

FOLKESTONE

AGM Presentation

9 November 2016



Folkestone

WELCOME & INTRODUCTION

Garry Sladden
Chairman



Folkestone

UIAGOLD	-	-	0.140	
UTC MINES	0.90	2.95	2.91	4HT
TTN ENERGY	2.18	2.19	2.19	32T
TUNGSTEN	0.025	0.049	0.033	0
70 HOLD	0.002	0.003	0.002	0
THT GROUP	-	0.04	0.04	0
TYCHEAN	0.004	0.005	0.005	2HT
TZ LIMITED	0.14	0.15	0.15	67T
U & D COAL	-	-	0.51	0
U.D. AUST	0.55	0.58	0.58	0
UGL LIMIT	7.35	7.36	7.35	1HT
UNDERCOVER	-	-	0.023	0
UNI BIOSEN	0.36	0.38	0.38	5T
UNILIFE CO	0.545	0.55	0.55	3HT
UNITY MIN	0.014	0.015	0.015	27T
UNIV COAL	0.105	0.11	0.11	1HT
URAN EQUIT	0.015	0.017	0.015	2HT
URANEX	0.135	0.145	0.145	3HT
URANIUMSA	0.02	0.023	0.02	0
US MASTERS	-	0.20	0.20	0

ITEM 1

- Welcome & Introduction – Garry Sladden, Chairman
- Ordinary Business and Voting
 - Item 1: Financial Statements
 - Resolution 1: Re-election of Mr Kenneth Ross Strang
 - Resolution 2: Adoption of the Remuneration Report
 - Resolution 3: Approval for Additional Share Placement Capacity
 - Resolution 4: Approval of Executive Incentive Plan and Issue of Shares Thereunder
- Folkestone Overview – Greg Paramor, Managing Director
 - FY16 Results
 - Folkestone Funds Management
 - Developments
 - Seniors Living
 - Outlook
 - Property Market Outlook



ORDINARY BUSINESS & VOTING

Folkestone

Potters Grove Officer, Vic

ITEM 1

- Financial Statements
 - “To receive and consider the Directors’ Report, Financial Statements and Independent Auditor’s Report for the financial year ended 30 June 2016”

RESOLUTION 1

- To consider and, if thought fit, to pass the following as an ordinary resolution:
 - *“That Mr Kenneth Ross Strang, a Director retiring from office by rotation in accordance with Article 58 of the Constitution, being eligible, is re-elected as a Director of the Company.”*

	Shares	%
FOR:	52,413,475	98.44
OPEN:	826,874	1.55
AGAINST:	4,031	0.01

RESOLUTION 2

- To consider and, if thought fit, to pass the following as an advisory ordinary resolution:
 - *“That the remuneration report for the financial year ended 30 June 2016 be adopted.”*

	Shares	%
FOR:	33,218,942	88.15
OPEN:	818,060	2.17
AGAINST:	3,647,944	9.68

RESOLUTION 3

- To consider and, if thought fit, to pass the following as a special resolution*:
 - *“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of an Additional 10% of the issued Shares in the Company at the time of issue calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum.”*

	Shares	%
FOR:	42,239,210	86.97
OPEN:	828,874	1.71
AGAINST:	5,497,397	11.32

* A special resolution requires 75% of shareholders that voted, to vote in favour for the Resolution to pass.

RESOLUTION 4

- To consider and, if thought fit, to pass the following as an ordinary resolution:
 - *“That for the purposes of Listing Rule 7.2, exemption 9 and for all other purposes, approval is given:*
 - (a) In respect of the Executive Incentive Plan (Plan) for the provision of incentives to officers, employees, executives and senior management in the Plan (Participants); and*
 - (b) For the grant of performance rights and/or share appreciation rights to Participants, and the subsequent issue or transfer of Shares to or in relation to, Participants under the Plan.”*

	Shares	%
FOR:	34,939,057	88.19
OPEN:	818,060	2.06
AGAINST:	3,861,221	9.75

FOLKESTONE OVERVIEW

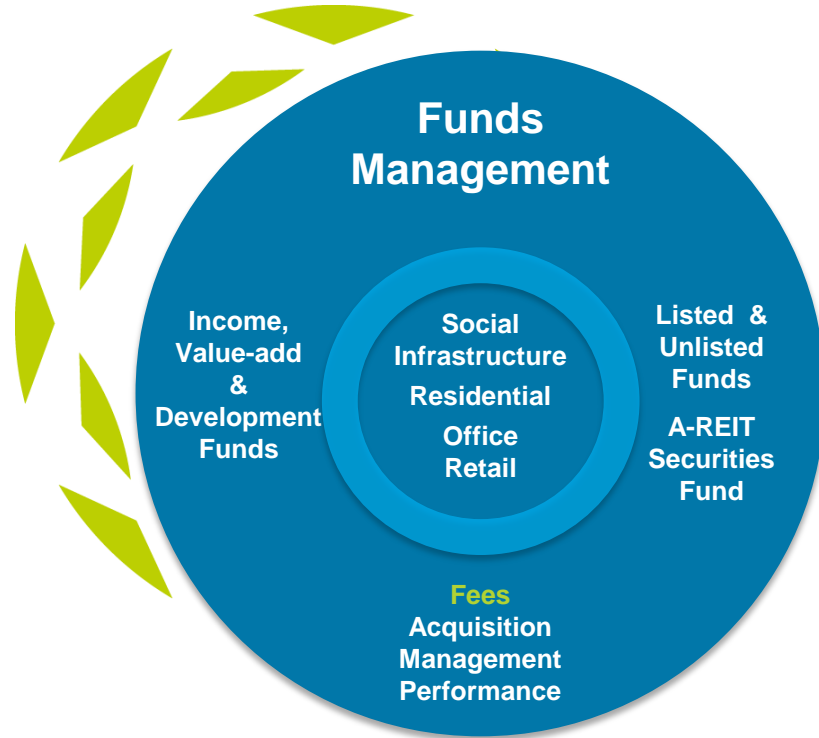
Greg Paramor
Managing Director



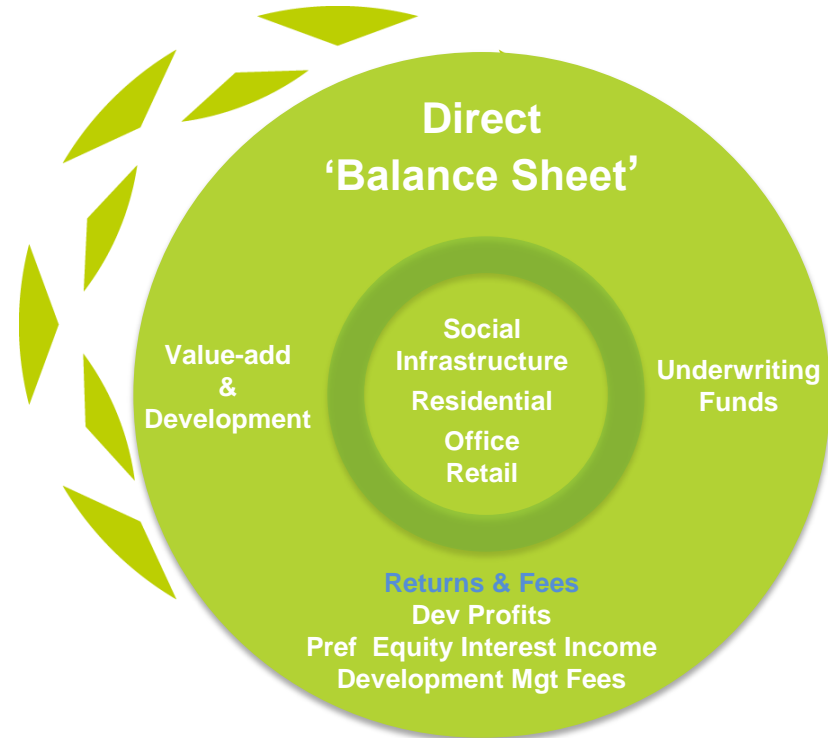
Folkestone

FOLKESTONE OVERVIEW

AN ASX LISTED REAL ESTATE FUND MANAGER AND DEVELOPER
PROVIDING REAL ESTATE WEALTH SOLUTIONS FOR
PRIVATE CLIENTS AND SELECT INSTITUTIONS



Offers listed and unlisted real estate funds to private clients and select institutional investors
\$1.05 billion in funds under management¹



On balance sheet activities focus on value-add and opportunistic (development) investments
Market capitalisation of \$134 million¹

¹ As at 8 November 2016

FOLKESTONE OVERVIEW

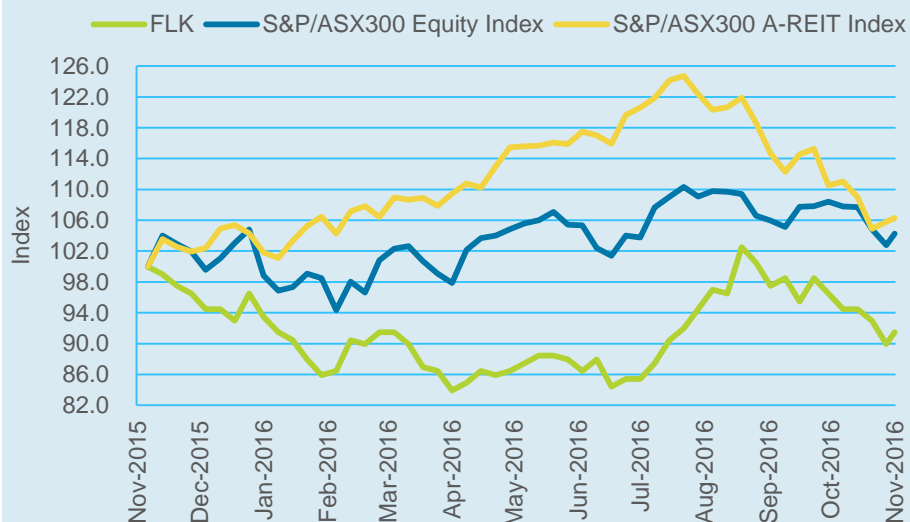
Capital Structure

Share Price ¹ (cents)	91.0
Fully Paid Ordinary Shares (m)	147.6
Market Capitalisation ¹ (\$m)	134.3

Major Shareholders

GJP Investments (related to Greg Paramor)	9.22%
Phoenix Portfolios	8.44%
FDC Construction & Fitout	6.77%
Top 20 Shareholders	56.8%

