



A helping hand in **commercial property investment and development**



Letter from the Directors

As investment and development professionals, we understand that you may be interested to venture into the world of commercial property ownership but might be facing various challenges along the way.

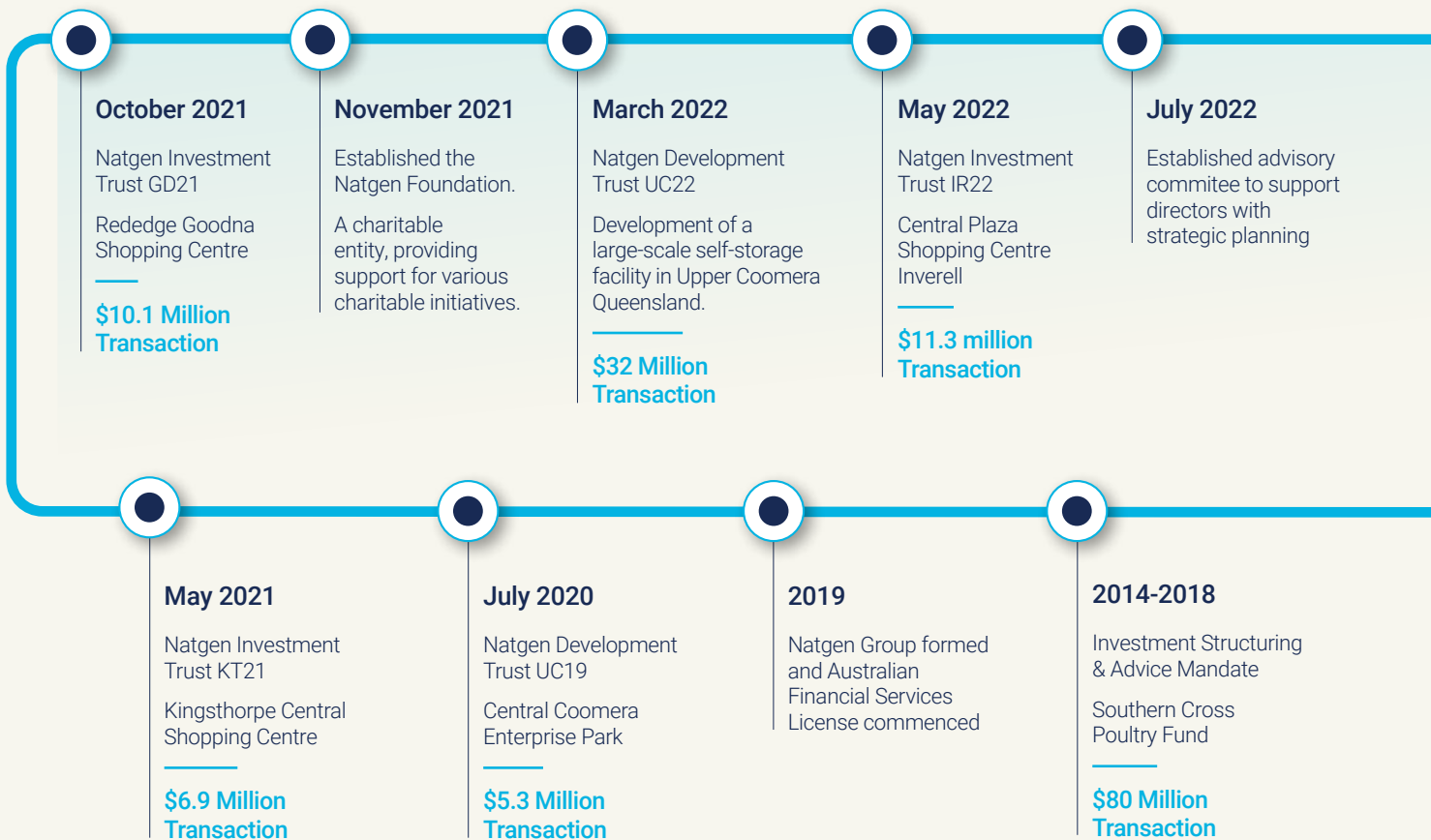
You might be struggling to find the right investment opportunities with real value that meets your investment mandate, or perhaps you lack the required time and resources to manage your commercial property investments effectively.

