



Investor Update

21 March 2019

Steve McKnight

General Advice Warning: This information is of a general nature only and does not take into account your objectives, financial situation or needs. You should consider the Product Disclosure Statement (PDS) issued by Plantation Capital Limited ACN 133 678 029 AFSL 339481 in deciding whether to acquire an interest in the Passive Income (USA Commercial Property) Fund. Past performance is not a guarantee of future performance.



Information provided about forecast annual net cash flow and cash on cash returns are derived from unaudited financial projections. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Responsible Entity. The Responsible Entity cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.



Agenda

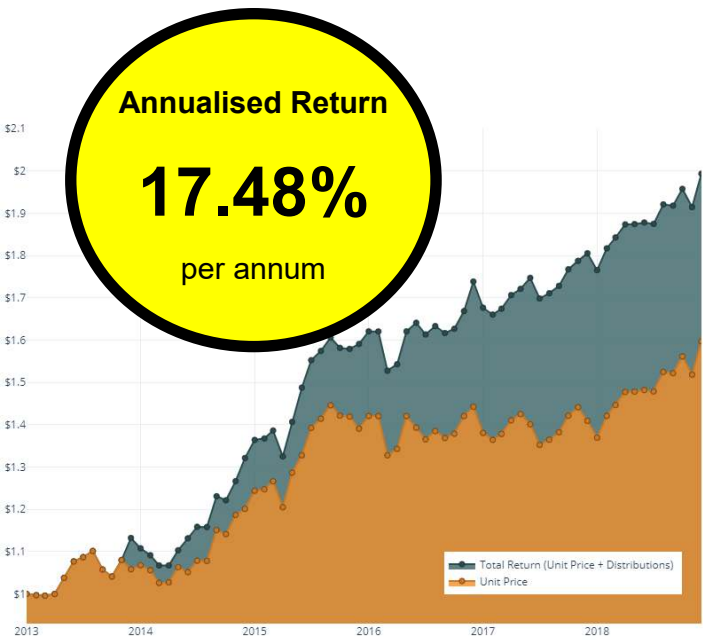
- Fund's 2018 Performance
- December Appraisal Highlights
- Latest Purchase
- Strategy Assessment
- Upcoming Events
- Q & A





Part 1

Fund’s 2018 Performance



\$1 Invested In Jan 2013 (As At 31 December 2018)	
Income	49.60¢
Growth	55.30¢
Total	\$1.049



Net Return (cents per unit)

	2018	2017	2016	2015	Since 1/1/2013
Income [*]	10.00	10.00	9.60	8.00	49.60
Growth [^]	14.38	(3.32)	5.16	18.95	55.30
Total	24.38	6.68	14.76	26.95	104.90

* Gross of US withholding tax ^ Including effect of FX



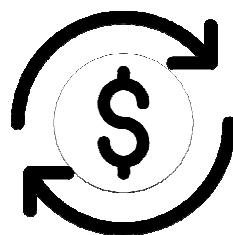
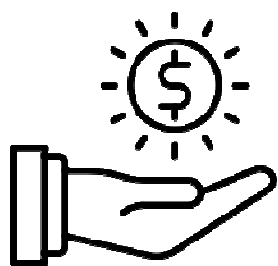
Performance Fee (% change net assets)

	2018	2017	2016	Dec 2015	Jun 2015
Return	18.417%	4.213%	11.035%	9.713%	39.609%
Hurdle	12.000%	12.000%	12.000%	6.000%	12.000%
Surplus	6.417%	(7.787%)	(0.965%)	3.713%	27.609%

Calculated as outlined in the PDS. Dec 2015 was for six months only.