FLK Share Price¹ Performance vs Equities and A-REITs: Nov 2015 - Nov 2016



Source: IRESS

Directors & Senior Management

Garry Sladden	Non-executive Chairman
Mark Baillie	Deputy Chairman
Ross Strang	Non-Executive Director
Greg Paramor AO	Managing Director
Ben Dodwell	Head of Real Estate
Adrian Harrington	Head of Funds Management
Nick Anagnostou	CEO - Social Infrastructure
Stuart Nicolson	CEO - Seniors Living
Scott Martin	CFO & Company Secretary

1. As at 8 November 2016

2. Share price has been restated to account for the 1:5 share consolidation completed in November 2015



FULL YEAR PERFORMANCE



Folkestone

Only About Children, Cheltenham, Vic -
an asset of the Folkestone Education Trust

RESULTS – FY16 HIGHLIGHTS

- Revenue of \$19.9m up 31.8%
- Statutory NPAT of \$5.5m down 22.3%
- Normalised NPAT¹ of \$5.0m up 71.2%
- Normalised EPS¹ of 3.4 cps up 49.3%
- Strong balance sheet
 - net assets of \$145.7m up 13.6%
 - gearing reduced to 4.2% down from 15.6%
- Net Asset Value of 98.9cps up 13.1%
- Funds under management of \$1.05 billion up 14.7%
- All funds outperformed their relevant benchmark
- \$1.2m in realised and \$16.9m in unrealised gains generated from FLK's co-investment in the Folkestone Education Trust
- Strong sales across active development projects
- Added three new development projects to the pipeline
- Established FLK's seniors living platform
- **FLK paid a dividend of 2.5cps on 27 September 2016 – the first dividend in 8 years**

1. The normalised NPAT and EPS are non-statutory amounts and in Folkestone's view better reflect the underlying operating performance of the business. The normalised figures exclude significant one-off items. See slide 7

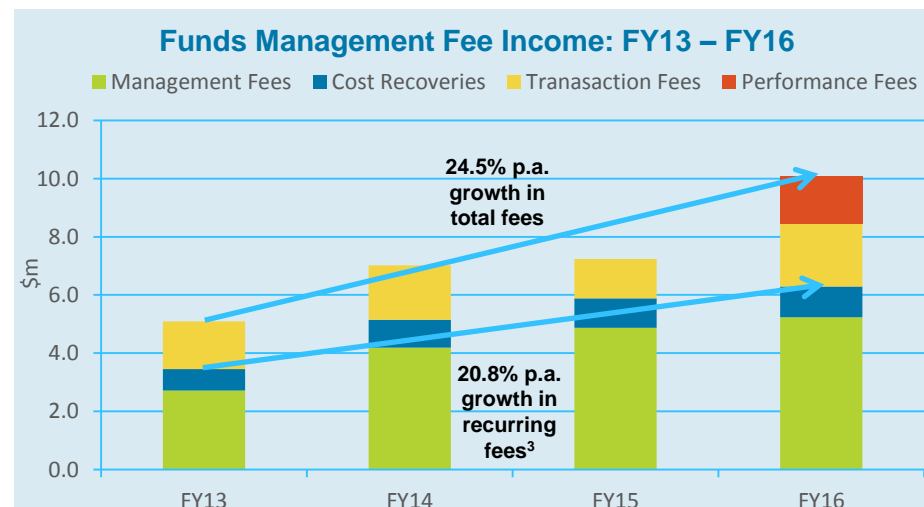


The Station Oxley, Oxley, QLD – an asset of the Folkestone Real Estate Income Fund at Oxley

FUNDS MANAGEMENT – RESULTS OVERVIEW

- Funds under management of \$1.05bn up 14.7%
- Total revenue of \$15.9m up 51.6% on FY15
- FET manages Folkestone Education Trust (ASX: FET) and owns 12.4% of units on issue:
 - \$6.5m in fees to FLK – up 37.0%
 - \$4.2m in distributions to FLK – up 36.0%
 - \$1.2m profit realised on sale of FET units
 - \$16.9m unrealised gain on units held at 30 June 2016²
- West Ryde Development Fund generated a strong return to investors and a performance fee to FLK of \$1.6m
- Strong investment performance of all FLK's funds in FY16
 - all funds currently outperforming their relevant benchmark
 - 5 funds have performance fee structures which should generate additional performance fees when each fund's term expires between FY18 and FY19

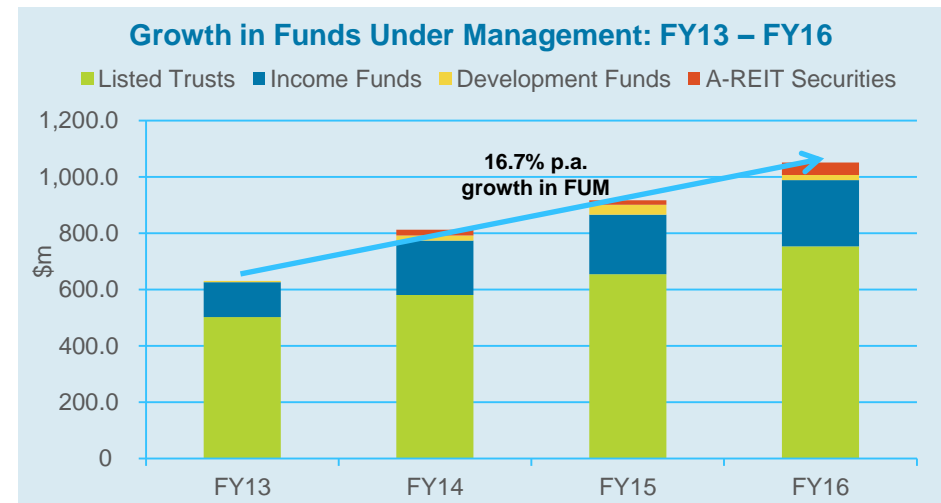
For the Year Ended 30 June	2015 (\$m)	2016 (\$m)	% Change
Management Fees/Cost Recoveries	6.05	6.33	4.7
Transaction Fees	1.35	2.18	61.5
Performance Fees ¹	-	1.58	-
Distributions (FET & A-REIT Securities)	3.14	4.24	34.8
Realised Gains (FET & A-REIT Securities)	-	1.44	-
Other	(0.08)	0.10	218.5
Total Revenue	10.46	15.87	51.6



1. A performance fee of \$1.6 m has been paid in respect of the Folkestone West Ryde Development Fund. This fee has been eliminated upon the consolidation of the Fund into the Consolidated Financial Statements of the Group
2. The \$16.9m unrealised gain on units held at 30 June 2016 is recognised as Other Comprehensive Income in the Consolidated Financial Statements of the Group
3. Management fees and cost recoveries from each fund

FUNDS MANAGEMENT – FUNDS UNDER MANAGEMENT

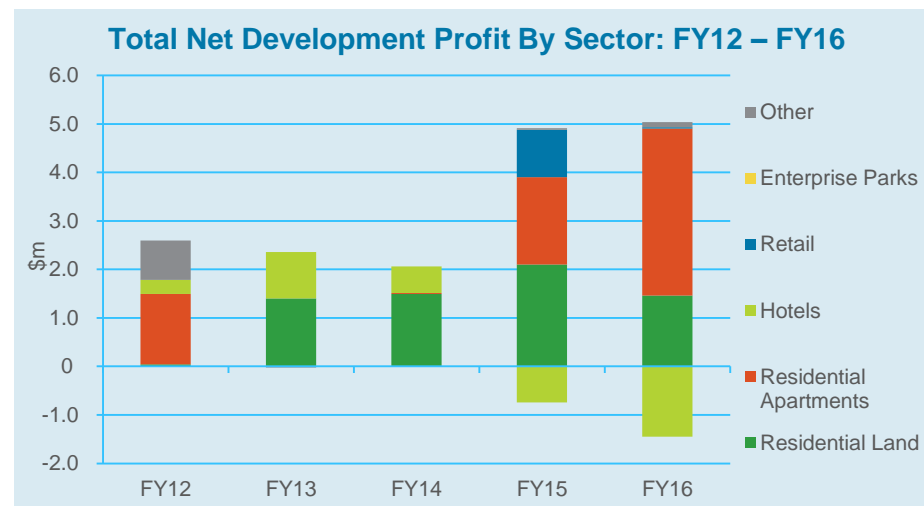
- FLK has more than 7,600 investors
 - retail – unlisted and A-REIT securities funds
 - high net worth – unlisted and A-REIT securities funds
 - institutions – principally via the ASX listed FET
 - wrap platforms – A-REIT securities
- FLK's FUM has grown 16.7% p.a. over the past four years
- Folkestone Maxim's FUM increased 185% to \$44m in FY16
 - awarded a \$15m mandate in April 2016
 - recently added to BT Wrap platform
 - strong ratings from three major research houses
- New funds in FY17 already active or identified
 - Folkestone Seniors Living Fund No. 1 – launched in July 2016 - \$25.65m initial equity raising (see slide 23)
 - Wollert Residential Development Fund – circa 500 lots in Melbourne's northern corridor awaiting planning approval currently warehoused on FLK's balance sheet
 - Truganina Residential Development Fund No. 2 – circa 560 lot subdivision immediately adjoining FLK's existing Truganina development – FLK is in exclusive due diligence



DEVELOPMENTS – RESULTS OVERVIEW

- Total net development division returns of \$3.6m in FY16 down 10.4%
- Key contributions:
 - \$3.3m¹ from FLK's share of development profit in West Ryde
 - \$0.5m net development profit from Potters Grove
 - \$1.1m preferred equity interest - Wollert, South Dural, Hornsby, Officer Northside, the Truganina Development Fund Loan Notes and other sundry loans
 - \$1.5m in reversal of prior period impairment on Stage 3 land at Altona North
 - \$1.2m impairment of FLK's interest in The Ranges, Karratha
 - \$1.6m rental expense on land under option adjacent to Stage 3 land at Altona North

For the Year Ended 30 June Attributable to FLK ²	2015 (\$m)	2016 (\$m)	% Change
Net Development Profit	2.53	3.85	52.0
Development Fees	1.15	-	(100.0)
Preferred Equity Income	0.05	1.08	2,104.1
Reversals of Prior Period Impairment	1.92	1.54	(19.7)
Impairment Provisions	(0.70)	(1.24)	(78.2)
Rental Expense on Operating Leases	(0.95)	(1.64)	(72.9)
Total Net Development Division Returns	4.01	3.59	(10.4)



