



### THE SCHEME – as at 30 Sept 2022

<b>Structure:</b>	Limited Partnership
<b>Scheme Type:</b>	Wholesale
<b>Commencement:</b>	28 March 2021
<b>Capital Structure:</b>	
<b>No. of interests:</b>	404
<b>Issue Price:</b>	\$25,000 each
<b>Investor Capital:</b>	\$10,100,000
<b>Distribution rate to 30 Sept:</b>	7.0% p.a.
<b>Distribution rate from 1 Oct:</b>	5.5% p.a.
<b>No. of Investors:</b>	63

### THE PROPERTY

<b>Address:</b>	17 Duke St, Sawyers Bay, Dunedin
<b>Tenant:</b>	Hilton Haulage LP
<b>Use:</b>	Warehouse
<b>Land area:</b>	13,334 sqm
<b>Floor area:</b>	7,700 sqm
<b>WALT:</b>	11.2 years

### THE NUMBERS

<b>Property value:</b>	\$17.4m
<b>Bank debt:</b>	\$7.5m
<b>Lender:</b>	ASB
<b>LVR:</b>	43.1%
<b>Interest rate:</b>	5.66% p.a.

### THE PEOPLE

David Kitson (Managing Director)	021 722 231
Michael Kohing (Chief Financial Officer)	021 532 628
Jacque Musson (Investor Liaison Manager)	03 345 8842
Sam Kitson	021 066 9206

### Quarry Capital Update

Quarry Capital is underway with its second capital raise of the financial year, the Washdyke Limited Partnership.

Vendors, Hilton Haulage Limited Partnership, have agreed to sell part of their substantial property in Washdyke, Timaru, with 6.85ha of industrial land and buildings encompassing six established tenancies under contract for \$10.5m. The properties have recently been valued at \$10.78m.

Quarry intends to raise the \$11.6m required to fund the purchase with no bank debt. The scheme is forecast to provide a pre-tax cash distribution of 6%. The WALT across the six tenancies is seven years. There are a limited number of interests available, so please contact the team for more information. Please note that the confirmation date has been extended to 28 November 2022.

You may have noticed that Quarry's AML/CFT and wholesale onboarding processes have intensified recently. The Financial Markets Authority (FMA) has recently concluded a comprehensive review of wholesale offerors over the past year, resulting in public warnings for 7 offerors exhibiting non-compliant and undesirable practices, largely relating to eligible investor certificates.

The review found Quarry to be compliant, although we will still continue to improve our processes in line with regulatory standards and latest guidelines.

### Property Update

There are no items of maintenance or any areas of concerns to report.

Rent will be increasing at the rate of CPI on 1 December. Based on the current CPI figure of 6.9%, this would see the scheme's annual rental income increase by \$68,655.

The downside of the CPI remaining high is that interest rates are likely to continue to trend upwards. A further interest rate increase on the scheme loan is expected in December when the ASB Bank provide updated terms. We will continue to monitor the impact of this vigilantly.



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## DUKE STREET LIMITED PARTNERSHIP

Quarterly Report – September 2022



## Financial Update

Unaudited results for the period ended 30 September 2022

Profitability	Actual	Forecast	Variance
Rent, Opex and Interest Income	497,847	497,500	347
Property and Scheme Expenses	(32,649)	(28,863)	(3,786)
Interest paid	(179,868)	(179,667)	(201)
<b>Net Operating Income</b>	<b>285,330</b>	<b>288,970</b>	<b>(3,640)</b>

Annualised yield	5.7%	5.7%
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## Statement of Financial Position

	Sep-22	Mar-22
Bank and Receivables	54,484	380,559
Investment Properties	17,400,000	17,400,000
<b>Total Assets</b>	<b>17,454,484</b>	<b>17,780,559</b>
Payables and Accruals	118,746	376,553
Bank Debt	7,500,000	7,500,000
<b>Total Liabilities</b>	<b>7,618,746</b>	<b>7,876,553</b>
<b>Net Assets</b>	<b>\$ 9,835,738</b>	<b>\$ 9,904,005</b>
<b>Investors Equity</b>	<b>\$ 9,835,738</b>	<b>\$ 9,904,005</b>

## Secondary Sales Update

Current secondary sales opportunities are listed below. If you have any interest in purchasing secondary units, please contact the team to discuss. Similarly, if you are considering selling interests, we will endeavour to connect you to a purchaser via a monthly secondary sales email to our investor database. Please note that Quarry charges a fee for this service. Alternatively, you may wish to sign up to Syndex's secondary sales platform to list or purchase interests via the secondary market. Currently, Syndex charges a \$70 annual fee to use this platform. Additional documentation fees may apply.

Property Scheme	No. of interests on offer	Original Issue Price per interest	Current Net Asset Value per interest (as at 31.3.22)	Asking Price per interest	Total Asking Price	Pre-tax Cash dist. on original issue price (as at 1.10.22)	Effective Cash dist. at asking price (as at 1.10.22)	W.A.L.T
Desi Place Limited Partnership	10	\$10,000	\$13,543	\$12,500	\$125,000	7.0%	5.6%	9.0 years
Desi Place Limited Partnership	5	\$10,000	\$13,543	\$12,500	\$62,500	7.0%	5.6%	9.0 years
Duke Street Limited Partnership	4	\$25,000	\$24,515	\$25,000	\$100,000	5.5%	5.5%	11.2 years
Artemis Property Scheme	40	\$10,000	\$12,167	\$12,167	\$486,680	5.5%	4.5%	8.8 years
Tweed Property Scheme	Multiple	\$10,000	\$10,000	\$10,000		7.1%	7.1%	8.6 years

