SCENTRE GROUP Barrenjoey

August 2024

West Lakes Opportunity Trust

Exclusive Investment Opportunity

Strictly Private & Confidential
Professional and Wholesale Investors Only

Exclusive opportunity to acquire a leading regional mall with significant development upside

Scentre Group and Barrenjoey Private Capital Management (BPCM) are pleased to present the opportunity to invest in a 50% interest in Westfield West Lakes, a leading regional mall managed by Scentre Group, for $167.3[1] million.

The West Lakes Opportunity Trust ("Trust") proposes to raise c.$83 million to fund the acquisition of the 50% equity interest in the property pursuant to a pre-emptive right with the vendor.

Westfield West Lakes is a well-established shopping centre in the west of Adelaide on a significant land holding of 20.4 hectares with potential for residential development that has not been included in the projected IRR.

The Trust will be jointly managed by Scentre Group and BPCM and have a target holding period of 5 years.

Initial Distribution[2]

9.25% p.a.

Projected IRR[2]

14.0% to 16.0%+ p.a.

Post-fees, pre-tax

Large-Scale Residential Development Opportunity

Not included in Projected IRR – to be considered in a capital light manner

1. Headline purchase price of $174.75m less purchase price adjustment of $7.4m. 2. All securities and other financial products transactions involve risks, which include amongst other things, the risks of unanticipated outcomes. These risks will be more fully set out in the Information Memorandum.

Investment highlights

Acquisition of 50% interest in a land-rich regional asset

Some of the strongest performing Majors and Mini-Majors in South Australia (SA)

Third largest shopping centre in SA by $ MAT with 49% of GLA leased to Majors with a Majors WALE of 7.8 years

Acquisition price of $167.3 million at an implied equivalent yield of 8.0%. This is a 10% discount to the 30 June 2024 valuation of $185 million and a 36% discount to the 2014 peak valuation of $260 million.

Price equates to circa $4,712 GLA/psm, comparing favourably to replacement cost and recent transactions

Attractive return profile[1]

Initial cash distribution of 9.25% p.a. (partially tax deferred, paid quarterly)

Net IRR of 14.0% to 16.0% p.a, excluding residential development upside potential

Strong alignment

Scentre Group as Co-Owner and Co-Investment Manager, also committing capital via S-Class units

Barrenjoey staff and investment team personally investing in the Trust

Strong operating performance

Record MAT of $471 million (up 13% since 2019) and occupancy at 97% (up from 92% in 2021)[2]

Recent introduction of new usages (childcare, gym, and mini-majors) and brands that will enhance positioning and drive further growth from 2025

Strategic land holdings spanning 20.4ha with water views, adjacent to the largest urban regeneration project in Adelaide and proximity to Port Adelaide to benefit from significant defence spending

Opportunity for over 1,000 dwellings[3]

1. Projected internal rate of return, post-fees and pre-tax, assuming a 5-year investment period. All securities and other financial products transactions involve risks, which include amongst other things, the risks of unanticipated outcomes. These risks will be more fully set out in the Information Memorandum. 2. COVID 19 and development impacted period. 3. Subject to relevant approvals and project feasibility.

Property highlights

Strategic landholding of 20.4 hectares with views of Tennyson Beach shoreline and Grange Golf Course (home of LIV Tournament[1]) and adjacent to $1 billion+ WEST Football regeneration precinct, including a $31 million investment by the SANFL.

Overview

- Located in West Lakes, South Australia, c.12 km north-west of the Adelaide CBD.
- The centre serves a vital role as the leading regional mall within its Total Trade Area (TTA). Moving Annual Turnover (MAT) was $471 million in 2023, with amongst the highest market share and frequency of visitation within the Westfield portfolio.
- The retail offering is centered around a strong focus on fresh food, daily needs and convenience-based retail offerings, servicing the essential needs of the local community.
- Majors include Coles, Woolworths, K Mart, Target, Harris Scarfe, Reading Cinemas, and David Jones, and represents 49% of GLA. The David Jones store is one of only three in Adelaide.
- 227 mini-majors and specialty tenants, including leading national brands such as Rebel, JB Hi Fi, TK Maxx and Foot Locker.
- The landholding has Urban Activity Centre zoning, with the opportunity to achieve greater residential density, over and above existing planning entitlements, through the updated Greater Adelaide Regional Plan.