1. Net of fund administration costs and performance fee

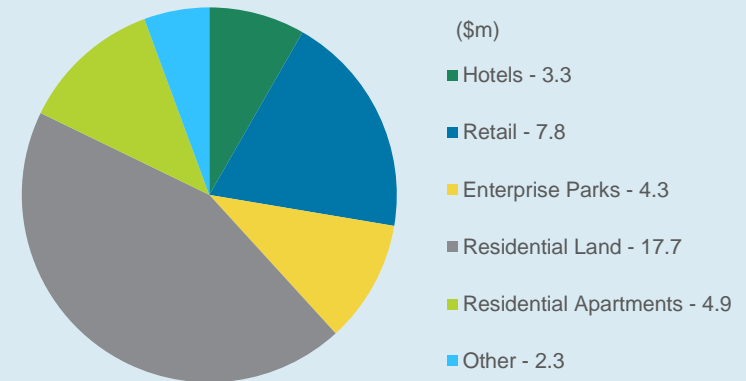
2. Development results summary excludes the impact of the consolidation of the Folkestone West Ryde Development Fund which is included in the Consolidated Financial Statements of the Group

DEVELOPMENTS - OVERVIEW

- Total funds employed - \$40.3m reflects use of capital efficient structures (i.e. deferred settlement, JV's, options)
- Disciplined acquisition strategy
- Quality JV partners – ID_Land, Wilmac, Lyon Group
- Three new projects secured in FY16
 - South Dural – north-west Sydney residential land in JV with Lyon Group
 - Nunawading – Melbourne enterprise park in JV with Wilmac
 - Wollert – northern corridor Melbourne residential land in JV with ID_Land
- Additional site acquired to expand FLK/Lyon Group's strategic land holding to circa 3,200 sqm in Hornsby, Sydney
- Development business set for strong profit contribution in FY17 and beyond given pipeline that has been established in past three years

1. 2.2ha of Altona North Stage 3 to be developed as an Enterprise Park
2. Truganina is in 80/20 JV between the Folkestone Truganina Development Fund and ID_Land of which FLK owns 18.8% of the units in the Fund
3. FLK and ID_Land may sell down part of their investment into a FLK managed development fund
4. It is assumed that the land is sold in 1st Half FY19 as a DA approved site. FLK may decide to develop this in JV with the Lyon Group or bring in other third party capital
5. FLK may decide to develop this in JV with the Lyon Group or bring in other third party capital
6. STCA – Subject to Council Approval

Funds Employed By Sector: June 2016



FLK Development Book

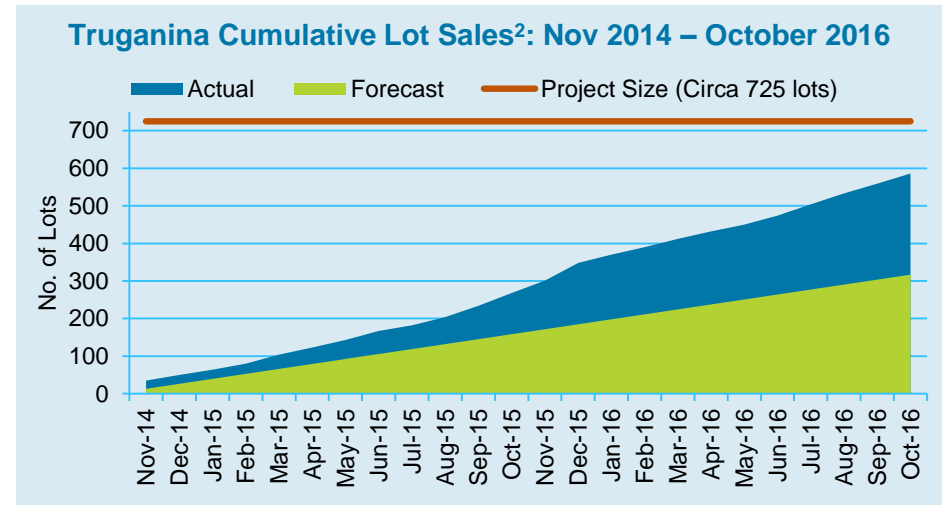
Settlements Forecast		FY17		FY18		FY19		FY 20+
Financial Year	Status	1st HY	2nd HY	1st HY	2nd HY	1st HY	2nd HY	
Millers Junction Business	Construction							
Millers Junction Business 2 ¹	STCA ⁶							
Knoxfield	Construction							
Nunawading	STCA ⁶							
Truganina ²	Construction							
Potters Northside	Construction							
Wollert ³	STCA ⁶							
Millers Junction Retail	STCA ⁶							
Truganina NAC Retail	STCA ⁶							
Hornsby ⁴	STCA ⁶							
South Dural ⁵	STCA ⁶							

Forecast project duration as at 30 June 2016

Original forecast project duration – these projects are now ahead of schedule

DEVELOPMENTS - OVERVIEW

- Strong sales at active projects¹
 - Truganina, Melbourne – residential land – sales well ahead of budget with 583 of the 615 lots released to date sold
 - Potters Northside, Melbourne – residential land – all 146 lots now contracted for sale with settlements in Stage 1 & 2 completed
 - Millers Junction Business Altona North, Melbourne – enterprise park – Stages 1 & 2 now completed, and 57 of the 68 units now sold
 - Knoxfield, Melbourne – enterprise park – 23 of the 36 units released to date now sold
- Core development markets continue to perform well – especially enterprise parks and residential land
- Key Melbourne markets have been a priority to take advantage of strong population growth and improving economy



1. As at November 2016

2. Lot sales as at 30 June 2016, 154 lots of the 469 sold had settled. Truganina is in 80/20 JV between the Folkestone Truganina Development Fund and ID_Land of which FLK owns 18.8% of the units in the Fund

DEVELOPMENTS - OPPORTUNITIES

- FLK seeks to regularly recycle its balance sheet capital for development opportunities to:
 - invest directly (on-balance sheet)
 - sell down to an FLK fund (recycle)
 - co-invest with an FLK fund (invest along side)
- Sectors – residential land and apartments in Sydney/Melbourne, enterprise parks, retail, commercial, social infrastructure (seniors living and medical)
- Prefer strategic alliances with quality JV partners
- Exclusive due diligence on 6 projects – estimated completion value of circa \$670.0m (FLK indicative share circa \$397.0m)

Under Exclusive Due Diligence	Location	Status	FLK Indicative Share ² (%)	Estimated Completion Value (\$m)	FLK Indicative Value (\$m)
Mixed Use (medical, aged care, retail, hotel)	NSW	Planning	50.0	190.0	95.0
Seniors Living ¹	NSW	Planning	33.3	170.0	60.0
Seniors Living ¹	NSW	Planning	80.0	90.0	72.0
Office	NSW	Planning	100.0	30.0	30.0
Residential	Vic	Planning	80.0	150.0	120.0
Hotel	NSW	Planning	50.0	40.0	20.0
Total				670.0	397.0

¹ These are greenfield opportunities which would be developed in JV with leading operators. FLK is also in due diligence on a number of completed seniors living assets (see page 22)

² Part, or all, of FLK's share maybe sold down to an FLK managed development fund

DEVELOPMENTS – FOCUS FOR FY17

Sector	Key Target Metrics
Residential Land	<ul style="list-style-type: none">• Target margin >17.5%• Key corridors in Melbourne/Sydney• Land purchased on deferred terms, capacity of 150–1,000 lots with possible town centre/infrastructure• Capable of being included in FLK development funds (e.g. Truganina)
Residential Apartments and Townhouses	<ul style="list-style-type: none">• Target margin >17.5%• Strategic locations in Melbourne/Sydney with structural undersupply/quality infrastructure• 50+ apartments/townhouses• Capable of being included in FLK development funds (e.g. West Ryde)
Enterprise Parks	<ul style="list-style-type: none">• Target margin 20%• Strategic sites \$5m - \$10m in Melbourne/Sydney inner & middle ring• Capable of being staged
Retail/Commercial	<ul style="list-style-type: none">• Target margin >10%• Capable of being included in FLK development funds and upon completion into FLK income fund series (e.g. Millers Junction Home)• Value add, refurbishment or new build and fund through
Seniors Living	<ul style="list-style-type: none">• Target margin >15%• Strategic locations with strong ageing demographics• Capable of staging and systematic sell down into the FLK Seniors Living Funds platform
Medical	<ul style="list-style-type: none">• Target margin >10%• Capable of staging and systematic sell down into FLK funds or sell to open market



SENIORS LIVING

Folkestone

Watermark Castle Cove, NSW – an asset of Folkestone Seniors Living Fund No. 1

FOLKESTONE SENIORS LIVING FUND NO. 1 – OVERVIEW

Unique opportunity to invest in a high quality portfolio of retirement living communities in Sydney

Exposure to Key Sector

- Seniors living is a key, and growing part, of the economy
- Ageing population focused on quality retirement accommodation

Attractive Returns

- Targeting 15% IRR (pre-tax, post fees) over life of Fund¹

Experienced Partners

- Partnering with a key strategic developer/operator focusing on high quality, urban facilities with an excellent service culture

Quality Assets

- Relatively new retirement living communities in upmarket locations

Strong Demographics

- Compelling demographics – ageing population
- Positive demand for seniors living product

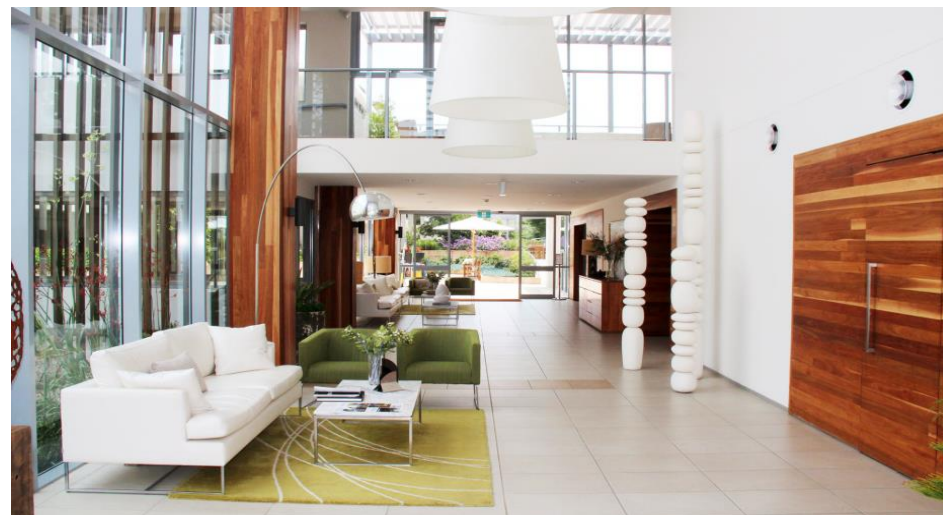
Equity Raising

- Target fund equity – up to \$60m
- **Initial raising – \$25.7m to fund seed asset Watermark, Castle Cove (closed Sept 2016 oversubscribed)**
- Subsequent equity raisings will be undertaken when additional assets acquired