These hurdles can be discouraging and may hinder you from unlocking the true potential of the commercial property market.

This is where Natgen steps in to offer a helping hand. Our management team has over 80 years combined experience within the commercial property and funds management industry. We have been serving Australian investors like yourself, ensuring that they gain access

to quality commercial investments that align with their financial goals and preferences. Our team of seasoned professionals has an intricate understanding of the commercial property market, a strict due diligence process and relationships with various industry professionals which enables us to identify valuable assets and unlock opportunities.

At Natgen, we pride ourselves on our client-centric approach. By doing so, we tailor our services to suit your specific needs, ensuring that you can make well-informed and confident investment decisions.



Our investment trust assets are carefully selected and curated based on rigorous financial analysis, measurement technologies, due diligence, and market research. We also apply our creativity, experience, and values to arrive at quality solutions that meet the needs and preferences of our investors.

We then handle the complexities and nuances of property ownership, including financial management, engaging with tenants and structuring finance with major Australian banks.

Whether you are a seasoned investor seeking to diversify your portfolio or looking to step into the commercial property market for the first time, Natgen is here to be your partner on the journey. We are dedicated to creating a seamless investment journey for you, one that is backed by industry expertise, market insights, and unwavering commitment to your success.

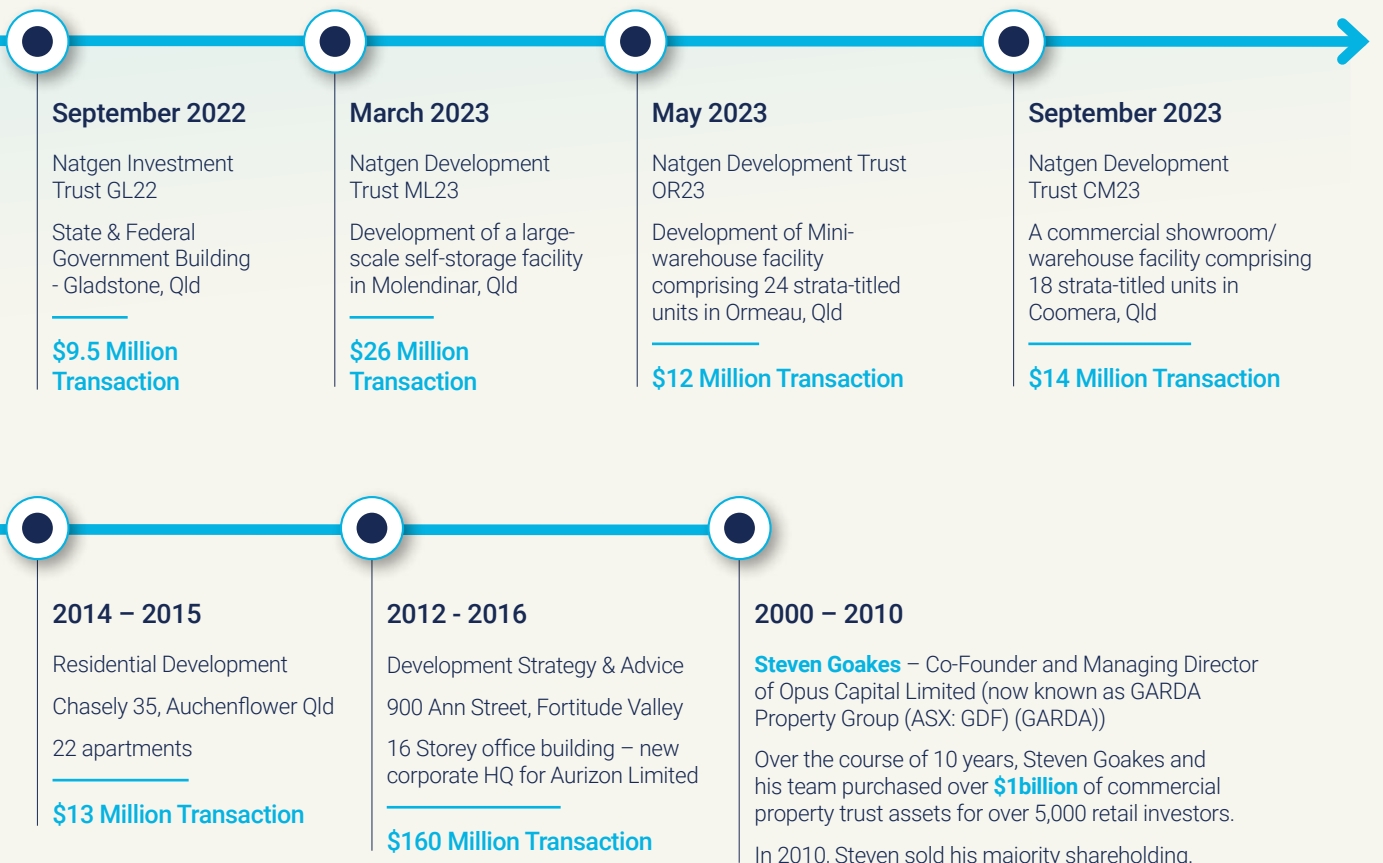
We invite you to explore the opportunities that investment in a Natgen Trust can offer and look forward to embarking on a prosperous investment journey with you.