Fund Return

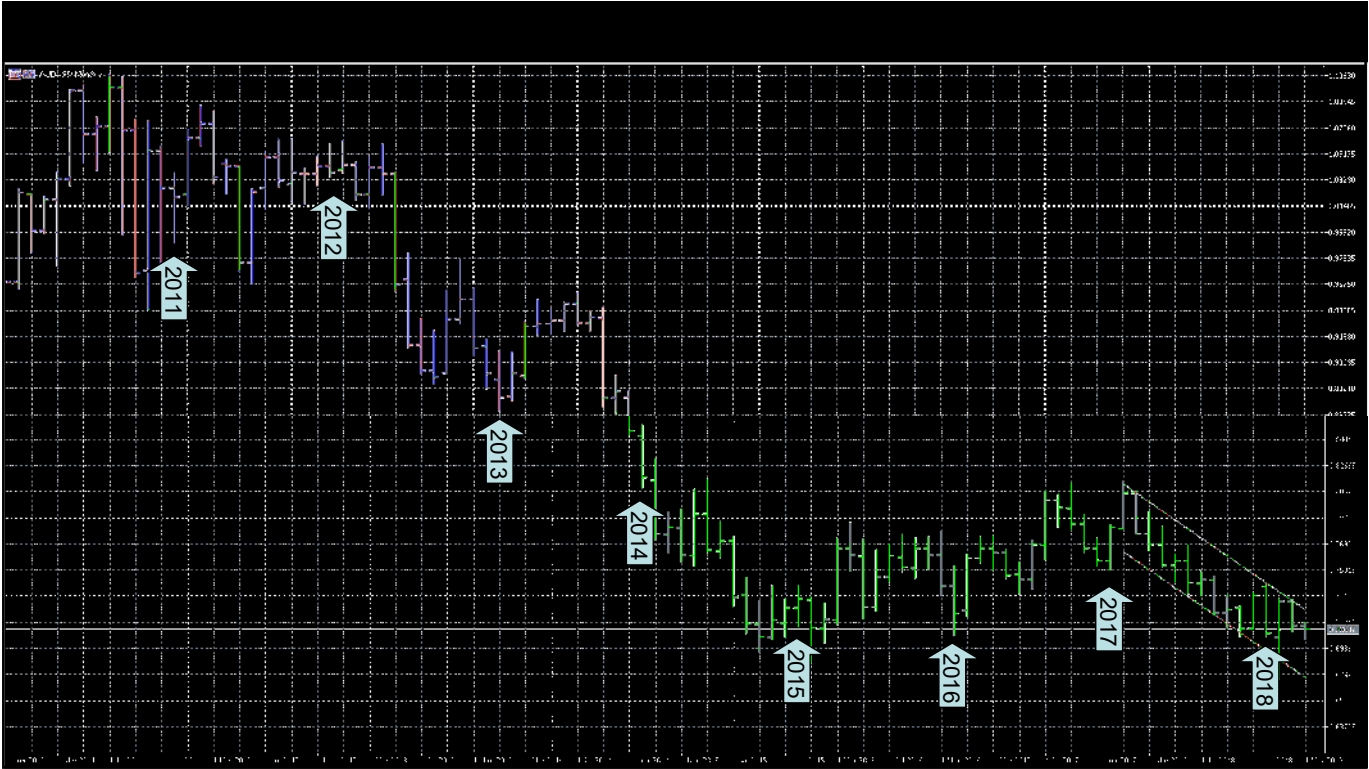
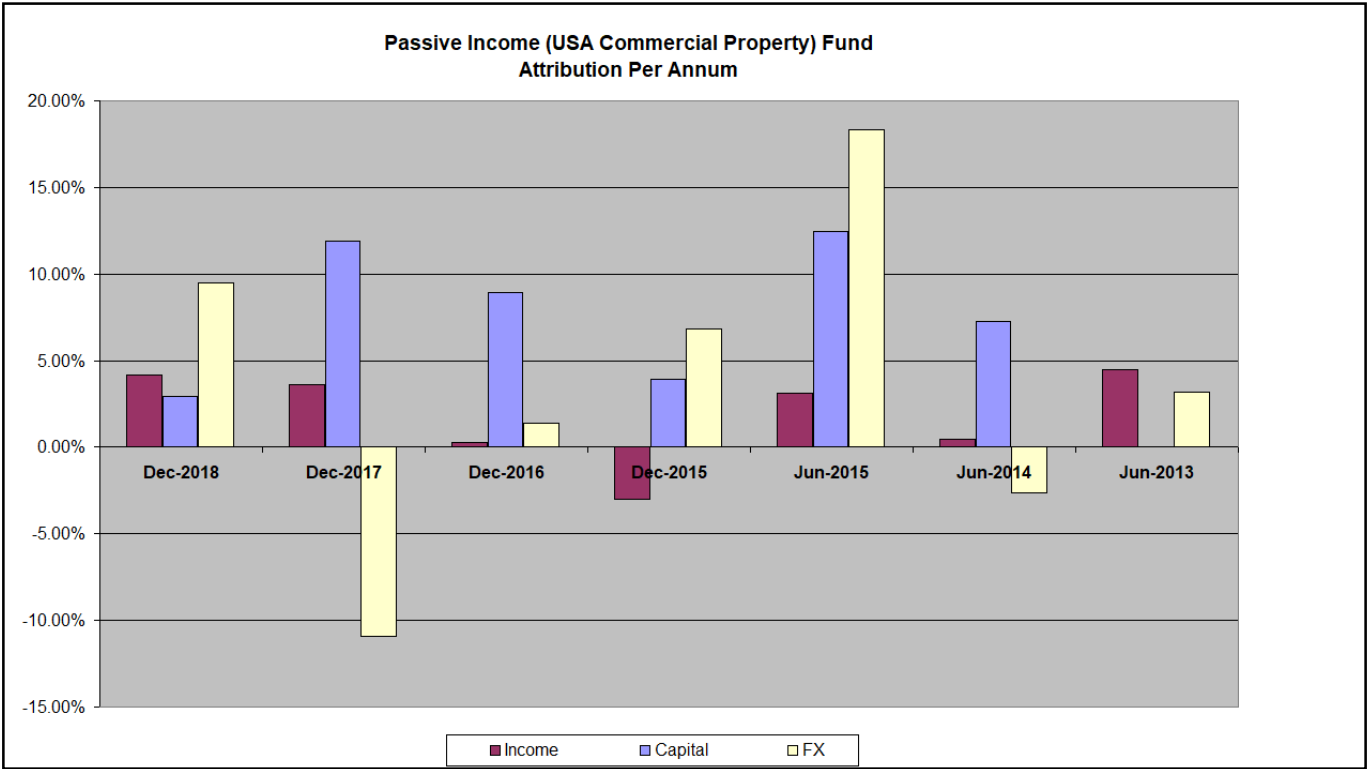


