

35 Latitude Development Fund: Investment Summary Report

30th June 2020

We are looking forward to some normality returning to all our lives over the remainder of 2020 with the worst of Covid-19 (hopefully) behind us. We continue to hope you are all keeping safe during these changing times.

We have been very fortunate in that we have been able to continue to operate largely unaffected. Complete normal operations are probably some time off, however this has really only affected us from a virtual meeting perspective, which does hold some difficulties through negotiations and meetings, particularly with local authorities (councils, etc).

Whilst the early panic associated with Covid saw a reduction on enquiry to our sales partners, the upshot of this was that the enquiry that continued was of a high quality, with 8 sales made over the quarter. With strong government stimulus being provided, particularly to the first home owner segment, we have seen an increase in activity in this market and hope to be able to further capitalize on this segment through projects in the attractive price point range.

As always seems to be the case, rain seems to conspire against us in the most inconvenient manner. Attempting to complete driveways at both Charlestown and (particularly) Argenton proved difficult as it seemed to continue to provide downpours every time our sites appeared to dry out sufficiently to enable machines back on site for this important step in finalizing the developments. Thankfully, this is behind us with settlements booked and end owners starting to take possession and move into these properties.

With power upgrade works completed (today) at Blackalls Park, our builders will move onto site and get construction underway. We have multiple agents anxiously awaiting us giving them the green light to restart marketing of this project, as is very attractively priced for both first homeowners and investors, whilst prices have improved since our initial sales estimates.

We expect to finalise the purchase at Belmont during July. Our concept designs have provided us with a great product and our early discussions with Council have been positive. We cannot wait to progress this site and can see this being a “flagship” project for investor returns.

As mentioned in our last update, prioritizing the delivery of projects is a very important consideration for us to deliver the best investment outcomes for our clients.

Belmont is one such project that will receive priority in its delivery to benefit all investors in its earliest possible timeframe. Investing should always be considered with a long-term strategy, and not a focus on short term or “overnight” returns, and we need to prioritize the allocation of capital to deliver the best return.

It is more important than ever that we continue to take a structured and diligent approach to growing the portfolio moving forward. We have recently turned down an opportunity to acquire a site with an existing approval and presales in place, which in different circumstances would have been a nice option to make a reasonable profit over a shorter timeframe.

However, when reviewing investment opportunities, we need to also assess the likelihood of better options presenting themselves in the future. We are seeing more activity around mid-sized opportunities, and in this instance, we have chosen to retain some capacity to secure further options with larger upside in the future.

We have agreed to terms on another major project (which will involve a Joint Venture with one of our builders), are negotiating on a further site (providing similar benefits to the Belmont acquisition), and early discussions on a third strategy, all of which will provide a steady stream of returns for investors moving forward. We hope to deliver more information on two of these projects during July.

We are already seeing the opportunities that we expect will continue to present themselves because of the disruption that Covid-19 has provided. In times of uncertainty opportunities will arise, and whilst some may struggle with the challenges they present, we are confident that we are positioned to take advantage of these opportunities as they present themselves.

Kind regards,

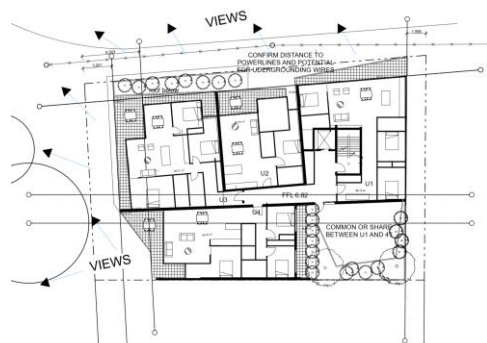


BRETT BROOKFIELD
DIRECTOR

EXISTING PORTFOLIO

PROPERTY: 36 Macquarie St Belmont

- Contracts exchanged to secure the property
 - Demolition of the site has been scheduled to commence during April
 - Working on initial concept designs to discuss with Council
 - 14 Lake reserve apartments all with water views
 - Ground floor commercial space
 - Detailed feasibility projects a \$4M profit
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PROPERTY: 404-406 Lake Rd Argenton

- Construction complete with Settlements occurring during July.
- One Unit remains unsold.



PROPERTY: 300 Pacific Hwy Charlestown

- Construction complete with Settlements occurring during July.
- 100% Sold.



PROPERTY: Morgan St Dubbo – stage 1

- Subdivision paperwork complete and awaiting lodgement
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PROPERTY: 10 Faucett St Blackalls Park

- Ausgrid Power upgrade complete
 - Builder to begin construction
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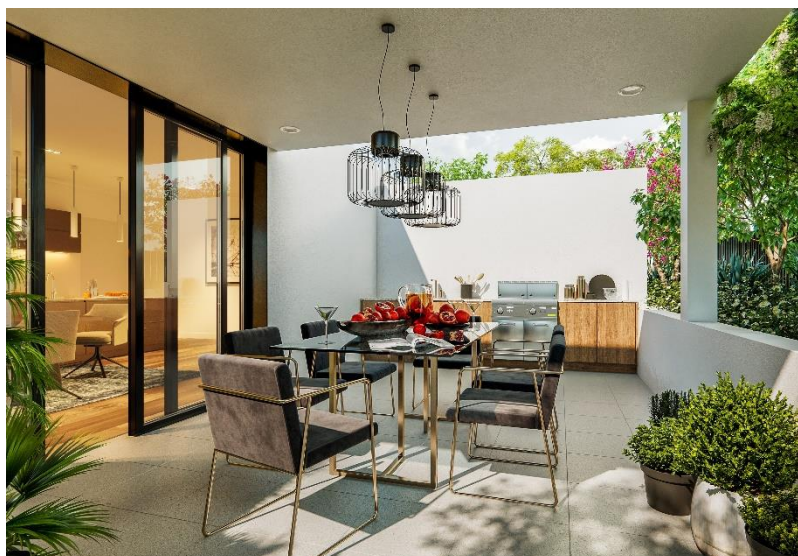
PROPERTY: **124 The Boulevard Toronto**

- Demolition Complete
 - Expect Construction during 2020
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PROPERTY: **5-7 Swan St Hamilton**

- Construction Documentation complete
 - Reviewing possible engineering solutions to reduce construction costs
 - Will review timeline post Belmont Settlement
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PROPERTY: **38 French Rd Wangi Wangi**

- Will review timeline pending new acquisitions
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PROPERTY: **Waratah Golf Club – Joint Venture**

- Joint Venture opportunity with initial Heads of Agreement agreed.
 - Finalising final Joint Venture documentation before completing final proposal for council.
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