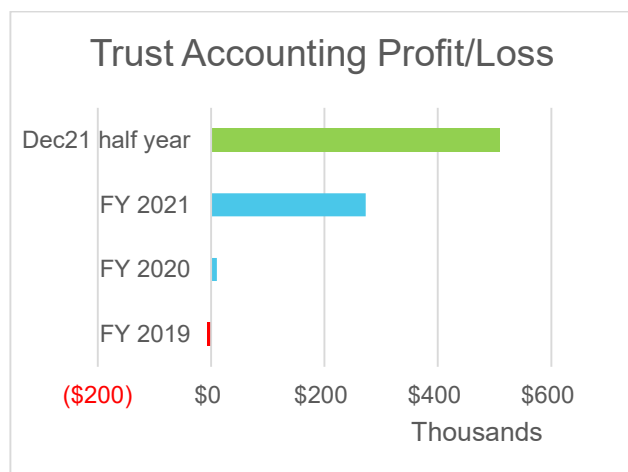
As stated earlier the Trust is exhibiting strong growth in returns through the combination of growth of monthly income from increasing funds invested and the emerging gains in the prices of property in the portfolio.

Unit prices have increased from \$1.04 at 30 June 2021 to \$1.08 at 31 December 2021.

The accounting profit for the six months 31 December 2021 of \$508,173 substantially exceeded the result of the full year result of 1 July 2020 to 30 June 2021.



Accounting Profit



Changes to Responsible Entity and Service Providers

Storehouse Pty Limited is pleased to advise that effective 29 October 2021, the change of responsible entity (trustee) to K2 Asset Management Ltd (K2) was registered by ASIC.

In the view of Storehouse Pty Limited, K2 is a key appointment for the management and oversight of the Trust as it navigates continued growth of Funds Under Management and the diversification of investments in the Trust's portfolio by geographical location. K2 is a subsidiary

of K2 Asset Management Holdings Ltd, which is a public company listed on the Australian Securities Exchange (ASX: KAM). K2 was established in 1999 and specialises in managed funds for retail, wholesale and institutional investors. As the responsible entity, K2 oversees the operation and management of the Trust and is required to act in the best interests of investors. As of the date of this document, K2 has over \$2 billion of FUM.

In addition to the appointment of K2 as the responsible entity, a new fund administrator, Apex and unit registry, Boardroom Limited have been appointed for SRT. Boardroom has now upgraded the SRT unit registry to enable online investor services to unitholders in the Trust. Unitholders can expect separate advice setting out instructions on how to set up access to these online services.

Further Information

Should you have any questions arising from this Investor Update, please contact:

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Key Highlights

| | 2019 Actual ('000) | 2020 Actual ('000) | 2021 Actual ('000) | Dec-21 Actual ('000) * 6 months |
|------------------------------|--------------------------|--------------------------|--------------------------|--|
| Gross Property Value | \$ 19,499 | \$ 34,835 | \$ 59,765 | \$ 70,652 |
| Gross Funds Under Management | \$ 5,000 | \$ 7,900 | \$ 13,900 | \$ 18,300 |
| Gross Rent/ Interest Income | \$ 77 | \$ 179 | \$ 290 | \$ 217 |
| Trust Accounting Profit/Loss | \$ (7) | \$ 10 | \$ 275 | \$ 508 |

| | 2019 Actual | 2020 Actual | 2021 Actual | Dec-21 Actual |
|------------|----------------|----------------|----------------|------------------|
| Unit Price | \$ 1.03 | \$ 1.01 | \$ 1.04 | \$ 1.08 |

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A product disclosure statement or information memorandum for the funds referred to in this document can be obtained at www.k2am.com or by contacting K2. You should consider the product disclosure statement before making a decision to acquire an interest in the fund.