

# ASPIRE

ASPEN GROUP QUARTERLY NEWSLETTER AUGUST 2004



## Aspen delivers year of growth

### Welcome again to another edition of Aspire.

Well, what an exciting year it has been. The group's strategy twelve months ago was to grow assets under management, and develop new non-dilutive income streams by utilising the inhouse experience and skills of our management team. I am delighted to report that we have done both, with positive results.

Early in the 2003-04 financial year we completed the acquisition of two commercial properties, Elders Woolstores in Spearwood, WA and the Alcoa building in Booragoon, WA for a total of \$53 million, more than doubling the group's assets. In the past month the Aspen Parks Property Fund successfully raised well in excess of \$17.5 million to acquire six tourist parks from Fleetwood Corporation, providing additional earnings growth for Aspen Group.

In addition we have met our forecast distribution of 1.45 cents per stapled security for the 2003/04 year. We have also recently announced an earnings upgrade resulting in a forecast distribution for the coming year of 1.67 cents per security. This is great news for investors, with the group's security price recently reaching a high of 18 cents.

Aspen Group has also attracted increasing interest from institutional investors, including the Queensland Investment Corporation, one of Australia's largest fund managers who recently joined the security register. This provides us with great confidence that professional investors are supportive of the direction Aspen Group is heading.

As we enter a new financial year, the group will continue to pursue its growth strategy by seeking to acquire high yield commercial property with quality tenants, and develop additional property-related income streams, resulting in a high return on capital for investors.

I look forward to an exciting and challenging new financial year.

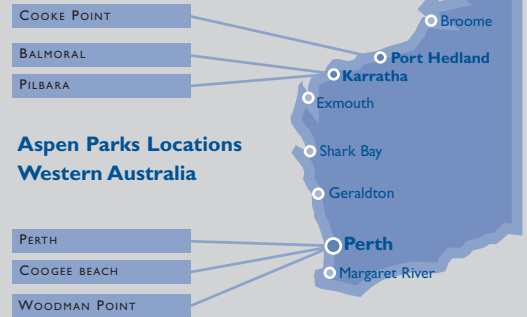
**Angelo Del Borrello**  
Managing Director

### Increased distribution announced

Following a successful year and the benefits of the Aspen Parks Property Fund, Aspen Group announced to the ASX on July 29 an upgrade to the forecast earnings per security for 2004/05. This in turn has seen the forecast distribution increase from 1.45 cents per security to 1.67 cents per security, a 15% rise.

Based on a security price of 17.5 cents, the yield on Aspen Group has increased to 9.5%, well above the industry sector average.

# Aspen Parks Completes Property Acquisitions



**The Aspen Parks Property Fund has recently completed the acquisition of six tourist parks from Fleetwood Corporation. The Fund proved to be extremely popular with investors, with over \$17.5 million raised. Aspen's marketing campaign attracted over 650 investors, with strong support from a number of financial planners, a great endorsement for the Fund.**

As we are currently negotiating to acquire a seventh park, the directors have chosen to take over-subscriptions, as allowed under the current Offer Document. Therefore should you wish to invest at the initial offer price of \$1.00 per stapled security please contact our office for an Offer Document. Over-subscriptions must be limited to a maximum of \$5 million.

The task ahead will focus on bedding down the six parks, while we continue to search for new acquisitions. Through the strategic alliance with Fleetwood Corporation, Aspen Parks is well-placed to achieve its growth objectives over the next five years. We also welcome the Fleetwood staff who have joined Aspen Parks and look forward to working with them..

Heading the park team is Mr Lino Brolese, Head of Park Operations. Lino joined the Aspen Group earlier in the year to assist with the park acquisitions. He has a background in the commercial property industry, being a licensed valuer, and formerly with the CB Richard Ellis property group, and the Valuer General's Office. His 17 years in the property industry includes experience within the tourist park sector. He brings a fresh approach to park management which will no doubt be a great asset to the future performance of the Fund. One of Lino's first tasks will be to put in place a strategy for the development of the current vacant land, as well as reviewing the mix of accommodation in each park to ensure we achieve the maximum return possible from each site.