1. The LIV Golf Tournament is a professional golf tournament which was held at The Grange Golf Club in 2023 and 2024.

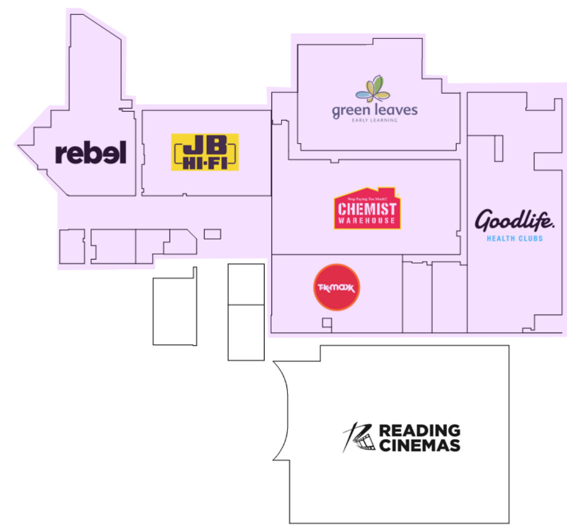
Floor plans and precincts

Westfield West Lakes offering has a strong focus on fresh food, daily needs and convenience-based retail offerings.

The recent introduction of new usages (childcare, gym and mini-majors) and new brands have enhanced the centre's appeal and will position the asset for further growth.

Level 1 (57,386 sqm)

Level 2 (14,130 sqm)



- Fashion & Beauty
- Home, Leisure & Services
- Casual Dining & Food Court
- Food Retail & Catering
- Lifestyle & Health

Note: Chemist Warehouse lease subject to pharmacy licence approvals.

Property overview

Westfield West Lakes[1]		
Year Opened	1974	
Years Redeveloped	2004, 2013, 2018	
Car Parking	3,909 spaces	
Major Tenants	Coles, David Jones, Harris Scarfe, Kmart, Reading Cinemas, Target, Woolworths	
Zoning	Urban Activity Centre	
Site Area[2]	20.4 hectares	
Gross Leasable Area[3]	Sqm	%
Majors	35,199	49%
Mini-Majors	11,026	15%
Specialties	25,155	35%
TOTAL	**71,381**	**100%**
Occupancy	97% by area (up from 92% in 2021[4])	
WALE (Majors)[5]	7.8 years	
WALE (Total)[5]	6.0 years	
Total Sales MAT[6]	$471 million (up 13% since 2019)	
Total Specialty MAT	$206 million	
Avg. Sales per Specialty Store	$1.383 million	
Specialty Sales MAT (<400 sqm)	$10,211/sqm	
Customer Visits (annual)	6.6 million	

1. SCG Property Compendium 31 December 2023 unless otherwise footnoted. 2. Site area does not include offsite car park. 3. Schedule of Tenancies as at 31 July 2024. 4. COVID 19 and development impacted period. 5. WALE by area as at 31 July 2024. 6. MAT denotes Moving Annual Turnover.