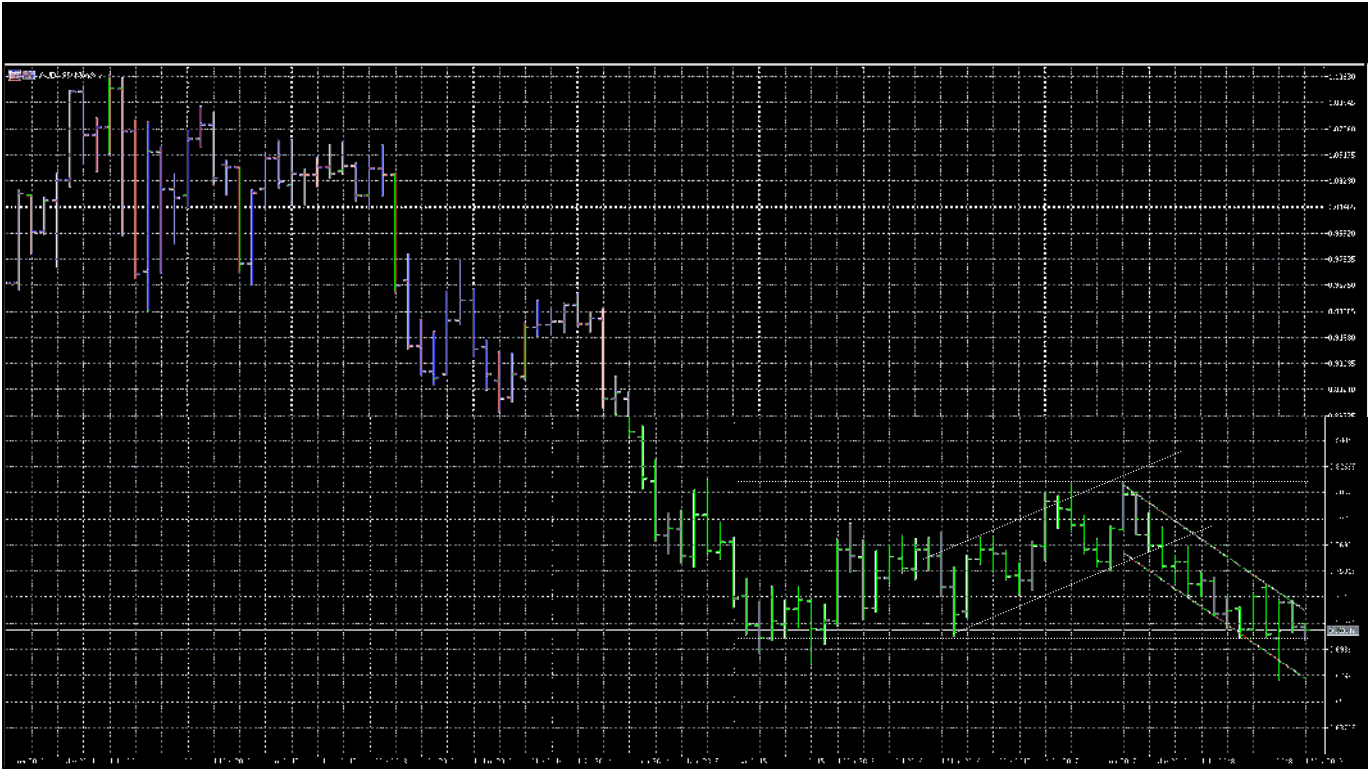
Attribution

	Dec 18	Dec 17	Dec 16	Dec 15*	Jun 15	Jun 14	Jun 13
Income	4.20%	3.60%	0.29%	-3.02%	3.10%	0.43%	4.50%
Capital	2.91%	11.93%	8.92%	3.95%	12.45%	7.26%	0.00%
FX	9.49%	-10.91%	1.40%	6.83%	18.31%	-2.62%	3.20%
Total	16.60%	4.62%	10.61%	7.76%	33.86%	5.07%	7.70%

% return per unit * Half Year as year end changed







Profit & Loss



INCOME	2018	2017
Rental Income	\$15,116	\$13,694
Capital Gains	\$3,741	\$9,092
All Other Income	\$851	\$190
Total Income	\$19,708	\$22,976

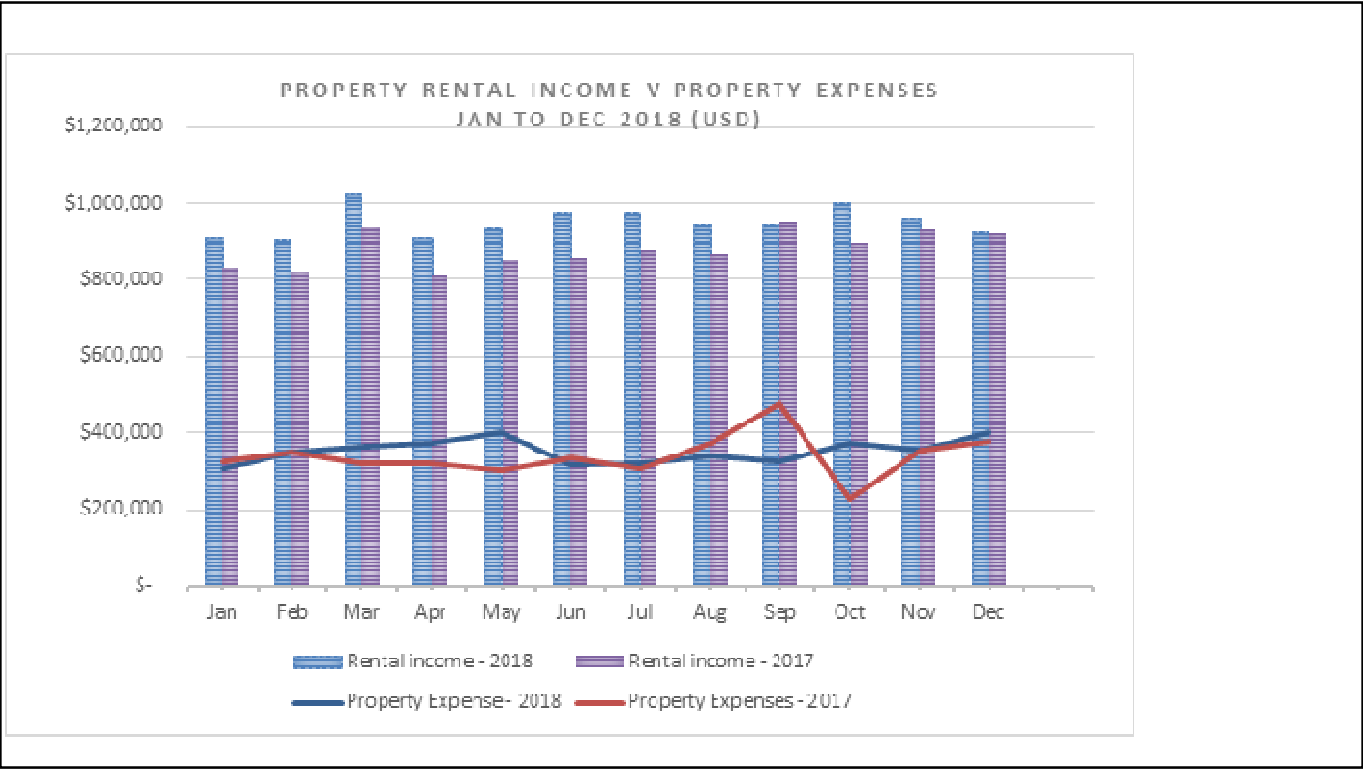
Dollars in thousands



Profit & Loss

EXPENSES	2018	2017
Property	\$7,072	\$6,030
Finance	\$1,366	\$1,344
RE Fees	\$2,702	\$2,373
Other	\$360	\$466
Total Expenses	\$11,500	\$10,213

