

Product Disclosure Statement

Vitalharvest Freehold Trust

ARSN 626 537 362

(Source: Vitalharvest / goFarm)

Responsible Entity

The Trust Company (RE Services) Limited
ACN 003 278 831 AFS Licence 235150

Manager

goFARM Asset Management Pty Ltd
ACN 625 505 455 AR No. 001264243

Lead Manager

Bell Potter Securities Limited
ACN 006 390 772 AFS Licence 243480

Co-Managers

Taylor Collison Limited ACN 008 172 450
Third Party Platform Pty Ltd ACN 121 227 905 trading as 'Bell Direct'

Corporate Adviser

Kidder Williams Ltd ACN 117 667 204

BELL POTTER

LEAD MANAGER AND BOOKRUNNER

Kidder
Williams Limited

CORPORATE ADVISER

goFARM
ASSET MANAGEMENT
MANAGER

IMPORTANT NOTICES

THIS INFORMATION IS IMPORTANT AND REQUIRES YOUR ATTENTION.

It is important that you read this Product Disclosure Statement (PDS) carefully and in its entirety prior to making an investment decision with respect to the offer in this document. In particular you should pay careful consideration to the risk factors outlined in Section 8 and the tax implications in Section 10 of this document and consider them in light of your personal investment objectives, financial circumstances and needs (personal circumstances). The potential tax effects of the Offer will vary between investors. You should seek your own financial advice from a licensed financial adviser or other appropriately qualified professional adviser before acting on the information contained in this PDS.

ISSUER OF THIS PDS

This PDS is issued by The Trust Company (RE Services) Limited (ABN 45 003 278 831 AFS Licence 235150) (the **Responsible Entity**) as the responsible entity of Vitalharvest Freehold Trust ARSN 626 537 362 (the **Trust**). The Trust is an Australian registered managed investment scheme. References in this PDS to Vitalharvest REIT refer to the Trust and, as the context requires, other sub-trusts through which it invests (as defined in the Glossary).

MANAGER

The Responsible Entity has appointed goFARM Asset Management Pty Ltd ACN 625 505 455 to be the manager of the Trust (**Manager** or **goFARM Asset Management**) and to provide investment management, administration, property management and other services to the Responsible Entity pursuant to a Management Agreement entered into between the Responsible Entity and the Manager.

The Manager has been appointed as an authorised representative (AR No. 001264243) of the holder of AFS Licence 486217.

OFFER

This PDS relates to the proposed offer (**Offer**) to issue units in the Trust (**Units**) on the terms set out in this PDS. The Offer is made by the Responsible Entity as issuer of the Units. The Offer

is subject, among other things, to a Minimum Subscription of \$185.0 million being received.

DEFINED TERMS

Capitalised terms used in this PDS have the meaning given to them in the Glossary, as set out in Appendix A.

PDS DATE, LODGEMENT AND LISTING

This PDS is dated 29 June 2018 and was lodged with the Australian Securities and Investments Commission (**ASIC**) in accordance with section 1015B of the Corporations Act 2001 (Cth) (**Corporations Act**) on that date.

The Responsible Entity will apply to ASX within seven days of the date of this PDS for admission of the Trust to the official list of ASX and Official Quotation of the Units. Neither ASIC nor ASX takes any responsibility for the contents of this PDS or the merits of the Units or investment to which this PDS relates.

EXPOSURE PERIOD

The Corporations Act prohibits the issue of Units in the seven day period after the date of lodgement of this PDS (**Exposure Period**). This Exposure Period may be extended by ASIC by up to a further seven days. No preference will be conferred on any Applications received during the Exposure Period. During the Exposure Period, this PDS will be made available to Australian residents, without the Application Form, at: www.vitalharvest.com.au/offer.

OFFER MANAGEMENT AGREEMENT

Bell Potter Securities Limited ACN 006 390 772 AFS Licence 243480 has been appointed by the Responsible Entity as Lead Manager to the Offer, subject to certain terms and conditions stipulated in the Offer Management Agreement between Vitalharvest, the Responsible Entity, the Manager and the Lead Manager. The Offer Management Agreement sets out a number of circumstances where the Lead Manager may terminate the Offer Management Agreement and its obligations. For further information on the terms and conditions of the Offer Management Agreement you should refer to Section 12.1 of this PDS.

The General Offer is underwritten as to \$10 million. No other Offer under this PDS, including the Institutional Offer, the Broker Firm Offer and the Priority Offer, is underwritten.

NOT INVESTMENT ADVICE

The information contained in this PDS should not be taken as financial product advice and has been prepared as general information only, without consideration of your particular personal circumstances.

In particular you should pay careful consideration to the investment risks outlined in Section 8 in light of your personal circumstances, recognising that other risk factors may exist in addition to those identified in this PDS and should also be considered before deciding whether to invest in light of your personal circumstances.

If you have any queries or uncertainties relating to aspects of this PDS or the Offer, please consult your stockbroker, accountant or other independent financial or professional adviser before deciding whether to invest.

Similarly, the tax implications of your investment will vary depending on your personal circumstances. You should consider the general tax implications outlined in Section 10 of this PDS and obtain and rely on your own professional taxation advice prior to deciding whether to participate in the Offer.

NO COOLING-OFF RIGHTS

Cooling-off rights do not apply to an investment in the Units pursuant to the Offer. This means that, in most circumstances, you will be unable to withdraw your Application once it has been accepted. Should quotation of the Units be granted by ASX, Unitholders will have the opportunity to sell their Units at the prevailing market price, which may be different to the Offer Price.

RIGHTS AND LIABILITIES ATTACHED TO THE UNITS

All Units will rank equally in all respects. Details of the rights and liabilities attached to each Unit are set out in the Constitution (summarised at Section 12.1), copies of which will be made available for inspection, free of

charge at the registered office of the Responsible Entity during normal trading hours.

ROUNDING

Rounding of the figures provided in this document may result in some discrepancies between the sum of components and the totals outlined within this document including in the tables and percentage calculations.

ELECTRONIC PDS

An electronic copy of this PDS may be viewed online at www.vitalharvest.com.au/offer by Australian and New Zealand resident investors during the period of the Offer as set out in this PDS (**Offer Period**). The Offer under this PDS when in electronic form is available only to persons receiving this PDS in electronic form in Australia. If you access this PDS electronically please ensure that you download and read this PDS in its entirety. A paper form of this PDS can be obtained, free of charge, during the Offer Period by contacting the Trust Information Line on 1300 117 902 (toll free within Australia) or +61 3 9415 4055 (outside Australia) between 8.30am and 5.00pm AEST on business days during the Offer Period. Applications for Units will only be considered if made on an Application Form included in or accompanied by a copy of this PDS (refer to Section 9 for further information). You must not pass the Application Form on to another person unless it is accompanied by this PDS in its paper form or the complete and unaltered electronic form.

FOREIGN JURISDICTIONS

This PDS does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. This PDS has been prepared to comply with the requirements of the laws of Australia and New Zealand. The Offer is not being extended to any investor outside Australia and New Zealand, other than to certain Institutional Investors in select eligible jurisdictions (in relation to which see Section 9.10.9). The distribution of this PDS (whether electronically or otherwise) in jurisdictions outside of Australia and New Zealand may be restricted by law and persons who come into possession of this PDS should seek their own advice on and observe any

such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. Any person subscribing for Units in the Offer will by virtue of such subscription be deemed to represent that they are not in a jurisdiction which does not permit the making of an offer or invitation as detailed in this PDS, and are not acting for the account or benefit of a person within such jurisdiction. None of Vitalharvest REIT, the Responsible Entity, the Manager, the Registry, the Lead Manager, nor any of their respective directors, officers, employees, consultants, agents, partners or advisers accept any liability or responsibility to determine whether a person is able to participate in the Offer.

IMPORTANT INFORMATION FOR NEW ZEALAND INVESTORS

Warning statement

This Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This Offer and the contents of the PDS are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the Offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this Offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand

regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The price of the Offer is set out in Australian dollars, and, therefore, the Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market (in this case, intended to be, ASX) and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

The dispute resolution process described in this PDS is only available in Australia and is not available in New Zealand.

A copy of the PDS and other documents relating to the Offer have been, or will be, lodged with the New Zealand Disclose Register (<http://www.business.govt.nz/disclose>) under the mutual recognition scheme.

While the Offer is being extended to New Zealand investors under the mutual recognition regime, no application for listing and quotation is being made to NZX Limited.

UPDATED INFORMATION

Information regarding the Offer may need to be updated from time to time. Any updated information about the Offer that is considered not materially adverse to investors will be made available at www.vitalharvest.com.au/offer, and the Responsible Entity or the Manager will provide a copy of the updated information free of charge to any eligible investor who requests a copy by contacting the Trust Information Line on 1300 117 902 (toll free within Australia) or +61 3 9415 4055 (outside Australia) between 8.30am and 5.00pm (AEST) on business days during the Offer Period.

In accordance with its obligations under the Corporations Act, the Responsible Entity may issue a supplementary product disclosure statement to supplement any relevant information not disclosed in this PDS. You should read any supplementary or updated disclosures made in conjunction with this PDS prior to making any investment decision.

FINANCIAL INFORMATION

Unless otherwise specified or the context requires, all financial and operational information contained in this PDS is current as at the date of this PDS.

All currency amounts are in Australian dollars unless otherwise specified.

This PDS includes Forecast Financial Information based on the best estimate assumptions of the Responsible Entity. The financial information presented in this PDS, which consists of Historical Financial Information, Pro Forma Historical Financial Information and Forecast Financial Information, is reviewed but unaudited (with the exception of the Historical Financial Information). See Section 5 for further details on the Financial Information.

Vitalharvest Freehold Trust will operate on a financial year ending 30 June. Accordingly, Vitalharvest Freehold Trust's first annual statutory financial period will be the period ending 30 June 2019.

VARIATION OF THE OFFER

At any time prior to the allocation of Units contemplated in this PDS, the Responsible Entity reserves the right in its absolute discretion and

without liability, to vary the Offer or its procedures or to postpone or cancel the Offer. To the extent that any such variation of the Offer encompasses material changes to the Offer or its procedures, the Responsible Entity will provide notice of those changes by supplementary or replacement product disclosure statement or as otherwise permitted by law.

INDEPENDENT VALUATIONS

This PDS contains information regarding the independent valuations of the real property assets proposed to be acquired by Vitalharvest REIT (through a wholly-owned sub-trust) by a qualified Independent Valuer. Valuations are an opinion of a fair price payable by a willing buyer, not a guarantee of current or future market value. By necessity, valuations require the valuer to make subjective judgments that, even if logical and appropriate, may differ from those made by a purchaser or another valuer. Historically it has been considered that valuers may properly conclude within a range of possible values or those assumptions and conditions may not be met. Property values can change substantially, even over short periods of time, and an independent valuer's opinion of value could differ significantly if the date of valuation were to change. A high degree of volatility in the market may lead to fluctuations in values over a short period of time. It is encouraged that you read the Independent Valuation Report contained in Section 7 in its entirety prior to making your investment decision with respect to the Offer. A copy of the Independent Valuation Report will be provided upon request by contacting the Trust Information Line on 1300 117 902 (toll free within Australia) or +61 3 9415 4055 (outside Australia) between 8.30am and 5.00pm AEST on business days during the Offer Period.

INDUSTRY DATA, INFORMATION AND INDUSTRY REPORT

This PDS contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to Vitalharvest REIT's business and markets. Unless otherwise indicated, such information is based on publicly available information, as well as the Responsible Entity's analysis of such information.

Investors should note that market data and statistics are not inherently predictive, not necessarily reflective of actual market conditions and subject to uncertainty.

PAST PERFORMANCE DATA AND FORWARD LOOKING STATEMENTS

There are references to past performance in this document. Past performance is no guarantee of future performance. You should also consider the best estimate assumptions underlying the Forecast Financial Information (see Section 5.1 for further detail) and the investment risks (see Section 8 for further detail) that could affect Vitalharvest REIT's business, financial condition or results of operations and accordingly whether the Forecast Financial Information will be achieved.

This PDS contains both historical information and forward looking statements which are made as at the date of this PDS. Forward looking statements can be identified by the use of words such as 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'predict', 'guidance', 'plan' and other similar expressions. Indications of, and guidance on, future earnings and financial position and performance are also forward looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward looking statements. The forward looking statements involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to the Responsible Entity, the Manager and their respective officers, employees, agents or associates. All forward looking statements in this PDS reflect the reasonable and current expectations of the Responsible Entity, the Manager and their respective directors concerning future results and events held only immediately before the date of this PDS, unless otherwise stated. Subject to the Corporations Act and any other applicable law, each of the Responsible Entity, the Manager and their respective directors, officers, employees and advisers disclaim any duty to disseminate after the date of this PDS any updates or revisions to any such statements to reflect any change

in expectations in relation to such statements or any change in events, conditions or circumstances on which any such statement is based.

Preparation of these forward looking statements was undertaken with due care and attention. However, these forward looking statements and the financial performance of Vitalharvest REIT are subject to various known and unknown risks which may be beyond the control of the Responsible Entity and the Manager. As a result, Vitalharvest REIT's actual results and earnings following implementation of the transactions as set out in this PDS may differ significantly from those that are indicated in this PDS. Various business risks could affect future results of Vitalharvest REIT, causing results to differ from those which are expressed, implied or projected in any forward looking statements. Some of the more significant of these risks have been set out in Section 8 of this PDS. No assurance can be provided that actual performance will mirror the guidance provided.

Other than as required by law, none of the Responsible Entity, the Manager nor any of their respective directors, officers or employees or any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this PDS will actually occur. You are cautioned not to place undue reliance on those statements.

In addition, unforeseen or unpredictable events also could have material adverse effects on future results of Vitalharvest REIT. Given these uncertainties, you are cautioned to not place undue reliance on such forward looking statements.

PHOTOGRAPHS, DIAGRAMS AND ARTIST'S RENDERINGS

Photographs, diagrams and artist's renderings contained in this PDS that do not have accompanying descriptions are intended for illustrative purposes only. They should not be interpreted to mean an endorsement of this PDS or its contents by any person shown in these images. Furthermore, assets not accompanied by an express description indicating ownership should not be interpreted as being owned or intending to be acquired by Vitalharvest REIT. It

is possible that photographs, diagrams and artist's renderings contained in this PDS may contain assets other than assets proposed to be acquired by Vitalharvest REIT, or that any assets which are contained in such images may have changed in appearance since the image was taken or produced. Diagrams used in this PDS are also intended for illustrative purposes only and may not be drawn to scale. Graphs have been prepared based on information provided by CAM or Vitalharvest unless otherwise stated.

RELATIONSHIP TO COSTA GROUP LIMITED (ASX:CGC)

Costa Group has had no involvement in:

- the Trust or its formation or promotion;
- the Restructure;
- this PDS or its preparation;
- the Offer and issue of Units; or
- the contemplated listing of the Trust on ASX.

See Section 2.3 for more information on Vitalharvest REIT's relationship with Costa Group.

DISCLAIMER

No person is authorised to give any information, or to make any representation in connection with the Offer that is not contained in this PDS.

Any information or representation that is not contained in this PDS may not be relied on as having been authorised by the Responsible Entity or the Manager in connection with the Offer. Except as required by law, and only to the extent so required, neither the Responsible Entity nor the Manager, nor any other person, warrants or guarantees the future performance of Vitalharvest REIT, the repayment of capital, or any return on any investment made pursuant to this information.

The Lead Manager has not authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this PDS and do not make or purport to make any statement in this PDS and there is no statement in this PDS which is based on any statement by the Lead Manager. The Lead Manager and its affiliates, officers and employees, to the maximum extent permitted by law,

expressly disclaim all liabilities in respect of, make no representations regarding, and take no responsibility for, any part of this PDS and make no representation or warranty as to the currency, accuracy, reliability or completeness of this PDS.

It is expected that the Units will be Officially Quoted on ASX initially on a conditional and deferred settlement basis. Vitalharvest REIT, the Responsible Entity, the Manager and their respective directors and officers, the Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who trade Units before receiving their holding statement even if such a person received confirmation of allocation from the Trust Information Line, by a Broker or otherwise.

FURTHER QUESTIONS

If you have any queries relating to aspects of this PDS please call your broker or the Trust Information Line on 1300 117 902 (toll free within Australia) or +61 3 9415 4055 (outside Australia) from 8.30am until 5.00pm (AEST) on business days during the Offer Period.

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Key Offer Statistics and Important Dates

KEY OFFER STATISTICS AND IMPORTANT DATES

KEY DATES	
PDS lodgement date	Friday, 29 June 2018
Offer opens	Monday, 16 July 2018
Offer closes	Friday, 27 July 2018
Expected commencement of trading on a conditional and deferred settlement basis on ASX	Wednesday, 1 August 2018
Settlement of Offer	Thursday, 2 August 2018
Issue of Units	Friday, 3 August 2018
Expected dispatch of holding statements	Monday, 6 August 2018
Expected commencement of trading on a normal settlement basis on ASX	Thursday, 9 August 2018

Dates may change

The dates above (other than the PDS lodgement date) are indicative only. The Responsible Entity reserves the right to vary the dates set out above subject to the Corporations Act and other applicable law. The Responsible Entity reserves the right to close the Offer early, extend the Closing Date or accept late Applications without notifying any recipient of this PDS or any Applicant. Investors who wish to submit an Application are encouraged to do so as soon as practicable after the Offer opens.

KEY OFFER STATISTICS	
Offer Price per Unit	\$1.00
Number of Units available under the Offer	185.0 million
Proceeds from the Offer	\$185.0 million
Debt	\$95.0 million
Indicative Enterprise Value	\$280.0 million
Gearing	39.8%
Number of Units on issue on Allotment	185.0 million
Market capitalisation at the Offer Price	\$185.0 million
Pro Forma NAV per Unit*	\$0.79
Pro Forma Forecast FY18 FFO Yield	8.9%
Pro Forma Forecast FY18 Distribution Yield	8.0%
Pro Forma Forecast FY18 payout ratio	90%
Offer Price premium to Pro Forma NAV per Unit as of 31 December 2017	27.2%

* The Pro Forma NAV per Unit is less than the Offer Price per Unit due to the premium that will be paid for the Initial Assets and the deduction of Establishment Costs. See the Pro Forma Balance Sheet as at 31 December 2017 in Section 5.3.7.

KEY PROPERTIES STATISTICS	
Independent valuation (Leased)	\$238.4 million
Number of properties	7
WALE	8
WACR	8.9%

HOW TO INVEST

Instructions on how to apply for Units are set out in Section 9.

QUESTIONS

Please call the Trust Information Line on 1300 117 902 (toll free within Australia) or +61 3 9415 4055 (outside Australia) from 8.30am. If you are unclear in relation to any matter or are uncertain as to whether Vitalharvest REIT is a suitable investment for you, you should seek professional guidance from your solicitor, stock broker, accountant or other independent and qualified professional before deciding whether to invest.

LETTER TO INVESTORS

Dear Investor,

On behalf of the board of goFARM Asset Management Pty Ltd (**Manager**) as manager of the Vitalharvest Freehold Trust (**Trust**), I am delighted to invite you to invest in Vitalharvest REIT by becoming a unitholder in the Trust.

Vitalharvest REIT will, upon completion of the Restructure outlined in this Product Disclosure Statement (**PDS**), be listed on ASX and operate as an Australian real estate investment trust. The Trust will provide Unitholders with exposure to agricultural assets whose earnings profile and underlying value benefit from growing global demand for healthy nutritious food. The Trust's portfolio of high quality Australian berry and citrus assets is designed to provide Unitholders with a growing income stream and the potential for capital growth.

