

## CROMWELL UNVEILS FURTHER POSITIVE FUNDS OUTCOMES IN AUSTRALIA, POLAND AND THE NETHERLANDS

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Real estate investor and manager Cromwell Property Group (ASX:CMW) (Cromwell) has announced a number of further positive outcomes in its funds management business, capping off a busy few weeks which has included the acquisition of seven DHL seed assets in Italy for a new European Logistics Fund and the announcement of the proposed Stratus Cromwell Data Centres Fund.

In Australia, the withdrawal event associated with the end of the initial seven-year term of the Cromwell Direct Property Fund (DPF) closed on Friday 31 July 2020. During the month of July 2020, investors had the opportunity to fully redeem their investment in the fund.

“When we launched DPF in August 2013, we never envisaged that the withdrawal window would occur during a pandemic,” said Fund Manager, Hamish Wehl.

“Despite this, investors representing 90.1% of issued capital elected to continue with their investment in DPF. This is a testament to the fund’s track record of delivering regular, reliable monthly income.”

DPF’s second term has commenced with the next full withdrawal event due in July 2025. The fund pays a distribution of 7.25 cents per security per annum, paid monthly, equivalent to a distribution yield of 5.9% based on unit price of \$1.23 as at 30 June 2020. It has a 7.4 year weighted average lease expiry with 42% of income sourced from government tenants.

In Poland, sales turnover, at the assets in the Cromwell Polish Retail Fund (CPRF) returned to their pre-pandemic levels. June 2020 turnover, for the stores that are obliged to report and excluding Auchan, was 99% of that reported in February 2020, the last full month before the impact of COVID-19 was felt.

“As we have been saying, these are hugely resilient assets,” said Chief Investment Officer, Rob Percy.

“The team in Poland has been managing the assets for over ten years now, we know the assets very well and their resilience has been reflected in the independent, third party valuations which saw a small reduction of 5.3% in the value of the portfolio as at 30 June 2020.”

“The investment is accretive and we are happy to continue to warehouse CPRF for now. We will wait for things to settle down a little further before continuing with our strategy of selling down the fund, targeting a medium-term stake of 20 – 30%,” he added.

In the Netherlands, Cromwell will develop a new 24,078 square metre, eight storey office building with an accompanying parking garage, known as ‘The Joan’, in Amsterdam. Cromwell will oversee the development on behalf of a private equity client and subsequently asset manage The Joan once built.

The Joan is targeting a BREEAM Excellent certification and will comprise a multifunctional and creative ground floor with lots of natural light and greenery in a sustainable and healthy business environment. The parking garage will have 246 dedicated places and good connections to local public spaces. It will include also bicycle spaces as well as charging points for electric cars and bicycles and be in the same architectural style as the office building.

The buildings will be developed by ‘Being’ in cooperation with Steengoed BMA. Being is a new generation of developers focusing on creating highly sustainable projects. Award-winning design firm

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OZ have also been engaged. Construction is due to start in the third quarter of the 2020 calendar year with completion expected in the second quarter of the 2022 calendar year.

Located in an up and coming area of Amsterdam, The Joan has good access to public transport and the nearby A10 motorway. The area is popular with successful companies from various industries, including media and entertainment, fashion, design, IT, mobility, logistics, food and hospitality.

Wouter Zwetsloot, Head of Real Estate in Europe, commented: “The Joan will add much needed high-quality and future-proofed sustainable office space to the Amsterdam market. Investors are becoming much more discerning and sustainability and wellbeing factors are a critical consideration when it comes to asset selection.”

“The Joan is being specifically designed to meet these requirements,” he added.

Cromwell was advised by Loyens & Loeff and Being was advised by DLA Piper and CBRE.



*Artist impression: The Joan (© Proloog)*

Authorised for lodgement by Lucy Laakso (Company Secretary) and Paul Weightman (Chief Executive Officer).

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## **ABOUT CROMWELL PROPERTY GROUP**

Cromwell Property Group (ASX:CMW) is a diversified real estate investor and manager with operations on three continents and a global investor base. As at 31 December 2019, Cromwell had a market capitalisation of \$3.1 billion, a direct property investment portfolio valued at \$3.2 billion and total assets under management of \$11.9 billion across Australia, New Zealand and Europe.

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