¹ Assuming additional assets are acquired. Should the Fund only acquire the Initial Asset, the Fund's forecast total return would be an equity IRR of 11.0% (pre-tax, net of fees) over the life of the Fund. Forecast returns are based on the Initial Portfolio and are subject to a number of assumptions and risks. You should read a copy of the Offer document before deciding to invest. Forecast returns are not guaranteed

FOLKESTONE SENIORS LIVING FUND NO. 1 – INITIAL ASSET

Watermark Retirement Living Community – Castle Cove, Sydney





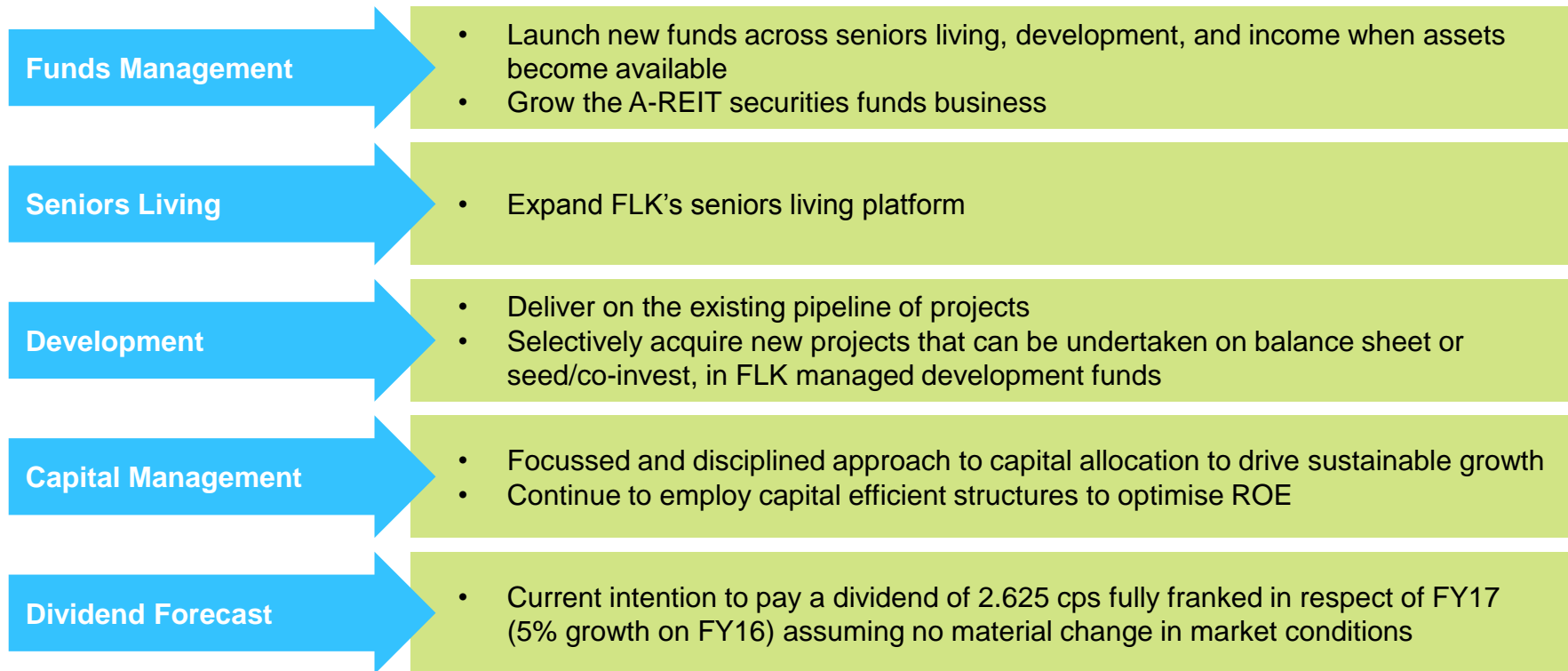
OUTLOOK



Folkestone

Miller Junction Home, Altona North, Vic – an asset of the Folkestone Real Estate Income Fund at Altona North

FLK has Created a Pipeline of Opportunities to Deliver in Future Years



Well Positioned For Sustainable Long-term Growth and Value Creation Across Funds Management and Development



KHALES

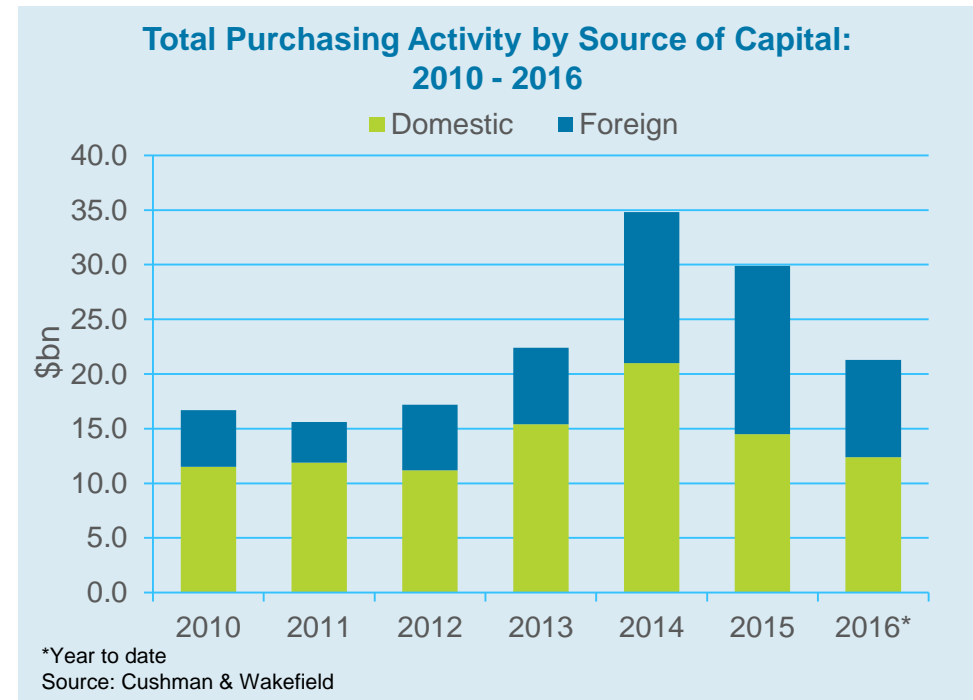
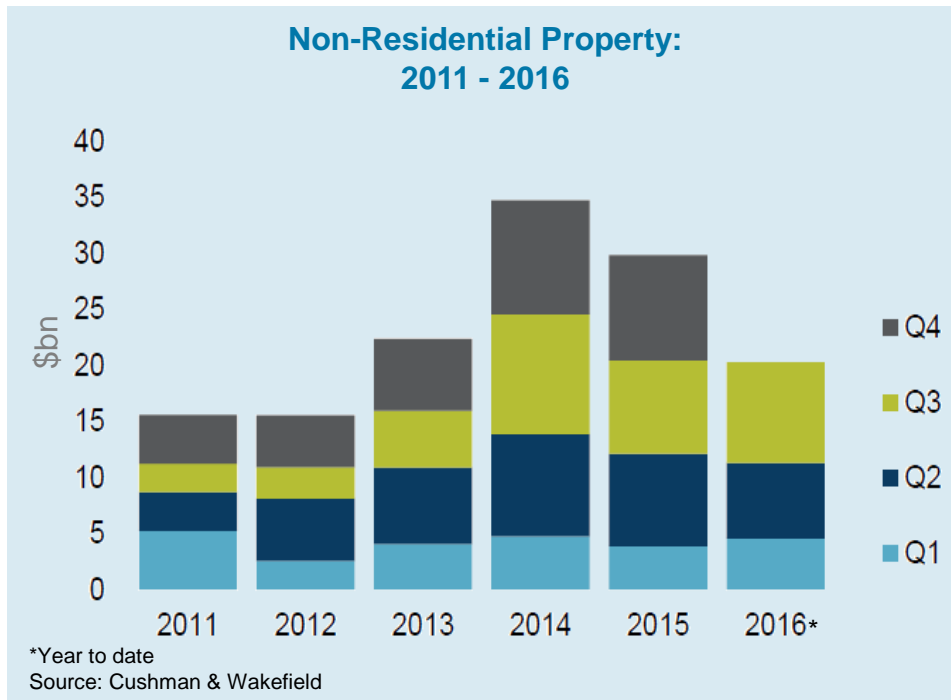
PROPERTY MARKET OUTLOOK



Folkestone

Sydney Olympic Park, NSW – an asset of the Folkestone Real Estate Income Fund at Sydney Olympic Park