Dollars in thousands



Profit & Loss

BEFORE TAX	2018	2017
Income	\$19,708	\$22,810
Expenses	(\$11,500)	(\$10,047)
Profit Before Tax	\$8,208	\$12,763

Dollars in thousands




Profit & Loss


AFTER TAX	2018	2017
Property Before Tax	\$8,208	\$12,763
Taxation	(\$4,421)	\$164
Profit After Tax	\$3,787	\$12,927

Dollars in thousands





Hang on... if profit is
going down,
how is performance
going up?



Balance Sheet

ASSETS	2018	2017
Property	\$140,233	\$127,435
Cash	\$18,537	\$9,648
Other	\$1,484	\$1,296
Total Assets	\$160,254	\$138,379

Dollars in thousands



Balance Sheet

LIABILITIES	2018	2017
Borrowings (Property)	\$24,704	\$25,045
Deferred Tax Liability	\$11,795	\$7,838
Other	\$8,290	\$5,977
Total Liabilities	\$44,789	\$38,860

Dollars in thousands



Balance Sheet

EQUITY	2018	2017
Unitholder Funds	\$94,527	\$85,953
Retained Earnings	\$237	\$4,443
FCTR	\$20,701	\$9,124
Total Equity	\$115,465	\$99,520

Dollars in thousands





Most of the FX gains
in FY18 are sitting
in the Balance Sheet,
not the P&L



Balance Sheet

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Unitholder Funds	\$94,527	\$85,953
Retained Earnings	\$237	\$4,443
FCTR	\$20,701	\$9,124
Total Equity	\$115,465	\$99,520

Dollars in thousands



Cash Flows



	2018	2017
Operating Activities	\$5,983	\$3,997
Investing Activities	\$6,512	(\$5,606)
Financing Activities	(\$2,273)	(\$2,613)
Change In Cash	10,222	(\$4,222)

Dollars in thousands

Unit Matters

	2018	2017
Distributions – Cash	(\$2,848)	(\$2,822)
Distributions – Reinvested	(\$4,964)	(\$4,687)
Redemptions	(\$3,927)	(\$3,334)
New Applications	\$7,537	\$3,575

Dollars in thousands



Steve's Total Investment

	2018	2017
Units	3,158,012	2,805,527
Value	\$4,904,392	\$3,953,549

Per Related Party Transactions



Vacancy

	2018	2017
GLA (sf)	1,321,600	1,386,351
% Vacant	7.09%	6.65%



Summary

- Net rent is increasing
- Rate of capital growth is decreasing
- FX was beneficial, but trending in range



Part 2

December Appraisal Highlights



Background

- Properties independently appraised each six months
- Rotating appraisers after three years
- Has caused some ‘appraisal’ turbulence



NOTE 13: INVESTMENT PROPERTIES (AT FAIR VALUE)	31 December 2018		31 December 2017	
	AUD	USD	AUD	USD
Texas Properties				
1671 Riverview Dve, Lewisville	6,244,690	4,410,000	5,522,884	4,320,000
401 Powerhouse, McKinney	-	-	5,976,732	4,675,000
1205 Texas Parkway, Euless	7,193,430	5,080,000	6,392,227	5,000,000
Total Texas Property	13,438,120	9,490,000	17,891,843	13,995,000
Georgia Properties				
6620 Tara Blvd, Jonesboro	6,527,896	4,610,000	6,775,761	5,300,000
6205/15 Shiloh Crossing, Alpharetta	10,053,809	7,100,000	8,437,740	6,600,000
1461 HWY 20 W, McDonough	7,080,147	5,000,000	6,264,383	4,900,000
2081 Jonesboro Rd, McDonough	5,805,721	4,100,000	5,497,315	4,300,000
270 Scientific Drive, Norcross	7,108,468	5,020,000	6,200,460	4,850,000
358 McDonough Pkway, McDonough	1,656,754	1,170,000	1,291,230	1,010,000
2192 Eastview Parkway, Conyers	3,412,631	2,410,000	3,017,131	2,360,000
400 Tech Pkway, Peachtree Corners	11,328,236	8,000,000	9,907,952	7,750,000
350 Tech Pkway, Peachtree Corners	7,080,147	5,000,000	6,878,036	5,380,000
6564 Tara Blvd, Jonesboro	3,171,906	2,240,000	869,343	680,000
Total Georgia Property	63,225,715	44,650,000	55,139,351	43,130,000
Florida Properties				
3350 Hanson St, Fort Myers	1,939,960	1,370,000	1,687,548	1,320,000
13584 49th St Nth, Clearwater	5,451,713	3,850,000	4,941,192	3,865,000
4700 110th Ave Nth, Pinellas Park	2,336,449	1,650,000	1,994,375	1,560,000
2853 Work Dve, Fort Myers	4,941,943	3,490,000	4,218,870	3,300,000
2148 Fowler St, Fort Myers	1,883,319	1,330,000	1,636,410	1,280,000
1408 Hamlin & 2013 Murcott, St Cloud	4,106,485	2,900,000	3,707,492	2,900,000
1904 Oak Grove Blvd, Lutz	6,796,941	4,800,000	5,062,644	3,960,000
5250 Giron Circle, Kissimmee	3,483,432	2,460,000	2,940,424	2,300,000
720 S. Dixie Fwy, New Smyrna Beach	3,879,921	2,740,000	3,669,138	2,870,000
2634 N. Orange Blossom Trail	3,440,952	2,430,000	3,004,347	2,350,000
5961 Northland Rd, Fort Myers	1,883,319	1,330,000	1,649,195	1,290,000
16151 Pine Ridge Rd, Fort Myers	1,869,159	1,320,000	1,240,092	970,000
830 NE 24th Lane, Cape Coral	2,548,853	1,800,000	2,173,357	1,700,000
12050 49th St Nth, Clearwater	7,136,788	5,040,000	6,072,616	4,750,000
2621 NE 9th Ave, Cape Coral	1,755,877	1,240,000	1,342,368	1,050,000
1221 SE 9th Ter, Cape Coral	1,486,831	1,050,000	1,278,445	1,000,000
1013 SE 12th Avenue, Cape Coral	1,359,388	960,000	1,041,933	815,000
18538 US Hwy 19, Clearwater	-	-	811,813	635,000
932 NE 24th Lane, Cape Coral	1,585,953	1,120,000	1,240,092	970,000
5636 Youngquist Rd, Fort Myers	1,008,805	712,417	894,911	700,000
5760 Youngquist Rd, Fort Myers	1,585,953	1,120,000	1,240,092	970,000
3419 Westview Drive, Naples	3,086,944	2,180,000	2,556,891	2,000,000
Total Florida Property	63,568,985	44,892,417	54,404,245	42,555,000
Total Property	140,232,820	99,032,417	127,435,439	99,680,000



