



PORTFOLIO CASE STUDY

From \$0 to \$14 million in 10 years

Portfolio overview

We are ten years into our clients \$30m property portfolio strategy which has generated \$4m equity. The portfolio currently consists of 12 assets and is diversified across four states which helps lower land tax and spreads market risk.

To create a healthy mix of growth and income, we have acquired seven of A Grade established homes, two development sites, two corporate apartments, and a unit block.

Our client is entering the hold phase of the strategy, however given they have an active approach to their investing, they will continue to optimise their portfolio through strategic investment acquisitions and sales. They will also complete the two development projects which will release equity to reduce portfolio debt and help fund future acquisitions.

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Portfolio Quality

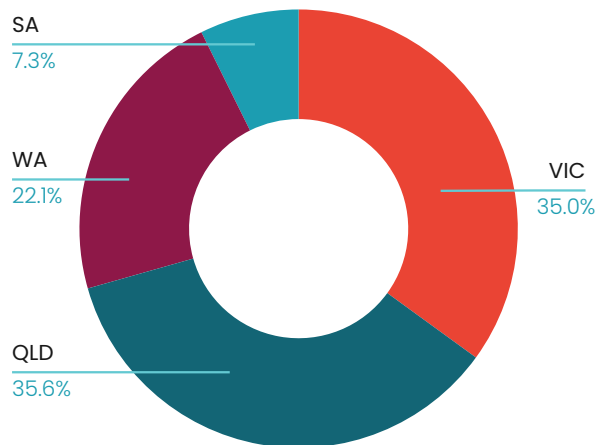
PORTFOLIO QUALITY RATING: ★★★★★

SUBURB	STATE	ASSET TYPE	PURCHASED	PROPERTY RATING	SUBURB RATING
Kennington	VIC	Residential Unit Block	2011	B	AAA
Hendra	QLD	Residential House	2013	A	AAA
Bassendean	WA	Residential House	2014	A	AAA
West Footscray	VIC	Residential House	2015	A	AAA
Hamilton	QLD	Residential House	2016	A	AAA
Devon Park	SA	Residential House	2016	A	AAA
Cleveland	QLD	Residential House	2020	A	AAA
Joondanna	WA	Residential House	2021	A	BBB
South Yarra	VIC	Residential Unit	2021	C	AAA
Rivervale	WA	Residential House	2022	A	AAA
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Broadbeach	QLD	Residential Unit	2022	C	AAA