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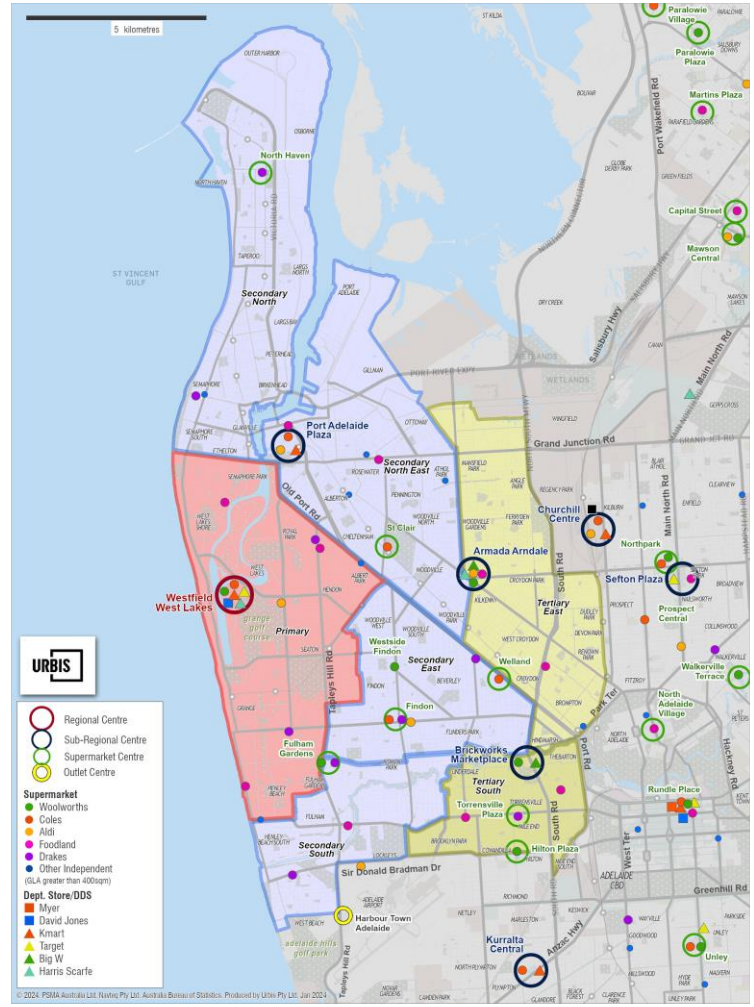
Trade area features

Demographics in the area are evolving with a shift towards families and affluent downsizers attracted to the waterfront precinct and amenities.

- Total Trade Area (TTA) population estimated at 220,000 residents and total retail spend in TTA estimated at $3.4 billion, in 2023.
- The trade area continues to benefit from Adelaide's North-South Corridor project recently completed at an estimated cost of $896 million identified as one of Adelaide's most important transport corridors and the major route for north and south bound traffic[2].
- The S.A Government has committed $25.6 billion to new and upgraded infrastructure and transport services[3].
- The Osborne Naval Shipyard, located 12 km from West Lakes, will be the primary location for investment in the Australian Government's Naval Shipbuilding and Sustainment Plan, including the construction of Australia's SSN AUKUS conventionally armed, nuclear-powered submarines. Over the next decade, the Government's investment will be in excess of $100 billion, supporting 8,500 direct jobs by 2030 in conventional shipbuilding and sustainment, as well as around 20,000 direct jobs over the next 30 years as part of the nuclear-powered submarine pathway[4].



Total Trade Area Customers & Demographics[2]	
Retail Expenditure	$3.4 billion
Average Household Income	$105,500
Within 30-min drive time[2]	
Population – accessible market	590,000
Total Household Income	$20.5 billion