Upside

PROPERTY	Δ FMV In USD
Eagle Plaza	\$772k
Pine Ridge Road	\$320k
49CW N	\$283k
Shiloh Crossing	\$397k
420 Tech	\$173k

6 months to 31 Dec 2018



Downside

PROPERTY	Δ FMV In USD
Hamlin	\$83k
Shops Of Tara	\$776k
McDonough Exchange	\$255k
350 Tech	\$306k

6 months to 31 Dec 2018



Reval Summary



Six Months To 31 December 2018

Δ FMV In AUD	\$2,208,770	(3.52%)
Properties ↑ Value	24	
Properties ↓ Value	8	
Properties No Change	1	

Reval Summary



Twelve Months To 31 December 2018

Δ FMV In AUD	\$3,363,580	(4.94%)
Properties ↑ Value	27	
Properties ↓ Value	5	
Properties No Change	1	

Fixers & Value Adders

PROPERTY
6564 Tara
Shops Of Tara
McDonough Exchange
350 Tech
Maple



Summary

- Except for fixers and value adders, the rate of capital growth is slowing
- Told to expect 2% to 4% per annum





Part 3

Latest Purchase



Executive Summary



PROPERTY SUMMARY

Sale Price:	\$2,350,000
Current Cap Rate:	6.82%
Lot Size:	2.75 Acres / 119,790 SF
Zoning:	CG - Commercial General
Number Of Buildings & Number Of Stories:	3 1
Building Size & Number Of Units:	20,510 SF Currently built to 14 Units
Occupancy Rate:	64.5%
Charlotte County Parcel ID #:	402318151003



1 South School Avenue Suite 600 | Sarasota, FL 34237 | ian-black.com

PROPERTY OVERVIEW

Ian Black Real Estate has been retained as the exclusive agent for the sale of the MAPLELEAF PLAZA, as a Retail Investment Opportunity, located at 2200 Kings Highway in Port Charlotte, FL 33980. The Subject Property is located minutes from the golf communities of Maple Leaf and Kings Court and is very well positioned for visibility and easy access. The area includes a strong mix of national and local retailers, hotels, grocers and restaurants, interspersed with medical/office users, supplying the needs of the surrounding upscale residential neighborhood.

PROPERTY HIGHLIGHTS

- Renovations are complete and there is no deferred maintenance
- Management Fee in Place at 6.0%
- All Leases are true NNN
- New 35 year roof, facade, and parking surfaces - minimizing capital expenditure
- Stable tenants - average occupancy 12.5+ years
- Very desirable location in high worth residential area
- Property visits allowed ONLY by pre-arranged appointment with Broker, so as not to disturb tenants

PORT CHARLOTTE

Listed among the 10 Best Places to Retire in the US by U.S. News & World Report in 2012, Port Charlotte is located at the north end of the Charlotte Harbor Estuary, approximately 100 miles south of Tampa and 65 miles north of Naples. Port Charlotte is experiencing strong growth with new residential and retail development.

CHARLOTTE COUNTY

Located on the Gulf Coast of Florida, Charlotte County was established in 1921 and is comprised of 858 square miles - of which 178 square miles is water! Charlotte County comprises the Punta Gorda MSA, which is included in the North Port - Sarasota Combined Statistical area.

