

FUND UPDATE

The Calfer Property Fund ARSN 628 011 325

28 July 2020

FY2019 Distribution

Vasco Trustees Limited (**Vasco**), formerly known as Vasco Investment Managers Limited, is the Responsible Entity for The Calfer Property Fund (ARSN 628 011 325) (**Fund**).

During the financial year ending 30 June 2020 (**FY2020**), investors received part of the distribution that was declared for the previous financial year which ended 30 June 2019 (**FY2019**).

Pursuant to the Periodic Statement for FY2019 dated 6 December 2019, investors were advised that they would receive the remainder of this distribution prior to 30 June 2020.

The distribution was calculated based on the income of the Fund which is generated from the distributions made by the Calfer Property Trust (**Trust**). The Trust could not make the payment of the distribution to the Fund during FY2020 and hence the Fund could not make the payment of the distribution to investors.

The Fund's Investment Manager and trustee for the Trust has provided the following reasons:

- The CBA bank demanded that the loan to value ratio be reduced to 60% and this required cash payments of \$1,050,000 during FY2019 and \$354,000 during FY2020.
- In addition, the proceeds from the sale of the Star Roadhouse and the lease of the Burke and Wills Motel were also applied to debt reduction less an amount of \$300,000 from the sale of the Star Roadhouse which was paid to unitholders to cover their potential income tax liability.
- This impacted the cash position of the Trust during FY2020; therefore, the distribution could not be paid to the Fund.



The Investment Manager has advised that they remain committed to ensuring that distributions are paid to investors, however given the recent impact of COVID-19 and the ongoing restrictions, it is unclear when this will happen.

More information will be provided to investors in due course.