Steven Goakes
 Managing Director
 National & General
 Administration Pty Ltd




Brett Nelson
 Director
 National & General
 Administration Pty Ltd



Natgen Investment Trusts - your helping hand in commercial property investment

Natgen Investment Trusts are direct property trusts. These are also known as property funds, property syndicates, unlisted property trusts and property trusts.

As a Unitholder in a Natgen Investment Trust you become a part owner of large commercial property assets that may be out of reach of many investors to buy individually.

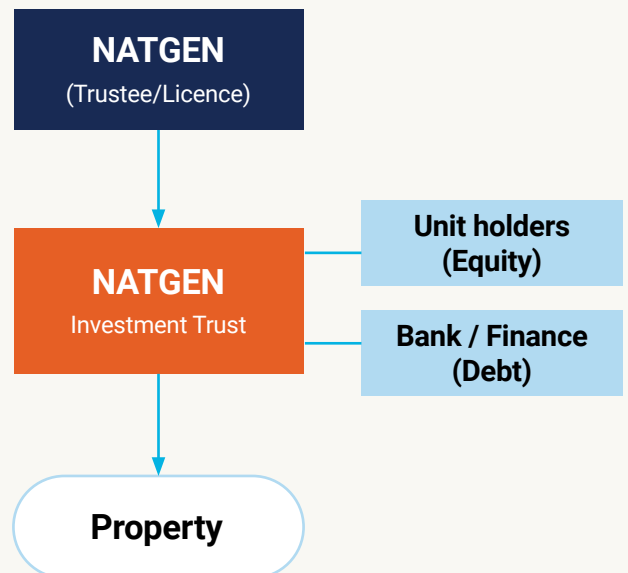
For as little as \$100,000, you can invest in one or more commercial properties, such as office buildings, shopping centers, industrial warehouses, or specialty assets. Typically, your investment will be for a 5-6 year term.

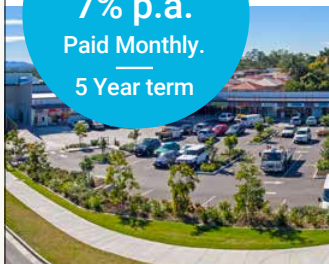

Benefits of investing in a Natgen Investment Trust include:

- **Monthly cash distributions** - Stable income from the rents paid by the tenants of the properties
- **Expert management** - Properties are fully managed by Natgen and its property management company Realtec Services, including administration, maintenance, rent collection and leasing.
- **Non-recourse borrowing** - Due to our size and structure we can borrow on advantageous terms. The Financier will have no recourse to any Investor personally or to the other assets of any Investor.
- **Taxation benefits** – The Natgen trust structure allows investors to take advantage of the depreciation benefits available for commercial property, distributions will usually be fully or partially tax sheltered.
- **Potential capital growth** – As the value of the property grows the value of your investment will grow. At the close of a trust term, any capital profits that have been achieved over the life of the fund will be distributed to unitholders.