Upon listing, Vitalharvest REIT will acquire four berry properties located in New South Wales and Tasmania and three citrus properties located in South Australia.¹ The Initial Assets have been independently valued at approximately \$238.4 million by CBRE as at 31 May 2018 (see Section 7 of the PDS for the Independent Valuation Report) and offers investors:

- exposure to one of Australia's largest aggregations of citrus orchards and one of Australia's largest aggregation of berry farms;
- an attractive forecast yield backed by a 8 year WALE (with a 10 year option to extend);
- well-established, operationally proven and strategically located prime growing locations for citrus and berries;
- agricultural asset diversification by way of crop type, climatic region, water source and product end markets;
- a premium tenant in a wholly owned subsidiary of ASX listed Costa Group Holdings Limited (ASX:CGC), one of Australia's leading growers, packers and marketers of high quality fresh fruit and vegetables;
- growth opportunities through participation in capital expenditure projects, acquisitions of additional properties and exposure to increases in crop yields and productivity gains under the Variable Rent structure; and
- a highly experienced management team.

The investment model for the Initial Assets provides income from a Base Rental return and also a Variable Rent component based on a profit share of the Tenants' earnings from the Properties. This rental structure provides an attractive yield and return on further investment whilst also limiting exposure to the potential volatility of agricultural returns. The Manager's intention is to add to these initial assets through the acquisition of premium agricultural assets and the selection of high quality tenants. The board believes that, in the context of an environment where there is increasing global food insecurity and the demand for increased food productivity and quality is real and enduring, premium Australian and New Zealand agricultural assets present a compelling asset class for investment.

The Manager of Vitalharvest REIT will be goFARM Asset Management. goFARM Group is an agricultural asset manager which is 50% owned by CAM, being Costa Asset Management Pty Ltd ACN 079 151 894 as trustee for Costa Asset Management Unit Trust ACN 256 383 719. Collectively, goFARM Group's management team has developed more than 49,000 hectares in grain, citrus, cotton, berries, almonds and wine. CAM is the current beneficial owner of the Properties. Following the Restructure, CAM will remain an investor in the Trust by participating in the Offer. CAM intends to apply for 5% of the total Units under the Offer on issue, and reserves the right to acquire more. Units acquired by CAM under the Offer will be subject to a 12 month voluntary escrow period.

The Responsible Entity is seeking to raise approximately \$185.0 million through the issue of 185 million Units at an Offer Price of \$1.00 per Unit, including 9.25 million Units to be issued to CAM. The Offer comprises an Institutional Offer, Broker Firm Offer, General Offer and Priority Offer. An application will be made by the Responsible Entity within 7 days after the date of this PDS for the Trust to be listed, and to have its Units quoted on ASX.

¹ The Vitalharvest REIT will also acquire a number of ancillary Non Farming Initial Assets.

The Proceeds of the Offer and the net proceeds of the Debt Facilities will be applied:

- in connection with the acquisition of the shares in Vitalharvest (which owns the Initial Assets) and repay the existing indebtedness of Vitalharvest;
- to pay the costs associated with the establishment and registration of Vitalharvest REIT, the completion of the Restructure and the Offer; and
- to provide working capital for Vitalharvest REIT.

Vitalharvest REIT will have a Pro Forma forecast FY18 Distribution Yield for the period ending 30 June 2018 of 8.0% per annum. The first distribution to Unitholders is expected to be paid in March 2019. Vitalharvest REIT will have an initial Pro Forma gearing of 39.8% with a target Gearing of 40.0%. The Trust will have a Net Asset Value of \$0.79 per Unit compared with the Offer Price of \$1.00 per Unit. This reflects the premium being paid to CAM for the acquisition of the Initial Assets and the payment of Establishment Costs.

In accordance with the Distribution Policy, set out in detail in Section 5.5.8 of this PDS, the Responsible Entity intends to make Distributions on a twice yearly basis. The Trust intends to have a target range for Distributions of between 85% and 100% of its FFO.

This PDS contains important information regarding the Offer. I urge you to read it carefully and in its entirety, including Section 8, which sets out the key risks associated with an investment in the Trust such as:

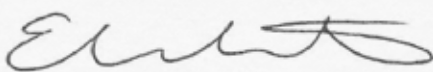
- weather and climate risks;
- commodity price fluctuations;
- exchange rates;
- loss of citrus market;
- increasing competition;
- impact of new 'Integrity Measure' proposal;
- access to water;
- disease and other horticultural risks; and
- breach of the Debt Facilities.

Section 11 sets out fees and other costs associated with investing in the Trust.

If you have any questions you should consult your stockbroker, accountant or other independent financial adviser before making an investment decision.

It is my pleasure to offer you this opportunity to subscribe for Units in the Trust in the initial public offering of Vitalharvest REIT and I look forward to welcoming you as a Unitholder.

Yours faithfully,



LIZA WHITMORE
CHAIR
GOFARM ASSET MANAGEMENT PTY LTD

Investment Overview

1

(Source: Vitalharvest / goFarm)



INVESTMENT OVERVIEW

The information set out in this Section 1 is a summary only. Investors should read the further information in the Sections referred to and consider this entire PDS before completing the Application Form as this PDS contains important information about an investment in the Units. Investors should also consider obtaining their own relevant professional advice before investing under the Offer.

TOPIC	SUMMARY	FOR FURTHER INFORMATION
VITALHARVEST REIT OVERVIEW		
What is Vitalharvest REIT?	<p>The Trust is a newly established registered managed investment scheme under Chapter 5C of the Corporations Act. The Trust has been formed specifically for the purpose of the Offer and following completion of the Offer, it is proposed that the Trust will be listed on ASX and operated as a listed Australian Real Estate Investment Trust (A-REIT).</p> <p>'Vitalharvest REIT' is the term used in this PDS and defined in the Glossary to refer to the Trust and, as the context requires, other sub-trusts in its structure as set out in Section 2.1.</p> <p>Upon completion of the Restructure, Vitalharvest REIT will hold, through the Leasehold Trust (a wholly-owned sub-trust), the Initial Assets, which will include the Properties (which include Australian citrus farms in South Australia and berry farms located in New South Wales and Tasmania) and the Water Rights and entitlements attaching directly or indirectly to the Properties. The Initial Assets have been independently valued at approximately \$238.4 million as at 31 May 2018 and are currently leased to wholly-owned subsidiaries of the ASX listed Costa Group.</p>	Sections 2.1, 2.6, 3.2 and 12.1
Who is the Responsible Entity of the Trust?	<p>The Responsible Entity of the Vitalharvest Freehold Trust is The Trust Company (RE Services) Limited ACN 003 278 831 which holds AFS Licence 235150 and is a professional trustee service provider.</p> <p>The Responsible Entity is a wholly-owned subsidiary of Perpetual.</p>	Sections 4.1 to 4.3
Who is the Manager of Vitalharvest REIT?	<p>The Responsible Entity has appointed goFARM Asset Management ACN 625 505 455 (Authorised Representative No. 001264243) as Manager of Vitalharvest REIT.</p> <p>To the extent that the Manager's functions require it to provide financial services to the Responsible Entity, it acts under an authorised representative appointment, AFS Licence 486217 which has no involvement in the preparation of this PDS.</p> <p>The Manager is a wholly-owned subsidiary of goFARM Holdings Pty Ltd which is 50% owned by Costa Asset Management Pty Ltd ACN 079 151 894 ATF Costa Asset Management Unit Trust (CAM). CAM owns the Initial Assets through its wholly owned subsidiary, Vitalharvest.</p> <p>The goFARM group of companies to which the Manager belongs is an Australian-based, privately funded, agricultural asset manager. Collectively, its management team has assisted in the development of and manages more than 49,000 hectares (including the Farming Properties) in grain, citrus, cotton, berries, almonds and wine. In doing so, it has built exposure to both annual crops (grain and cotton) and permanent crops (berries, citrus, almonds and wine grapes).</p>	Section 4.6
Background of Vitalharvest and the Initial Assets	<p>The Property Portfolio was originally held by Chiquita Brands South Pacific Limited (ACN 002 687 961) (Chiquita Brands). In 2007, interests associated with Frank, Robert and Anthony Costa acquired Chiquita Brands in a joint takeover bid. Chiquita Brands was subsequently delisted and renamed CostaExchange in 2007.</p> <p>On the sale of a 50% interest of CostaExchange to Paine Partners in October 2011, the Property Portfolio was sold to Vitalharvest (a company now wholly owned by CAM and associated with Robert and Anthony Costa), and leased back to the Tenants under the terms of the existing Leases.</p>	
What is Vitalharvest REIT's objective?	To provide Unitholders with exposure to real property assets whose earnings profile and underlying value are exposed to the growing global demand for nutritious, healthy food via a portfolio of high quality Australian and New Zealand agricultural properties which are leased to quality operator(s) to provide Unitholders with a growing income stream and the potential for capital growth.	Section 2.2

TOPIC	SUMMARY	FOR FURTHER INFORMATION
VITALHARVEST REIT OVERVIEW		
What are Vitalharvest REIT's investment and growth strategies?	<p>Vitalharvest REIT's investment and growth strategies are:</p> <ul style="list-style-type: none"> to invest in the Initial Assets and other high quality agricultural properties in Australia and New Zealand that can be leased to quality operator(s) on a medium or long-term basis and which offer opportunities for both income and capital growth and diversification (by crop, geography and tenant); as and when the opportunities arise in relation to the Initial Assets, to participate in value-accretive capital expenditure projects to be undertaken by the Tenants involving the Farming Properties and/or Packshed Properties which will increase the Base Rent under the terms of the leases and/or Variable Rent through improved productivity and crop yields; and to fund investments through an appropriate mix of equity and debt to ensure that a prudent capital structure is maintained. 	Section 2.2
Structure of Vitalharvest REIT	<p>As at the date of the PDS, the Properties are all owned by Vitalharvest, a wholly-owned subsidiary of CAM. Following the Restructure, Vitalharvest will continue to be indirectly owned by CAM through the Trust, however upon the issue of Units to Successful Applicants, CAM's ownership of Vitalharvest will cease and the Trust will ultimately own all the Vitalharvest Shares. Further information in relation to the Restructure is provided below.</p> <p>The issue of Units to Successful Applicants under the Offer is subject to (among other things) completion of the Restructure which is subject to certain conditions.</p> <p>Upon completion of the Restructure:</p> <ul style="list-style-type: none"> Vitalharvest REIT will own: <ul style="list-style-type: none"> all of the units in the Finance Trust; all of the units in the Leasehold Trust; and all of the shares in the Vitalharvest Finance. Vitalharvest Finance will be the trustee of the Finance Trust and in addition, Vitalharvest Finance in its own personal capacity will own all of the Vitalharvest Shares; the Finance Trustee will have entered into the Debt Facilities; and Vitalharvest will be the trustee of the Leasehold Trust and in that capacity will directly hold the Initial Assets. <p>The Implementation Deed specifies the steps required to be undertaken for the purpose of the Restructure.</p> <p>As at the date of this PDS, the Restructure has not been completed and completion of the Restructure is conditional upon the conditions precedent in the Implementation Deed being satisfied including:</p> <ul style="list-style-type: none"> successfully raising the Minimum Subscription of \$185.0 million pursuant to the Offer; the Trust being listed on ASX and commencement of trading in Units on a conditional and deferred settlement basis on ASX; and an offer with respect to the Debt Facilities from NAB to the Finance Trustee of not less than \$95.0 million of core debt (divided equally between two core debt facilities) and not less than \$15.0 million for a capital expenditure facility in a form acceptable to CAM and capable of acceptance by the Finance Trustee. 	Sections 2.1 and 13.1

TOPIC	SUMMARY	FOR FURTHER INFORMATION																		
	<p>The Restructure will result in, among other things, Vitalharvest REIT acquiring the Initial Assets that are currently owned by Vitalharvest. After the issue of Units to Successful Applicants under the Offer, Vitalharvest REIT will own the Initial Assets (collectively, Portfolio) through the structure as set out in the diagram below.</p> <div><p>Unitholders</p><pre>graph TD; Unitholders --> VFT[Vitalharvest Freehold Trust]; VFT -- 100% --> LT[Leasehold Trust]; VFT -- 100% --> FT[Finance Trust]; LT --> Portfolio</pre></div>																			
PROPERTIES																				
What will Vitalharvest REIT acquire as part of the Restructure?	<p>Following the Restructure, Vitalharvest REIT will own (via the wholly-owned Leasehold Trust) the Initial Assets, which include:</p> <ul style="list-style-type: none">• 4 Berry Properties located in New South Wales and Tasmania;• 3 Citrus Properties and Packshed Properties located in South Australia; and• Water Rights pertaining to the Berry Properties and Citrus Properties. <p>The Initial Assets are currently owned by Vitalharvest, which is wholly-owned by CAM.</p>	Sections 2.1 and 12.2																		
What are the key metrics of the Initial Assets?	<table><tr><td>Independent Properties valuation (Leased) based on the Independent Valuation Report</td><td>\$238.4 million</td></tr><tr><td>Independent Properties valuation (vacant possession) based on the Independent Valuation Report</td><td>\$216.95 million</td></tr><tr><td>Number of Properties²</td><td>7</td></tr><tr><td>Tenants</td><td>Wholly-owned subsidiaries of Costa Group</td></tr><tr><td>Occupancy</td><td>100.0%</td></tr><tr><td>WALE</td><td>8 years³</td></tr><tr><td>Pro Forma Forecast FY18 WACR</td><td>8.9%</td></tr><tr><td>4-year rental CAGR (FY14 to Forecast FY18)</td><td>8.1%</td></tr><tr><td>Initial Gearing</td><td>39.8%</td></tr></table>	Independent Properties valuation (Leased) based on the Independent Valuation Report	\$238.4 million	Independent Properties valuation (vacant possession) based on the Independent Valuation Report	\$216.95 million	Number of Properties ²	7	Tenants	Wholly-owned subsidiaries of Costa Group	Occupancy	100.0%	WALE	8 years³	Pro Forma Forecast FY18 WACR	8.9%	4-year rental CAGR (FY14 to Forecast FY18)	8.1%	Initial Gearing	39.8%	Section 7
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² This excludes the Grays Road Property Lease, the term of which expires in 2027 with a 10 year option to extend the lease to 2037 (and, for the avoidance of doubt, any arrangements relating to the Non-Farming Properties). This also excludes the third consecutive Berry Lease at the Dunorlan Property which automatically terminates if an option under one of the other Berry Leases is not exercised.

³ The Grays Road Property Lease expires in 2027, however, if an option under one of the other Berry Leases is exercised, the option under the Berry Lease for this property would also be exercised and its lease term extended for 10 years from June 2026 (i.e. on the same basis as the other Berry Leases).

TOPIC	SUMMARY	FOR FURTHER INFORMATION
TENANTS AND KEY LEASE TERMS		
Who are the Tenants?	<p>The Farming Properties are leased to wholly-owned subsidiaries of Costa Group, more specifically:</p> <ul style="list-style-type: none"> the Berry Properties are leased to CostaExchange; and the Citrus Properties are leased to AgriExchange. <p>In relation to the Non-Farming Properties:</p> <ul style="list-style-type: none"> the Solora Packshed is leased to AgriExchange; the Kangara Packshed is leased to AgriExchange Murtho Pty Ltd ACN 093 583 049, a wholly-owned subsidiary of AgriExchange; the land the subject of the NBNCo Leases is leased to NBNCo; and part of the Dunorlan Property is subject to a Tree Farming Agreement between Vitalharvest and TFOT. 	Sections 3.5 and 12.2
Who is Costa Group?	<p>Costa Group is Australia's leading grower, packer and marketer of premium quality fresh fruit and vegetables. Costa Group's operations include approximately 3,500 planted hectares of farmland, 30 hectares of glasshouse facilities and 7 mushroom growing facilities across Australia. Costa Group also has joint ventures covering 5 blueberry farms in Morocco and 2 berry farms in China.</p> <p>Listed on ASX in July 2015, Costa Group has a market capitalisation of approximately \$2.5 billion as at 31 May 2018, with total revenues of \$909.1 million and EBITDA-S before material items of \$115.2 million in FY2017.</p> <p>Costa Group has had no involvement in this PDS or the Offer or in the promotion or formation of Vitalharvest REIT. For the avoidance of doubt, CAM and Costa Group are not related parties.</p>	Sections 2.3 and 3.5
What is the term of the Leases and are there any options to renew the term of the Leases?	<p>The Leases (other than the Berry Lease for the Dunorlan Property) each have terms expiring on or about 30 June 2026⁴ with an option to renew the term for a further 10 years (expiring on or about 30 June 2036), exercisable by the Tenant only.</p> <p>If the option for one of the Berry Leases is exercised, the options for all other Berry Leases (other than the Berry Lease relating to the Dunorlan Property) are automatically exercised. Likewise, if the option for one of the Citrus Leases is exercised, the options for all other Citrus Leases are automatically exercised.</p> <p>The Berry Lease for the Dunorlan Property comprises three consecutive lease terms with the expiration of the final lease coinciding with the expiration of the remaining Berry Leases after the exercise of the option on or about 30 June 2026. If an option under the other Berry Leases is not exercised the lease of the Dunorlan Property will automatically terminate on 1 July 2026 coinciding with the expiration of the other Berry Leases.</p> <p>The information about the Leases, unless otherwise stated, relates to the Berry Leases and Citrus Leases only and does not apply to the Packshed Leases (in relation to which see Sections 12.2.2 and 12.2.3), the NBNCo Leases and the Tree Farming Agreement (in relation to which see Section 12.2.4).</p>	Sections 2.5.1 and 12.2.1

⁴The Grays Road Property Lease expires in 2027, however, if an option under one of the other Berry Leases is exercised, the option under the Berry Lease for this property would also be exercised and its lease term extended for 10 years from June 2026 (i.e. on the same basis as the other Berry Leases).