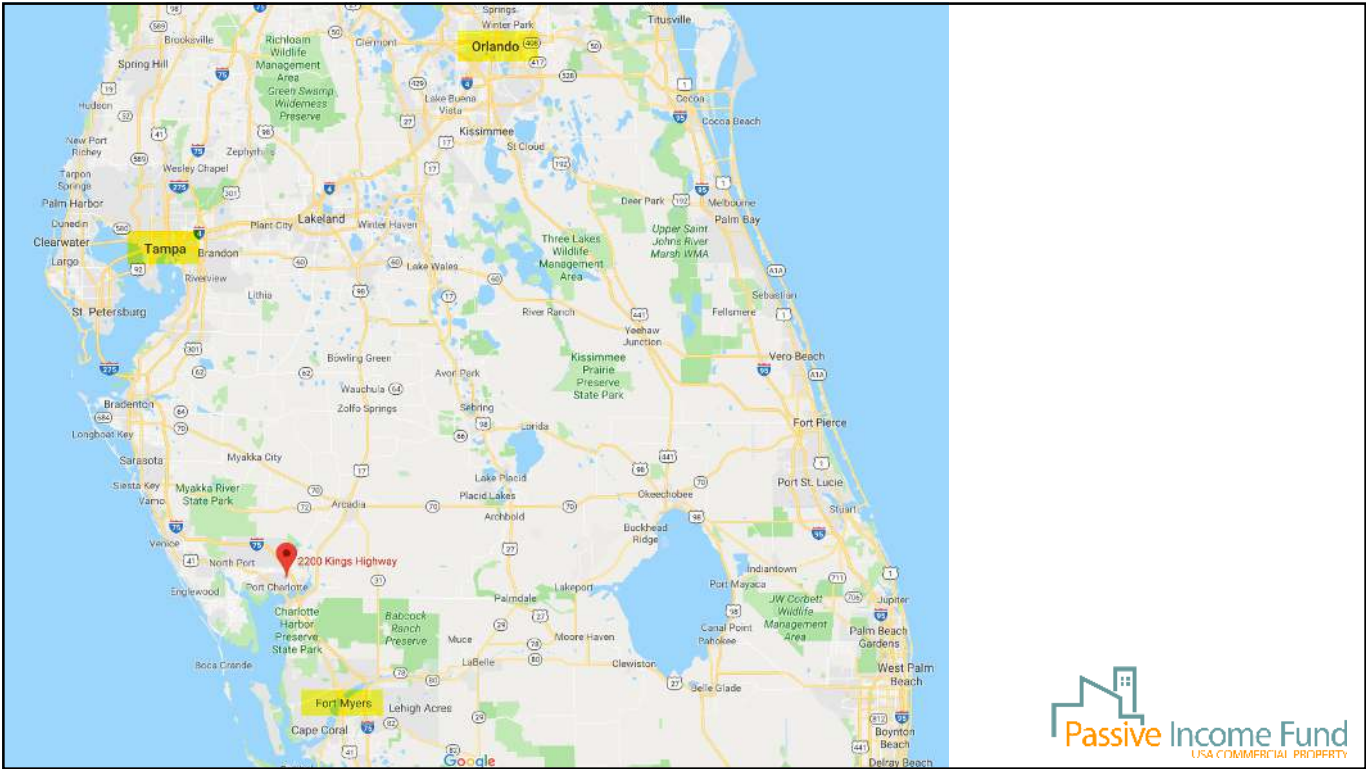


Additional Photos




1 South School Avenue Suite 600 | Sarasota, FL 34237 | ian-black.com










Valbridge
PROPERTY ADVISORS

Appraisal Report
Mapleleaf Shopping Center
2200 Kings Highway
Port Charlotte, Charlotte County, Florida 33980
Report Date: January 3, 2019



FOR:
Ocinus Realty, LLC
12481 Brantley Commons CL
Ft. Myers, FL 33907

Valbridge Property Advisors |
Southwest Florida
2240 Venetian Court
Naples, FL 34109
(239) 514-4646 phone
(239) 514-4647 fax
valbridge.com

Valbridge File Number:
FL01-2016-1359

Value Conclusions

Component	As Is
Value Type	Market Value
Property Rights Appraised	Leased Fee
Effective Date of Value	December 20, 2018
Value Conclusion	\$2,650,000
	\$129.21 psf