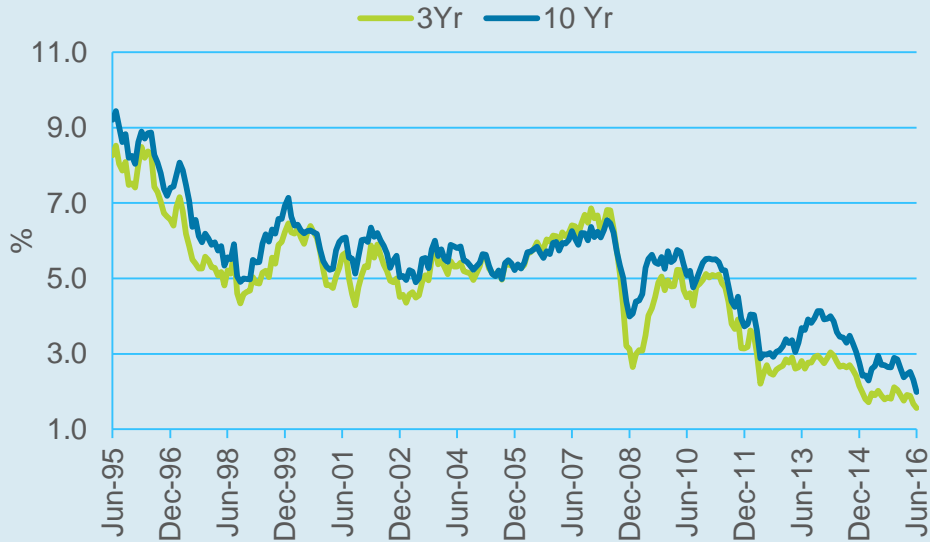
AUSTRALIAN MARKET CONDITIONS – TRANSACTIONS



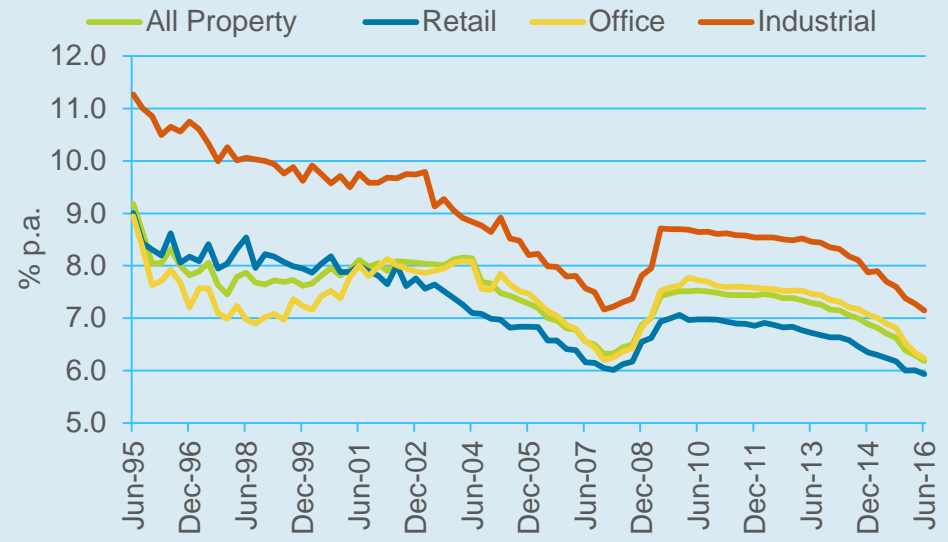
- More than \$20 billion of non-residential assets transacted in 9 months to September – in line with YTD 2015 but below record 2014
- Stock availability rather than capital drying up is the reason levels are not higher
- Still significant weight of money seeking Australian non-residential property
- Foreign investors accounted for a record 51% of transaction value in 2015 – however, domestic buyers stronger in 2016
- Focus has been on Sydney and Melbourne office (gateway cities) but due to lack of stock foreigners are now having to looking into other markets/sectors

AUSTRALIAN MARKET CONDITIONS – YIELDS & CAP RATES

10 Year Bond Yields vs. 3 Year Bond Yields:
1995 – 2016



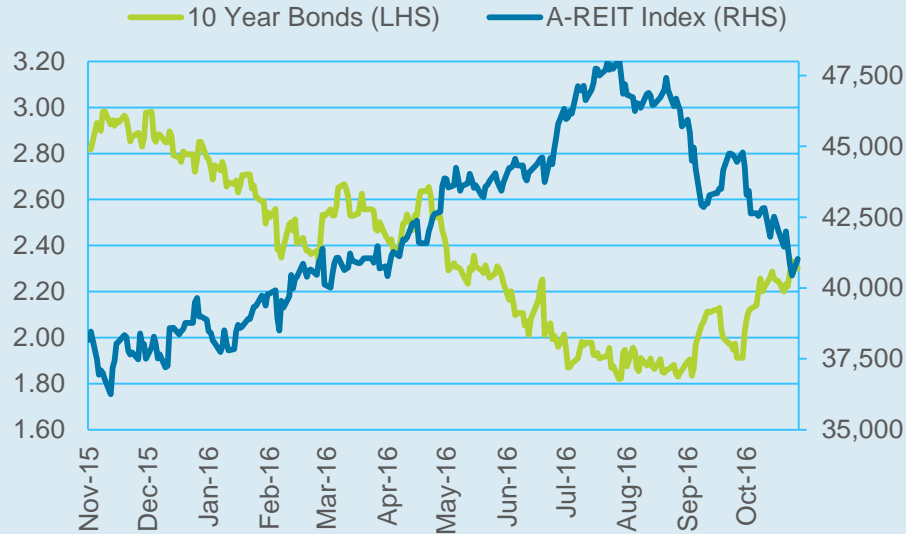
Non-Residential Direct Property Sectors - Weighted
Average Cap Rates: 1995 - 2016



- Cap rates (yields) are now around pre-GFC lows
- Driven by weight of money chasing non-residential property – capital fundamentals running ahead of physical property fundamentals
- The relatively wide yield spread vs 10 year bonds appears attractive compared to 2007 when the yield spread evaporated
- However, bond yields have risen in recent months from record low levels

AUSTRALIAN MARKET CONDITIONS – YIELDS & A-REITS

**10 Year Bond Yields & A-REIT Sector Total Return:
12 Months to 31 October 2016**



Source: IRESS

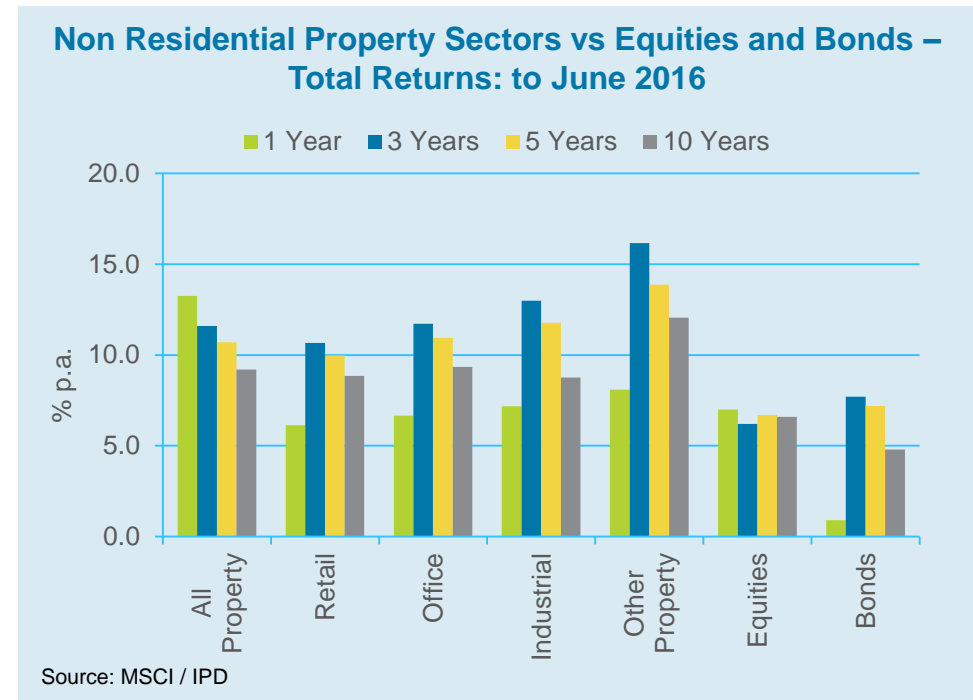
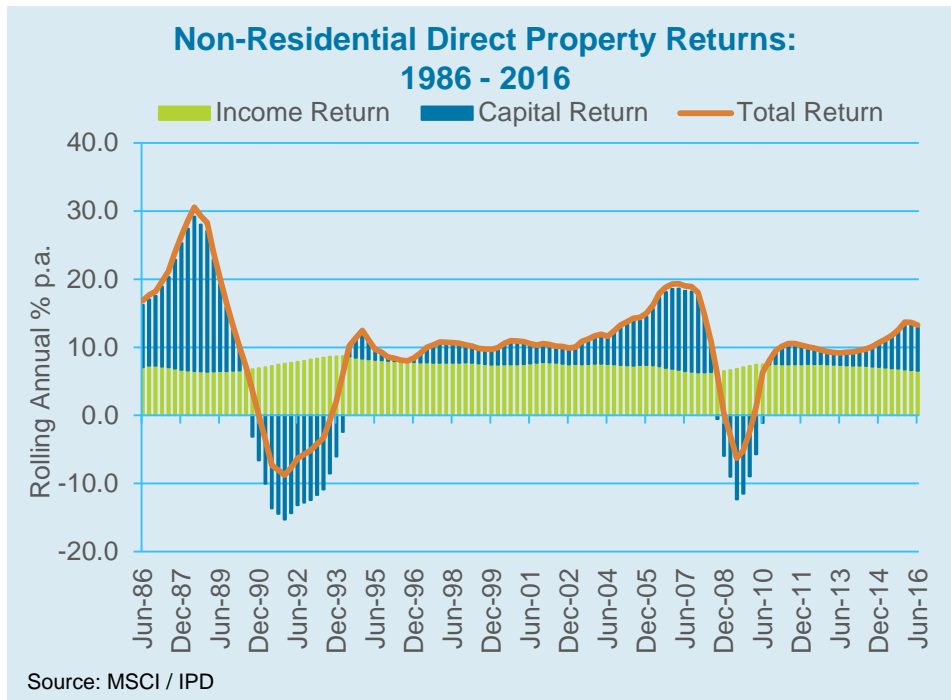
**A-REITs Quarterly Total Return:
3 Months to 31 October 2016**



Source: IRESS

- A-REITs have performed well in the past few years driven in part by the hunt for yield
- A-REITs returned -7.9% in the month of October (worst monthly performance since 2009) and -14.0% for the quarter but is up 6.4% for the year
- Recent sell-off in A-REITs driven by rising bond yields which have increased by more than 40bps in the past three months