The three types of return from a Natgen Investment Trust -

- **Cash income distributions** – this is typically stated as an annual percentage return e.g. 8% p.a.
- **Taxation Benefits** – the income distributions will attract a tax advantaged component.
- **Capital Appreciation** – any capital profits that have been achieved over the life of the trust will be distributed to unitholders.



<p>Natgen Investment Trust KT21 Toowoomba QLD</p> <hr/> <p>Purchase Date: Apr 2021 Purchase price: \$6 million</p> <div style="text-align: center;"> <p>Fully Subscribed 7% p.a. Paid Monthly. 5 Year term</p>  </div>	<p>Natgen Investment Trust GD21 Goodna QLD</p> <hr/> <p>Purchase Date: Oct 2021 Purchase price: \$10.1 million</p> <div style="text-align: center;"> <p>Fully Subscribed 7% p.a. Paid Monthly. 5 Year term</p>  </div>	<p>Natgen Investment Trust IR22 Inverell NSW</p> <hr/> <p>Purchase Date: May 2022 Purchase price: \$11.3 million</p> <div style="text-align: center;"> <p>Fully Subscribed 7% p.a. Paid Monthly. 5 Year term</p>  </div>	<p>Natgen Investment Trust GL22 Gladstone QLD</p> <hr/> <p>Purchase Date: July 2022 Purchase price: \$9.28 million</p> <div style="text-align: center;"> <p>Fully Subscribed 7.52% p.a. Paid Monthly. 5-6 Year term</p>  </div>
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Natgen Development Trusts - your helping hand in commercial property development

Natgen Development Trusts provide investors with the opportunity to access the potential returns usually only available to large-scale property development groups.

Essentially, investors in the trust stand in the shoes of the property developer, only with the advantage of having the Natgen development team, with their experience and processes, by their side. We provide a complete development management service through the entire lifecycle of the trust, including site identification, risk managed site acquisition, planning and budgeting, project delivery and divestment of the finished product.

For a modest outlay, you can invest in a Natgen Development Trust, developing assets such as industrial warehouses, self-storage facilities, retail showrooms or other specialty assets.

Short term “develop and sell” trusts will typically have a 1- 2 year term.

Long term “develop and hold” trusts typically have a 5 - 8 year term.

Benefits of investing in a Natgen Development Trust include:

- **Access to development opportunities** - We are constantly undertaking surveillance of the market to identify gaps and to match these gaps with qualified development sites.
- **Development Expertise** - The Natgen development team consists of industry professionals with decades of high-level property development experience.
- **Australian Financial Services License** - Ensuring full compliance with managed investments and investor protection laws. *Not all development investment opportunities in the market meet these standards!*
- **Development Profits** – The returns from Natgen Development Trusts aim to be higher than returns from more passive property investments. At the close of a trust term, any capital/development profits that have been achieved over the life of the fund will be distributed to unitholders.
- **Non-recourse borrowing** - Due to our size and structure we can borrow on advantageous terms. The Financier will have no recourse to any Investor personally or to the other assets of any Investor.
- **Taxation Benefits** – The Natgen trust structure allows investors to take advantage of the depreciation benefits available for commercial property. Income distributions will usually be fully or partially tax sheltered.

<p>Natgen Development Trust UC19 Upper Coomera QLD</p> <hr/> <p>Completion: Sept 2020 Realisation Amount: \$5.25 million</p> <p>Completed 2020 13.1% total return 1 Year term</p> 	<p>Natgen Development Trust UC22 Upper Coomera QLD</p> <hr/> <p>Purchase Date: May 2022 Dev. Value: \$32.8 million</p> <p>Fully Subscribed Development Trust 8 Year term</p> 	<p>Natgen Development Trust ML23 Molendinar QLD</p> <hr/> <p>Purchase Date: Feb 2023 Dev. Value: \$26.6 million</p> <p>Fully Subscribed Development Trust 8 Year term</p> <p>Site</p> 	<p>Natgen Development Trust OR23 Ormeau QLD</p> <hr/> <p>Purchase Date: July 2023 Dev. Value: \$11.2 million</p> <p>Fully Subscribed Development Trust 2 Year term</p> 	<p>Natgen Development Trust CM23 Coomera QLD</p> <hr/> <p>Purchase Date: Sept 2023 Dev. Value: \$13 million</p> <p>Fully Subscribed Development Trust 2 Year term</p> 
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Why invest with Natgen?