TOPIC	SUMMARY	FOR FURTHER INFORMATION
<p>What is the current annual rental under the Leases, what does it comprise and how is it calculated?</p>	<p>The total rent received from the Tenants in FY17 was \$16.3 million. The Pro Forma forecast rent for FY18 is \$21.3 million.</p> <p>The Tenant under a Lease of a Farming Property must pay the Base Rent and the Variable Rent.</p> <p>The Base Rent is payable by equal monthly instalments in advance, while the Variable Rent is calculated annually and payable bi-annually based on forecast and actual EBT for the Tenant.</p> <p>The Base Rent (per annum excluding GST) is calculated as:</p> <ul style="list-style-type: none"> • 8% of the Landlord's acquisition cost of that Farming Property (being the total cost paid by the Landlord for acquisition of that Farming Property, and all stamp duty, lodging fees, legal accounting and valuation fees associated with the acquisition of that Farming Property and any monies paid or reimbursed by the Landlord for the initial capital works program undertaken in accordance with the terms of the relevant Lease); plus • 8% of all monies paid by the Landlord for any crop expansion or further development undertaken in relation to the relevant Farming Property from time to time with the Landlord's approval (in accordance with the terms of the relevant Lease of that Farming Property). <p>The Variable Rent is broadly calculated as 25% of the earnings before interest and tax derived by the Tenant from the Properties utilised for the purposes of the berry and citrus business (including, to the extent applicable, the Farming Properties and the Packshed Properties), net of agreed adjustments including an imputed interest charge for the Tenants' working capital and capital expenditure undertaken by the Tenant on the relevant Properties and not paid for by the Landlord.</p> <p>While the concept and method for determining the Base Rent and Variable Rent in relation to the Berry Lease relating to the Dunorlan Property is broadly the same, certain differences apply in relation to the setting of the Base Rent at the commencement of the second and third consecutive leases for the Dunorlan Property. Further details regarding the rent payable for the Berry Lease relating to the Dunorlan Property is set out in Section 12.2.4.</p>	<p>Sections 12.2.1 and 12.2.4</p>
<p>What is the contracted rent growth?</p>	<p>The percentage used for the calculation of the Base Rent and Variable Rent is fixed for the current term of the Leases. The Leases do not include any fixed or benchmarked annual rental increases to the Base Rent. The Leases have been structured to allow for the Landlord to benefit from increases in the Base Rent as a result of Landlord contributions to capital expenditure projects.</p> <p>All contributions by the Landlord in relation to any crop expansion or further development of the Farming Property will result in an increase in the annual Base Rent by 8% of the amount of the contribution for the remainder of the relevant Lease term.</p> <p>During FY14 to Pro Forma Forecast FY18, Vitalharvest is forecast to contribute \$27.0 million to capital expenditure projects undertaken by the Tenants at the Farming Properties and Packshed Properties.</p> <p>The Variable Rent varies depending on the performance of the Tenants' operations, including:</p> <ul style="list-style-type: none"> • improvements in yields from continued maturity of bushes and trees; • improvements in farming technologies such as conversion of the Berry Properties from soil to substrate which may also be protected by tunnels; • reduced exposure to natural elements such as wind and frost; • improved quality of fruit which can enable the Tenants to demand higher sale prices; and • increasing scale of packing operations. 	<p>Sections 2.5.3 to 2.5.6 and 3.4</p>

TOPIC	SUMMARY	FOR FURTHER INFORMATION
What happens if the options to renew the terms of the Leases are exercised?	<p>Except in the case of the Berry Lease for the Dunorlan Property, the Tenants have the option to renew the Leases for a further 10 year period from on or about 30 June 2026.⁵</p> <p>Upon exercise of the options to renew under a Lease for a Farming Property, the Base Rent in relation to that Lease is to be adjusted to the higher of:</p> <ul style="list-style-type: none"> the 'Market Formula', being 8% of the value of the Land Assets, on a going concern basis as at the applicable rent review date (including improvements) but not including the amount of any rent or other amounts paid to the Landlord in respect of the Land Assets; and the Base Rent in the final year of the initial Lease term. <p>The options to renew cannot be exercised by the Tenant until on or about 30 December 2024, however, had the options to renew been exercised with effect at 31 May 2018 (or if the Farming Properties were leased to a third party at an 8% yield), based on the Independent Valuation Report, the Base Rent would have increased from \$9.1 million (Pro Forma FY18 forecast) to \$17.4 million.⁶ However, there is no guarantee that the options to renew will be exercised or that the value of the Farming Properties will be the same on the exercise of any option to renew as they were as at the date of the Independent Valuation Report.</p> <p>If the options to renew are exercised for the Farming Properties, the Variable Rent will continue to be payable and its calculation methodology would not change.</p> <p>There is no option to renew the Berry Lease relating to the Dunorlan Property, which is instead structured as three consecutive leases. Further details in relation to the Berry Lease relating to the Dunorlan Property are set out in Section 12.2.4.</p>	Sections 12.2.1 and 12.2.4
What rights does a Tenant have to terminate the Leases?	Each Tenant has a right to terminate their Lease if the Landlord becomes insolvent or ceases to carry on business.	Sections 12.2.1 to 12.2.4
Who is responsible for property outgoings, repairs and maintenance?	<p>Each Tenant of a Farming Property is responsible for all outgoings and costs associated with ownership of the Farming Property.</p> <p>Each Tenant, at its own cost and expense, must cultivate, maintain and manage the Plantings to ensure that the Plantings are healthy and producing optimal crops and maintain the Farming Properties to a standard consistent with Best Horticultural Practice, in a good workmanlike and commercially responsible manner.</p> <p>During the term of their Lease each Tenant has an obligation to:</p> <ul style="list-style-type: none"> maintain the area and general age of the bushes or trees by undertaking a pre agreed and regular replanting scheme; replace any damaged or diseased bushes or trees with replacement bushes or trees (as applicable); and ensure that the Farming Properties are returned to the Landlord in substantially similar condition with productive and functioning farms at the end of the Leases. 	Sections 12.2.1 to 12.2.4

⁵ The Grays Road Property Lease expires in 2027, however, if an option under one of the other Berry Leases is exercised, the option under the Berry Lease for this property would also be exercised and its lease term extended for 10 years from June 2026 (i.e. on the same basis as the other Berry Leases).

⁶ Calculated as \$216.95 million (CBRE vacant possession valuation as at 31 May 2018) x 8%.

TOPIC	SUMMARY	FOR FURTHER INFORMATION
Who is responsible for the environmental liabilities of the Farming Properties?	Each Tenant of a Farming Property has the obligation to farm the Farming Property using Best Horticultural Practice. If the Tenants' actions result in environmental issues at the Farming Property, the Tenant will be liable for all loss and damage suffered as a consequence.	Sections 2.5 and 12.2.1 to 12.2.4
Does the Tenant have a first right of refusal to acquire the Farming Properties?	The Tenant of a Farming Property has a first right of refusal to purchase the Property only if the Landlord becomes insolvent or ceases to carry on business. In those circumstances the Tenant may terminate the Leases.	Sections 12.2.1 to 12.2.4
What happens once the Leases expire?	At the expiration or termination of the Leases of the Farming Properties, the Tenants must provide vacant possession of the Farming Properties and the Landlord can re-take possession of the Farming Properties. All citrus trees remain the property of the Landlord and must remain planted at the end of the Citrus Leases. All berry bushes, other than PBR Bushes, are the property of the Landlord and must remain planted at the end of the Berry Leases. The PBR Bushes are the subject of intellectual property rights of CostaExchange (Costa IP) or Driscoll's and licensed to CostaExchange (Driscoll's IP). On the termination of the Berry Leases, the Landlord will have the benefit of a licence to the Costa IP (on an ongoing basis/in perpetuity) under the terms of the Berry Leases and the Driscoll's IP for specified seasons, which vary depending on the types of berries which relate to those PBR Bushes under the terms of the Grower Deed.	Sections 12.2.1 to 12.2.5
CORPORATE GOVERNANCE AND MANAGEMENT		
Who is responsible for the operation of the Trust?	The Responsible Entity is responsible for the operation of the Trust and holds the assets of the Trust on trust for Unitholders. The Responsible Entity must comply with the terms of the Constitution and its duties and obligations under the Corporations Act (including its duty to act in the best interests of Unitholders) and general trust law. The Responsible Entity has the power to delegate certain aspects of its duties, including to the Manager. While the Responsible Entity has delegated the investment management, property management and other administrative functions to the Manager and other entities, it retains ultimate responsibility for the performance of these functions.	Section 4.2
What is the Manager's role?	The Responsible Entity and the Manager have entered into a Management Agreement pursuant to which the Manager has agreed to provide investment management, general administration, listed fund administration and day-to-day property management services to the Responsible Entity, the Finance Trustee and Leasehold Trustee in relation to Vitalharvest REIT. The Manager will be responsible for setting and executing Vitalharvest REIT's acquisition strategy and criteria and its capital management policy. It will also manage the leases of the Properties and be responsible for all operational matters associated with the Property Portfolio and Vitalharvest REIT.	Section 4.6

TOPIC	SUMMARY	FOR FURTHER INFORMATION				
What is the term of the Manager's appointment	An initial term of 10 years subject to early termination in accordance with the terms of the Management Agreement. Subject to the approval of Unitholders, the term may be extended for 2 further terms of 5 years each to a maximum of 10 years if the Management Agreement is not otherwise terminated in accordance with the terms of the Management Agreement.	Sections 4.6 and 12.1.3				
What fees will the Responsible Entity receive?	The Responsible Entity will receive a Responsible Entity fee of up to 0.05% per annum of the Trust GAV as permitted under the terms of the Constitution. The percentage may reduce on a sliding scale as the Trust GAV increases. The Responsible Entity is also entitled to receive an hourly rate for additional fund administration services that it provides.	Sections 11.3.1 and 12.1				
What fees will the Manager receive?	<p>Under the terms of the Management Agreement, the Manager will be entitled to charge the following fees:</p> <p>A Management Fee calculated as 0.6% per annum of the Initial Assets GAV but agreed to be fixed at \$500,000 per annum (increasing annually by CPI) for the initial 10 year term of the Management Agreement (Initial Term).</p> <p>An Asset Management Fee calculated as:</p> <ul style="list-style-type: none">• 0.45% per annum of the difference between the Initial Assets GAV and the Commencing GAV applicable to the Initial Assets (as specified in the Pro Forma Balance Sheet in Section 5.3.7); plus• 1.05% per annum of New Assets GAV. <p>An Acquisition Fee on the purchase of New Assets calculated as 1% of Gross Acquisition Cost of New Assets.</p> <p>An Early Termination Fee of 1.5% of Gross Asset Value (as defined in Section 11) payable only in limited circumstances where the Management Agreement is terminated by the Manager due to a takeover of Vitalharvest REIT as described in Section 11 or it is delisted from the ASX (otherwise than due to breach by the Manager or circumstances within the reasonable control of the Manager).</p> <p>Refer to Section 11 for more detailed information relating to these fees including capitalised terms used that are not otherwise defined in the Glossary.</p> <p>The Manager is also entitled to claim for reimbursement out of the assets of Vitalharvest REIT all costs properly incurred by it in providing the services under the Management Agreement.</p>	Sections 11.3.1 and 12.1.3				
Are there any related party transactions?	The Management Agreement is a related party transaction that has been approved by CAM as the initial Unitholder of the Trust for the purposes of the related party provisions of the Corporations Act.	Section 13.4				
What interests are held by the Responsible Entity, CAM, the Manager and their respective directors?	<p>As at the date of the PDS, CAM beneficially owns all of the Units which will be automatically redeemed once Units offered under this PDS are issued to Successful Applicants.</p> <p>As at the date of this PDS, none of the Responsible Entity, the Manager nor their respective directors hold any Units other than one Establishment Unit held by Rhonda Arnott as nominee for CAM, whether directly or indirectly.</p> <p>CAM intends to participate in the Offer as follows:</p> <table><tr><th>Name of entity/director</th><th>Units to be subscribed for under the Offer</th></tr><tr><td>CAM</td><td>9,250,000 Units</td></tr></table> <p>As a result of its participation, CAM will hold 5% of the total Units issued under the Offer, and reserves the right to acquire more.⁷</p> <p>Liza Whitmore is the CEO and executive director of CAM and therefore has a non-controlling indirect interest in CAM.</p> <p>From time to time, the Responsible Entity, the Manager or their respective related bodies corporate or Directors may hold Units.</p>	Name of entity/director	Units to be subscribed for under the Offer	CAM	9,250,000 Units	Section 13.4
Name of entity/director	Units to be subscribed for under the Offer					
CAM	9,250,000 Units					

⁷ These Units will be subject to the voluntary escrow arrangements described in Section 9.9.

TOPIC	SUMMARY	FOR FURTHER INFORMATION
What other roles have been delegated by Vitalharvest REIT?	<p>In addition to the Manager, the Responsible Entity has also appointed or will shortly finalise the appointment of:</p> <ul style="list-style-type: none"> • Computershare Investor Services Pty Ltd to provide registry functions; and • Deloitte Touche Tohmatsu as auditor of the Trust. <p>The Responsible Entity, the Leasehold Trustee and the Finance Trustee have appointed or will shortly appoint the Custodian to hold the assets of the Trust, the Leasehold Trust and the Finance Trust (other than the Initial Assets which will be held directly by the Leasehold Trustee) and to provide for the arrangements to apply with respect to the holding all such assets.</p>	Sections 4.1, 12.1.6, 12.1.7 and 12.1.8
KEY INVESTMENT HIGHLIGHTS		
One of Australia's largest aggregations of citrus orchards and berry farms leased to a quality Tenant	<p>The Properties, including the Farming Properties:</p> <ul style="list-style-type: none"> • represent one of Australia's largest aggregations of citrus orchards and berry farms. • comprising the Farming Properties, are well-established, operationally proven and strategically located in prime growing locations for citrus and berries (as applicable) in the States of New South Wales, Tasmania and South Australia. • given their scale (an aggregate planted area of 2,264 hectares and total area of 3,742 hectares) and strategic locations, are considered difficult for any new entrant or existing land owner to replicate. • include key infrastructure such as irrigation piping, dams, packing sheds, coolrooms and storage facilities and include vertically integrated assets such as the Packshed Properties. • include 13,531.7 ML of water entitlements of various classes. • comprising the Farming Properties, are leased to wholly-owned subsidiaries of ASX-listed Costa Group ASX:CGC, one of Australia's leading growers, packers and marketers of premium quality fresh fruit and vegetables which has a market capitalisation of approximately \$2.5 billion as at 31 May 2018. 	Section 3
Attractive forecast yield	<p>The Leases (not including the Berry Lease of the Dunorlan Property, and, for the avoidance of doubt, not including the Packshed Leases):</p> <ul style="list-style-type: none"> • have an 8.0 year⁸ WALE; and • can be extended at the option of the Tenant for a further 10 years.⁹ <p>Vitalharvest REIT's forecast Pro Forma Distribution for FY18 is \$14.8 million representing a Pro Forma Forecast FY18 Distribution Yield of 8.0%.</p>	Sections 3.3 and 5.3.2
Growing income stream	<p>Aggregate rent from the Leases is forecast to increase from \$15.6 million in FY14 to \$21.3 million in Pro Forma Forecast FY18, representing a CAGR of 8.1% per annum.</p> <p>The Base Rent is forecast to increase from \$7.4 million in FY14 to \$9.1 million in Pro Forma Forecast FY18, representing a CAGR of 5.3% per annum.</p> <p>Between FY14 and Pro Forma Forecast FY18, Variable Rent is forecast to increase from \$8.2 million to \$12.2 million representing a CAGR of 10.4% per annum.</p> <p>While the income stream has been growing in the manner referred to above in the periods referred to above, past performance is not necessarily an indicator of future performance and there can be no guarantee that income will continue to grow or that the forecast for FY18 will be achieved.</p>	Section 5.4.1

⁸ This excludes the Grays Road Property Lease, the term of which expires in 2027 with a 10 year option to extend the lease to 2037.

⁹ See Section 12.2.4 for information about the Dunorlan Arrangements and Sections 12.2.2 and 12.2.3 for information about the Packshed Leases.

TOPIC	SUMMARY	FOR FURTHER INFORMATION
Diversified properties	<p>The Properties are diversified across:</p> <ul style="list-style-type: none"> • Geography: The Properties are variously located in the Riverland region of South Australia, northern and southern New South Wales and northern Tasmania. • Water source: The Citrus Properties source water from the Murray River system while the Berry Properties source water from rain water stored in dams on the respective Properties. • Crop type: Primarily on a range of berry and citrus crops, but also includes less substantial crops of avocados, wine grape and persimmon, which are planted on the Farming Properties. • End markets: The crops from the Farming Properties are sold by the Tenants to a mixture of local and overseas export markets. 	Section 3
Opportunities for growth	<p>Organic growth</p> <p>Due to the method by which it is determined, the Base Rent is expected (but not guaranteed) to grow as the Tenant continues to invest in the Farming Properties.</p> <p>Due to the method by which it is determined, the Manager expects (but does not guarantee) the aggregate Variable Rent to continue to increase due to:</p> <ul style="list-style-type: none"> • increases in berry yields as a result of CostaExchange converting some of its berry bushes from soil planted to being planted in substrate pots; • strong local consumer demand for berries and strong export demand for citrus; • CostaExchange's introduction of new blueberry and blackberry varieties; • recent 'top working' of the Citrus Properties (under which the top of the tree is cut off and a new variety of fruit is grafted onto the trunk and root system); • a recently upgraded citrus packing facility which has significantly increased throughput and efficiency; • installation of protective netting on the Citrus Properties which is expected to increase yield and reduce costs; and • installation of protective tunnels over the new substrate plantings on the Berry Properties which provides increased protection from adverse weather conditions. <p>Growth through acquisition</p> <p>The intention is for the Manager to actively pursue the acquisition of high quality agricultural properties that are or can be leased to quality third party operators/managers. This is expected to enable Vitalharvest REIT to:</p> <ul style="list-style-type: none"> • achieve economies of scale by spreading its fixed operating costs over a larger asset base; • invest in higher yielding properties; and • achieve further diversification in terms of property location, planted crops, end markets, water sources and third party tenants, operators or managers. 	Section 2

TOPIC	SUMMARY	FOR FURTHER INFORMATION
Experienced property team with an intimate understanding of the Properties	<p>Collectively, the Manager's management team has developed and managed more than 49,000 hectares (including the Farming Properties) in grain, citrus, cotton, berries, almonds and wine.</p> <p>The property team is led by Liza Whitmore and Liam Lenaghan and comprises agricultural analysts, commercial research, finance and day to day asset management and compliance.</p> <p>Liza Whitmore - Executive Chair</p> <p>Liza has been the CEO of CAM since 2011. Previously, Liza held a senior management role with the Costa Group having worked for the Costa family since 2002. In her role as CEO Liza is responsible for the management, strategy and performance of a significant portfolio of assets including CAM's Australian agricultural investments, residential, commercial and industrial property assets, operating businesses and equities.</p> <p>Liza has extensive knowledge of the Properties and Water Rights and has managed the Properties since their acquisition by Vitalharvest in 2011. She has experience in the berry and citrus operations conducted at the Properties and these industries generally and is currently responsible for management of the Properties.</p> <p>Liza is a member of CPA Australia, holds a Bachelor of Commerce degree and has a Graduate Certificate in Accounting.</p> <p>Lieutenant General Ken Gillespie AC DSC CSM (ret'd) - Independent Non-Executive Director</p> <p>Ken is an experienced, highly decorated national leader. After a 43-year career in the military, Ken retired as Chief of the Australian Army in mid-2011. Since his departure from the military Ken has developed a strong commercial career. He is currently a Chairman of the Australian Strategic Policy Institute and Indoor Skydive Australia Group. He is a member of the Boards of Airbus Asia Pacific, Senetas Corporation, the Anzac Research Institute, and is on the Advisory Board of Veolia Australia. He provides consulting services to the NSW Government, Skytraders, corporations and small companies. Ken possesses a broad range of practical experience including in military high command, diplomacy, and private and public sector leadership. He specialises in strategic reviews, strategy development, structural reform, team building and leadership development across diverse and challenging work environments and workforces.</p> <p>Liam Lenaghan - Managing Director</p> <p>Liam's career has progressed from applied research and extension, through to agronomy and farm management consultancy and on to leading private investment in Australian agricultural industries. Since the inception of the goFARM group, Liam has identified and project managed the acquisition, development and execution of investment-grade opportunities and the ongoing management of more than 46,000ha of land across southern New South Wales and Victoria.</p> <p>Prior to establishing the goFARM business, Liam was director of DRAPAC Agricultural and General Manager Agribusiness, Warakirri Asset Management. Liam holds a Bachelor of Agricultural Science (Hons.) and a Graduate Diploma of Applied Finance and Investment.</p>	Section 4.6

TOPIC	SUMMARY	FOR FURTHER INFORMATION
KEY RISKS		
What are the key risks to an investment in Vitalharvest REIT?	<p>An investment in Vitalharvest REIT is subject to risk and no guarantee is given as to the future performance of Vitalharvest REIT, the repayment of capital, or any return on any investment made pursuant to this PDS.</p> <p>Vitalharvest REIT's income, Distributions, the value of its assets and the value of the Units may be impacted by the following risk factors:</p> <p>WEATHER AND CLIMATE RISKS</p> <p>Extreme weather events including fire, frost, floods, hail or drought and climate change may result in damage to crops at the Properties which may adversely impact agricultural productivity at the Properties and the Tenants' EBT, which in turn may have an adverse impact on the aggregate Rent which Vitalharvest REIT receives and the value of the Properties.</p> <p>COMMODITY PRICE FLUCTUATIONS</p> <p>Changes in both global and domestic commodity pricing may affect the Tenants' EBT, in particular, agricultural commodity price fluctuations in berry and citrus prices and fluctuations in the cost of farming inputs including fertiliser and insecticides.</p> <p>As such, any negative movement in commodity prices may have an adverse effect on the Tenants' EBT, which in turn may have an adverse impact on the aggregate Rent which Vitalharvest REIT receives and the value of the Properties.</p> <p>EXCHANGE RATES</p> <p>Vitalharvest REIT's revenues are generated in Australian dollars. However, a substantial proportion of the citrus products that Costa Group produces in Australia are sold in the world market and typically traded in US dollars. Additionally, some input costs such as chemical fertiliser and fuel may be payable in US dollars. Accordingly, any appreciation or depreciation of the Australian dollar against the US dollar as well as other adverse exchange rate movements could have an adverse effect on Vitalharvest REIT's future financial performance and position.</p> <p>LOSS OF CITRUS MARKET</p> <p>Costa Group exports a substantial amount of its citrus produce to offshore markets. If key offshore markets are closed to Australian citrus produce (e.g. through tariffs and restrictions) or if it becomes uneconomic to export Australian citrus to these markets by virtue of a rising Australian dollar or other costs, this may adversely impact AgriExchange's EBT. This may have an adverse impact on the aggregate Rent which Vitalharvest REIT receives and the value of the Properties.</p> <p>INCREASING COMPETITION</p> <p>The berry and citrus markets are competitive, and if the Tenants are unable to compete effectively, the Tenants' EBT may suffer, which in turn may have an adverse impact on the aggregate Rent which Vitalharvest REIT receives.</p> <p>In addition, the Tenants' competitors may introduce new and/or superior citrus or berry varieties which may adversely impact the Tenants' market position and the prices it can command for its fruit from the market.</p> <p>IMPACT OF NEW 'INTEGRITY MEASURE' PROPOSAL</p> <p>On 27 March 2018 the Australian Government announced an 'Integrity Measure' proposal whereby foreign investors in Managed Investment Trusts holding agricultural land will not be able to access the concessional rate of withholding tax (currently 15%) in respect of fund payments made on or after 1 July 2019. If enacted, it is expected that this would apply to the Trust. As at the date of this PDS no legislation has been introduced into the Australian Federal Parliament in relation to the proposal.</p>	Section 8