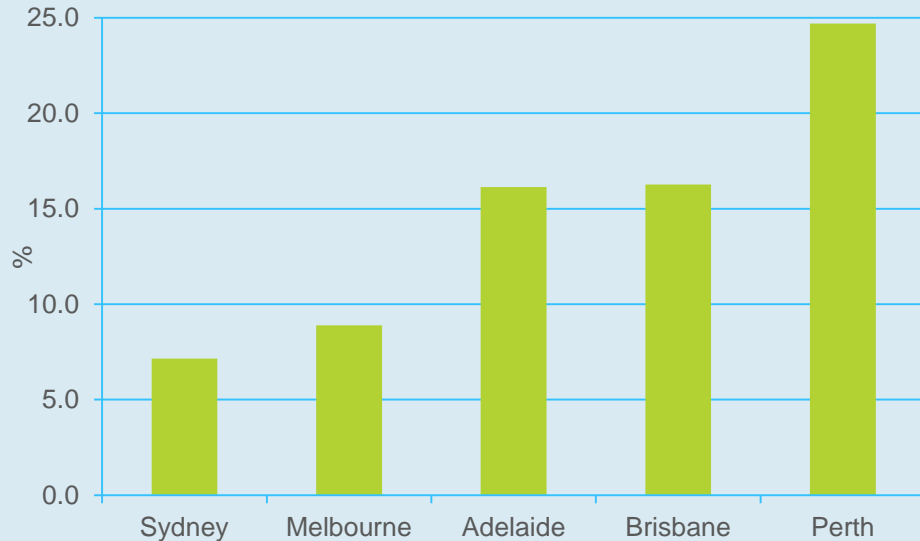
NON RESIDENTIAL PROPERTY RETURNS



- Non-residential property has delivered
 - relatively stable income returns over the past 25 years
 - a total return of 13.3% in the year to June 2016 slightly down from 13.7% recorded in year to December 2015
 - a capital return of 6.3% year to June 2016
- Direct property has outperformed equities and bonds over all time periods
- Other property (hotels, healthcare, carparks etc.) was the best performing sector with a total return of 14.9% in year to June 2016

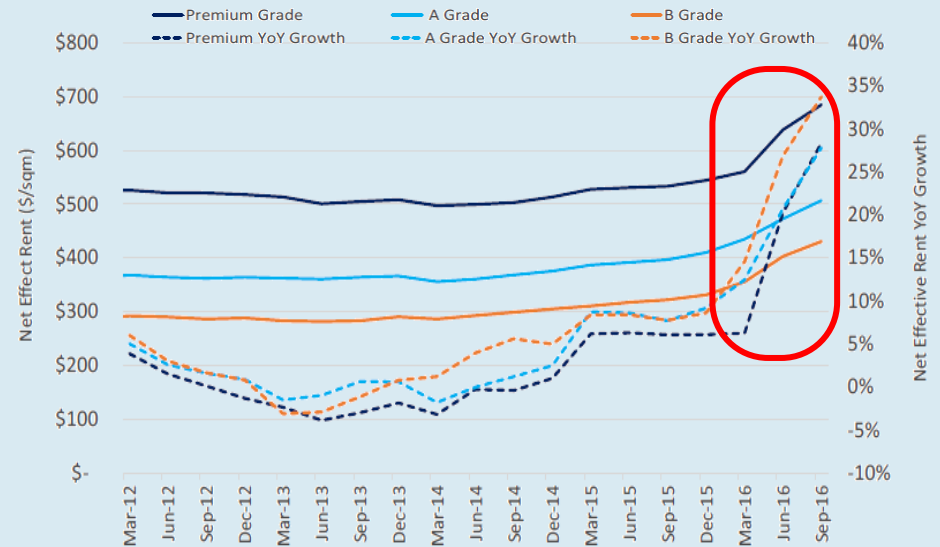
AUSTRALIAN MARKET CONDITIONS – OFFICE

**Total Vacancy Rate by CBD:
30 September 2016**



Source: JLL

**Sydney CBD Net Effective Rents vs. Year-on-Year Growth:
2012 – 2016**

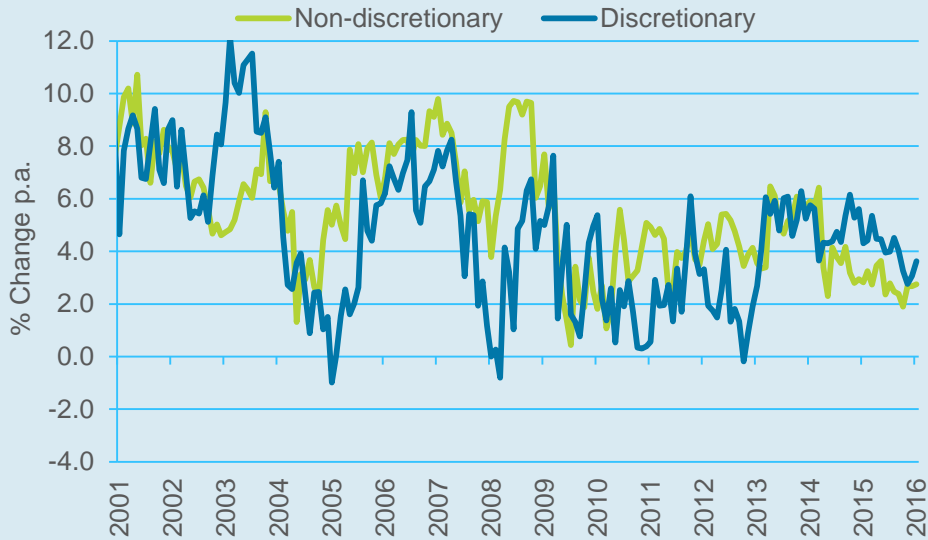


Source: Colliers

- Vacancy rates reflect divergent economic growth prospects of the major markets
- Sydney and Melbourne are the only CBD markets to record single digit vacancies
- Tenant demand has been subdued in most markets except Sydney and Melbourne CBD's - we expect this to be the case again in FY17
- Sydney CBD office has experienced strong rental growth especially in the A and B grade space – stock withdrawals (rail stations, residential conversion and office development) main cause of tightening vacancy in secondary office space

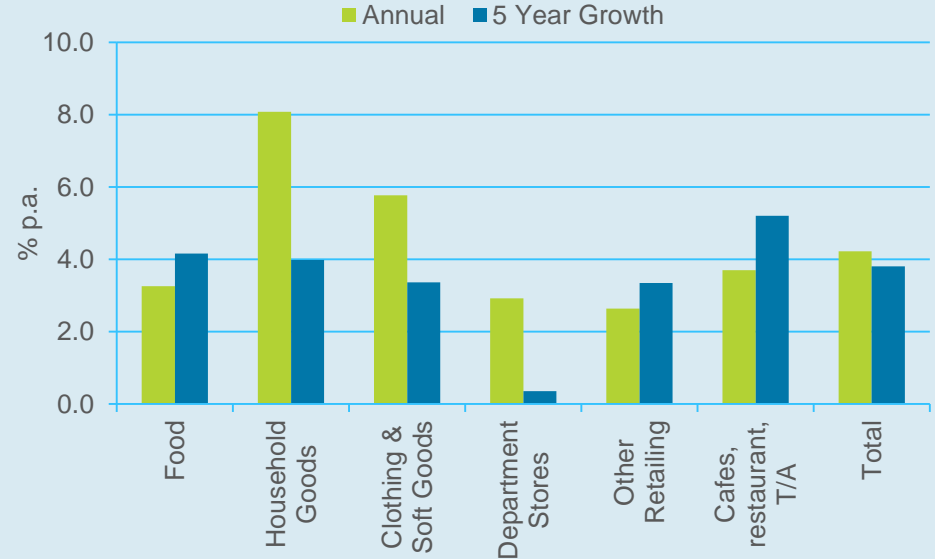
AUSTRALIAN MARKET CONDITIONS – RETAIL

**Retail Sales:
2001 – 2016**



Source: ABS / ANZ Research

**Retail Turnover by Type:
to September 2016**

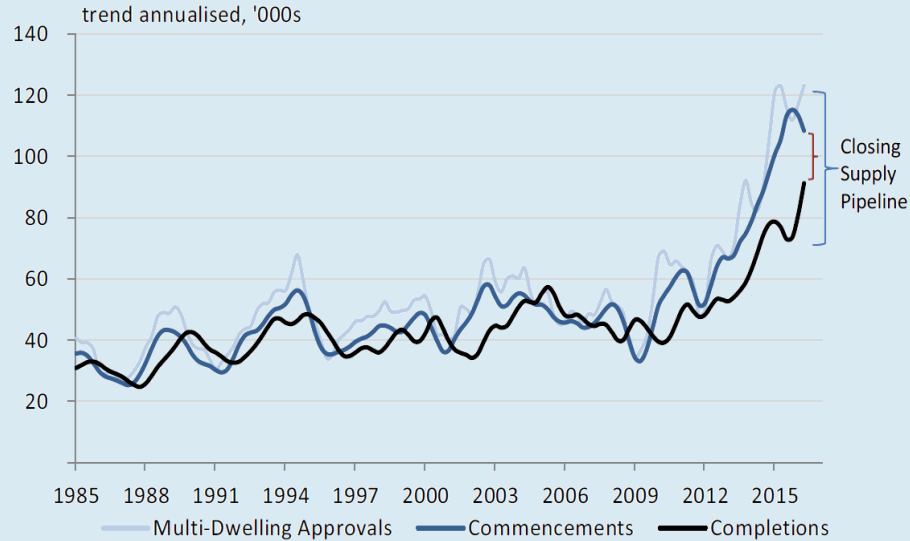


Source: ABS

- Retail sales losing momentum
- The retail environment remains highly competitive, with changing trends, more savvy consumers, competition from online shopping, people wanting more entertainment and lifestyle choices, as well as an influx of international retailers (i.e. H&M, Zara, Uniqlo and Top Shop)
- The evolution of retail centres to include more non-retail uses such as gyms, childcare, entertainment, community services and restaurants as well as the growth of mini-major stores (stores in excess of 400 sq.m.) will continue to be a theme played out in the next few years
- Traditional anchor tenants (department stores/discount department stores) are losing their appeal – no longer key drivers of traffic to centres
- Recent employment growth is offsetting lower wage growth, while housing wealth factors are a support to consumption in selected categories
- Household goods retailing has been the standout performer over the past year fuelled by the residential building boom
- Food continues to weaken due to increasing deflation pressures being fuelled by fierce price competition between Woolworths and Coles. Aldi's entrance to market only intensifies competition as it significantly expands its presence

