

35 Latitude Development Fund: Investment Summary Report

30th June 2023

As previously advised, we continue to progress the remaining portfolio toward completion and on sale to facilitate the winding up of the fund and returning capital and profits to investors.

The last twelve months has seen substantial pressures applied to property markets through significantly rising interest rates and inflation pressures. These costs of living increases, couple with build price uncertainty and builder insolvency, has placed continued speculation toward housing market prices. Local prices have in the main been stable, there has been some localised reduction in medium prices in some suburbs. Most economists expect these pressures to remain over the coming 12 months.

We have completed 2 partial redemption cycles from the receipt of funds from the sale of the two Belmont properties this year, totalling \$5.5M of capital returned to investors with approx. \$1.5M of additional funds held by Vasco at this time.

The completion of the project at Toronto has been subject to significant delays from the building conditions and wet weather delays. The build is now complete and are in the process of obtaining the subdivision registration, mine subsidence sign off and issuing of the occupation certificate to enable the completion of this project. All units have been sold, so we have a clear exit strategy on this project.

The only outstanding holding in the fund is a parcel of land at Dubbo, which we are still currently in discussions with our listing agent to obtain the best price in the current market.

Our Joint Venture proposal with the Waratah Golf Club unfortunately has not transpired as we would have hoped. After a very extended negotiation process with the golf club board, we spent a considerable amount of time in co-ordinating the relevant consultants to prepare the respective reports to progress the proposal. Subsequently, NSW Department of Planning concluded that half of the identified site was not suitable for residential use, following increased scrutiny around building in identified flood affected areas. Whilst the flooding in this location is not significant, the state governments appetite for re-zoning through flood affected lands has changed over the last 12 months, particularly in response to the northern NSW floods that occurred earlier this year. As such we will not be able to meet the terms of the Joint Venture and the proposal will not be proceeding.

We have looked to return capital to investors as settlements allow, however this is also subject to Vasco's approval to the release of funds back to investors. As always, we appreciate your patience as we now look to wind up the remaining portfolio and return capital back to all investors in a timely manner.

Kind regards,



BRETT BROOKFIELD
DIRECTOR

This report has been prepared by 35 Latitude Pty Ltd as a Corporate Authorised Representative (No. 001239775) of DHF Investment Managers Pty Ltd (AFSL 509932). 35 Latitude Pty Ltd is the Investment Manager of the 35 Latitude Development Fund (Fund), a retail managed investment scheme. 35 Latitude Pty Ltd's authority under its Corporate Authorised Representative Agreement with DHF Investment Managers Pty Ltd is limited to general advice regarding the Fund only. Any other advice provided is not provided pursuant to this agreement. Vasco Trustees Limited is the Responsible Entity of the Fund and the issuer of its Product Disclosure Statement (PDS).

This report contains general information only and is not intended to provide any person with financial advice. It does not take into account any person's (or class of persons) investment objectives, financial situation or particular needs, and should not be used as the basis for making an investment in the Fund. Neither 35 Latitude Pty Ltd, DHF Investment Managers Pty Ltd nor Vasco Trustees Limited make any representation as to the accuracy, completeness, relevance or suitability of the information, conclusions, recommendations or opinions contained in this report (including, but not limited to any forecasts made). No liability is accepted by any of these entities or their respective directors, officers, employees, agents or advisors for any such information, conclusions, recommendations or opinions to the fullest extent possible under applicable laws.

This publication may contain forward looking statements regarding our intent, belief, or current expectations with respect to market conditions. Readers are cautioned not to place undue reliance on these forward-looking statements. 35 Latitude Pty Ltd does not undertake any obligation to revise any forward-looking statements to reflect events and circumstances after the date of this publication. Neither 35 Latitude Pty Ltd, DHF Investment Managers Pty Ltd nor Vasco Trustees Limited guarantee the repayment of capital, the performance of any investment or the rate of return for the Fund. Past performance is not necessarily indicative of future performance. This document is not a Product Disclosure Statement as defined in the Act. Accordingly, it does not purport to contain all information that potential investors may need to make an informed assessment as to whether or not to invest in the Fund. Some numerical figures in this publication have been subject to rounding adjustments.

30062023.V1

