



**JULY 2016**

**EG'S FIRST CLOSE ON DEBUT SUSTAINABLE OFFICE TRUST**

For immediate release

**26 July 2016 (Sydney, Australia)** - Leading real-estate fund manager, EG Funds Management, completed a first close on their debut sustainable trust, High Income Sustainable Office Trust (HISOT).

HISOT's first close comprises of two key investors, Clean Energy Finance Corp (CEFC) with a cornerstone contribution of \$125 million and Uniting Financial Services (UFS) at \$25 million, with both eager for the fund to move into the investment stage. EG is targeting to build a portfolio of \$450 million in assets.

"We see a strong future for our partnership with CEFC and UFS," says EG's Executive Director Roger Parker. "Improvements in the NABERS rating are proven to have a positive impact in attracting blue-chip tenants to formerly underperforming office buildings."

CEFC's Corporate and Project Finance Director Rory Lonergan positions the fund as part of a broader strategy to drive Australia's commercial property sector towards zero carbon buildings.

"For our cities to be competitive, we need dynamic business centres in the future and it is imperative that we act now to boost the energy performance of buildings so they are equipped to handle the demands of a clean energy economy."

Similarly, UFS sees this fund as complementary to its ethical investment strategy. With robust activity in the sustainability sector, UFS is looking to benefit from the returns that EG has previously secured with their strong acquisitions and asset management.

The HISOT strategy targets office assets with a low National Australian Built Environment Rating System (NABERS) rating for active asset management and a repositioning strategy that will boost the rating above 4.5 stars. The fund was first announced in June 2015.

- ENDS -

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**Fact Sheet:**

- The carbon “cost” of a new 20,000sqm building is 50 tonnes of greenhouse gases<sup>1</sup>, by contrast, an existing building will emit one tonne of greenhouse gases per year for base building energy<sup>2</sup>.
- Increasing a building’s NABERS energy rating by even two stars will reduce carbon emissions by 50 per cent
- Commercial buildings account for roughly 10 per cent of the nation’s overall energy consumption<sup>3</sup>
- Green Building Council of Australia reports that high ranking “green” buildings are easier to sell and lease, which reduces vacancy times and hence income losses. It also raises the level of interest from blue chip tenants<sup>4</sup>

**EG’s Case Studies:**

- Burwood, NSW

6,400sqm lettable area with a rating of 3 stars, was refurbished to reach targeted 4.5 stars. Realised IRR of 25 per cent p.a.

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<sup>1</sup> Deakin University study

<sup>2</sup> COAG National strategy on energy efficiency (average of all office stock)

<sup>3</sup> ASBEC The Second Plank Report: Building a Low Carbon Economy with Energy Efficiency Buildings

<sup>4</sup> GBCA 2008 *Valuing Green* report



### **About the CEFC**

The Clean Energy Finance Corporation (CEFC) invests commercially to increase the flow of funds into renewable energy, energy efficiency and low emissions technologies. The CEFC has supported projects across the Australian economy, benefitting a diverse range of businesses, large and small.

The CEFC's mission is to accelerate Australia's transformation towards a more competitive economy in a carbon constrained world, by acting as a catalyst to increase investment in emissions reduction. The CEFC does this through direct investments which attract private sector finance, as well as through its strategic co-financing partners.

The CEFC was created by the Australian Government and operates under the *Clean Energy Finance Corporation Act 2012*. More information is available on the CEFC website:

[www.cleanenergyfinancecorp.com.au](http://www.cleanenergyfinancecorp.com.au)

### **About Uniting Financial Services**

Uniting Financial Services is the trading name of The Uniting Church (NSW) Trust Association Limited which provides the Treasury and Investment Services for the Uniting Church in Australia, Synod of NSW and the ACT (the "Synod").

For more than 80 years Uniting Financial Services has been providing income to the Synod, directly contributing to the Uniting Church's mission and service to communities in need, as well as supporting church life and congregations.

A professional and prudent approach to investing has helped Uniting Financial Services build funds under management from just over \$400 million 10 years ago, to more than \$1 billion today.

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# FINDING ABSOLUTE ALIGNMENT™

The pendulum symbol represents our commitment to being in alignment with our partners.

WE'RE AN AUSTRALIAN BUSINESS INVESTING ON BEHALF OF LEADING INDUSTRY AND PUBLIC SECTOR SUPERANNUATION FUNDS, AS WELL AS A RANGE OF FAMILY OFFICES.

EG is a leading real estate fund manager founded in 2000. We're a disciplined, entrepreneurial group of people with over AU\$2.15 billion in assets under management. Our team's ability to identify and realise opportunities has helped us achieve consistently high, risk-adjusted returns for our investors.

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