Once you have made the decision to invest in the commercial property sector, the next thing is to pick a quality manager to invest with who has the skills and expertise for all of the following activities:

Market Analysis → Acquisitions Strategy

A thorough knowledge of market drivers, value creation, demographics and general economics is required to ensure that acquisitions strategy is set with the best information possible.

Acquisitions Strategy → Asset Selection Parameters

The strategy must then be articulated into a set of asset selection parameters covering matters such as property type, location, size and timing. Basically, this will be the what, where, when, how and who of the acquisitions strategy.

This strategy is then measured against the Natgen Investment Philosophy to ensure it accords with the core values of the organisation, as enunciated to our investors over time.

Asset Selection Process

Once the acquisitions strategy has been set, the Natgen real estate team circulates our requirements to the market. Further, and somewhat uniquely, we also internally identify specific assets which meet the acquisitions criteria and seek to proactively approach property owners to enter into purchase negotiations.

We prefer 'off-market' purchase opportunities and expend significant effort in formulating transactions for optimal results for our investors in the long term.

Transaction structuring

Vendors and purchasers of commercial property have many and varied motivations for entering into transactions.

Our transaction experience allows us to isolate these counter-party motivations and to structure transactions which meet the needs and motivations of the counter-party. This is an important competitive advantage within an increasingly crowded marketplace.

Debt funding

Deep knowledge of debt funding of commercial property ensures that we can elicit a broad range of debt offers for any given transaction. All debt is arranged on non-recourse terms, ensuring that our investors are never exposed to any borrowings risk beyond the actual assets of the trust in which they are invested.

This is an important benefit - being able to have access to investment gearing without any broad portfolio debt risk.

Due diligence

Comprehensive due diligence is vital to ensuring that the income streams of the commercial property are reliable and that the capital value of the property can be maintained and grown over time.

Natgen has developed a comprehensive due diligence manual over a number of years, which addresses all the major due diligence investigation categories and ensures that as much information is known about the property as possible. Our due diligence manual is updated regularly to incorporate the latest developments in property investigation techniques.

Settlement and on-boarding

The on-boarding of a commercial property, once purchased, is a critical time in which to establish relationships with the tenants and to ensure a smooth transition for them. After all, the tenants are the 'paying customers' of the commercial property investment trust.

Ongoing management

Efficiency, effectiveness and proactivity of the management of the commercial property can seriously impact the ongoing performance of the property vis-a-vis income and, ultimately, capital value.

A strategic approach to future leasing negotiations is a good example of maintaining and enhancing future value. The main aim is to ensure that the leases have as long to run as possible at the time of marketing a property for future sale.

And whilst top line revenue is important, cost-control must also be carefully considered, as must appropriate maintenance and capital expenditure budgeting.

The above points provide a brief (and incomplete) summary of the issues to be managed in the structuring and operation of a commercial property investment trust. It is intended to highlight the importance of your choice of manager for your investments. Knowledge, experience and diligence are all required, but should never be taken for granted.



 **\$104M**
Property Assets

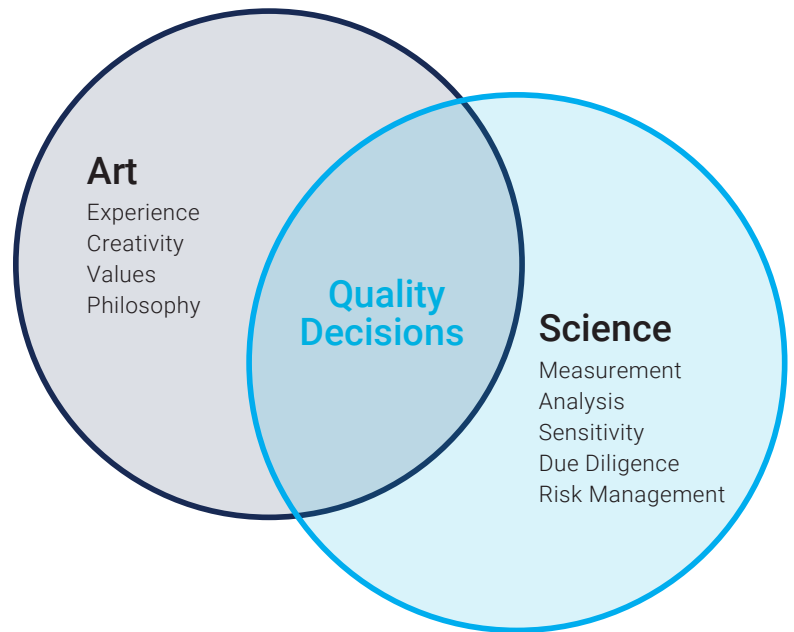
 **80+** YEARS
Combined Industry experience