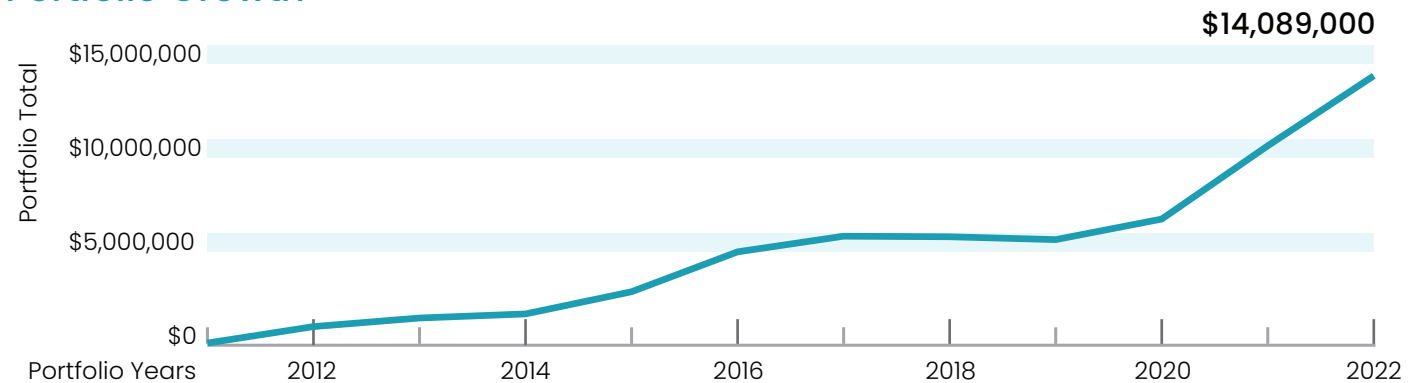
Key Portfolio Stats

Client Annual HH Employment Income	\$3,500,000
Annual Gross Rental Income	\$365,300
Gross Yield	3.61%
Compound Annual Growth	6.20%
Average Annual Return	9.80%
Portfolio Size	12
Total Purchase Price	\$10,133,000
Client Capital Contribution	\$2,026,600
Current Portfolio Value	\$14,088,786
Equity Generated	\$3,955,786
Return on Capital	195.19%

Portfolio Diversification



Portfolio Growth



PPA 30 Year Strategy



Explanation of terms

Property Grade

A | Quality Dwelling; Owner Occupier Standard Townhouse, Villa Unit or Apartment based in Melbourne/Sydney. Portfolio Quality Rating = 1.

B | Owner Occupier Standard Townhouse, Villa Unit, Apartment based outside Melbourne/Sydney; Low Density Apartments (less than 20). Portfolio Quality Rating = 0.8.

C | Project Homes; Investor Stock Townhouses; Owner Occupier Standard Medium Density Apartments (20 – 50). Portfolio Quality Rating = 0.6.

D | Investor Standard High Density Apartments (>50). Portfolio Quality Rating = 0.4.

E | Compromised D-Grade Asset (compromised assets taken back 1 Grade). Portfolio Quality Rating = 0.2.

Suburb Ratings

AAA | >7% Historical Growth, Good Liquidity, Low Volatility. Portfolio Quality Rating = 1.

BBB | 6% – 7% Historical Growth, Average Liquidity, Average Volatility. Portfolio Quality Rating = 0.8.

CCC | 5% – 6% Average Historical Growth, Below Average Liquidity, Below Average Volatility. Portfolio Quality Rating = 0.6.

DDD | <5% Historical Growth, Poor Liquidity, High Volatility. Portfolio Quality Rating = 0.4.

Portfolio Quality Rating

The average of all Suburb and Property grades in a portfolio. The table below shows the star rating and corresponding grade average, rounded to the nearest tenth.

5 Star	1.0
4.5 Star	0.9
4 Star	0.8
3.5 Star	0.7
3 Star	0.6
2.5 Star	0.5
2 Star	0.4
1.5 Star	0.3
1 Star	0.2
0.5 Star	0.1
0 Star	0.0

Glossary

Gross Yield is an investment's profit before taxes and expenses are deducted. Gross yield is expressed in percentage terms. It is calculated as the annual return on an investment (i.e. rent before taxes and expenses) divided by the purchase price.

Compound Annual Growth is the measure of an investment's annual growth rate over time, with the effect of compounding taken into account. It is often used to measure and compare the past performance of investments or to project their expected future returns.

Average Total Annual Return represents the annual return in percentage terms and includes the Gross Yield and Compound Annual Growth Rate.

Portfolio Size is the number of assets in a portfolio.

Total Purchase Price is the total amount paid for all assets in a portfolio.

Client Capital Contribution is the principal amount that a client has invested.

Current Portfolio Value is the current combined estimated value of all assets in the portfolio based on market indexing and comparable sales.

Equity Generated is the Current Portfolio Value minus the Total Purchase Price of the portfolio.

Return on Capital represents the total growth of the Client Capital Contribution. It is expressed in percentage terms and is calculated by dividing the Equity Generated by the Client Capital Contribution.

Performance 30-year Strategy

The Performance 30-year Strategy is our recommended strategy duration for most clients. We plot our clients progression on the strategy timeline to help make decisions on whether to Acquire, Hold, or Sell assets.

Early in the strategy, many clients are looking to generate equity, which can be converted into income focussed assets later in the strategy to help fund retirement.

Talk to one of our PIPA Qualified Property Investment Advisors to discuss where you are at in your 30-year strategy and to discuss your suitability to build one of our flagship \$5m, \$10m or \$20m property portfolios.

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