TOPIC	SUMMARY	FOR FURTHER INFORMATION
	<p>ACCESS TO WATER</p> <p>Due to the highly regulated nature of water from the Murray River system, the Citrus Properties may be exposed to water availability risks which may adversely impact agricultural productivity on the Citrus Properties and the financial position of Vitalharvest REIT. Changes in government policy relating to the delivery and cost of water may also impact the underlying value of the Initial Assets. Water at the Berry Properties is predominantly locally sourced surface and groundwater and therefore is dependent on the level of rainfall into catchment areas and dams.</p> <p>DISEASE AND OTHER HORTICULTURAL RISKS</p> <p>Plantings at the Properties may be exposed to disease or insect infestation which may adversely impact the viability of the crops in any particular season. This may adversely affect the relevant Tenants' EBT, which in turn may have an adverse impact on the aggregate Rent which Vitalharvest REIT receives. The suitability of the Properties to produce the intended crops in the future and the value of the Properties may also be adversely effected.</p> <p>BREACH OF THE DEBT FACILITIES</p> <p>If an event of default occurs under the Debt Facilities, this could result in NAB demanding immediate repayment of all or part of the Debt Facilities and exercising any security interest granted to NAB in relation to the Debt Facilities. Vitalharvest REIT may need to dispose of some or all of the Property Portfolio for less than their market value, raise additional equity, or reduce or suspend Distributions in order to repay the Debt Facilities.</p> <p>RISK OF DISPUTES</p> <p>Vitalharvest REIT may be subject to certain disputes, claims or pursuit of injunctive or other relief from time to time. While no legal proceedings are presently underway, it is possible for disputes to arise in relation to, for example, disagreements in the calculation of the quantum of the Variable Rent, the use and disclosure of information by Vitalharvest REIT, including in this PDS, and other disputes in respect of commercial or ordinary course of business arrangements. Certain agreements may specify alternative dispute resolution mechanisms, but if disputes are unable to be resolved between the relevant parties, it may result in legal proceedings.</p> <p>Further details on the key risks to an investment in Vitalharvest REIT and other general risks are set out in Section 8.</p>	Section 8
FFO AND DISTRIBUTIONS		
What is the forecast FFO?	The Pro Forma FY18 forecast FFO is 8.9 cents per Unit.	Sections 5.3.2 and 5.3.3
What are the forecast Distributions?	Vitalharvest REIT Distribution is expected to be 8.0 cents per Unit on a Pro Forma FY18 basis. Note that as Allotment will occur after 30 June 2018, no distribution to Unitholders will be paid in relation to FY18. The first Distribution is forecast to be paid in March 2019 and will relate to the first half of FY19.	Section 5.3.2
What is the pro forma FY18 forecast Distribution Yield?	Vitalharvest REIT's Distribution Yield based on the Offer Price is as follows: Pro Forma FY18 Distribution Yield: 8.0% per Unit. This Distribution Yield assumes a payout ratio of approximately 90% of FFO.	Section 5.3.2
What is the Distribution Policy?	The Distribution Policy will be to pay out between 85% and 100% of its FFO. On and from March 2019, it is anticipated that Distributions will be made bi-annually in November (in relation to the period 1 January to 30 June) and March (in relation to the period 1 July to 31 December) of each year. The timing of Distributions reflects the timing of the receipt of Variable Rent. The first Distribution payable in respect of the period from 1 July 2018 to 31 December 2018 is anticipated to be paid by 31 March 2019.	Sections 2.8 and 5.5.8
Are Distributions guaranteed?	No. Distributions in accordance with the Distribution Policy or otherwise are not guaranteed.	Sections 2.8 and 5.5.8

TOPIC	SUMMARY	FOR FURTHER INFORMATION
FINANCIAL INFORMATION		
What is the Pro Forma NAV as of 31 December 2017 per Unit?	Vitalharvest REIT will have a forecast Pro Forma NAV of \$0.79 per Unit based on the Pro Forma Balance Sheet adjusted for the Offer (assuming 185.0 million units were on issue at that date).	Section 5.3.7
How was the Pro Forma NAV per Unit determined?	Independent valuations undertaken by CBRE determined that the leased value of the Initial Assets was \$238.4 million as at 31 May 2018. The Pro Forma NAV per Unit as at 31 December 2017 has been determined based on this valuation and other assets and liabilities of Vitalharvest REIT as detailed in the Pro Forma Balance Sheet.	Sections 5.3.7 and 7
What will be the initial financing arrangements and what are the Debt Facilities?	<p>Vitalharvest REIT will utilise a mix of debt (through the Finance Trust) and equity to finance the Transaction and Vitalharvest REIT's ongoing operating activities. It is intended that all borrowings will be denominated in Australian dollars.</p> <p>Vitalharvest REIT's Pro Forma Gearing is forecast to be 39.8% at the Allotment Date (based on the Pro Forma Balance Sheet).</p> <p>At the date of this PDS, the Responsible Entity has received the Credit Approved Term Sheet and Commitment Letter from NAB. Under the documents, NAB will provide three facilities of \$110.0 million in total, being the Debt Facilities.</p> <p>Based on the Credit Approved Term Sheet, the Debt Facilities comprise:</p> <ul style="list-style-type: none"> • one core debt facility of \$47.5 million that is intended to be fully drawn down with a 3 year maturity; • a second core debt facility of \$47.5 million that is intended to be fully drawn down with a 5 year maturity; and • a 3 year \$15.0 million capital expenditure facility. <p>The Debt Facilities, which will be provided on a secured basis, will only be available for drawdown after finalisation and execution of full-form documents and satisfaction of each condition precedent under those documents, including customary items for Debt Facilities of this nature and evidence of a minimum of \$150 million raised under the IPO.</p> <p>A summary of the key terms of the Debt Facilities (and the security arrangements) is set out in Section 5 and Section 12.1.5.</p> <p>The Debt Facilities may be drawn by Vitalharvest REIT (through the Finance Trust) to fund:</p> <ul style="list-style-type: none"> • the Transaction, the Establishment Costs, the repayment of Vitalharvest's existing debt and otherwise implementation of the IPO; • general corporate purposes; and • capital expenditure. <p>The Debt Facilities are expected to be subject to the following financial covenants which will apply at all times to Vitalharvest REIT and be tested on 30 June and 31 December of each year:</p> <ul style="list-style-type: none"> • Loan to Value Ratio must be less than 55%; • Interest Coverage Ratio must be greater than 3 times; • Net Asset Value must be greater than \$125.0 million; and • Distributions for any given financial year are to be capped at 100% of FFO. 	Sections 2.7 and 12.1.5
What is Vitalharvest REIT's Gearing policy?	<p>Vitalharvest REIT's target Gearing is 40.0% as determined by the Responsible Entity acting prudently taking into account recommendations by the Manager and the risk profile of the Property Portfolio, expected operating cash flow and capital expenditure as well as planned acquisitions.</p> <p>The Manager intends to manage Vitalharvest REIT's borrowings by adopting a staggered debt maturity profile and by entering into an appropriate level of interest rate hedges to manage Vitalharvest REIT's exposure to increases in interest rates.</p>	Sections 2.7.1

TOPIC	SUMMARY	FOR FURTHER INFORMATION
FINANCIAL INFORMATION		
What is Vitalharvest REIT's Gearing policy? (continued)	However, Gearing may be higher if the Responsible Entity, taking into account recommendations by the Manager, considers the circumstances warrant a short-term increase and it is prudent to increase Gearing. This includes where the Responsible Entity approves the Manager's recommendations for one or more acquisitions of properties or investments in the Property Portfolio. Investors should note that unless provided for under the capital expenditure line item, no acquisitions of properties or investment in the Properties have been assumed in the preparation of the Forecast Financial Information.	Sections 2.7.1
What is Vitalharvest REIT's interest rate hedging policy?	<p>Vitalharvest REIT through the Finance Trust intends to enter into hedging arrangements to minimise the risk associated with interest rate fluctuations. The Manager will ensure an appropriate level of interest rate hedging in light of the WALE and rent characteristics of the Property Portfolio.</p> <p>The Manager will review its interest rate hedging strategy on an ongoing basis and may, with the approval of the Responsible Entity, change the interest rate risk management strategy to protect the long-term interests of Unitholders which could negatively impact on Distribution Yields in the short term.</p>	Section 2.7.3
What is the valuation policy of Vitalharvest REIT?	<p>The initial value ascribed to the Properties will be as set out in the Independent Valuation Report. Subsequently, the fair value of the Property Portfolio will be reviewed by the Responsible Entity at each reporting date. The Responsible Entity may determine the requirement for a valuation at any time but has adopted a valuation policy under which the Property Portfolio is valued once every three years so that over the course of three years all of the Properties are revalued.</p> <p>It is proposed that a selection of Properties will be valued each year with the intention that all of the Properties in the Property Portfolio will be valued at least once over a three year cycle.</p> <p>Changes in market conditions may necessitate more frequent independent valuations of the Property Portfolio. For more information in relation to the Responsible Entity's valuation policy see Section 2.9.</p>	Sections 2.9 and 7
OVERVIEW OF THE OFFER		
What is the Offer?	<p>The Offer is an initial public offering of 185 million Units in the Trust at an Offer Price of \$1.00 per Unit, and is expected to raise \$185.0 million. The Units will be issued by the Responsible Entity.</p> <p>The Offer will consist of:</p> <ul style="list-style-type: none"> • the Institutional Offer; • the Broker Firm Offer; • the General Offer; and • the Priority Offer. 	Section 9.1
What is the purpose of the Offer?	The purpose of the Offer is to raise funds in connection with, among other things, Vitalharvest REIT acquiring the Vitalharvest Shares (through Vitalharvest Finance) and the Initial Assets that are currently owned by Vitalharvest becoming assets of the Leasehold Trust. All of the units in the Leasehold Trust will be held by Vitalharvest REIT.	Section 9.1
Who is the issuer of the PDS?	The Trust Company (RE Services) Limited as Responsible Entity of the Trust.	Important Notices

TOPIC	SUMMARY	FOR FURTHER INFORMATION																												
OVERVIEW OF THE OFFER																														
What happens if the Minimum Subscription is not achieved?	If the Minimum Subscription is not achieved within four months after the date of this PDS, the Responsible Entity will repay all Application Monies in full without interest as soon as practicable or issue a supplementary or replacement product disclosure statement and allow Applicants one month in which to withdraw their Applications and be repaid their Application Monies in full without interest.	Section 9.1																												
Is the Offer underwritten?	The General Offer is underwritten as to \$10 million by the Lead Manager. No other Offer under this PDS, including the Institutional Offer, the Broker Firm Offer and the Priority Offer, is underwritten.	Section 9.2																												
How will the Proceeds of the Offer be used?	<p>The Proceeds of the Offer and the net proceeds of the Debt Facilities will be applied:</p> <ul style="list-style-type: none">• in connection with the acquisition of the Vitalharvest Shares (including the Initial Assets);• to partially refinance existing debt in relation to the Initial Assets;• to pay the costs associated with the establishment of Vitalharvest REIT and completion of the Restructure and the Offer; and• to provide working capital for Vitalharvest REIT. <p>The following table shows the sources of funds and allocation for its proposed uses under the Restructure:</p> <table><tr><th>Sources of funds</th><th>\$ million</th><th>Uses of funds</th><th>\$ million</th></tr><tr><td>Issue of new Units under the Institutional Offer, Broker Firm Offer, General Offer and Priority Offer</td><td>185.0</td><td>Payment to CAM – Purchase Price for Vitalharvest Shares¹⁰</td><td>211.2</td></tr><tr><td>Draw down of debt under the Debt Facilities</td><td>95.0</td><td>Repayment of existing indebtedness of Vitalharvest</td><td>54.0</td></tr><tr><td></td><td></td><td>Working capital</td><td>0.5</td></tr><tr><td></td><td></td><td>Tasmanian Stamp Duty¹¹</td><td>1.8</td></tr><tr><td></td><td></td><td>Establishment Costs (excluding Tasmanian Stamp Duty)</td><td>12.5</td></tr><tr><td>Total sources</td><td>Up to 280.0</td><td>Total uses</td><td>Up to 280.0</td></tr></table>	Sources of funds	\$ million	Uses of funds	\$ million	Issue of new Units under the Institutional Offer, Broker Firm Offer, General Offer and Priority Offer	185.0	Payment to CAM – Purchase Price for Vitalharvest Shares ¹⁰	211.2	Draw down of debt under the Debt Facilities	95.0	Repayment of existing indebtedness of Vitalharvest	54.0			Working capital	0.5			Tasmanian Stamp Duty ¹¹	1.8			Establishment Costs (excluding Tasmanian Stamp Duty)	12.5	Total sources	Up to 280.0	Total uses	Up to 280.0	Section 9.1
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		Establishment Costs (excluding Tasmanian Stamp Duty)	12.5																											
Total sources	Up to 280.0	Total uses	Up to 280.0																											
Can the Offer be withdrawn?	<p>Yes, the Responsible Entity reserves the right not to proceed with the Offer or any part of it and to withdraw the Offer at any time before the Allotment of Units.</p> <p>If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded in full without interest.</p>	Sections 9 and 12.1.5																												
Who can participate in the Offer?	<p>Institutional Investors in Australia, New Zealand, Singapore, Hong Kong and Japan will be invited to participate in the Institutional Offer.</p> <p>The Broker Firm Offer is open to Australian resident Retail Investors who have received a firm allocation from a Broker.</p> <p>The General Offer is open to Australian and New Zealand resident Retail Investors and other members of the public who have not received a firm allocation from a Broker.</p> <p>The Priority Offer is open to selected investors in Australia who have received an invitation under the Priority Offer.</p>	Section 9.2																												

¹⁰ Payment to CAM of \$211.2 million excluding the estimated net adjustments contemplated in the Vitalharvest Share Sale Agreement, based on the Pro Forma Balance Sheet of \$2.1 million, (resulting in the total estimated payment to CAM) for its shares in Vitalharvest of \$213.3 million. The actual adjustments under the Vitalharvest Share Sale Agreement will be calculated on the basis of the "Completion Accounts" as defined under the Vitalharvest Share Sale Agreement.

¹¹ If a request for an exemption from Tasmanian duty (which will be lodged after the Restructure occurs) is not granted, a stamp duty liability of approximately \$1.8 million is expected to be payable to the Tasmanian Commissioner of State Revenue in relation to the Restructure.

TOPIC	SUMMARY	FOR FURTHER INFORMATION
How can I apply?	<p>INSTITUTIONAL OFFER APPLICANTS</p> <p>The Lead Manager will separately advise Institutional Investors of the application procedures for the Institutional Offer.</p> <p>BROKER FIRM OFFER APPLICANTS</p> <p>To apply under the Broker Firm Offer, you must lodge your Broker Firm Offer Application Form, Application Monies and Broker service fee in accordance with your Broker's directions in order to receive your firm allocation.</p> <p>GENERAL OFFER</p> <p>To apply under the General Offer, you must lodge your General Firm Offer Application Form and Application Monies as set out in section 9.7.</p> <p>PRIORITY OFFER</p> <p>To apply under the Priority Offer, you must lodge your Priority Offer Application Form in accordance with the instructions on your personalised invitation to participate in the Offer or as otherwise instructed.</p> <p>To the extent permitted by law, an Application by an Applicant under the Offer is irrevocable.</p>	Sections 9.5, 9.6, 9.7 and 9.8
What are the minimum and maximum Application amounts?	<p>For Applicants applying under the General Offer, Broker Firm Offer or the Priority Offer the minimum Application amount is \$2,000 (2,000 Units), or as directed by the Applicant's Broker if the Applicant is applying under the Broker Firm Offer.</p> <p>Applicants under the Institutional Offer will be provided additional information regarding the Institutional Offer.</p> <p>The Responsible Entity and the Lead Manager reserve the right to aggregate any Applications which they believe may be multiple Applications from the same person.</p> <p>There is no maximum Application amount.</p>	Sections 9.4, 9.5, 9.6, 9.7 and 9.8
Will the Units be listed?	<p>The Trust will apply to ASX no later than seven days after the date of this PDS for admission of the Trust to the Official List of ASX and for quotation of Units on ASX.</p> <p>The Trust's code is expected to be VTH.</p>	Section 9.10.4
When can I sell my Units on ASX?	<p>It is expected that trading of the Units on ASX will commence on or about 1 August 2018, initially on a conditional and deferred settlement basis. This will be before certain conditions set by ASX for the commencement of unconditional trading have been satisfied, including Settlement and the issue of Units occurring.</p> <p>It is expected that Settlement will occur on or about 2 August 2018. Once these conditions are satisfied, the Units will commence trading on ASX on an unconditional but deferred settlement basis until dispatch of the holding statements. Units are expected to commence trading on ASX on an unconditional and normal settlement basis on or about 9 August 2018.</p> <p>It is the responsibility of each Applicant to confirm their holding before trading in Units. Applicants who sell Units before they receive an initial holding statement do so at their own risk.</p>	Section 9.10.4
What is conditional and deferred settlement trading?	<p>The period of conditional and deferred settlement trading allows for Units to trade on the ASX prior to satisfaction of the conditions of conditional trading. If the conditions to conditional trading are not satisfied by the end of the conditional trading period, the Offer will not proceed.</p> <p>If this were to occur, all trades conducted during the conditional and deferred settlement trading period will be invalid and will not settle and all Application Monies received will be returned to Applicants. No interest will be paid on any Application Monies refunded as a result of the conditions to conditional trading in Units not being satisfied.</p>	Section 9.10.4
What Establishment Costs will be borne by Vitalharvest REIT?	<p>Establishment Costs are expected to be in the order of \$14.3 million (but if \$1.8 million stamp duty is not required to be paid to the Tasmanian State Revenue Office these may be \$12.5 million).</p>	Section 11

TOPIC	SUMMARY	FOR FURTHER INFORMATION
What fees are payable to the Lead Manager and Co-Managers?	<p>The Lead Manager will be paid a management fee comprised of:</p> <ul style="list-style-type: none"> • 2.5% of the Proceeds of the Offer excluding any amounts raised from the subscription of the underwritten Units, any amount raised from CAM subscribing for Units under the Priority Offer and the amount raised from the first 10 million Units under the Priority Offer (excluding any amount raised from CAM subscribing for Units under the Priority Offer); plus • a fee of 1% of the proceeds from the subscription of Units which the Lead Manager has agreed to underwrite under the Offer Management Agreement. <p>In addition to the management fee, the Lead Manager will also be paid an underwriting fee of 1.5% of the proceeds from the subscription of Units which the Lead Manager has agreed to underwrite under the Offer Management Agreement.</p> <p>The Lead Manager is responsible for payment of any fees to the Co-Managers. The Co-Managers do not have any entitlement to any additional fees from Vitalharvest REIT.</p>	Sections 9.3 and 11
What are the ongoing fees and costs associated with an investment in Vitalharvest REIT and with the Offer?	<p>The Responsible Entity estimates that ongoing fees and costs will be approximately 0.87% of NAV.</p> <p>These costs will be paid by Vitalharvest REIT. Additional fees and costs may be incurred but cannot reasonably be estimated at the date of this PDS.</p>	Section 11
What is the brokerage, commission and stamp duty?	<p>No brokerage, commission or stamp duty is payable by Applicants who apply for Units using an Application Form.</p> <p>If you buy or sell Units on ASX, you may have to pay brokerage and other transaction costs. Under current legislation, there is no stamp duty payable on the sale or purchase of Units on ASX provided that no investor (either alone or together with any related or associated persons or other persons in an associated transaction for the purposes of stamp duty law) acquires 90% or more of the Units on issue.</p>	Section 11
TAX IMPLICATIONS		
What are the tax implications?	<p>There may be Australian tax implications for investors participating in the Offer. These implications will differ depending on the individual circumstance of each investor who participates in the Offer. You should obtain and rely only on your own tax advice before deciding whether to invest.</p>	Section 10
OTHER INFORMATION		
Where can I find out further information about the Offer?	<p>If you have further enquiries regarding the Offer, please contact the Trust Information Line on 1300 117 902 (toll free within Australia) or +61 3 9415 4055 (outside Australia) between 8.30am to 5.00pm (AEST) on business days (during the Offer Period).</p> <p>Alternatively, please visit www.vitalharvest.com.au/offer.</p>	Sections 9.10.10 and 13.12

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Vitalharvest REIT Overview

2

(Source: Vitalharvest / goFarm)



2. VITALHARVEST REIT OVERVIEW

2.1 Overview of Vitalharvest REIT and Structure

The Trust will be an ASX listed A-REIT that will wholly own, through the wholly-owned Leasehold Trust, the Initial Assets currently owned by Vitalharvest.