 **7%-42%**
Range of Return Targeted

 **\$100K**
Minimum Investment

The Natgen Methodology

Our methodology combines qualitative factors (such as financial analysis, measurement technologies and due diligence) with qualitative factors (such as experience, creativity and values) as the basis of our decision-making. In essence, this is the Art and the Science of the business.



Natgen Investor Portal

The Natgen Investor Portal provides investors and their advisors with a real-time access to reporting on their investments, to maintain a watch on Natgen trust investments and to apply for new Natgen investments.

With cyber security being such an important issue, the portal provides a safe and secure environment for information exchange.



The Natgen Investment Philosophy

PURCHASE FOR PROFIT *"begin with the end in mind"*

- Use well-researched and transparent criteria for all purchase decision
- Plan the full lifecycle of an asset at the outset

MANAGE FOR OPPORTUNITY AND RISK

- Proactively identify opportunities and risks and manage to optimise asset potential
- Remain nimble and vigilant for market and economic factors

DIVEST FOR OPTIMUM OUTCOMES

- Monitor the market for value-added exit opportunities
- Prepare assets for sale during the entire holding period

Cash vs. Natgen Investment Trust

Cash deposits have only one form of return, and that is the interest rate paid on the capital.

With **Natgen Investment Trusts**, investors have access to three forms of return:

1. Cash income distributions;
2. Taxation benefits; and
3. Capital appreciation.

In our case, the 'headline rate' only relates to the first of these types of return.

BUT, this is not the full story.

With the TERM DEPOSIT, you have the benefit of the **government guarantee** (for less than \$250k deposits), in this case, you have a guarantee of a loss of \$3,476.50 per annum.

With a NATGEN INVESTMENT TRUST, you have the **opportunity of capital growth** of the property during the term.

The below example is designed to illustrate the differences between these types of investment.

	Example Investment 1:	Example Investment 2:
	5 year bank term deposit	Natgen Investment Trust
	@ 4.95% p.a. (return paid annually)	@ 8% p.a. (return paid monthly)
<i>Example inflation rate: 6.1%</i>		
	Term Deposit	Natgen Trust
Annual Return	\$4,950.00	\$8,000.00
Tax Payable	\$(2,326.50)	nil*
Free Cash	\$2,623.50	\$8,000.00
Inflation Impact	\$(6,100.00)	\$(6,100.00)
Net Position	\$(3,476.50)	\$1,900.00

* The tax not paid here will reduce the cost base of the asset for CGT purposes, therefore tax saved now will be payable as CGT upon the disposal of the units in the Trust. But, for individuals and trusts, CGT will be discounted by 50% due to the assets having been held for over 12 months. (The discount for Super Funds is 33%, and no discount for company investors.)

And whilst we hesitate to forecast capital growth for a particular asset over the particular timeframe, we do have excellent data for the past performance of commercial property across Australia for the past 40 years.

And it looks like ...

Rolling Annual Returns



Source: MSCI Global Intel. Standing investments only.

Information Classification: GENERAL

The graph shows the rolling total returns on Australian commercial property since 1986. My observations on this graph are as follows:

1. The total return over the years have been remarkably consistent and reduced or negative returns have happened sharply and recovered quickly when they have happened.
2. Regardless of the level of capital returns, the income return level is very consistent and continues even when capital values fall. This indicates that holding property during these rare periods of value fall is a sound strategy for recovery in time.

3. Periods of growth are much longer than periods of downturn.

Whilst we often say (correctly) that past performance is no guarantee of future performance, long term data series are valuable to isolate long term trends and value.