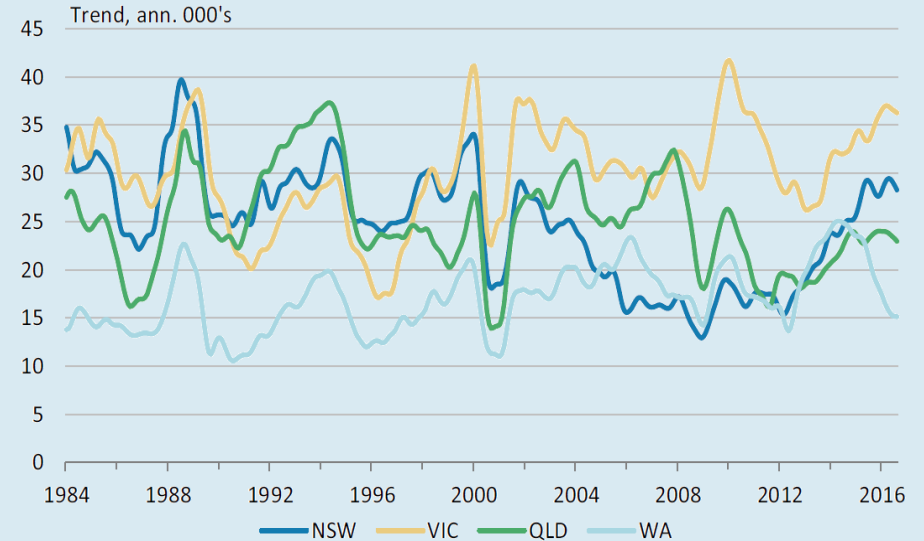
AUSTRALIAN MARKET CONDITIONS – RESIDENTIAL

Apartments – Commencements and Completions: 1985 – 2016



Source: ABS, Morgan Stanley Research

Detached Housing – Approvals: 1984 – 2016

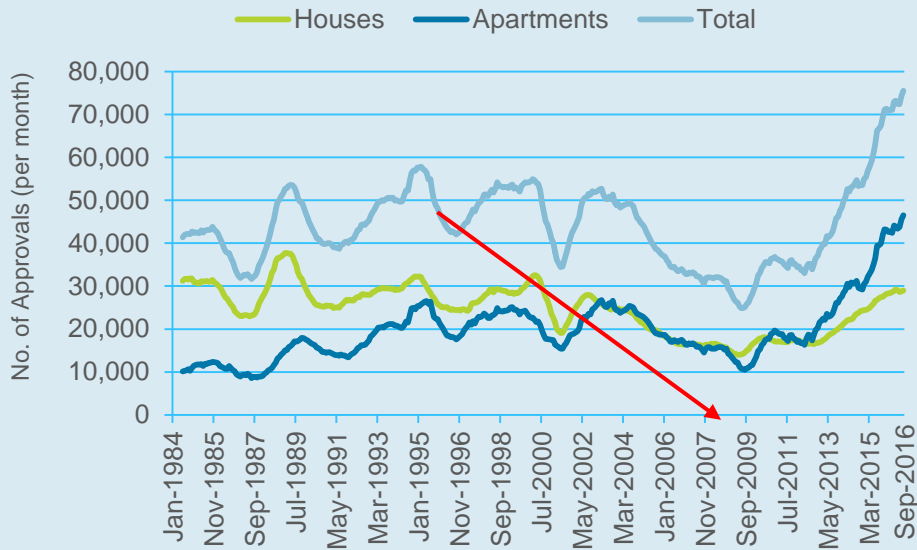


Source: ABS, Morgan Stanley Research

- Apartment approvals booming in all East Coast markets
- Record pipeline of apartments will sustain construction activity through 2017 and 2018, with ~200k completions by end-2018 ... however, new approvals will slow considerably
- VIC continues to drive the detached housing market - better planning system which allows good release of estates
- WA housing market (both apartment and land) has slowed considerably

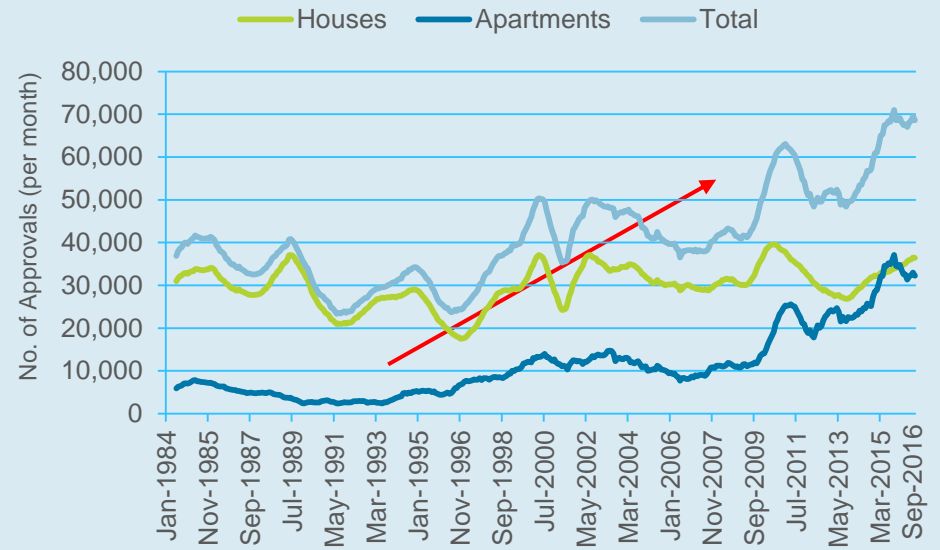
AUSTRALIAN MARKET CONDITIONS – RESIDENTIAL

House and Apartment Approvals – NSW: 1984 – 2016



Source: ABS

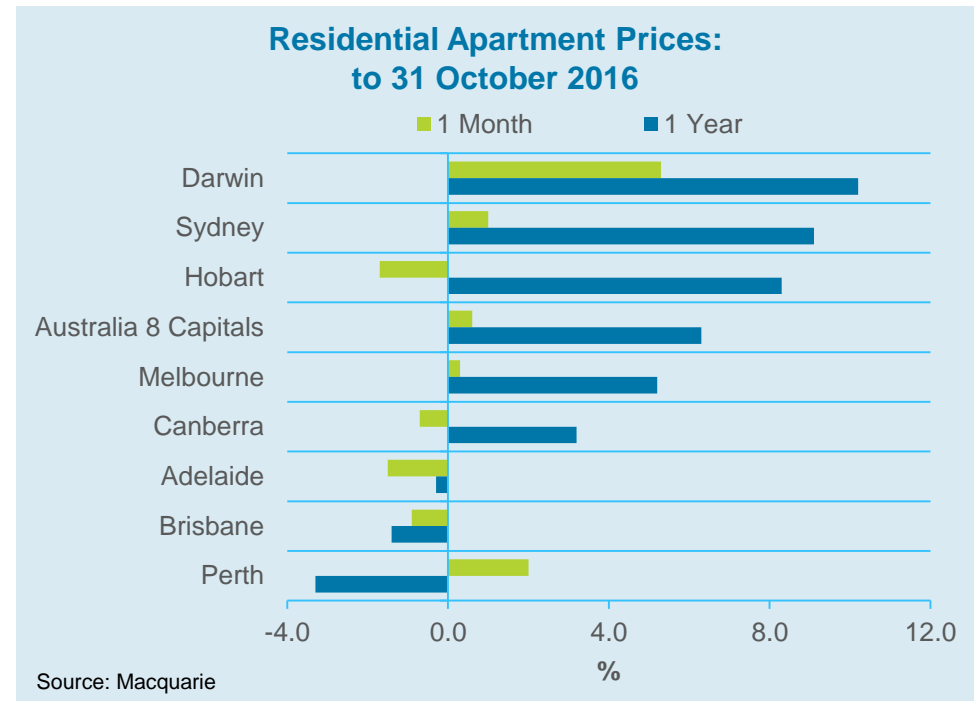
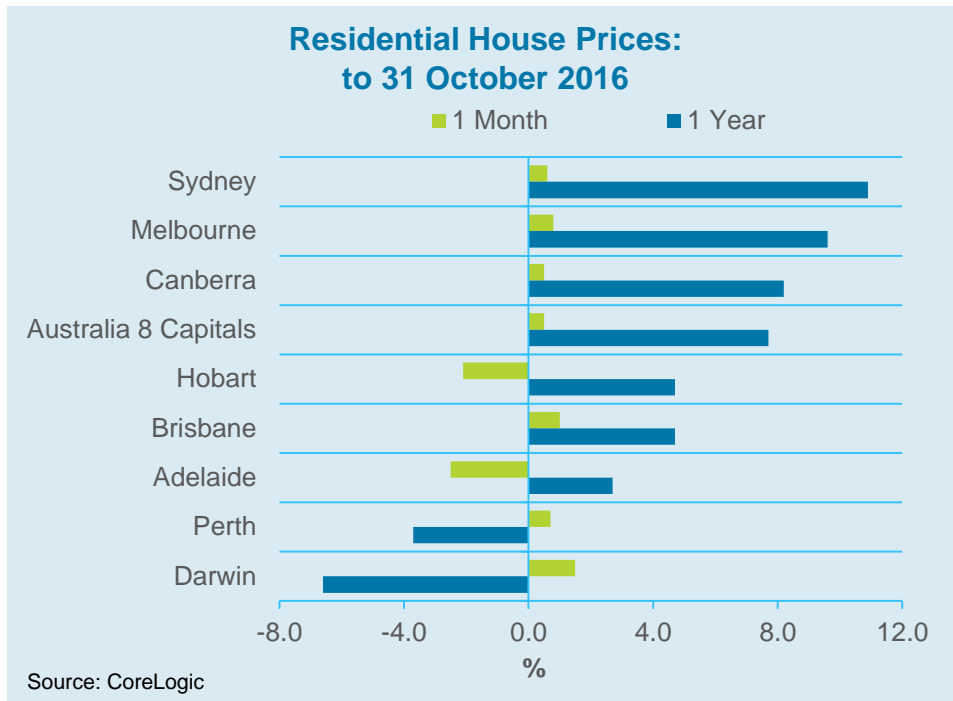
House and Apartment Approvals – Victoria: 1984 – 2016



Source: ABS

- NSW approvals declined significantly between 2003 and 2008 but significantly picked up in past 4 years
- VIC approvals continue to run ahead of long-term average and also ahead of NSW – more efficient planning system
- Declining affordability, macro prudential controls on investor lending, concerns of oversupply in some sub-markets (inner Melbourne, South Sydney), supply bottlenecks (Sydney planning) will see supply taper off in 2016
- More even split between houses and apartments in Victoria vs NSW which continues to be slow in releasing land for houses