Part 4

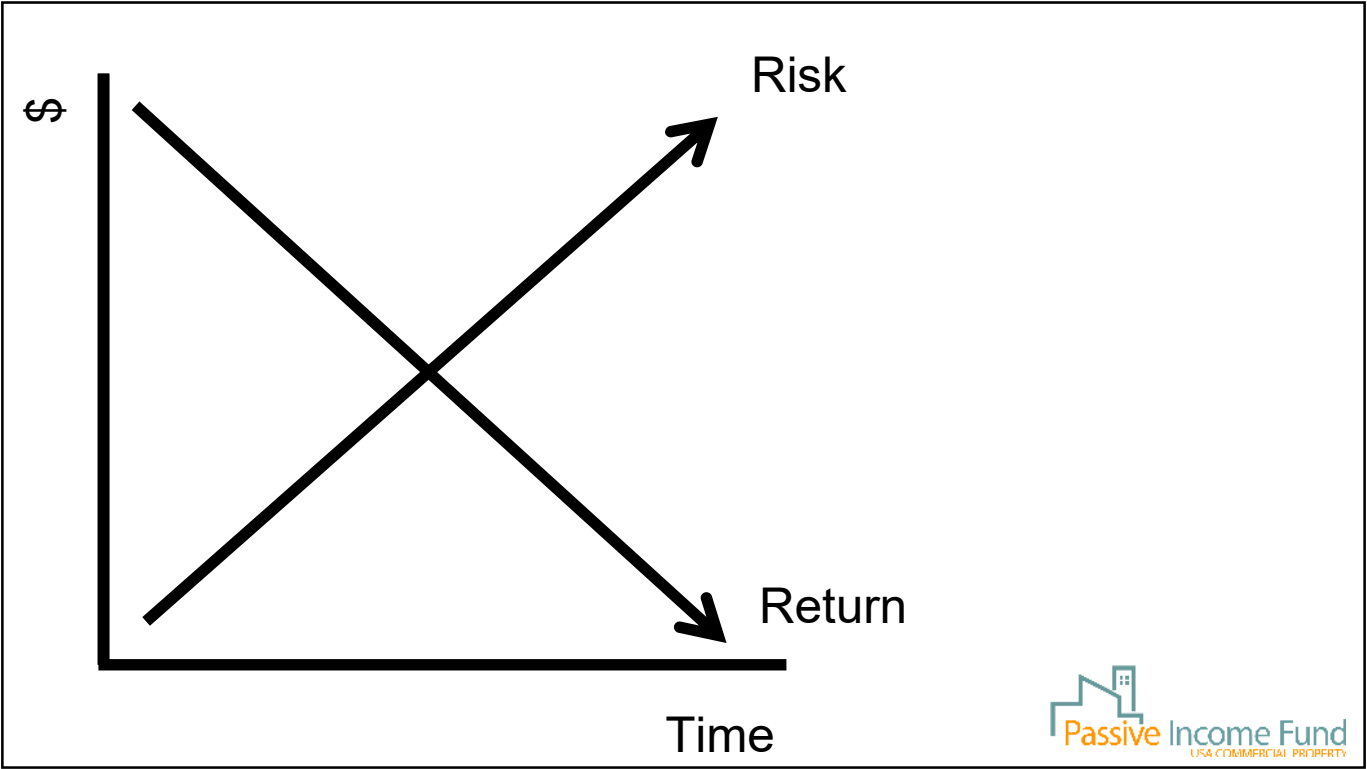
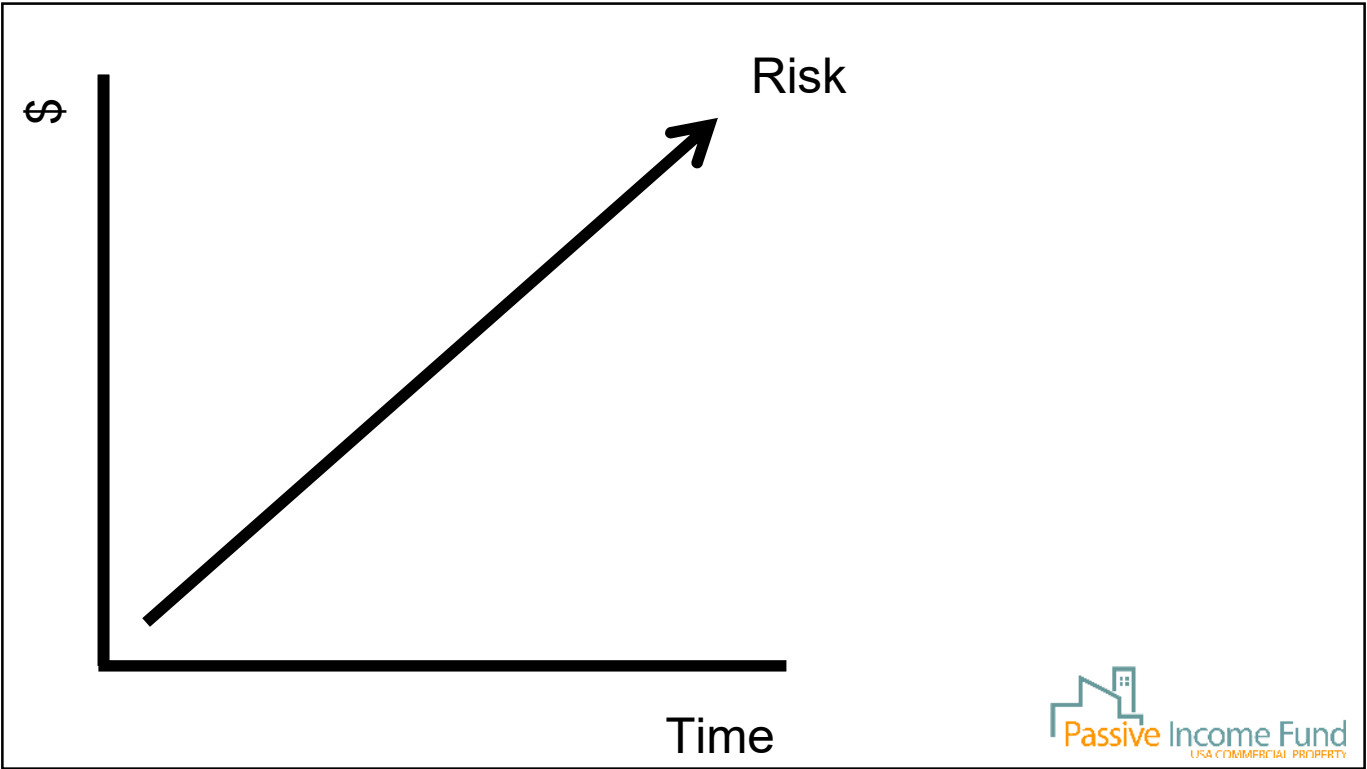
Strategy Assessment