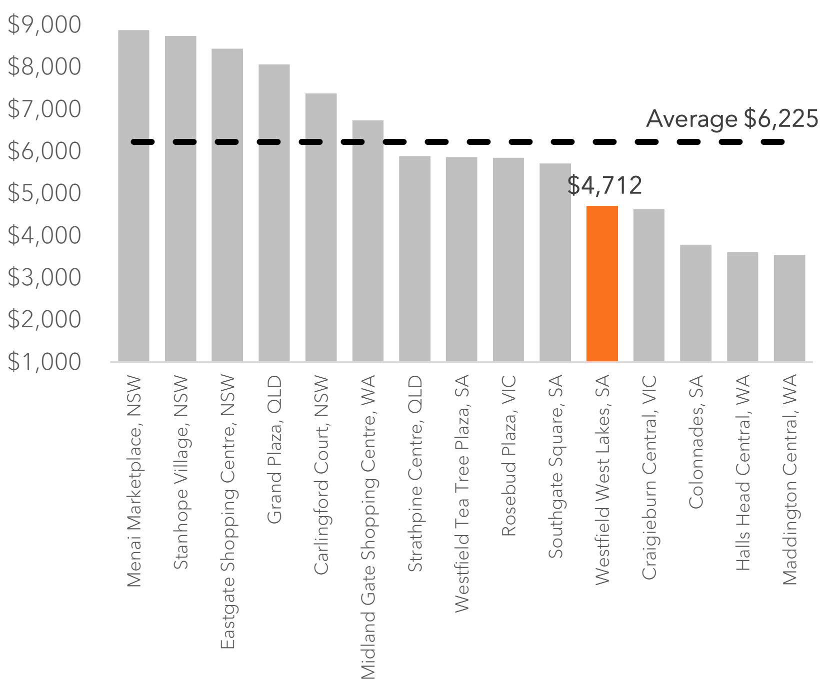
Source: Urbis 2024; CBAiQ 2023; Scentre Group. 1. SCG 2023 Property Compendium. 2. North-South Corridor Assessment Report – Australian Government. 3. Department for Infrastructure and Transport: https://www.dit.sa.gov.au/infrastructure. 4. 2024 National Defence Strategy and 2024 Integrated Investment Program – Australian Government-Defence

Attractive acquisition metrics

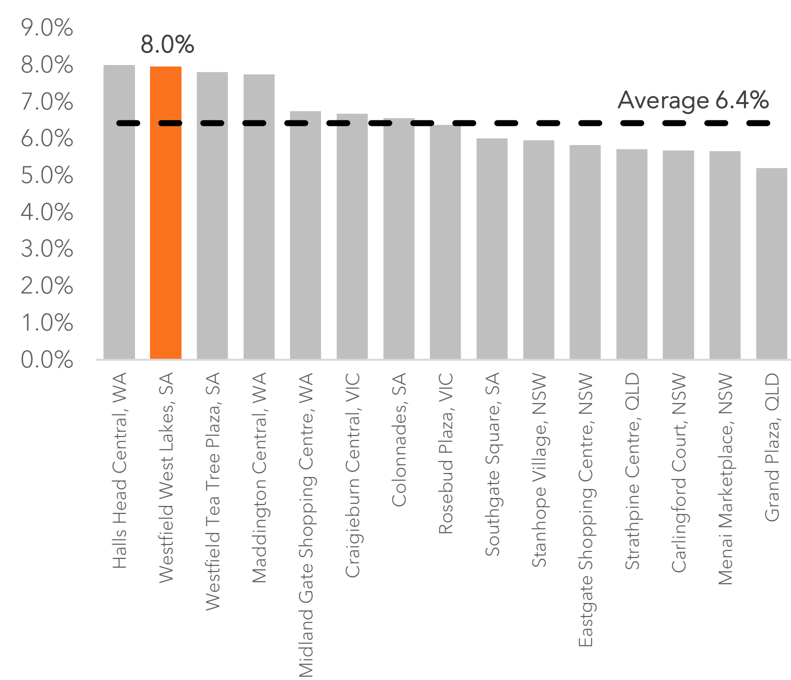
Comparable transactions represent 14 transactions valued at $2.6 billion completed since Dec-21:

- The proposed acquisition price of Westfield West Lakes of $4,700 per sqm of GLA, is one of the lowest among comparable transactions; and
- The equivalent yield of 8.0% is above the comparable average of 6.4% and the peak cap rate for West Lakes of 6.0% between 2015 and 2021.

Transaction Comparables 2021-2024: $/GLA sqm



Transaction Comparables 2021-2024: Equivalent Yields



Source: Scentre Group: CBRE, KF, JLL sales and valuation reports

Asset management strategy

The Managers intend to leverage historical capex and recent operating and leasing momentum to capitalise on the existing strength of Westfield West Lakes' position in the market to increase productivity and grow income.