It has been a great start for Aspen Parks and we look forward to reporting the progress of the Fund in future newsletters. This success also demonstrates the benefits Aspen Funds Management can bring to the Aspen Group, with the additional income streams reflected in the forecast increase in group earnings.





# Queensland Investment Corporation (QIC) acquires holding in Aspen Group

## New Institutional Shareholder

We welcome to the security register another new institutional investor, a further reflection of the growing interest in Aspen Group.

The Queensland Investment Corporation (QIC) has joined the security register of Aspen Group. QIC is one of the largest investors in Australia with approximately \$34 billion in funds under management. Their clients include many of the large state government departments in Queensland.

Aspen is delighted to welcome QIC as a significant securityholder.

## Investor Focus – Entrust Private Wealth Management

Boutique private client and funds management group, Entrust Private Wealth Management, has quietly built a significant holding in Aspen Group. This holding is spread amongst a number of Entrust's private clients.

Entrust is a Perth-based firm which specialises in building, protecting, and managing wealth for high net-worth clients. Their service offering covers three key elements – financial planning, tax planning, and portfolio management, with an overriding aim to gain the best after-tax return for clients.

Entrust not only manages individual portfolios for clients but they are also about to launch a managed fund, investing in a range of Australian shares for the benefit of clients in their premium management service. Like Aspen, Entrust are forward thinkers who are seeking new ways to add value for their clients.

## Tenant Focus – Fujitsu Consulting

Fujitsu Consulting (formerly DMR Consulting) are the biggest tenant in Septimus Roe Square.

They occupy three floors, almost 3,000 square meters of office space. Headquartered in the United States, Fujitsu Consulting are part of the \$45 billion Fujitsu Corporation. The core business of Fujitsu Consulting is the delivery of professional IT consulting and associated services. In WA they provide services to a number of corporate clients including the Health Department of WA.



## BBY say Buy

Stockbroking firm BBY, based in Sydney have recently released a very positive report on the outlook for Aspen Group. Their latest report says:

***“We continue to recommend Aspen Group as a BUY with a fair value of \$0.22. In a property sector focused on mergers and acquisitions, Aspen is a refreshing opportunity to invest in a property group focused on underlying real estate fundamentals and value adding opportunities.”***

Full details of their report can be accessed on our website at [www.aspengroup.com.au](http://www.aspengroup.com.au).

## Market Talk

In this newsletter we talk with **Hans Kunnen, Head of Investment Markets Research for Colonial First State**

### **How do you see the Australian economy at present and your view for the next 1 to 3 years?**

The Australian economy is in fine shape with low inflation and low unemployment, and reasonably low interest rates which are not under significant pressure to rise. As the world economy continues to strengthen this will be positive for Australia with strong demand for our natural resources particularly from countries like China.

### **What impact do you feel this will have for the commercial property market?**

A strong economy is always good for property with retail and industrial properties looking good. Some oversupply in the office sector particularly in Melbourne and Sydney may hold growth back in those markets.

### **Do you see interest rates greatly affecting your view?**

I don't believe interest rates are under any great pressure, given the economy is growing at a steady rate. There could be a further small rise this year but nothing too dramatic.

### **Will the listed property trust sector continue to provide attractive returns for investors?**

The demand for LPTs has been very strong and we are now seeing the big trusts trading at high premiums to NTA. The sector will continue to provide good running yields but investors will need to be more selective going forward.



# Quarterly Outlook

- Pursue further property acquisitions for Aspen Group
- Annual report and annual general meeting preparation
- Consolidate the Aspen Parks acquisitions, and identify further opportunities
- Launch Aspen Financial Resources Ltd

## New Website

Aspen Group has recently upgraded its website to ensure we keep current and potential investors up to date with all the news and information about the group. Why not visit the website for a look and add it to your favourites list.

Further information on Aspen Group and its activities can be obtained by contacting us using the following details:

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## Have you visited our website?

Another method of keeping track of Aspen Group is by visiting our website at

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



**Important Information:** This document does not constitute an Offer Document. If you wish to apply for stapled securities in Aspen Parks you will need to obtain an Offer Document as described above and read it thoroughly before making an application. All applications must be on the form attached to the Offer Document.