2.1.1 Properties

The Properties include the:

- 4 Berry Properties located in New South Wales and Tasmania;
- 3 Citrus Properties and Packshed Properties located in South Australia; and
- the relevant Water Rights.

More detailed information in relation to the Properties is set out in Section 3 and more detailed information in relation to the Water Rights is set out in Section 2.6.

The Properties together with the Water Rights have been independently valued at \$238.4 million as at 31 May 2018. More specifically, the:

- Properties have been independently valued at \$201.5 million; and
- Water Rights have been independently valued at \$36.9 million.

A summary of CBRE's valuation is set out in Section 7.

Subject to the express exceptions identified, the Farming Properties are currently all leased to CostaExchange (**Berry Properties**) and AgriExchange (**Citrus Properties**) which are wholly-owned subsidiaries of Costa Group.

In addition to the citrus fruit planted at the Citrus Properties, crops such as grapes, persimmons and avocados are also planted.

2.1.2 Leases

The Berry Properties and Citrus Properties are subject to leases with a WALE of 8 years¹² (to on or about 30 June 2026)¹³ with an option to the relevant Tenant to renew for an additional 10 years to on or about 30 June 2036.¹⁴ See Sections 2.5 and 12.2.1 for further information about these Leases.

The majority of the Dunorlan Property (a Berry Property) is leased to CostaExchange. A small parcel of the Dunorlan Property is leased to NBNCo (for the purposes of a telecommunications tower). Another part of the Dunorlan Property is subject to a Tree Farming Agreement between Vitalharvest and TFOT. Additional information in relation to the Dunorlan Arrangements is set out in Section 12.2.4.

2.1.3 Packshed Properties

The Packshed Properties are leased to AgriExchange Murtho Pty Ltd ACN 093 583 049, a wholly-owned subsidiary of AgriExchange (in the case of the Kangara Packshed) and AgriExchange (in the case of the Solara Packshed). See Sections 12.2.2 and 12.2.3 for more information about the Packshed Leases.

2.1.4 Water Rights

Vitalharvest REIT holds water entitlements for the Berry Properties and Citrus Properties. See Section 2.6 for more information about the Water Rights.

2.1.5 Key financial metrics

The table below sets out certain key metrics with respect to Vitalharvest REIT:

KEY METRICS	
Initial Gearing at Allotment	39.8%
Pro Forma NAV per Unit as of 31 December 2017	\$0.79
Pro Forma Forecast FFO Yield for the financial year ended 30 June 2018	8.9%
Pro Forma Forecast Distribution Yield for the financial year ended 30 June 2018	8.0%

¹² This excludes the Grays Road Property Lease, the term of which expires in 2027 with a 10 year option to extend the lease to 2037 (and, for the avoidance of doubt, any arrangements relating to the Non-Farming Properties). This also excludes the third consecutive Berry Lease at the Dunorlan Property.

¹³ This excludes the Grays Road Property Lease the term of which expires in 2027 with a 10 year option to extend the lease to 2037.

¹⁴ The Grays Road Property Lease expires in 2027, however, if an option under one of the other Berry Leases is exercised, the option under the Berry Lease for this property would also be exercised and its lease term extended for 10 years from June 2026 (i.e. on the same basis as the other Berry Leases). The Berry Lease for the Dunorlan Property is structured as three consecutive leases and does not contain an option to renew – see Section 12.2.4.

2.1.6 Restructure

As at the date of the PDS, the Properties are all owned by Vitalharvest, which is wholly-owned by CAM. Following the Restructure, Vitalharvest will continue to be indirectly owned by CAM through the Trust, however upon the issue of Units to Successful Applicants, CAM's ownership of Vitalharvest will cease and Vitalharvest will be owned as part of the Vitalharvest REIT structure as the trustee of the Leasehold Trust. As part of the Restructure, CAM will sell, and Vitalharvest Finance will buy, all of the Vitalharvest Shares for a purchase price of approximately \$211 million (satisfied by the issue of promissory notes) plus adjustments.

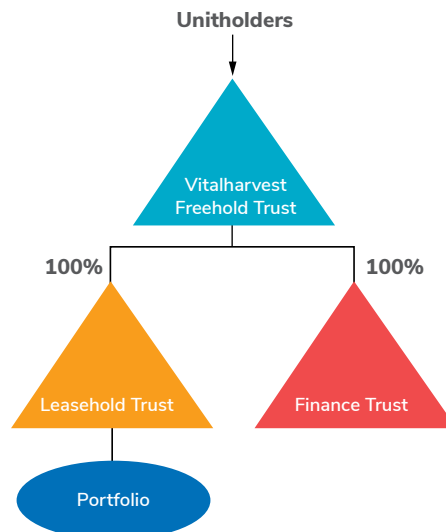
The issue of Units under the Offer is subject to the completion of the Restructure.

Upon completion of the Restructure (on which the issue of Units under the Offer is conditional), Vitalharvest Finance will own all of the Vitalharvest Shares and all of the Initial Assets will be held via the structure summarised and depicted below (being the Portfolio in the diagram).

Further information regarding the Restructure is set out in Section 13.1.

The below is a simplified structural depiction of Vitalharvest REIT and its controlled entities immediately after the completion of the Restructure and the issue of Units offered under this PDS to Applicants.

STRUCTURE ON COMPLETION OF THE ISSUE OF UNITS TO SUCCESSFUL APPLICANTS



See Section 10 for a taxation summary addressing the Australian tax consequences of Unitholders investing in Units in the Trust.

2.2 Vitalharvest REIT Objective and Strategy

Vitalharvest REIT's objective is to provide Unitholders with exposure to real agricultural property assets whose earnings profile and underlying value are exposed to the growing global agricultural demand for nutritious, healthy food.

Vitalharvest REIT's investment and growth strategies will be to focus on investment-grade, mature, operating agricultural assets within Australia and New Zealand which are:

- strategically located in excellent farming locations in Australia and New Zealand;
- leased to quality operators/managers;
- diversified by crop, geography and tenant;
- subject to long-term leases and attractive lease terms;
- adhere to capital structure and capital management considered by the Manager to be appropriate for Vitalharvest REIT and consistent with the investment objective and strategy of Vitalharvest REIT; and
- pursue acquisitions, divestments and investment opportunities consistent with Vitalharvest REIT's objectives.

The Manager intends to take an active approach to asset and portfolio management and value accretive investment in the existing portfolio and acquisitions of new properties which are leased to quality operators/managers such as wholly-owned subsidiaries of Costa Group. This may involve:

- acquisitions of new properties;
- limiting exposure to plant-based industries only, primarily fruit and nuts with no investment exposure to either intensive or extensive animal industries;
- investing in crops with favourable supply-demand dynamics;
- investing in water rights and entitlements;
- owning assets in established production regions that are supported by appropriate natural resources, physical infrastructure and industry support;
- pursuing growth of Vitalharvest REIT and diversifying by expanding exposure across crop types, production regions and tenants; and
- including earnings-accretive investments in the Property Portfolio.

Key personnel of or available to the Manager have demonstrated a successful track record of identifying and negotiating the acquisition of agricultural properties and managing, including negotiating attractive lease terms with, operator/managers across a variety of agriculture asset classes. The Manager will review its investment policy from time to time and may vary the criteria, or acquire a property that does not meet some or all of the criteria, where it considers it in the best interests of Unitholders to do so.

All acquisitions, divestments and new investment opportunities will be subject to approval by the Responsible Entity based on information provided by the Manager.

Neither the Responsible Entity nor the Manager have a predetermined view as to labour standards or environmental, social or ethical considerations for the purpose of selecting, retaining or authorising investments for Vitalharvest REIT (although they may do so if such matters arise and are affecting the return on the investments of Vitalharvest REIT). The Manager assesses such factors as part of its overall due diligence process or as they affect the return on the investments of Vitalharvest REIT. Environmental factors are addressed as part of normal property due diligence.

Assets within the Property Portfolio will be sold where they no longer meet the objective and strategy of Vitalharvest REIT and the Manager and Responsible Entity are satisfied it is in the best interests of Unitholders to do so. However, there is no present intention to sell any of the Properties.

The Manager will ensure that Vitalharvest REIT maintains sufficient liquidity to meet all reasonably expected operating expenses. The Manager may make recommendations or determine from time to time with the approval of the Responsible Entity that surplus cash held by Vitalharvest REIT is invested in interest-bearing products which may include term deposits with an Australian authorised deposit taking institution and/or interests in Australian cash management trusts.

2.3 Relationship with Costa Group

Costa Group is Australia's leading grower, packer and marketer of premium quality fresh fruit and vegetables and is listed on ASX. Wholly-owned subsidiaries of Costa Group are the tenants of all Properties other than the small parcels of land which are subject to the NBNC Co Leases and the Tree Farming Agreement.

At the date of this PDS, Costa Group does not own any interest in Vitalharvest REIT and is not related in any way to Vitalharvest REIT. CAM and Costa Group are not related parties. Associates of CAM collectively hold less than 5% of the shares in Costa Group at the date of this PDS. Costa Group has had no involvement in the preparation of this PDS, or the Offer, or in the promotion or formation of Vitalharvest REIT.

See Section 3.5 for more information on Costa Group.

2.4 Summary of Vitalharvest Share Sale Agreement

Vitalharvest, CAM and Vitalharvest Finance as part of the Restructure will enter into the Vitalharvest Share Sale Agreement, which relates to the sale of all of the Vitalharvest Shares from CAM to Vitalharvest Finance. Completion under the Vitalharvest Share Sale Agreement is conditional on, among other things, the Listing pursuant to the terms of this PDS.

The purchase price for the Vitalharvest Shares of not less than \$211.2 million (see Section 9.1) plus adjustments whereby CAM will be entitled to:

- all of the free cash in Vitalharvest immediately prior to the completion date under the Vitalharvest Share Sale Agreement;
- a proportionate amount of all rents outstanding (Base Rent, Variable Rent for FY19 and all rent payable under the Packshed Leases), prorated until the completion date under the Vitalharvest Share Sale Agreement;
- all Variable Rent for FY18, payable within two days of receipt and confirmation of the amount of the balance of the Variable Rent for FY18, due under the terms of the Leases in November 2018; and
- an amount equivalent to stamp duty payable in Tasmania, if corporate reconstruction exemption to the payment of duty is granted under Part 1A of Chapter 10 of the Tasmanian Duties Act.

More detail in relation to the terms of the Vitalharvest Share Sale Agreement is contained in Section 12.1.9.

2.5 Summary of lease arrangements

The following sets out a summary of the terms of the Berry Leases and Citrus Leases. More detail in relation to the terms of the Berry Leases and Citrus Leases are contained in Section 12.2.1.

2.5.1 Summary of key lease terms, maintenance and environmental

	BERRY LEASES ¹⁵	CITRUS LEASES
Tenant	CostaExchange	AgriExchange
Guarantors	n/a	CostaExchange
Initial term, remaining term and options to renew term	The initial term for the Berry Leases is 15 years from 1 July 2011 and expiring on or about 30 June 2026. ¹⁶ There is a 10 year option to renew the Berry Leases (excluding the Berry Lease of the Dunorlan Property) at the Tenants' option. Exercise of an option for one of the Berry Leases will automatically exercise the options for all other Berry Leases.	Same as for Berry Leases (i.e. exercise of an option for one of the Citrus Leases will automatically exercise the options for all other Citrus Leases). ¹⁷
Annual review	No annual review of rent provisions.	Same as for Berry Leases.
Outgoings costs	The Tenant is responsible for all rates, charges, taxes (including land tax assessed on the basis of the aggregate of all the land leased to the Tenant), assessments and all other charges and levies separately assessed in connection with the Berry Properties. The Tenant is also to pay for all services (utilities, waste and garbage removal and telephone) in connection with the Berry Properties. The Tenant must also reimburse all insurance premiums to insure the land, the Landlord's fixtures and irrigation improvements, and public liability insurance for the amount of \$20 million.	Same as for Berry Leases.
Market review	Upon exercise of the option, the Base Rent for further term, will be the higher of: <ul style="list-style-type: none">• the 'Market Formula', as detailed in Section 12.2.1; and• the Base Rent in the final year of the initial Lease term. Variable Rent will continue to be payable and its calculation methodology will not change upon the exercise of an option to renew the Lease.	Same as for Berry Leases.
Maintenance of Trees and Bushes	The Tenant, at its own cost and expense, must cultivate, maintain and manage the Plantings to ensure that the Plantings are healthy and producing optimal crop with an obligation to ensure that the Berry Properties are returned to the Landlord in substantially similar condition with productive and functioning farms at the end of the Leases.	Same as for Berry Leases.
Capital repairs	The Tenant must maintain the Landlord's fixtures in their original condition and repair fixtures to the state of repair required by the Landlord.	Same as for Berry Leases.

¹⁵ Excluding the Berry Lease relating to the Dunorlan Property, further details of which are set out in Section 12.2.4.

¹⁶ The Grays Road Property Lease expires on 30 June 2027 with an option to extend for a further term to 30 June 2037, however, if an option under the Berry Lease for one of the other Berry Properties is exercised, the option for this property would also be exercised, but with its lease term extended for 10 years from 30 June 2037 (i.e. expiring one year later than the leases for the other Berry Properties, including the other leases of the Corindi aggregation). The Berry Lease of the Dunorlan Property is structured as three consecutive leases – see Section 12.2.4.

¹⁷ See Sections 12.2.2 and 12.2.3 for information about the Packshed Leases.

BERRY LEASES ¹⁵		CITRUS LEASES
Expansion capital expenditure	<p>The Landlord has the option to fund new Plantings and capital expenditure if requested by the Tenant.</p> <p>If the Landlord provides funding for the expenditure, the annual Base Rent will increase by 8% of the funded amount.</p> <p>Subject to the Landlord's consent, the Tenant may carry out works at its own cost and expense.</p>	Same as for Berry Leases.
Contamination and environmental liability	The Tenant must promptly advise the Landlord of any apparent deterioration of or contamination in the crop or the Plantings, which is apparent to the Tenant. To the extent any contamination is caused by the Tenant, it is the Tenants' obligation to remediate.	Same as for Berry Leases.

2.5.2 Assignment, purchase and early termination

BERRY PROPERTIES		CITRUS PROPERTIES
Tenant	CostaExchange	AgriExchange
Tenants' right of first refusal/option to purchase the land which is the subject of the relevant Lease	<p>Only in the case of early termination by the Tenant.</p> <p>The Tenant may terminate the Lease if the Landlord ceases to carry on business or is subject to an insolvency event.</p> <p>Under these conditions, the Tenant has the right of first refusal to purchase the land.</p> <p>The Landlord has the right to early termination in the event that the Tenant:</p> <ul style="list-style-type: none"> • is in breach of its obligations under the Lease; • ceases to carry on business; or • is subject to an insolvency event, <p>subject to the Tenants' financier's step in rights.</p> <p>Pursuant to the terms of the step in rights, the Tenants' financier has the right to step in and attempt to rectify any breach by the Tenant under the terms of the Lease, prior to the Landlord being able to exercise its rights of termination.</p> <p>See further comments in relation to the Leases detailed in Section 12.2.1.</p>	Same as for Berry Leases.
Early termination	See above regarding early termination.	Same as for Berry Leases.
Assignment	<p>The Tenant must not deal with its interest in the Berry Properties, including assigning of the relevant Lease to a new tenant or sub-leasing to a new tenant or mortgaging, charging, or otherwise encumbering its estate or interest in the Leases without the prior written consent of the Landlord. Consent will not be unreasonably withheld and may be provided conditionally.</p> <p>The Landlord has consented to the Tenant encumbering its Lease and granted step-in rights to the Tenants' financier.</p>	Same as for Berry Leases.

2.5.3 Capital expenditure

	COSTAEXCHANGE	AGRIEXCHANGE
Landlord contribution to capital expenditure	The Landlord may, if requested by the Tenant, contribute to capital expenditure projects undertaken by the Tenant. See also Sections 2.5.4 and 2.5.5	Same as for Berry Leases. See also Sections 2.5.4 and 2.5.5.

2.5.4 Impact of Landlord contribution to capital expenditure on Base Rent

All contributions by the Landlord in relation to any crop expansion or further development undertaken in relation to a relevant Farming Property will result in an increase in the annual Base Rent by 8% of the amount of the contribution for the remainder of the relevant Lease term.

The terms of the Berry Leases and Citrus Leases provide that the Base Rent and/or Variable Rent payable in relation to the Berry Leases and Citrus Leases may be affected by the Landlord's decisions, including in relation to financial contributions to capital expenditure to both the Farming Properties and Packshed Properties.

During FY14 to Pro Forma Forecast FY18, Vitalharvest is forecast to contribute \$27.0 million to capital expenditure projects undertaken by the Tenants at the Farming Properties and Packshed Properties. The Manager cannot guarantee that the Tenants will continue to undertake capital expenditure projects at the Farming Properties and Packshed Properties.

2.5.5 Impact of Landlord contribution to capital expenditure on Variable Rent

The capital expenditure projects undertaken by the Tenant may impact the Tenants' earnings derived from the Farming Properties and Packshed Properties and thereby the Variable Rent. The projects are generally designed to either:

- increase the earnings; or
- reduce the agricultural risk of the Tenants' earnings derived from the Properties and Packshed Properties.

Capital expenditure projects designed to increase the earnings of the Tenants to which Vitalharvest has contributed have in the past included:

- changing blueberry and raspberry production techniques from 'in soil' growing to planting in substrate pots in order to increase production yields;
 - Costa Group was an early adopter of substrate hydroponic production of raspberries and is now a world leader in using these agronomic techniques to grow blueberries;
 - the yield in the first year of substrate plantings is equal to that of 'in soil' yields after three years; and
 - while blueberry crops are being converted to substrate, the Manager understands that a majority of Costa Group's Australian blueberry growth plantings are in soil and not in substrate,
- planting in previously unplanted land on the Farming Properties;
- projects to decrease exposure to agricultural risk such as protective cropping and increased water supply and conservation; and
- changing of planted varieties to increase production yields and pricing.

There is no guarantee that the Tenant will continue to undertake capital expenditure projects at the Farming Properties and the Packshed Properties.

2.5.6 Capital expenditure undertaken without Landlord contribution

Capital expenditure projects to which Vitalharvest has not financially contributed include the upgrade to citrus packing facilities, and the 3IP funding program. The citrus packing facility upgrade has resulted in improvements in packing efficiency of 50%.

See Sections 2.5.7 and 12.2.6 for further description of the 3IP.