- Westfield West Lakes is the everyday needs and convenience hub for the West of Adelaide, ranking amongst the highest in the Scentre Group portfolio in terms of market share and frequency of visit.
- Achieved record MAT of $471m in 2023 (up 13% since 2019) and occupancy at 97%[1] compared to 92%, post completion of downsize and refurbishment of David Jones downsize in 2021.

Position Level 2 as a lifestyle precinct

- New lease to large-format Chemist Warehouse[1] to drive additional foot traffic to Level 2.
- Leasing to focus on complimentary medical, beauty and well-being offerings.

Continue to uplift tenant mix

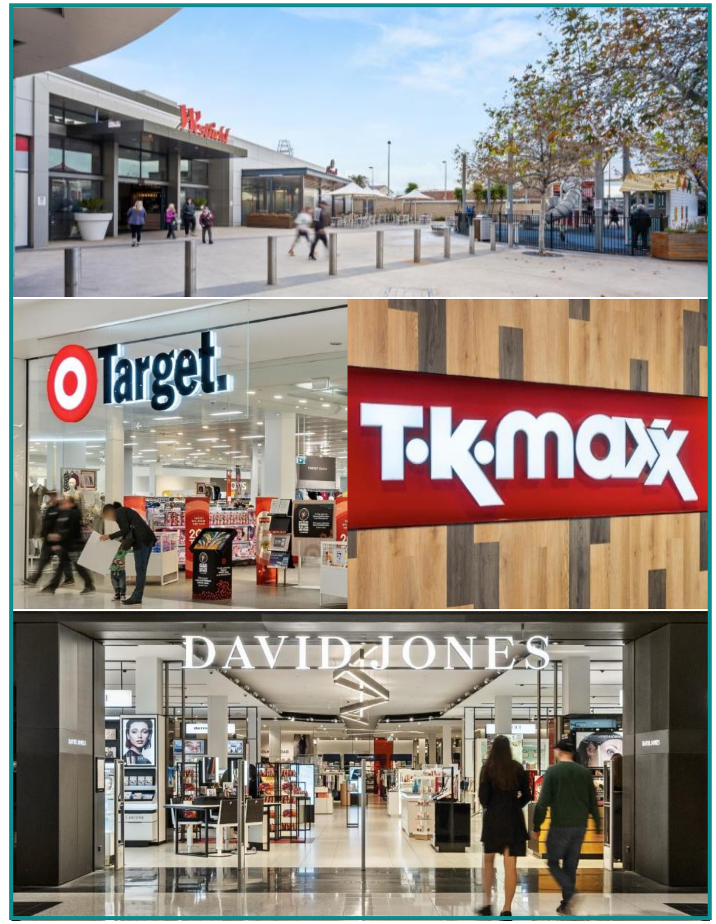
- New tenants to open through 2024/2025 including Corasol, Peter Alexander, Nando's, Lorna Jane and Smiggle acting as a catalyst to attract other high performing brands.
- Introduce more "everyday aspirational fashion" tenants.

Enhance family dining and entertainment

- Expand dining concepts around the food court, anchored by new Nando's.

Explore highest return from pad sites

- Explore opportunities with existing and potential new pad sites on property to generate additional rental income.



1. Chemist Warehouse lease subject to pharmacy licence approvals.

Residential development opportunity

West Lakes is an established market for medium/high density housing, demonstrated by the WEST Football regeneration precinct of 1,500 dwellings, >$1 billion end value, with expected completion in 2027.

Site context

Location benefits from vistas to the Tennyson Beach shoreline, proximity to the Grange Golf Club and a vibrant and active coastal lifestyle with connectivity to the surrounding village infrastructure.

Greater Adelaide Regional Plan ("GARP") update is underway with a desire to introduce density and unlock diverse housing options around Activity Centres[1].

Managers' Strategy

Seek to unlock value from surplus carparking areas which have the potential to yield over 1,000 dwellings[2] through:

- Completing a masterplan of site and seek planning code amendments to maximise density;
- Preparing the site for development in a capital-light manner which maximises value for investors;
- Exploration of development partnerships, sale of development-ready land or sale of property inclusive of the development opportunity.