Capital growth potential is based on income growth potential and other measurable factors – commercial properties are often valued on the basis of the potential (and actual) rental return being achieved. Other relevant factors include economic activity, interest rates, and the commercial success of the area surrounding the property.

Comparing Residential and Commercial Property Investments

	RESIDENTIAL PROPERTY	COMMERCIAL PROPERTY
Property Types	Houses, Apartments, Town Houses	Office space, Shopping Centres (retail), Childcare, HealthCare, Industrial, Storage Facilities
Lease Term	6-12 months	5 years +
Rental Increases	Variable - Determined by the market	Fixed rates 2.5 - 4 % annually or CPI
Tenant type	Individuals or Families	Businesses or Government
Legal Protection	Residential Tenancy Act favours the Tenant	Business tenancy agreements are contracts with balanced outcomes for both parties
Property Costs	Paid by landlord	Usually paid by tenant

Key differences between Commercial and Residential property for investment purposes

When most people think of property investment, they think of 'negative gearing' a residential home or apartment. Many are unaware that commercial property investment trusts provide an alternative property investment option for similar investment amounts.

There are a number of key differences between residential and commercial property investment which can be categorised as follows.

1. Types of Tenants: Commercial tenancies are leased to businesses, whereas residential properties are leased to individuals or families. This is a key difference, because the business lessee relies upon the commercial premises to generate income for the business. This, in turn, often means that commercial tenants look after the premises better and have a vested interest in maintaining the property in good condition. This cannot be assured for residential tenants.

2. Lease terms and conditions: Commercial leases tend to be for significantly longer periods (often between 5 and 10 years) and have more complex terms and conditions. They typically include provisions for rental increases annually, tenant improvements and maintenance and options to renew. Residential leases, on the other hand are usually for much shorter terms (often 6 - 12 months) and other conditions are limited by residential tenancy legislation.

3. Rental income: Commercial properties typically generate higher rental returns than residential properties, due to the specialty of the asset for the intended tenant and the relative cost of provision of commercial space. Whilst commercial properties tend to have higher operating costs, these are usually reflected in the rent or by specific outgoings payments to the landlord.

4. Capital Appreciation: The increase in the value of commercial properties is largely insulated from general real estate market sentiment, which by and large drives the residential property market. The principle determinant of the capital value of a commercial property is the net income return from the property,

which will be multiplied by a rental yield factor which takes account of the risks associated with that income stream. Residential property prices are more directly impacted in changes in sentiment relating to economic conditions and factors such as interest rate movements. Also, given the lower income returns available from residential property, the residential investor is more reliant on capital growth for an investment returns whereas a higher proportion of the commercial investor returns is drawn from annual income.

5. Risk: Whilst risk factors apply to both residential and commercial properties, the drivers of the risk profile differ. The steady nature of the income streams available from commercial properties tend to reduce the volatility (risk) of the returns available in this market as compared with the residential market.

6. Taxation: The taxation treatment of commercial and residential property can differ significantly, with differing depreciation rates often applying to differing property types. We consider the taxation treatment of commercial properties to be particularly beneficial to the investor in the long term, with the capital gain proportion of the total return from the property being taxed at concessional rates, which vary depending on the type of investor entity involved.

7. Management: In the commercial property sphere, the quality of the management of a building can make an enormous difference to the experience of the tenants and thus to the long term income potential of the property. Thus skilled, focussed management is a very important aspect of commercial property ownership. In the residential sphere, property management is less important, as it tends to be less impactful to the performance of the property.

8. Financing and capital management: Commercial properties are debt financed on a different basis to residential properties, with debt capital typically coming through the commercial debt market rather than the more regulated residential debt market. This provides a broader range of debt options for commercial property ownership, albeit with a wider range of interest rates applicable to the various options.

The Natgen Team



**STEVEN
GOAKES**

*LL.B, B.Bus(Acc), LL.M, Dip.FP,
FIML, MAICD*

Managing Director & Responsible Manager

Steven boasts a 30 year career focused on commercial real estate, funds management, compliance, corporate governance and law; all founded on a masters degree in property and trust law, and a business degree.