2.5.7 Involvement in 3IP

The 3IP is a competitive grants program designed to support the restoration of a healthy Murray-Darling Basin environment. Under the 3IP, the South Australian government provides grants to the owner of the land on which 3IP approved projects, such as projects to improve irrigation efficiency and water returns, are undertaken. The Citrus Properties, which are located in the Riverland region of South Australia are currently participating in the 3IP.

Under the 3IP, 300 hectares of new plantings, re-plantings or top working have been undertaken at the Properties. These plantings and top working are expected to provide an increase in yield and an improved mix of citrus varieties resulting in a crop uplift from FY18 onwards. Vitalharvest has received approximately \$4.7 million of government funding relating to the 3IP and has been approved for a further \$4.2 million for projects at the Citrus Properties including upgrading irrigation infrastructure. These projects aim to improve irrigation efficiency and increase production, product quality and crop size.

For more information on the 3IP Deed, please refer to Section 12.2.6.

2.6 Water Rights

2.6.1 Water Access Licence (WAL) attached to the Properties

On completion of the Restructure, Vitalharvest REIT will hold 13,531.7 ML of various water entitlements for the Farming Properties.

Vitalharvest REIT through the Leasehold Trust holds WALs required to support the irrigation of the Plantings at the Farming Properties. In the event of a shortfall in any season, it is expected that the relevant Tenant will supplement water through spot purchase in respect of the Citrus Properties at the Tenants' cost or submit capital expenditure requests to the Landlord which will, if accepted by the Landlord, result in an increase to the relevant Base Rent and potentially the Variable Rent as set out in Sections 2.5.4 and 2.5.5.

2.6.2 KD

Upon completion of the Restructure, Vitalharvest REIT (through the Leasehold Trust) will hold 7 of 9 (78%) A Class shares and 23 of 26 (88%) B Class shares in KD. KD owns land on which there is a dam catchment area that services the remainder of the Berry Property in Corindi and the other KD shareholder's farms. A second KD property has a residence and is leased to Costa Group. The maintenance costs for the dam catchment is covered by the rent from the property and amounts received by KD from its shareholders and accordingly KD is intended to break even each year. KD is not expected to generate any profits for Vitalharvest REIT.

2.6.3 KCW

KCW owns one property adjacent to Kangara on which a dam is located and is the licensee of a Crown Licence of land located on the Murray River on which pumps and other infrastructure are housed. KCW pumps water from the Murray River into the dam located on its land. The owners of the surrounding land own shares in KCW proportionately to the relative gross plantable area of the land that is serviced by water sourced from the dam. Upon completion of the Restructure the Leasehold Trustee will hold 64.8% of the shares in KCW and Kingston Wine Co Pty Ltd (**Kingston**) will hold 35.2%. The right to draw water from the KCW Dam is regulated by the Water Management Agreement under which AgriExchange has been appointed as the day-to-day manager of the KCW land and the water services. KCW is not expected to generate any profits for Vitalharvest REIT. The use of water, maintenance costs and management fees is governed by a Water Management Agreement.

For further information, see Material Agreements Section 12.

2.7 Financing arrangements

2.7.1 Borrowing policy

Vitalharvest REIT will utilise a mix of debt and equity to finance the purchase of the Vitalharvest Shares and the activities of Vitalharvest REIT. Funding will be conducted through the Finance Trust and it is intended that all borrowings will be denominated in Australian dollars.

Vitalharvest REIT's target Gearing is 40.0% as determined by the Responsible Entity acting on recommendations from the Manager. In determining target Gearing, the Responsible Entity has taken into account the risk profile of the Property Portfolio, expected operating cash flow and capital expenditure, as well as planned acquisitions. Vitalharvest REIT's Pro Forma forecast Gearing is forecast to be 39.8% at the Allotment Date.

The Manager intends to manage Vitalharvest REIT's borrowings by:

- adopting a staggered debt maturity profile; and
- entering into appropriate level of interest rate hedges to manage its interest rate risk.

Gearing may be higher than target Gearing where the Responsible Entity determines that higher Gearing is necessary and prudent in the circumstances. This may occur where one or more acquisitions of properties or investments are approved by the Responsible Entity (on the recommendation of the Manager). Investors should note that unless provided for under the capital expenditure line item, no future acquisitions of properties or investment in the Properties have been assumed in the preparation of the Forecast Financial Information.

The Manager intends to utilise interest rate swaps for the purpose of hedging its interest rate exposure. The risks associated with these hedging instruments are set out in Section 8.

2.7.2 Debt Facilities

The Responsible Entity has received the Credit Approved Term Sheet and Commitment Letter from NAB to provide three facilities comprising in total \$110.0 million (together, the **Debt Facilities**).

Based on the Credit Approved Term Sheet, the Debt Facilities comprise:

- one core debt facility of \$47.5 million that is intended to be fully drawn down with a 3 year maturity;
- a second core debt facility of \$47.5 million that is intended to be fully drawn down with a 5 year maturity; and
- a 3 year \$15.0 million capital expenditure facility.

The Debt Facilities will only be available on finalisation and execution of full-form documents and satisfaction of each condition precedent under those documents, including evidence of a minimum of \$150 million raised under the IPO. The Debt Facilities will be provided on a secured basis.

A summary of the key terms of the Debt Facilities is set out in Section 12.1.5.

The Debt Facilities may be drawn by Vitalharvest REIT (through the Finance Trust) to fund:

- the Transaction, the Establishment Costs, the repayment of Vitalharvest's existing debt and otherwise implementation of the IPO;
- general corporate purposes; and
- capital expenditure.

The Debt Facilities are subject to certain financial covenants including that, at all times and tested on 30 June and 31 December of each year:

- the Loan to Value Ratio must be less than 55%;
- the Interest Coverage Ratio must be greater than 3 times;
- Net Asset Value must be greater than \$125.0 million; and
- Distributions for any given financial year are to be capped at 100% of FFO.

2.7.3 Interest rate and risk management strategy

The Manager will ensure an appropriate level of interest rate hedging in light of the WALE and rent characteristics of the Property Portfolio by:

- using interest rate hedging arrangements to minimise exposure to fluctuations in interest rates; and
- seeking appropriate maturity dates for the fixed rate hedging agreements.

The Manager will review its hedging strategy on an ongoing basis. The Manager with the approval of the Responsible Entity may change the interest rate risk management strategy to protect the long-term interests of Unitholders which could negatively impact on Distribution Yields in the short-term.

2.8 Distribution Policy

Vitalharvest REIT's Distribution Policy is, as at the date of this PDS, to pay out between 85% and 100% of its FFO. FFO is calculated as net profit adjusted for Establishment Costs and non-cash accounting adjustments such as fair value adjustments, impairment charges, depreciation, amortisation of upfront debt costs and other non-distributable items such as grant income. Vitalharvest REIT proposes to only pay Distributions from its FFO.

Distributions are not promised or guaranteed and the Responsible Entity will continue to monitor the appropriateness of this Distribution Policy to ensure that it meets the ongoing objectives of Vitalharvest REIT and is in the best interests of Unitholders.

For more information in relation to the Distribution Policy, see Section 5.5.8.

2.9 Valuation Policy

The initial value of the Properties is the value determined in the Independent Valuation Reports as at 31 May 2018. Subsequently, the fair value of the Property Portfolio will be reviewed by the Responsible Entity at each reporting date. The Responsible Entity may determine the requirement for a valuation at any time but has adopted a valuation program where the Property Portfolio is valued once every three years so that over the course of three years all of the Properties are revalued. It is proposed that a selection of Properties will be valued each year with the intention that all of the Properties in the Property Portfolio will be valued at least once over a three year cycle. Changes in market conditions may necessitate more frequent independent valuations of the Property Portfolio.

Property Portfolio Overview

3

(Source: Vitalharvest / goFarm)

3. PROPERTY PORTFOLIO OVERVIEW

3.1 Historical overview

The Property Portfolio was originally held by Chiquita Brands South Pacific Limited (ACN 002 687 961) (**Chiquita Brands**). In 2007, interests associated with Frank, Robert and Anthony Costa acquired Chiquita Brands in a joint takeover bid. Chiquita Brands was subsequently delisted and renamed CostaExchange. Upon the sale of a 50% interest of CostaExchange to Paine Partners in October 2011, the Property Portfolio was sold to Vitalharvest (a company now wholly owned by CAM and associated with Robert and Anthony Costa), and leased back to the Tenants under the terms of the existing Leases.

3.2 Portfolio overview

The Property Portfolio is managed on the basis of there being 7 properties/farms. There are, however, over 130 property titles and some of these properties/farms are aggregations of various non-contiguous properties in close proximity to one another. The 7 properties/farms are known as:

- 4 Berry Properties:
 - Corindi in the Corindi region of northern New South Wales
 - Tumbarumba in southern New South Wales
 - Dunorlan in northern Tasmania
 - 9 Mile in northern Tasmania.
- 3 Citrus Properties (all in the Riverland region of South Australia):
 - Kangara
 - Solora
 - Yandilla

The Properties comprise a mixed crop of new and mature fruit trees and bushes. The total independent value of the Initial Assets as at 31 May 2018 is \$238.4 million, which reflects a WACR of 8.9%.

The Packshed Properties are proximate or adjacent to the Citrus Properties.

3.2.1 Dunorlan Arrangements

Part of the Dunorlan Property is leased to CostaExchange pursuant to the terms of a Berry Lease and part of the Dunorlan Property is leased to NBNC Co under the NBNC Co Leases. A third part of the Dunorlan Property is the subject of a Tree Farming Agreement between Vitalharvest and TFOT.

For more information in relation to the above arrangements, see Section 12.2.

3.3 Portfolio breakdown

The tables below detail the individual Property values within the current Property Portfolio based on the Independent Valuation Report, with a valuation date of 31 May 2018. A summary of the Properties is outlined below.

BERRY PROPERTIES

PROPERTY	STATE	VARIETY	VALUATION (\$ MILLION)	SIZE* (HECTARES)	PLANTED (HECTARES)	LEASE EXPIRY (YEARS)
Corindi	NSW	Blueberry Raspberry	86.1	927	281	8 ¹⁸
Tumbarumba	NSW	Blueberry	4.6	71	23	8
9 Mile	TAS	Blueberry Raspberry	14.5	103	49	8
Dunorlan	TAS	Blackberry	4.9	94	17	8 ¹⁹

*Note: Due to a variety of reasons, not all of this area is plantable.

¹⁸ This excludes the Grays Road Property Lease, the term of which expires in 2027 with a 10 year option to extend the lease to 2037.

¹⁹ Assuming the Leases end at the initial Lease term.

CITRUS PROPERTIES

PROPERTY	STATE	VARIETY	VALUATION (\$ MILLION)	SIZE* (HECTARES)	PLANTED (HECTARES)	LEASE EXPIRY (YEARS)
Solora	SA	Mandarin Grapefruit Orange	40.1	582	441	8
Kangara	SA	Mandarin Orange Lemon Avocado Persimmon	27.2	962	856	8
Yandilla	SA	Mandarin Grapefruit Orange Lemon Avocado Wine grapes	61.0	1,003	596	8

*Note: Due to a variety of reasons, not all of this area is plantable.

NON-FARMING PROPERTIES

PROPERTY	STATE	SIZE	LEASE EXPIRY
Solora Packshed	SA	4.046 hectares ²⁰	December 2018
Kangara Packshed Lease	SA	7.848 hectares ²¹	December 2102
NBNCo Lease	Dunorlan	100m ² ²²	September 2034 (back to back expiry)
Land the subject of the Tree Farming Agreement at Dunorlan	Dunorlan	10.16 hectares ²³	2022

3.3.1 Lease expiry profile and options

The Farming Properties have a WALE of 8 years, expiring on or about 30 June 2026 (with some exceptions as noted below). Both the Berry Leases and the Citrus Leases have the option for one further 10-year renewal at the option of the Tenant. The exceptions to this are:

- Dunorlan: The Berry Lease for the Dunorlan Property is subject to 3 back-to-back leases, the last of which expires on or about 30 June 2036 (however, if none of the other Berry Leases options are exercised, the Berry Lease for the Dunorlan Property will automatically terminate on the date of expiry for the remaining Berry Leases). See Section 12.2.4 for information concerning the other leases with respect to the Dunorlan Property.
- Corindi: The Grays Road Property Lease applies to a small component of the Corindi farm (20.21 hectares) and expires in 2027 with a 10 year option to renew the lease to 2037. If the option for one of the other Berry Leases is exercised, the option for this property will automatically be exercised and the Lease expiry will automatically be brought into line with the other Berry Leases (i.e. to June 2036).
- Packshed Leases: The Kangara Packshed lease is for a term of 99 years for a 'peppercorn rent' of \$1 per annum. The Solora Packshed lease is for a term of 3 years, expiring 31 December 2018 with one further term of 3 years. The current rental is \$45,035.76 per annum indexed to CPI.

Notes:

The Properties are diversified across:

- Locations, water sources and climates in southern New South Wales, northern New South Wales, northern Tasmania and in the Riverland region of South Australia.
- Crop-type: berries (blueberries, raspberries and blackberries), citrus (including oranges, mandarins, lemons), persimmons, avocados and wine grapes.
- Consumer end-markets, with the products grown on the Properties sold both locally and into export markets.

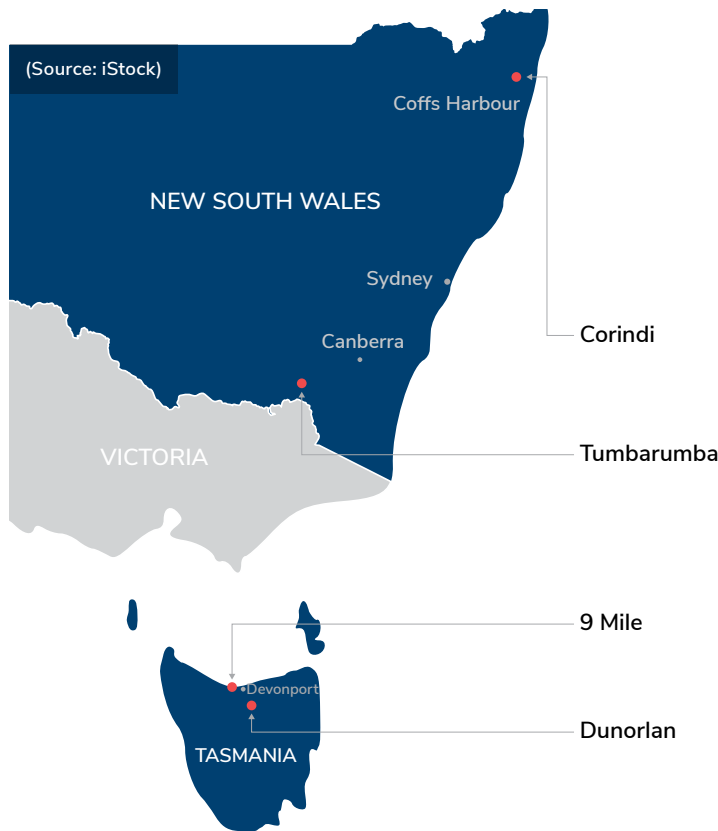
²⁰ Title Volume 5955 Folio 918 is the whole of section 703

²¹ Certificate of Title Volume 6183 Folio 601 is Allotment 75 in DP93881

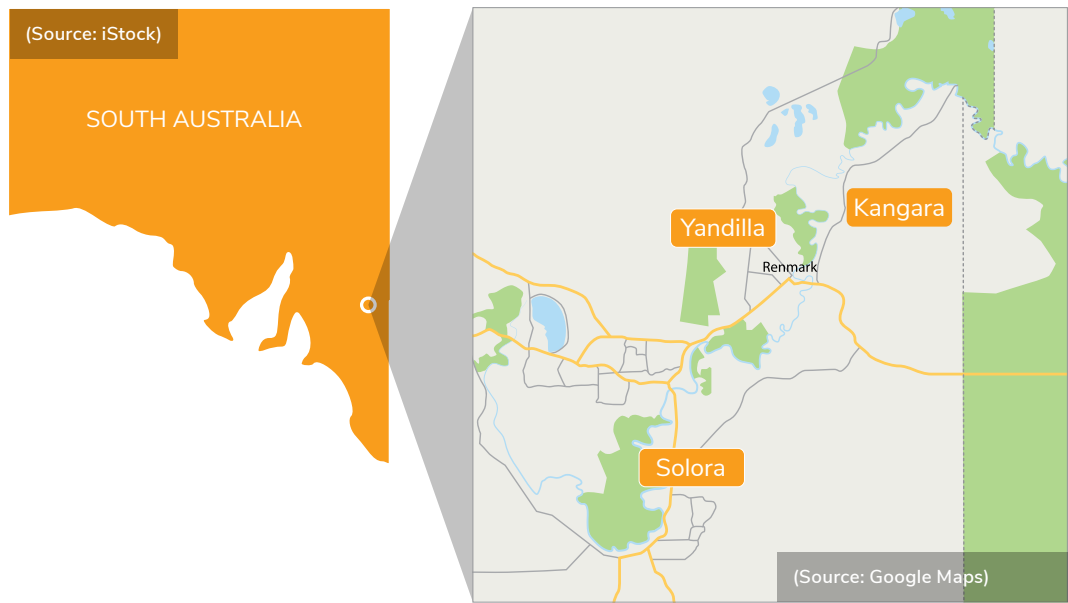
²² Survey plan 165109 annexed to Dunorlan Lease

²³ Survey plan 165109 annexed to Dunorlan Lease

3.3.2 Locations of the Berry Properties



3.3.3 Locations of the Citrus Properties



3.4 Rent review type

There are no annual rent reviews applicable to any of the Farming Properties. However, if an option to renew under a Lease for a Farming Property is exercised, the Base Rent in relation to that Lease will be adjusted to the higher of:

- the 'Market Formula', being 8% of the value of the Land Assets, on a going concern basis as at the applicable rent review date (including improvements) but not including the amount of any rent or other amounts paid to the Landlord in respect of the Land Assets; and
- the Base Rent in the final year of the initial Lease term.

The options to renew cannot be exercised by the relevant Tenant until on or about 30 December 2024, however, had the options to renew been exercised with effect at 31 May 2018 (or if the Farming Properties were leased to a third party at an 8% yield), based on the Independent Valuation Report, the Base Rent would have increased from \$9.1 million (Pro Forma FY18 forecast) to \$17.4 million. However, there is no guarantee that the options to renew will be exercised or that the value of the Farming Properties will be the same on the exercise of any option to renew as they were as at the date of the Independent Valuation Report.

If the options to renew are exercised for the Farming Properties, the Variable Rent would continue to be payable and its calculation methodology would not change upon the exercise of an option to renew the Lease of a Farming Property.

There is no option to renew the Berry Lease relating to the Dunorlan Property, which is instead structured as three consecutive leases.

Further details for the Berry Lease relating to the Dunorlan Property, including the method for determining the Base Rent and Variable Rent in the second and third consecutive leases, are set out in Section 12.2.4.

3.5 Overview of Tenants

Each Tenant of the Farming Properties is a wholly owned subsidiary of Costa Group.

Costa Group is an Australian horticultural company with a market capitalisation of approximately \$2.5 billion as at 31 May 2018. Costa Group operates over 3,500 hectares of farmland, 7 mushroom facilities and 30 hectares of glasshouse facilities across Australia. Costa Group's business includes the production of berries, citrus, mushrooms, glasshouse grown tomatoes and avocados.

Costa Group operates offshore with joint ventures in Morocco and China, and licenses its blueberry IP in the Americas and Morocco. See Section 2.3 for more information on Vitalharvest REIT's relationship with Costa Group.

The Manager understands that Costa Group's position in the Australian market, across berry and citrus, two of its five core categories, in 2017 is as detailed below:

CATEGORY	CGC MARKET SHARE (BY VOLUME) %	MARKET POSITION
Berry	>50%	#1
Citrus	16%	#1

3.5.1 Costa Group's financial results and key highlights

In order to provide potential investors in Vitalharvest REIT with information regarding the financial status of Costa Group, the following is a summary of the Manager's understanding of Costa Group's recent financial results as disclosed to ASX.