Value creation and cash flows from the redevelopment opportunity are excluded from the cash flow forecasts and projected returns.

Adelaide housing price growth

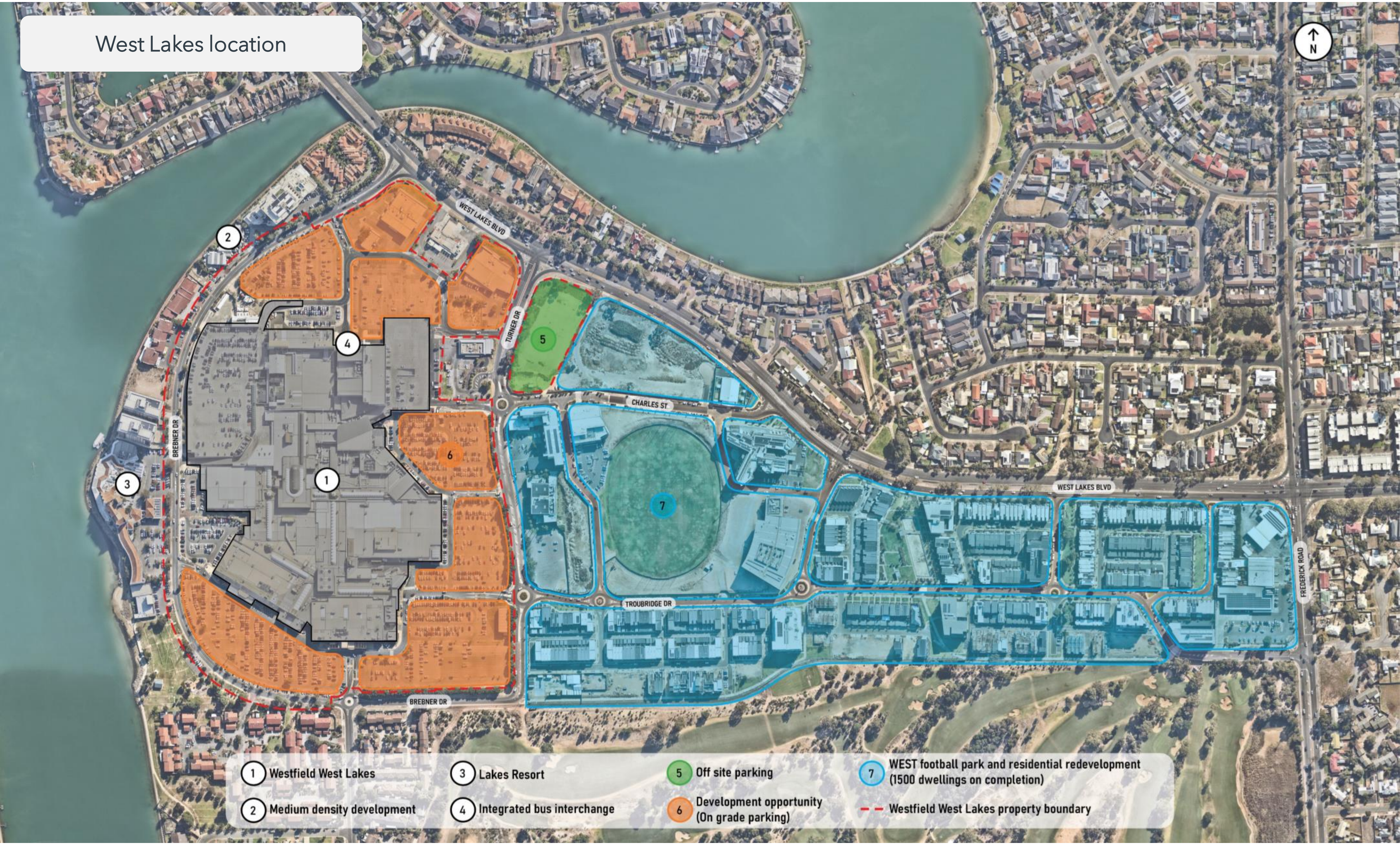
The best-performing market in the nation, Adelaide house prices have grown 60% since 2019[3] with median house prices expected to grow to over $1 million by the end of 2024[4]. Neighbouring suburbs Tennyson and Grange have a median house price of $2.2 million and $1.7 million respectively and had median house price growth of 12.4% p.a. and 13.6% p.a.[5]

The undersupply of housing and the proximity of the site to suburbs such as Tennyson and Grange drive land value and the prospect of higher density residential development.