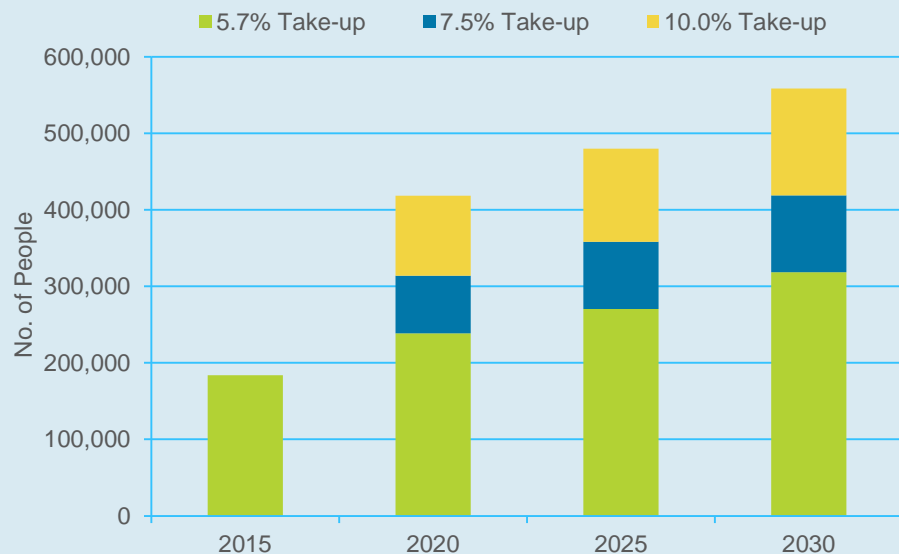
AUSTRALIAN MARKET CONDITIONS – RESIDENTIAL



- Despite media headlines of a housing price boom – not uniform across country
- Mining downturn impacting significantly on Darwin and Perth housing markets
- Sydney and Melbourne prices continue to grow but momentum has slowed in recent months

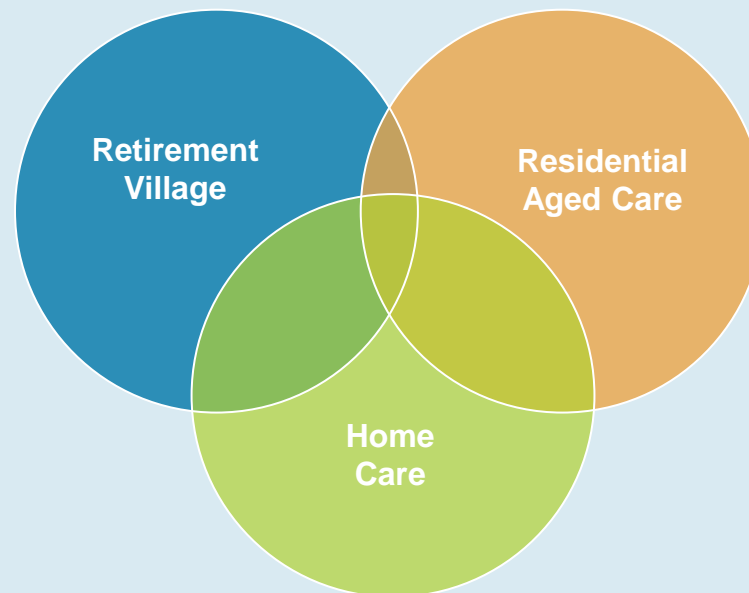
SENIORS LIVING – OUTLOOK

Implied Demand Retirement Village Residents: 2015 - 2030

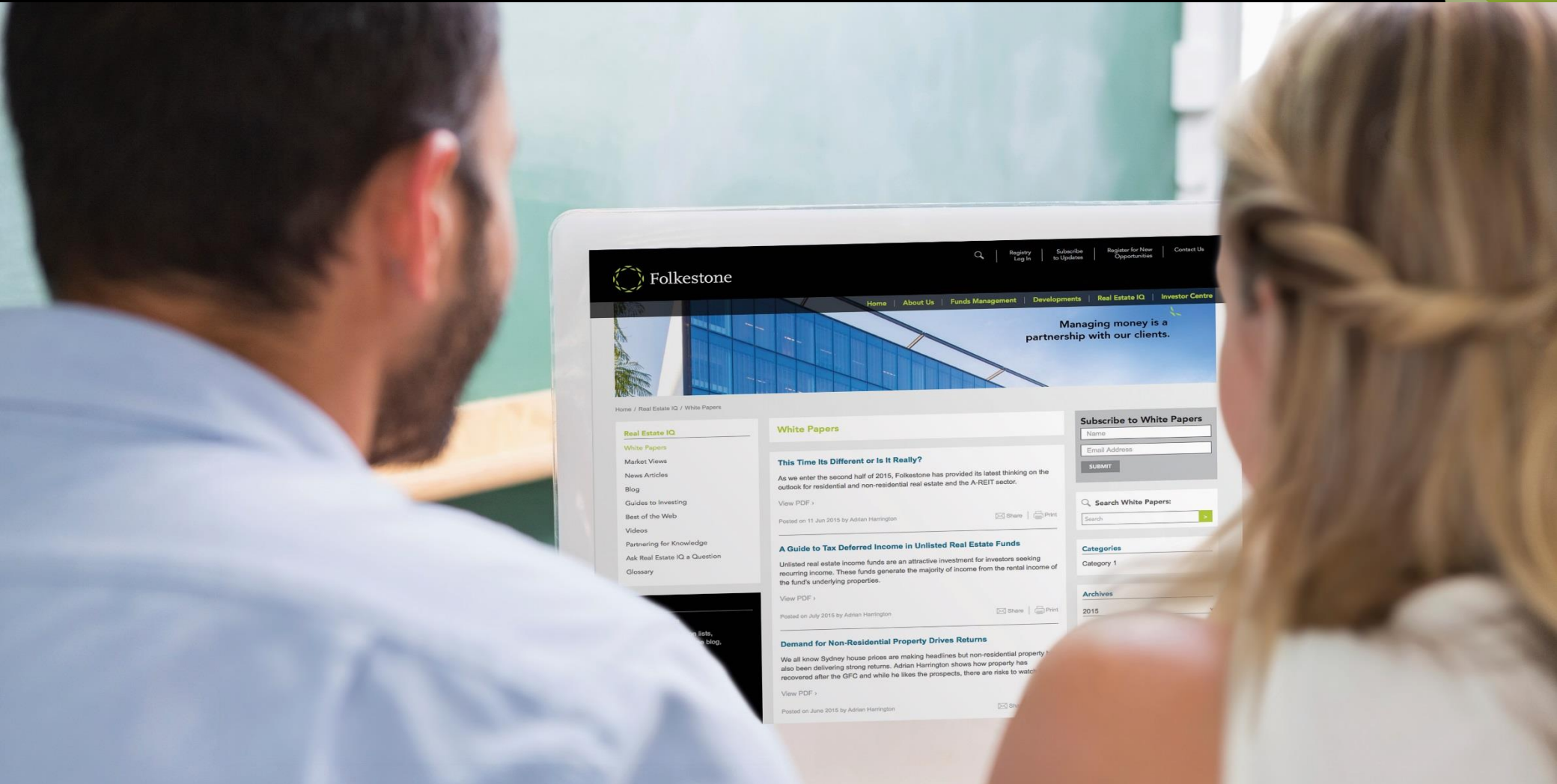


Source: ABS, Folkestone

Future of Seniors Living: Convergence



- There are approximately 2,300 retirement living communities comprising more than 140,000 dwellings and housing 184,000 older Australians¹
- Penetration rates in Australia have increased from 4% in 2007 to 5.7% in 2015 but Australia remains significantly below penetration rates in NZ circa 7.5% and US circa 12%
- Penetration rates expected to increase as population ages and quality of facilities improve
- By 2030, demand to increase from 184,000 in 2015 to:
 - 5.7% penetration – 318,439 residents
 - 7.5% penetration - 418,999 residents
 - 10.0% penetration – 558,665 residents
- Convergence – Co-Location of facilities will continue to evolve
 - greater focus on co-location of retirement villages and aged care and sharing of services
 - supports the governments push for ageing in place
 - delivery hubs for co-located community and providing services through home care to wider local community



Real Estate IQ provides our latest thinking on real estate to assist you in navigating the world of real estate markets and issues, to make more informed investment decisions.

Visit: www.folkestone.com.au/real-estate-iq/



QUESTIONS



Folkestone

Potters Grove, Officer, Vic

DIRECTORY

FOLKESTONE EDUCATION TRUST

ASX Code: FLK

Website: www.folkestone.com.au

ABN: 21 004 715 226

Level 14, 357 Collins Street
Melbourne VIC 3000
T: +61 3 9046 9900

Level 10, 60 Carrington Street
Sydney, NSW 2000
T: +61 2 8667 2800

INDEPENDENT BOARD OF DIRECTORS

Garry Sladden
Non-Executive Chairman

Mark Baillie
Non-Executive Deputy Chairman

Greg Paramor AO
Managing Director

Ross Strang
Non-Executive Director

COMPANY SECRETARY

Scott Martin
Telephone: +61 3 9046 9910

INVESTOR RELATIONS

Lula Lioffi
Telephone: +61 3 9046 9946
lloffi@folkestone.com.au

REGISTRY

Boardroom Pty Limited
P.O. Box R67, Royal Exchange NSW 1223

Telephone: 1300 737 760 or +61 2 9290 9600
enquiries@boardroomlimited.com.au

www.boardroomlimited.com.au

DISCLAIMER:

This presentation has been published for information purposes only. The information contained in this presentation is of a general nature only and does not constitute financial product advice. This presentation has been prepared without taking account of any person's objectives, financial situation or needs. Because of that, each person should, before acting on this presentation, consider its appropriateness, having regard to their own objectives, financial situation and needs. You should consult a professional investment adviser before making any decision regarding a financial product.

In preparing this presentation the author has relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources or which has otherwise been reviewed in preparation of the presentation. The information contained in this presentation is current as at the date of this presentation and is subject to change without notice. Past performance is not an indicator of future performance.

Neither Folkestone Limited, nor any of their associates, related entities or directors, give any warranty as to the accuracy, reliability or completeness of the information contained in this presentation. Except insofar as liability under any statute cannot be excluded, Folkestone Limited and its associates, related entities, directors, employees and consultants do not accept any liability for any loss or damage (whether direct, indirect, consequential or otherwise) arising from the use of this presentation.

If a product managed by Folkestone Limited or its associates is acquired, Folkestone Limited or its associates and related entities may receive fees and other benefits. The author of this presentation does not receive commissions or remuneration from transactions involving the financial products mentioned in this presentation.



Folkestone