With respect to the financial year ended 30 June 2017, the Manager understands that Costa Group achieved, in comparison to the same period in its previous financial year:

- revenue growth of 10.7%;
- EBITDA before SGARA and material items growth of 29.4% (to approximately \$115.2 million); and
- an increase in statutory NPAT from approximately \$25 million to \$58 million;

With respect to the first half of the financial year ending 30 June 2018, the Manager understands that Costa Group achieved:

- in comparison to the same period in its previous financial year:
 - revenue growth of 9.8%;
 - a decrease in free cash flow from approximately \$56 million to approximately \$49 million;

- in comparison to its position at the end of the financial year ending 30 June 2017:
 - EBITDA before SGARA and non-recurring items growth of 24.2% (to \$60.9 million); and
 - statutory NPAT of \$66.2 million.

3.5.2 Costa Group berries and citrus divisions

Based on publicly available information, the Manager believes that the Berry Properties and Citrus Properties represent a significant component of Costa Group's berry and citrus divisions. In relation to area planted, as of July 2015, the Berry Properties represented approximately 89% (477 out of 533 hectares planted) of Costa Group's berry properties in Australia and the Citrus Properties represented approximately 86% (1,770 out of 2,062 hectares planted) of Costa Group's citrus growing areas. Since July 2015, the Manager understands that Costa Group may have acquired a number of additional citrus and berry properties.

3.5.3 Costa Group berry division outlook

The Manager understands that the Costa Group berry division expects an increase in berry volumes following the completion of:

- with respect to new plantings to be undertaken, 31 hectares of new blueberry plantings, 10 hectares of new blackberry plantings and 23 hectares of raspberry plantings, and
- with respect to substrate conversion, 31 hectares of substrate conversion is expected to have occurred by the end of the financial year ending 30 June 2018.

3.6 Industry Overview

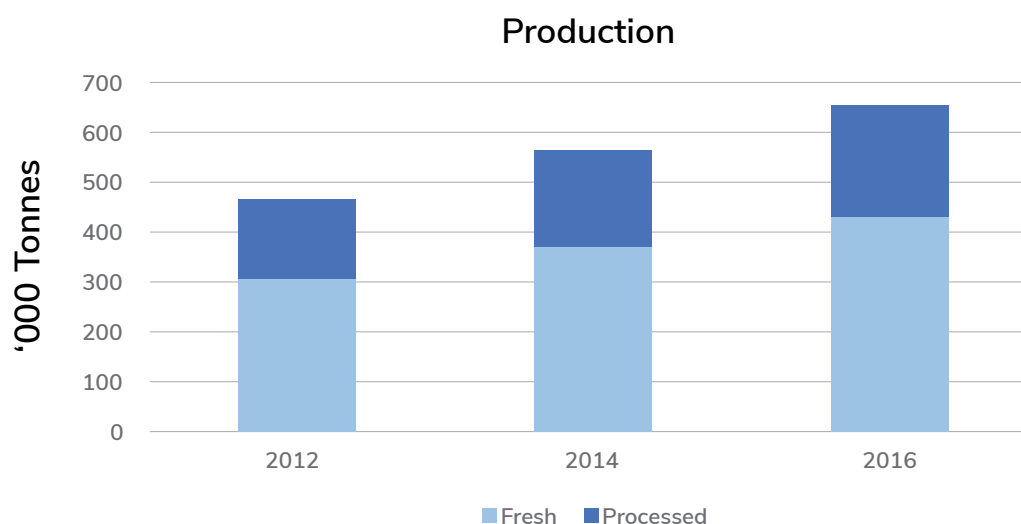
3.6.1 Global Berry Market

The Manager believes that berries fit global consumer preferences for healthy eating, convenience and flavour and as a result, expects worldwide supply of and demand for berries to grow.

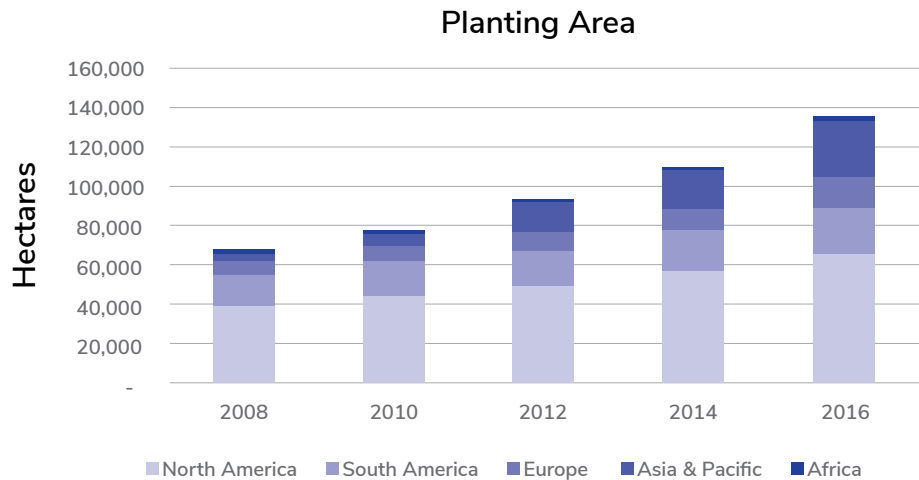
In North America, for example, fresh berries enjoy year-round availability and dedicated retail shelf-space.

The Manager believes worldwide highbush production of blueberries for the fresh market reached around 425,500 tonnes in 2016. With a further 229,500 tonnes grown for processing, this brings total global commercial production of blueberries to approximately 655,000 tonnes.

With respect to projected blueberry production, the Manager believes that the growth in global blueberry production will continue with production predicted to reach over 813,000 tonnes by 2019 and over 904,000 tonnes by 2021.



The Manager understands that, between 2008 and 2016, there has been a doubling in the global planted area of blueberries to over 134,000 hectares, the vast majority of which is located in North and South America.



3.6.2 Australian Berry Market

The Australian berry industry includes a combination of strawberries, blueberries, and rubus berries (which include raspberries and blackberries). Australian berries are predominantly grown for the domestic fresh market, with 75% of Australian households purchasing fresh berries in 2017. Strawberries make up the largest segment of the market and are grown in most states of Australia, with Queensland and Victoria having 77% of production in the year ended June 2017. Blueberry production is centred in north-west New South Wales, around Coffs Harbour, where approximately 90% of the country's blueberries are grown. There are smaller production centres in southern Queensland, southern New South Wales, Victoria and Tasmania, with some minor production in South Australia and Western Australia. Raspberries account for 85% of total fresh rubus production and there are an estimated 120 growers producing raspberries and blackberries across all states and territories except the Northern Territory.

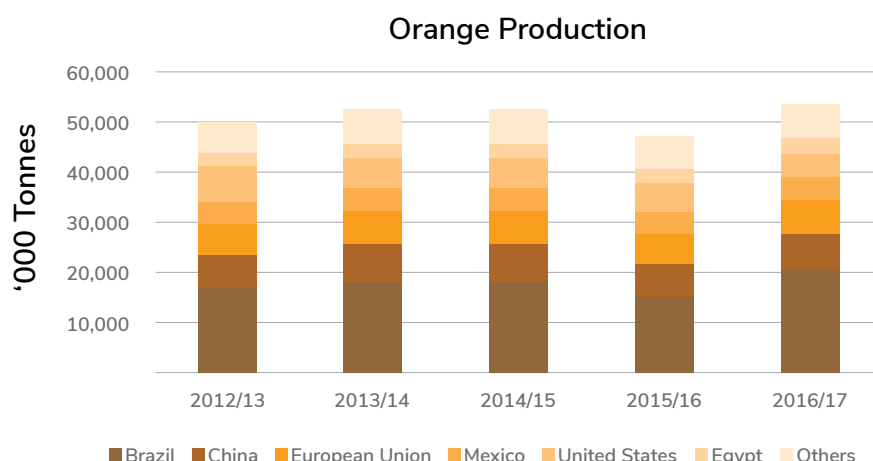
The Manager believes that total berry (excluding strawberry) production and consumption in Australia has been increasing, given:

- between the financial year ended 30 June 2013 and the financial year ended 30 June 2017;
 - production increased by approximately 82%, from 8,481 tonnes to 15,499 tonnes, growing at an approximate CAGR of 16.3%;
 - there was a gradual increase in consumption per capita across all berries (excluding strawberries), representing a CAGR of 6.8%;
 - rubus experienced a 175% growth in consumption per capita;
- in the financial year ended 30 June 2017, Australia:
 - exported 363 tonnes of fresh blueberries and rubus; and
 - imported 1,211 tonnes of fresh blueberries.

In October 2017, the Manager understands that Australia and China agreed to new horticulture market access priorities that will allow future exports of blueberries to China. Blueberries have been reported to be the fastest growing fruit category in China within the higher income class due to increasing recognition of the berry's nutritional values, with Australian berries in particularly high demand due to their high quality.

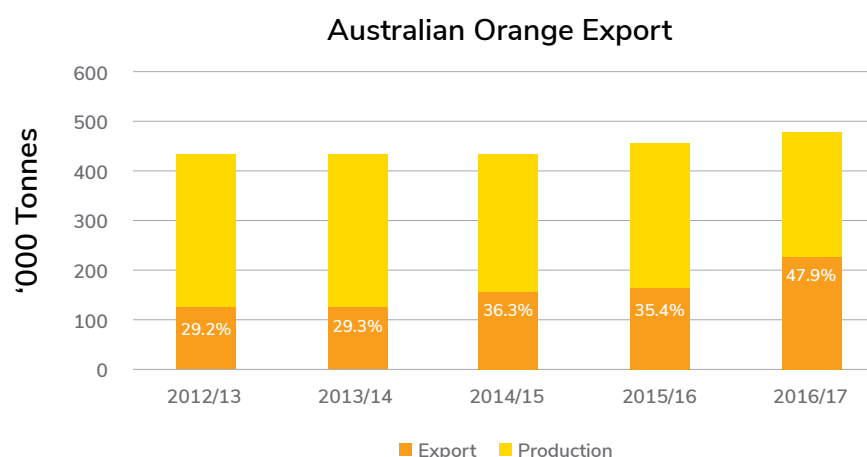
3.6.3 Global Citrus Market

The Manager understands that global citrus production for the financial year ended 30 June 2017 was approximately 97.4 million tonnes, an increase of approximately 8.2 million tonnes in comparison to the previous financial year. Oranges make up over 50% of total citrus produced with the top three producers, Brazil, China, and the European Union, accounting for over 63% of global orange production.



3.6.4 Australian Citrus Market

Although Australia is, from a global perspective, a smaller orange producer, with approximately 0.4 million tonnes in the financial year ended 2013 and 0.5 million tonnes in the financial year ended 2017, Australia is a net exporter, with over 0.1 million tonnes and 0.2 million tonnes, respectively, of fresh oranges exported during the same period. The Manager believes that there is an upward trend in the volume of Australian exported oranges as shown below:



The Manager believes that citrus exports reached 0.3 million tonnes in the financial year ending 30 June 2017, more than 19% higher than in the financial year ended 30 June 2016, due to increased production of export-quality fruit and growing demand from Asia. Japan, Hong Kong and China were Australia's largest export markets for citrus in the financial year ended 30 June 2017. Over the medium term, the Manager believes that exports of citrus will continue growing due to higher Asian demand.

The Australian citrus industry which includes grapefruits, lemons, limes, mandarins and oranges, is a small player in the global market but a significant contributor in the Australian horticulture industry with around 1,900 growers on over 28,000 hectares of orchards mainly planted in the Riverlands of South Australia, the Murray Valley region of Victoria and New South Wales, Riverina in New South Wales, and the Central Burnett region of Queensland.

The Manager understands that total citrus production and consumption (grapefruit, lemons, limes, mandarins and oranges) in Australia has been, on the whole, increasing as illustrated by the fact that:

- between the financial year ended 30 June 2013 and the financial year ended 30 June 2017:
 - production increased by approximately 28%, from 553,980 tonnes to 708,121 tonnes, representing an approximate CAGR of 6.3%; and
 - consumption per capita increased by approximately 37%, from 9.2 kg to 12.6 kg, based on volume supplied;
- between the financial year ended 30 June 2015 and the financial year ended 30 June 2017:

- exports of Australian citrus rose, from approximately 161,023 tonnes to approximately 208,041 tonnes, as did the approximate value of those exports, from \$206 million to \$310 million;
- in the financial year ended 30 June 2017, oranges made up the largest portion of the citrus industry, with 506,391 tonnes produced of which 42% was processed (predominantly for juicing); and
- domestic per capita consumption of oranges experienced year on year growth, in the period between 30 June 2013 and 30 June 2015, of, respectively, 18% and 13%, reflecting a move by consumers toward new, sweeter, easier to peel and seedless varieties.

The Manager believes that the Australian citrus industry has a strong competitive advantage in northern hemisphere markets as these exports are counter-seasonal. Australia has entered into various trade agreements, an overview of each is given below:

- **China-Australia Free Trade Agreement (ChAFTA)**

Signed in November 2014 and ratified in December 2015, China's 11% to 30% tariff on oranges, mandarins, lemons and all other citrus fruits will be phased out by January 2023. The 7.5% to 30% tariff on orange juice will be phased out within seven years and tariffs of up to 30% on other fruit juices will be phased out by January 2019. China has been the fastest growing and highest value export market for Australian citrus exporters, and these changes have benefited Australian exporters. Quarantine access protocols for citrus fruit entry into China have also been negotiated.

- **Korea-Australia Free Trade Agreement (KAFTA)**

The KAFTA came into effect in December 2014 and resulted in the Korean tariffs on counter-seasonal production being immediately eliminated. The current tariff on oranges was cut from 50% to 30% and will be eliminated by January 2020. The 144% tariff on mandarins is being phased out over 18 years and will be eliminated by January 2031.

- **Japan-Australia Economic Partnership Agreement (JAEPA)**

Japan was Australia's largest market for citrus in 2013. Under the JAEPA effective January 2015, the 16% and 17% tariffs on oranges and mandarins during the peak of Australia's season (June to September) will be phased out by April 2024 and April 2029, respectively.

3.6.5 Capital Intensive Horticulture

The Manager believes that the trend in Australian horticulture is increasing towards capital intensive forms of horticulture such as covered or indoor production to reduce exposure to seasonal conditions and income volatility. While this trend towards undercover production is significantly more prevalent in vegetable production, it is expected to be a growing trend in fruit production. Additionally, as agricultural land becomes expensive, particularly in peri-urban areas which are close to retailers, the Manager believes that capital-intensive, undercover production systems will become more attractive.

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Management of Vitalharvest REIT

4

(Source: Vitalharvest / goFarm)

4. MANAGEMENT OF VITALHARVEST REIT

4.1 Overview

The Responsible Entity of the Trust is The Trust Company (RE Services) Ltd ACN 003 278 831. The Responsible Entity holds AFS Licence number 235150, which authorises it to act as the responsible entity and to operate registered managed investment schemes such as the Trust.

The Responsible Entity is a wholly-owned subsidiary of Perpetual Limited ACN 000 431 827 (ASX:PPT) (**Perpetual**).

The Responsible Entity has appointed the Manager, goFARM Asset Management Pty Ltd ACN 625 505 455, to provide certain management and administrative services to the Responsible Entity in relation to Vitalharvest REIT in accordance with the terms of the Management Agreement.

Additionally, the Responsible Entity has appointed or will shortly finalise the appointment of:

- Computershare to provide registry functions; and
- Deloitte Touche Tohmatsu as auditor of the Trust.

The Responsible Entity, the Leasehold Trustee and the Finance Trustee have appointed or will shortly appoint Perpetual Corporate Trust Limited ACN 000 341 533 AFS Licence 392673 as the Custodian to hold the assets of the Trust, the Leasehold Trust and the Finance Trust (other than the Initial Assets which will be held directly by the Leasehold Trustee) and to provide for the arrangements to apply with respect to the holding of all such assets.

The Custodian is an agent of the Responsible Entity and may only act in accordance with the terms of the Custodian Agreement and has no liability (including for negligence or breach of trust) or responsibility to the members of the Trust.

While the Responsible Entity has delegated the investment management, property management and other administrative functions to other entities it retains ultimate responsibility for the performance of these functions.

4.2 Responsible Entity

The Responsible Entity's powers, rights and liabilities in relation to the Trust will be governed by the Constitution, the Corporations Act and general trust law. Under the Corporations Act, the Responsible Entity is required to act in the best interests of Unitholders.

The Responsible Entity has entered into or approved the following relevant agreements:

- Constitution (see Section 12.1.1);
- Management Agreement (see Section 12.1.3);
- trust deed for the Leasehold Trust executed by the Leasehold Trustee (see Section 12.1.2);
- trust deed for the Finance Trust executed by the Finance Trustee (see Section 12.1.2);
- Offer Management Agreement (see Section 12.1.4);
- Custodian Agreement (see Section 12.1.6); and
- Registry Services Agreement (see Section 12.1.7).

The key responsibilities of the Responsible Entity in relation to the Trust will include:

- evaluation and approval of all capital expenditure, acquisitions and disposals;
- oversight of financial management and administration by the Manager and other persons appointed by it to provide services in relation to the Trust; and
- governance and regulatory compliance.

A summary of the terms of the material agreements of the Trust are set out in Section 12.

4.3 Directors

The Board of the Responsible Entity, currently comprises four Directors and two alternate Directors and they have a broad range of experience in financial services combined with financial and commercial expertise.

Details of the current Board are set out below.