Any development opportunities will be explored in a capital-light manner for the Trust

1. West Lakes is a District Activity Centre, the second highest order in hierarchy. 2. Subject to relevant approvals and project feasibility. 3. How Adelaide became Australia's unstoppable property market (domain.com.au) 4. Housing affordability: Median house prices in Brisbane and Adelaide to hit $1m by December (afr.com) 5. Tennyson Property Market, House Prices, Investment Data & Suburb Profiles - realestate.com.au, Grange Property Market, House Prices, Investment Data & Suburb Profiles - realestate.com.au

West Lakes location



Illustrative residential development

Artist impression

Development concept shown is illustrative only. Development subject to relevant approvals and project feasibility.

About the Joint Investment Managers

SCENTRE GROUP

Andrew Clarke
Chief Financial Officer,
Scentre Group

Josh Itzkowic
General Manager – Corporate,
Scentre Group

- Scentre Group owns and operates a leading platform of 42 Westfield destinations with 37 located in Australia and five in New Zealand.
- Assets under management are valued at $50.2 billion with the Group's ownership interests valued at $34.3 billion[1].
- We are focused on long-term growth, leveraging the strength of our core business by becoming essential to people, their communities and the businesses that interact with them.
- More than 20 million people live within close proximity to a Westfield destination. Our centres are hubs of local economic activity contributing to local employment and support a network of local businesses and suppliers.
- Our unique operating platform is vertically integrated and consists of a highly experienced team with capabilities across design, development, construction, finance, leasing, operations, marketing and events to manage our destinations across their life cycle.

Barrenjoey

Angelo Scasserra
Head of Real Estate,
Barrenjoey Private Capital

Rahul Bharara
Partner – Real Estate,
Barrenjoey Private Capital

- Barrenjoey is a proudly Australian diversified financial institution owned by staff, Barclays Plc and Magellan Financial Group, with over 350 staff located in Sydney, Melbourne and Perth.
- Our Private Capital division manages c.$2.5 billion of assets for our investors across real estate, private equity and impact-driven funds.
- We leverage our extensive network of active fund managers, developers and asset owners to provide access to unique investment opportunities for our investors.
- Our Real Estate Private Capital team is focused on identifying high quality investment opportunities providing attractive risk-adjusted returns.
- Led by Angelo Scasserra and Rahul Bharara, our investment team has extensive experience in diverse property sectors and deploying capital into real estate opportunities across Asia Pacific.

For any enquiries, please email: realestatepc@barrenjoey.com

1. Across Australia and New Zealand, as at 31 December 2023

Partnering with Scentre Group, Australia's leading shopping centre owner, operator and developer

The Trust benefits from Scentre Group as Co-Investment Manager and property manager with over 20+ years experience managing, expanding and driving centre performance. Further alignment from Scentre Group who is committing capital to the Trust via S-Class Units.

Scentre Group's investment in S-Class Units

- Scentre Group to commit to up to $15 million in capital via S-Class units in the Trust to fund working capital requirements
- Accretive capital with 6% coupon and top up payments to:
  - 7.5% IRR, subject to ordinary unitholders achieving a 10% net IRR; and
  - 9.0% IRR, subject to ordinary unitholders achieving a 15% net IRR
- This structure optimises upfront bank debt utilisation;
- S-Class Units benefits for ordinary unitholders:
  - No line fees;
  - No covenants;
  - Perpetual capital; and
  - Subordinated to all creditors
- S-Class units rank ahead of ordinary unitholders