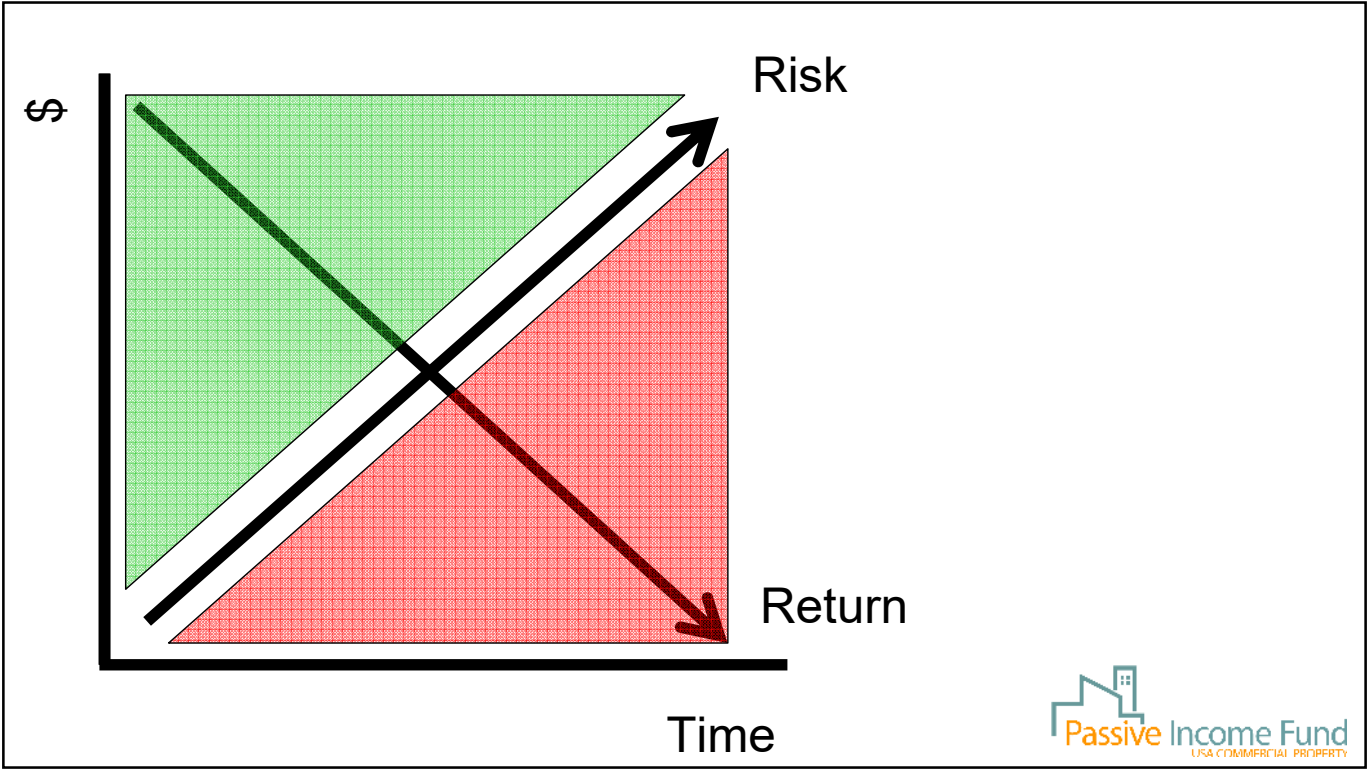
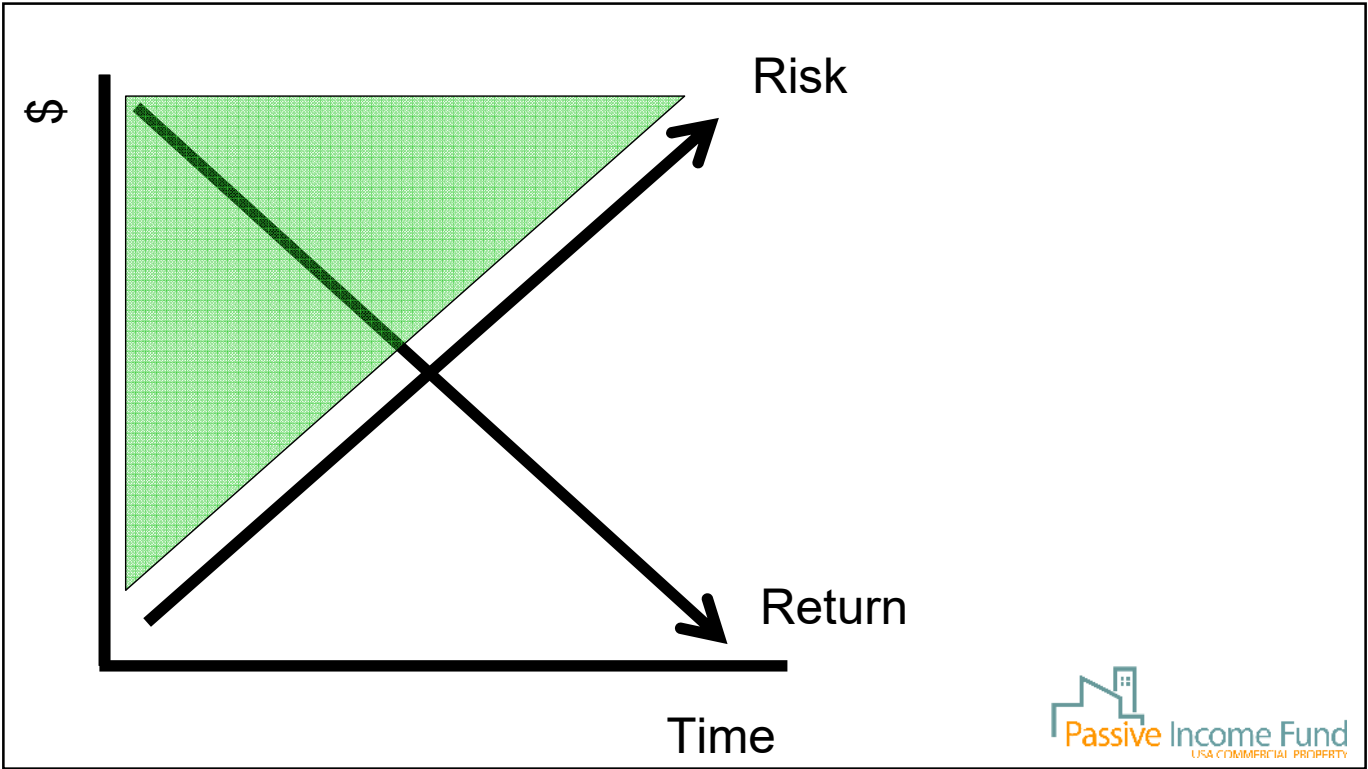


Investing Rule

If risk is increasing
then return must
also increase







Time Variables

- Capital appreciation
- Income
- FX
- Sentiment




Scenarios

Risk ↑

Return ↓




Scenarios

Risk ↑ 

Return ↔



Scenarios

Risk ↑ 

Return ↑



Our Response

- Momentum is still **positive**
- But each day we own is a day closer to the next downturn



Our Response

- We can have it both ways
- Dollar cost average our exit: time and price



Our Response

- What properties have we 'topped out' our value on?
- What properties would we be happy to own through a dip?



Our Response

- Let's take so risk off the table
- We can always 'go again' when / if the market hiccups





Part 5

Upcoming Events



2019 Gala Dinner

- Saturday 4th May
- Dinner, dancing
- Very limited seating
- Link to book was emailed





Millionaire Mastermind

- Sunday 5th May
- Only live training in 2019
- Special **workshop** format

Propertyinvesting.com/mm



Wrap Up

What's On The Agenda?

To Do Tasks

1. Hunt for efficiencies

- Raise income
- Reduce expenses (NNN leases)
- Fill vacancies
- Add value



To Do Tasks

2. Balance Portfolio

- Sales
- Acquisitions
- Performance evaluation



To Do Tasks

3. Manage Risk

- Debt
- Liability
- Cash Flow
- Vacancy
- Investment



To Do Tasks

4. Ongoing Management

- Reporting
- Compliance program
- Investor Admin
- 2019 redemption



Thanks