Steven structures and operates managed investment funds to maximise returns to stakeholders. His success comes from critically analysing stakeholder needs, and focusing management effort in value-add areas for investors.

Steven has managed investment assets in excess of \$1 billion, overseen the purchase of \$1 billion in commercial properties, and participated in joint-venture developments totalling over \$400 million in gross realisation.



**BRETT
NELSON**

B.Bus(Acc), CA, Dip. FP

Director, CFO & Responsible Manager

Brett combines a strong background in finance and accounting with tremendous energy and enthusiasm to deliver high-level analytical skills and financial experience to Natgen projects and clients.

Brett thoroughly understands the financial aspects of operating managed investment schemes and applies this expertise to ensure that entity capitalisation, cash flow and asset performance are measured and analysed in an ongoing and proactive manner.

Brett is a chartered accountant, holding a Bachelor of Commerce and a Diploma of Financial Planning, and has honed his skills within a number of commercial organisations.



SHARI LAWRENCE

*B.App.Sc (Prop.Econ), Grad Dip
(App.Fin & Inv), Cert 3 Inv. Mgt*

Responsible Manager

As a responsible manager under the Group's AFSL, Shari provides Natgen with extensive experience in the area of regulated managed investment schemes.

With a background in property economics and funds management, Shari provides value across a broad range of operational aspects of the Natgen business.



CAROLINE SEYMOUR

Dip. FP, Lic RE Agent

Responsible Manager

Having worked in funds management since 1996, Caroline is another member of the team with broad skills applicable across the organisation.

Investor relations, compliance management and performance reporting are areas where Caroline particularly applies her skills within Natgen.



**JEFF
GARDNER**

Head of Acquisitions

Jeff brings a wealth of commercial property experience to the Natgen team. His deep understanding of commercial development, construction and tenancy relationships, makes him a valuable resource across acquisitions, management and development.

Adherence to the Natgen Investment Philosophy and a relentless focus on unitholder value are hallmarks of Jeff's acquisitions management approach.



**TAMMIE
BRUNS**

Senior Property Manager - Realtec Services

Tammie brings her long and successful banking career to bear in managing the Natgen investment assets, comprising shopping centres, office buildings and other commercial assets.

Her deep understanding of process, compliance and systems combines with a commitment to tenant service and business efficiencies. This strong business acumen is evident in Tammie's relationship building skills, which benefits the entire Natgen portfolio.



**AMY
DEMPSEY**

Financial Controller

Amy's extensive knowledge of financial analysis and Australian Accounting Standards is brought to bear in her management of the accounting and financial reporting functions within Natgen.

Her background as a senior auditor at KPMG stands her in good stead to manage the several audits which Natgen undertakes each financial year, both for the company and for each separate managed investment trust. Additionally, her analysis skills have been honed with experience at an ASX-listed company in this role.



**HOLLY
KOIVISTO**

Executive Assistant - Administration and Compliance

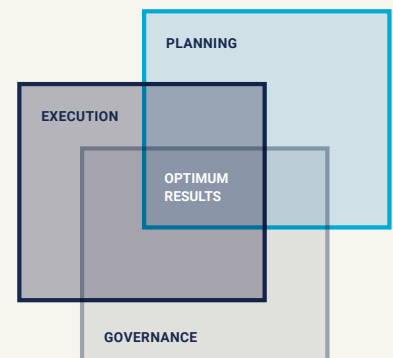
Holly provides the Natgen team with a range of important administrative support functions, focussed particularly on Natgen's compliance obligations under its AFSL and unitholder registry functions.

Additionally, Holly is undertaking tertiary study in Property Economics and Business, adding to her growing skillset and her contribution to Natgen and our investors.

Australian Financial Services Licence

National & General Administration Pty Ltd, a member company of the Natgen group, holds Australian Financial Services License No. 522 835.

We are authorised to advise on and operate wholesale managed investment schemes in a broad range of areas. We are also authorised to provide custodian services. As a licensed entity, we are subject to the scrutiny of ASIC in abiding by the Corporations Act and meeting the performance and governance standards laid out in ASIC regulatory guides. The standards relate to areas such as compliance systems, financial requirements, and training of representatives.



Find out
more

Contact our Investor
Relations team today

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DISCLAIMER

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