20+ year
History with Westfield West Lakes

Strong tenant network

Unparalleled property insights

~12,000
Tenancies[1]

3.9 million
m^2 of GLA across 42 destinations[1]

Partnering with Australia's leading shopping centre operator

Largest retail landlord in Australia

Track record of value-add

1. Across Australia and New Zealand, as at 31 December 2023

Acquisition structure & timing

Structure

Opportunity	Seeking $82.6 million of investor equity for an investment holding period of 5 years, extendable to 7 years	
Trust Leverage	Initially 50% Loan to Value (LVR)[1]	
S-Class Units	Scentre Group investing c.$15 million in S-Class Units	
Sources & Uses	**Sources**	**$ million**
	Equity	82.6
	S-Class Units (Scentre Group co-investment)[2]	7.4
	Debt – Acquisition	92.5
	Total	**$182.6**
	Uses	**$ million**
	Purchase price (50% interest)[3]	174.8
	Transfer duty	3.5
	Fund raising fee	1.3
	Acquisition fee	1.7
	Debt establishment fee	0.6
	Due diligence	0.7
	Total	**$182.6**

Projected Return Profile[4]

Cash distribution	9.25% p.a. initial cash yield, paid quarterly
Internal rate of return	Projected 14.0% to 16.0% net IRR (post-fees, and pre-tax) based on an exit cap rate of 7.0% to 7.5%
Multiple on invested capital	1.7x to 1.9x multiple based on an exit cap rate range of 7.0% to 7.5%

1. Initial leverage on valuation of $185 million as at 30 June 2024. 2. Total S-Class commitment of $15 million with initial draw to be $7.4 million post settlement. 3. Purchase price for 50% interest based on a gross price of $174.75 million, before purchase price adjustments. 4. All securities and other financial products transactions involve risks, which include amongst other things, the risks of unanticipated outcomes. These risks will be more fully set out in the Information Memorandum.

Timetable

IM issuance
15 August 2024

Commitments due
3 September 2024

Funding required by
11 September 2024

Expected close
Mid September 2024

Further information

Please visit
https://barrenjoey.com/west-lakes-opportunity/
for further information and to register your interest

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West Lakes Opportunity Trust

We look forward to welcoming you as an investor.

Attractive acquisition metrics	• 10% discount to the 30 June 2024 valuation of $185 million • 36% discount to the peak valuation in 2014 of $260 million • Equivalent yield of 8.0% and $4,712 GLA/sqm comparing favorably to recent transactions at an average of 6.4% and $6,225 GLA/sqm
Highly defensive and resilient income profile	• The centre is an everyday needs and convenience hub for the west of Adelaide, amongst the highest in the Scentre Group portfolio in terms of market share and frequency of visit • 49% of GLA leased to Majors and a Majors WALE of 7.8 years • Operating and leasing momentum with occupancy at 97% (up from 92% post-refurbishment of David Jones) and record MAT of $471m (up 13% since 2019)
Compelling risk-adjusted return for investors	• Initial cash distribution of 9.25% p.a. (partially tax-deferred, paid quarterly) • Target net IRR[1] of 14.0% to 16.0% p.a. (exit cap rates from 7.0% to 7.5%)
Strong alignment	• Scentre Group investment in S-Class Units to optimise capital structure and is accretive to unitholders • Barrenjoey staff and investment team personally investing in the Trust
Established suburb experiencing continued investment	West Lakes benefitting from significant investment including: • $1 billion+ WEST Football regeneration precinct adjacent to Westfield West Lakes • Australian Government's Naval Shipbuilding and Sustainment Plan (>$100 billion investment supporting 30,000 jobs over the next 30 years)
Further upside to investor returns	Further upside available to projected IRR through residential development of surplus land, undertaken in a capital light manner[2]

1. Projected internal rate of return, post-fees and pre-tax, assuming a 5-year investment period. All securities and other financial products transactions involve risks, which include amongst other things, the risks of unanticipated outcomes. These risks will be more fully set out in the Information Memorandum. 2. Subject to relevant approvals and project feasibility.

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