



# Quantum Property Syndicate No.12 and Quantum Property Trust No.12

## QUARTERLY REPORT

March 2005

## “The Wharf, Woolloomooloo”

### Overview

- ❖ Net Property Income for the March quarter of \$514,127,
- ❖ 100% occupancy,
- ❖ Net profit for the Syndicate for the March quarter of \$262,291, or \$448,291 after adding back the amortisation of management fees,
- ❖ Net asset backing per interest at March of \$1.01,
- ❖ Earnings per interest for the Syndicate for the March quarter of \$0.0105, or \$0.0179 after adding back the amortisation of management fees, and
- ❖ Forecast cash distributions to unit holders in the Trust of 4¢ per unit for the period to 30 June 2005.

(Report No. 2)



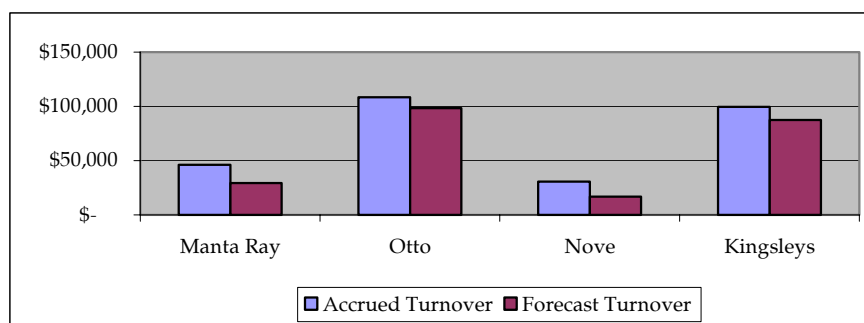
## Property Results and Analysis

The financial results of the property, before syndicate expenses such as administration expenses, management fees and custodian fees were as follows:

	<b>Mar 05 Actual</b>	<b>Mar 05 Budget</b>
Property rental income	670,988	586,632
Property expenses	(156,861)	(164,374)
<b>Net Property Income</b>	<b>514,127</b>	<b>422,258</b>

Net property income for the period was 21.7% (or \$91,869) above the budget. This was due to the amount of turnover rent that was accrued for this period being well above the average monthly amount, due to the festive season.

The graph below shows the accrued turnover rent versus the forecast turnover rent for the March quarter. The forecast turnover rent is based upon an average monthly figure, and is not adjusted for seasonality.



### *Tenancy details*

The occupancy of the property remains at 100%.

### *Capital items*

There were no major capital expenses incurred during the period.



## Syndicate Results and Analysis

The Quantum Property Syndicate No.12 owns 100% of the property. Quantum Property Trust No.12 owns 25% of the syndicate. The trust results are determined annually (refer below for timing) and hence the results discussed below represent those of the syndicate only.

Net profit of the syndicate, shown in the table below is arrived at after deducting non property related expenses from net property income discussed above, such as administration costs, custodian and management fees.

	Mar 05 (Actual)	Mar 05 (Budget)
Property Investment	23,791,673	
<b>Total Assets</b>	<b>26,660,881</b>	
<b>Total Liabilities</b>	<b>1,365,100</b>	
<b>Net Asset Backing (per interest)</b>	<b>\$1.01</b>	
Net Profit (March Quarter)	262,291	167,746
Number of Interests on Issue	25,033,490	25,033,490
<b>Earnings per interest</b>	<b>\$0.0105</b>	<b>\$0.0067</b>

The net profit of the Syndicate for the March quarter was 56.4% above the budget (\$262,291 compared to the budget of \$167,746). Earnings per interest were \$0.0105 compared to the budget of \$0.0067

The Manager notes that the above net profit figures include the amortisation of part of the syndicate establishment fee, being \$186,000 per quarter. The March quarter results after adding this amount back would be \$448,291 and earnings per interest of \$0.0179.

### *Distributions to Owners (Syndicate)*

Two types of interests in the Property were offered. Applicants either received a direct interest in the syndicate thus becoming an Owner, or received units in the trust thus becoming a Unit holder (e.g. via a Superannuation Fund).

Some investors are both an Owner and a Unit holder. Owners pay for financing costs (yearly in advance) and pay an annual guarantee fee to the trust in consideration of the trust providing its assets as security for the benefit of owners.



## Trust Result and Analysis

As mentioned briefly above, given the limited number of transactions undertaken by the Trust during the year, the Trust financial results are only determined annually. As noted in the product disclosure statement the Manager will determine the net income and any guarantee fee due to the Trust from the Syndicate and Owners.

### *Distributions to Unit holders (Trust)*

The Manager has prepared the following forecast distribution schedule for the period up to 30 June 2005, based upon the available net cash from operations. One of the covenants of the finance provided to underwrite the capital raising was that no distributions could be paid to investors prior to this finance being fully discharged (\$1,000,000). The Manager expects to fill the capital raising in the next couple of months and pay the March quarter distribution no later than June 2005.

Period (Quarter Ending)	Payment Month	Total Distribution	Cents Per Unit	Status
March 2005	Full Subscription	\$125,167	2.00	Pending
June 2005	June 2005	\$125,167	2.00	

The Manager will prepare a forecast of the expected cash distributions detailing the amount and payment date for the period up to 30 June 2006 in the next quarterly report.

## Newcastle Stock Exchange (NSX)

The trust successfully listed on the NSX on 17 March 2005. Please refer to [www.newsx.com.au](http://www.newsx.com.au) for all announcements relating to the Trust.

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*The Syndicate and Trust is only required to prepare an audited financial report annually and therefore this investment report aims to provide investors with more timely and detailed information with respect to the Syndicate operations throughout the year. The financial results reported in this report are unaudited*

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## Key Performance Indicators

Property Performance Indicators	March 2005
Property yield - passing*	7.8%
Net asset backing (per interest)	\$1.01
Occupancy	100%
Book value	\$23.79m
Purchase price (December 2004)	\$22.00m
Capital expenditure (for 3 months)	\$0

\* based on net property income/purchase price