<p>Christopher Green Group Executive, Perpetual Corporate Trust – Executive Director (appointed in March 2014)</p>	<p>Chris joined Perpetual in 2006 and has held the roles of General Manager – Trust & Fund Services, and from 2008, Group Executive Corporate Trust.</p> <p>Before joining Perpetual, Chris was with J.P. Morgan & Co. where he spent 9 years in London as Vice President, Account Management & Analytics of Institutional Trust Services and a year as head of that business for the Australasian region.</p> <p>Chris is Chairman of the Australian Securitisation Forum and is currently completing a BA in Philosophy at the University of London.</p>
<p>Michael Vainauskas General Manager, Risk & Internal, Audit, Corporate Services – Risk Group – Executive Director (appointed in March 2015)</p>	<p>Michael joined Perpetual as the Chief Risk Officer in October 2014. In this role he is responsible for both risk management and internal audit functions across the Group.</p> <p>Previous to his current role, Michael was the Head of Risk Operations within the International Financial Services Division of the Commonwealth Bank of Australia where he was responsible for managing and supporting all risk management functions (other than large credit approvals) of the International Financial Services businesses which include China, India, Indonesia, Japan and Vietnam. Michael was previously the Chief Risk Officer for PT Commonwealth Bank Indonesia, a subsidiary of Commonwealth Bank of Australia and was responsible for all risk and legal areas across the subsidiary.</p> <p>Prior to this, Michael was the General Manager/Chief Risk Officer with both Westpac Banking Corporation in the Retail and Business Bank, and St George Bank in the Retail Bank and Wealth Management businesses. Michael previously worked in a number of senior consumer risk management roles for Westpac Banking Corporation group of companies in both the bank and its former finance company subsidiary Australian Guarantee Corporation Limited.</p> <p>Michael's background in finance extends back to 1983 and covers business, operational, compliance, legal and risk related responsibilities, from line-staff positions through to executive management level within a decentralised and centralised framework. Michael previously worked for 15 years at Household Finance Ltd which was subsequently acquired by AVCO Financial Services Ltd.</p> <p>Michael has been involved in consumer risk management since 1991 and has performed functions in sales, lending, collections, area management, compliance, systems development/implementation and project management within Australia, Indonesia and the United States.</p> <p>Michael holds a Master of Business in Finance from the University of Technology, Sydney.</p>
<p>Glenn Foster Group General Manager Finance, Corporate Services – Finance Group – Executive Director (appointed in July 2015, previously an alternate Director from March 2014 to July 2015)</p>	<p>Glenn is responsible for the Perpetual Group Finance function including external, regulatory and statutory reporting, financial operations, corporate tax compliance, treasury and capital management. He is also responsible for Business Support Services including Facilities Management. He is a director of a number of Perpetual's controlled entities (including those licensed with ASIC) and is also alternate director for Gillian Larkins, the Group Chief Financial Officer, who is a director of a number of controlled entities of Perpetual (including those licensed with APRA and ASIC).</p> <p>Glenn is a Chartered Accountant and commenced his career with Coopers and Lybrand (now part of PricewaterhouseCoopers) before entering the financial services industry in 1994. Prior to joining Perpetual in 2003, Glenn worked in a number of senior finance roles with AIDC Ltd, Babcock & Brown Limited, State Street Bank and Trust Company Limited and RAMS Home Loans.</p> <p>Glenn has a Bachelor of Commerce degree from the University of New South Wales, has been a member of the Institute of Chartered Accountants in Australia since 1989 and is a graduate of the Australian Institute of Company Directors.</p>
<p>Vicki Riggio General Manager, Managed Fund Services. Perpetual Corporate Trust – Executive Director (appointed in May 2018)</p>	<p>Vicki is General Manager, Managed Fund Services, Perpetual Corporate Trust having responsibility for trust management, accounting and investment management services offered to the debt capital markets and managed fund clients in Australia and offshore.</p> <p>Prior to this, Vicki was the Head of Wholesale Trustee responsible for the delivery of trustee services to a portfolio of funds in excess of \$40 billion, primarily supporting offshore investment into Australian real assets through managed investment trust structures. She has also previously been responsible for Perpetual's debt markets trustee operations and ongoing trustee compliance arrangements. Having worked in the financial services industry for more than 20 years, Vicki has extensive experience across a variety of asset classes and trust structures.</p> <p>Vicki is a Responsible Manager for Australian Financial Services Licences held by subsidiaries of Perpetual and has a Bachelor of Land Economics from the University of Technology, Sydney.</p>

<p>Andrew McIver General Manager, Group Finance – Alternate Director (appointed in January 2017)</p>	<p>Andrew joined Perpetual as General Manager, Group Finance – Commercial Advice & Planning in August 2015.</p> <p>As a member of the Senior Leadership Team reporting to the CFO, Andrew leads one of Perpetual's finance teams with responsibility for business partnering and business finance activities.</p> <p>Andrew has approximately 20 years' experience in finance, risk and management roles across a number of industries. Most recently he was Country Head of Finance Planning & Analysis for Citigroup Australia & New Zealand responsible for planning & analysis activities for the Institutional and Consumer bank. Between 2006 and 2015, Andrew held a number of senior roles at Citigroup across finance, risk and strategy. Prior to joining Citigroup in 2006, Andrew held the role of Acting Senior Manager, Diversified Institutions at the Australian Prudential Regulation Authority which he joined in 1999 as an analyst.</p> <p>Andrew is a Certified Practising Accountant and a member of CPA Australia. He also holds a Graduate Diploma in Applied Finance & Investments from FINSIA and a Bachelor's Degree of Economics, majoring in accounting and economic history, from Monash University.</p>
<p>Gillian Larkins Chief Financial Officer, Corporate Services – Finance Group – Alternate Director (appointed in July 2017)</p>	<p>Gillian joined Perpetual as Group Executive Transformation Office in October 2012, and assumed the role of Chief Financial Officer of Perpetual in January 2013.</p> <p>Gillian has 25 years of experience in finance, strategy and management roles across a number of industries. Prior to Perpetual, she was Chief Financial Officer, Managing Director of Westpac Institutional Bank, responsible for Finance and Strategy, and prior to that, Chief Financial Officer Australia & New Zealand of Citigroup. She has also served on the board of Hastings Fund Management as a non-executive director from 2009 to 2011.</p> <p>As a member of the Executive Leadership Team reporting to the CEO, Gillian heads Perpetual's Finance, IT and Risk functions, which include Audit, Legal and Company Secretariat.</p> <p>Gillian holds a Master of Business Administration from Macquarie Graduate School of Management, as well as a Graduate Diploma in Accounting & Finance and a Bachelor's Degree of Commerce, majoring in Economics, both from the University of Otago, New Zealand. She is a member of the NZ Chartered Accountant's Society and a Graduate of the Australian Institute of Company Directors. She has also served as Deputy President of the G100 (Australia's peak body for CFOs).</p>

4.4 The Vitalharvest Finance Trust

The Finance Trust has been established as part of the Restructure under the trust deed for the Finance Trust. Vitalharvest Finance is the trustee of the Finance Trust.

The Responsible Entity is the sole unitholder of the Finance Trust and will have day-to-day control of the operations of the Finance Trust pursuant to the terms of the relevant trust deed for the Finance Trust.

The Finance Trustee will enter into the Debt Facilities and contracts for the purposes of implementing the Manager's interest rate hedging policy.

A summary of the terms of the trust deed for the Finance Trust is in Section 12.1.2.

4.5 The Vitalharvest Leasehold Trust

The Leasehold Trust has been established as part of the Restructure under the trust deed for the Leasehold Trust. Vitalharvest is the trustee of the Leasehold Trust.

The Responsible Entity is the sole unitholder of the Leasehold Trust and will have day-to-day control of the operations of the Leasehold Trust pursuant to the terms of the relevant trust deed.

The Leasehold Trustee will hold the Initial Assets.

A summary of the terms of the trust deed for the Leasehold Trust is in Section 12.1.2.

4.6 Manager

4.6.1 goFARM Asset Management Pty Ltd

The Responsible Entity has entered into a Management Agreement with the Manager pursuant to which the Manager will provide, among other things, certain investment management, day to day property management and general administrative and listed fund services to the Responsible Entity with respect to Vitalharvest REIT.

goFARM Asset Management is a wholly-owned subsidiary of goFARM Holdings Pty Ltd. goFARM Holdings Pty Ltd is a manager of agricultural property, focused on identifying and managing the acquisition and development of investment-

grade agricultural assets. goFARM Holdings Pty Ltd is 50% owned by CAM and 50% owned by an entity associated with its Managing Director, Liam Lenaghan.

To the extent the Manager's role involves the provision of financial services to the Responsible Entity, the Manager will provide those services as an authorised representative AR No. 001264243 of the holder of AFS Licence 486217. The licence holder has had no involvement in the preparation of this PDS.

4.6.2 Role of Manager

The Manager is engaged by the Responsible Entity to invest and manage the assets of Vitalharvest REIT in accordance with the terms of the Management Agreement.

The Manager will be responsible for setting and executing Vitalharvest REIT's acquisition strategy and criteria and its capital management policy. It will also manage the leases of the Properties and will be responsible for all operational matters associated with the Property Portfolio and Vitalharvest REIT.

The Manager's investment management responsibilities will include:

- implementing the investment strategy, including actively managing and supervising Vitalharvest REIT's investments; and
- making recommendations with respect to the acquisition or divestment of real property assets of Vitalharvest REIT.

The property management responsibilities of the Manager will include:

- managing the relationship with tenants;
- monitoring lessees' compliance with lease terms;
- calculation of rent and outgoings;
- where applicable, formulating annual budgets for each property;
- water management;
- management of development and capital expenditure proposals; and
- making recommendations regarding leasing.

Administrative functions undertaken by the Manager include:

- assisting with complaints and investor relations;
- provision of reports, preparation of accounts, preparation of continuous disclosure notices;
- procuring asset valuations;
- assisting and calculating the amount of Distributions;
- negotiate any refinance of any Debt Facilities and any necessary change to the financing arrangements; and
- monitoring and reporting on Vitalharvest REIT's debt funding financial covenants.







A summary of the terms of the Management Agreement is contained in section 12.1.3.

4.6.3 Experience of Manager

The goFARM group is an Australian-based, privately funded, agricultural asset manager. It has negotiated the acquisition of and manages more than 49,000 hectares of land in Australia as well as the associated water entitlements. In doing so, it has built exposure to both annual crops (grain and cotton) and permanent crops (almonds and wine grapes).

4.6.4 Manager Key Personnel

Key personnel for the provision of the services under the Management Agreement to the Trust are:

 <p>Liza Whitmore Director, goFARM CEO, CAM</p>	<p>Liza Whitmore is Chief Executive Officer of Costa Asset Management and has been leading CAM since 2011. Previously she held a senior management role with the Costa Group having begun working with the Costa Family in 2002. Her experience includes investment strategy, financial management, accounting and finance.</p> <p>Liza has extensive knowledge of the Properties and Water Rights and has managed the Properties since their acquisition by Vitalharvest in 2011. She has experience in the berry and citrus operations conducted at the Properties and these industries generally and is responsible for all negotiation with Costa Group surrounding capital expenditure at the Properties.</p> <p>Liza is a member of CPA Australia, holds a Bachelor of Commerce degree and has a Graduate Certificate in Accounting.</p>
 <p>Liam Lenaghan Managing Director, goFARM</p>	<p>Over the past 20 years, Liam has developed a mix of agricultural capabilities, agricultural market insight, transactional experience and financial expertise. Liam has worked in the areas of applied research and extension, agronomy and farm management consultancy. He is responsible for identifying and executing investment-grade opportunities whilst being critically attuned to the optimisation or risk and reward.</p> <p>Liam leads the goFARM group business, provides the direction for both the Asset Management and Investment Teams at the goFARM Group, has developed the research and strategy methodology, leads investor relations and is the lead negotiator for all transactions.</p> <p>Prior to establishing goFARM, Liam was director of DRAPAC Agricultural and General Manager Agribusiness, Warakirri Asset Management.</p> <p>Liam holds a Bachelor of Agricultural Science (Hons.) and a Graduate Diploma of Applied Finance and Investment.</p>
 <p>Richard Bligh Chief Operating Officer, goFARM</p>	<p>Richard leads the Investment and Management Teams of goFARM and holds a Bachelor of Finance & Marketing and Graduate Diploma of Applied Finance & Investment.</p> <p>Richard has previously been involved in the aggregation, development and management of large scale permanent tree crop developments.</p> <p>Prior to goFARM, Richard worked in various finance and investment disciplines with the Commonwealth Bank of Australia in Sydney, Schoders Investment Management in London and spent 12 years at Rabobank in Australia specialising in food and agribusiness banking across all agricultural related industries.</p>
 <p>Nick Raleigh Chief Farming Officer, goFARM</p>	<p>Nick leads the Asset Management and Research Team and holds a Bachelor of Ag Science (Hons). Nick has a long history in farm management, agronomy, irrigation consultation and leadership in the agricultural sector including, prior to his commencement at goFARM, acting as General Manager Field Operations for Kagome Australia, a grower, harvester and processor of tomatoes, carrots, garlic, corn and lucerne.</p>
 <p>Rhonda Arnott Director and General Counsel, CAM</p>	<p>Prior to joining CAM as General Counsel, Rhonda spent 15 years as a partner at a boutique Melbourne commercial law firm during which time she headed up the Corporate Commercial Division. Rhonda has extensive knowledge and experience in the areas of corporate governance and compliance, general commercial advisory work and has worked with ASX listed companies, large private companies and SMEs across a broad range of industries. Rhonda has extensive knowledge of Vitalharvest REIT and its Properties having acted for Vitalharvest REIT on its acquisition of the Properties from and the lease back to Costa Group.</p>
 <p>Charles Condro Trust Accounts Manager, Financial Controller, CAM</p>	<p>Charles has over 15 years of experience gained within the Audit, Business Services and Agriculture Industries, including with the Costa Group. He joined CAM in November 2012 and is responsible for the financial administration and accounting compliance of the business. For the last 5.5 years, Charles has been responsible for the financial administration of Vitalharvest.</p> <p>Charles is a member of the Institute of Chartered Accountants and holds a Bachelor of Commerce.</p>

4.7 Corporate Governance

Responsibility for the Trust's proper corporate governance rests with the Responsible Entity. The Responsible Entity's guiding principle in meeting this responsibility is to act honestly, in good faith and in the best interests of the Trust as a whole.

The Responsible Entity has entered into a Management Agreement with the Manager pursuant to which the Manager will provide certain management and administrative services to the Trust as set out in Sections 4.6.1 and 4.6.2.

The Responsible Entity, with reliance upon the Manager, will monitor the operational and financial position and performance of the Trust. The Directors of the Responsible Entity are committed to implementing high standards of corporate governance in operating the Trust.

Accordingly, the Responsible Entity has created a framework for managing the Trust, including adopting relevant internal controls, risk management processes and corporate governance policies and practices. The Responsible Party believes these are appropriate for the Trust's business and are designed to promote the responsible management and conduct of the Trust.

Under the Management Agreement, the Manager agrees to assist the Responsible Entity in complying with its obligation to provide continuous disclosure under the Listing Rules and the Corporations Act and certain other regulatory obligations and to provide reports as to the Manager's compliance under the Management Agreement.

The Responsible Entity is a wholly-owned subsidiary of Perpetual.

The Responsible Entity is reliant on Perpetual for access to adequate resources, including Directors, management, staff, functional support (such as company secretarial, responsible managers, legal, compliance and risk, finance) and financial resources. Perpetual has made such resources available to the Responsible Entity.

4.7.1 Corporate Governance Policies

The Responsible Entity has adopted the following policies and charters, which have been prepared having regard to the ASX Corporate Governance Principles and Recommendations.

- **Code of Conduct** – This policy sets out the standards of ethical behaviour and integrity that the Responsible Entity expects from its Directors, officers and any employees.
- **Continuous Disclosure Policy** – The Trust must comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act to ensure the Trust discloses to the ASX any information concerning the Trust which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Units. This policy sets out the Trust's procedures and measures which are designed to ensure that the Trust complies with its continuous disclosure obligations.
- **Risk Framework** – This framework is designed to assist the Trust to identify, evaluate, monitor and manage risks affecting the Trust's business.
- **Securities Trading Policy** – This policy is designed to maintain investor confidence in the integrity of the Responsible Entity's internal controls and procedures and in particular to provide guidance to Directors, executives and any employees on avoiding any conflicts of interest or breaches of insider trading laws.
- **Communications Policy** – This policy sets out the practices which the Trust will implement to ensure effective and efficient communication with its Unitholders.
- **Diversity Policy** – This policy sets out the Trust's objectives for achieving diversity amongst its Directors, executives and any employees.
- **Compliance Plan** – This plan sets out the procedures for the Responsible Entity to comply with the Corporations Act and the Constitution. This plan is overseen by a 'Compliance Committee' and the Responsible Entity's compliance with it is audited annually.
- **Compliance Committee** – The Responsible Entity has established the Compliance Committee with a majority of external members. A Compliance Committee charter governs the key aspects of the Compliance Committee.
 - Compliance Committee Members
 - **Virginia Malley**
Virginia has 31 years' experience in the investment and banking sectors, including 16 years' experience as a company director. Her areas of expertise are regulatory compliance, financial and environmental markets and governance, and risk management.

Virginia is a non-executive director of Perpetual Superannuation Limited; a member of several Perpetual compliance committees and the Sydney Airport Trust compliance committee; and member of the clean energy regulator.

Virginia was previously the Chief Risk Officer and member of the Clean Technology, Asia/Pacific, Private Equity and Global/Advisory Investment Committees at Macquarie Funds Management Group. She oversaw the risk management of portfolios investing in clean technologies, listed equities, derivatives, currencies and private equity.

Virginia is a Fellow of the Australian Institute of Company Directors. She holds a Bachelor of Arts and a Master of Applied Finance from Macquarie University, a Master of Laws from the University of Sydney, and a Juris Doctor from the University of Technology, Sydney.

– **Micheline Collopy**

Micheline is Chair of Perpetual Superannuation Limited as an independent director and a member of its Audit and Risk Committee. Micheline is an experienced professional in funds management, treasury, risk management, compliance, and corporate governance with over 20 years' experience in financial markets.

Micheline holds a Bachelor of Economics degree from Australian National University and is a Chartered Accountant. Micheline also holds a Financial Planning Accreditation from Deakin University, is a Financial Planning Specialist with the Institute of Chartered Accountants and a Fellow of the Australian Institute of Company Directors.

Micheline is a director of Teachers Mutual Bank and a Council Member of the University of Technology Sydney.

– **Michael Vainauskas**

Please refer to Michael's biography in Section 4.3.

4.7.2 ASX Corporate Governance Principles

The Responsible Entity has evaluated the Trust's current corporate governance policies and practices in light of the ASX Corporate Governance Principles and Recommendations. A brief summary of the approach currently adopted by the Trust is set out below.

PRINCIPLE 1 - LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

The role of the Responsible Entity's Board is generally to set objectives and goals for the operation of the Responsible Entity and the Trust, to oversee the Responsible Entity's management, to regularly review performance and to monitor the Responsible Entity's affairs acting in the best interests of the Trust as a whole. The Responsible Entity's Board is accountable to the Unitholders, and is responsible for approving the Responsible Entity's overall objectives and overseeing their implementation in discharging their duties and obligations and operating the Trust.

The role of the Responsible Entity's management is to manage the business of the Responsible Entity in operating the Trust. The Responsible Entity's Board delegates to management all matters not reserved to the Responsible Entity Board, including the day-to-day management of the Responsible Entity and the operation of the Trust. Directors, management and staff are guided by Perpetual's Code of Conduct which is designed to assist them in making ethical business decisions.

PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE

At present the Responsible Entity's Board consists of four executive Directors and two alternate Directors. The names of the current Directors and year of appointment is provided below:

NAME OF DIRECTOR	YEAR OF APPOINTMENT
Christopher Green	2014
Michael Vainauskas	2015
Glenn Foster	2015
Vicki Riggio	2018
Andrew McIver (Alternate)	2017
Gillian Larkins (Alternate)	2017

As the Responsible Entity Board consists of only executive Directors, a Compliance Committee is appointed in relation to the Trust (refer to Principle 7). The Compliance Committee comprises a majority of independent members and is chaired by an independent member who is not the chair of the Responsible Entity's Board.

PRINCIPLE 3 - PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

The Responsible Entity has a Code of Conduct and espoused Core Values and a further values framework known as the 'Way we Work' within which it carries on its business and deals with its stakeholders. These apply to all directors and

employees of Perpetual, and the Responsible Entity. The Code of Conduct and Core Values supports all aspects of the way the Responsible Entity conducts its business and is embedded into Perpetual's performance management process. The Code of Conduct is available on Perpetual's website (www.perpetual.com.au).

PRINCIPLE 4 - SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

The functions of an audit committee are undertaken by the full Board of the Responsible Entity with assistance from the Responsible Entity's management. The declarations under section 295A of the Corporations Act provide formal statements to the Responsible Entity Board in relation to the Trust (refer to Principle 7). The declarations confirm the matters required by the Corporations Act in connection with financial reporting. The Responsible Entity receives confirmations from the service providers involved in financial reporting and management of the Trust, including the Manager, which assist its staff in making the declarations provided under section 295A of the Corporations Act.

The Responsible Entity manages the engagement and monitoring of independent external auditors for the Trust. The Responsible Entity Board receives periodic reports from the external auditors in relation to financial reporting and the compliance plans for the Trust.

PRINCIPLE 5 - MAKE TIMELY AND BALANCED DISCLOSURE

The Responsible Entity has a continuous disclosure policy to ensure compliance with the continuous disclosure requirements of the Corporations Act and the ASX Listing Rules in relation to the Trust. The policy requires timely disclosure of information to be reported to the Responsible Entity's management and/or Directors to ensure that information that a reasonable person would expect to have a material effect on the unit price, or would influence an investment decision in relation to any of the Trust, is disclosed to the market. The Responsible Entity's employees assist management and/or the Directors in making disclosures to the ASX after appropriate Responsible Entity Board consultation. The Responsible Entity requires service providers, including the Manager, to comply with its policy in relation to continuous disclosure for the Trust.

PRINCIPLE 6 — RESPECT THE RIGHTS OF UNITHOLDERS

The Responsible Entity is committed to ensuring timely and accurate information about the Trust is available to Unitholders via the Trust's website at www.vitalharvest.com.au/investor. All ASX announcements will be promptly posted on the website. The annual and half year financial results statements and other communication materials are also published on the website.

In addition to the continuous disclosure obligations, the Responsible Entity receives and responds to formal and informal communications from Unitholders and convenes formal and informal meetings of Unitholders as requested or required. The Responsible Entity has an active program for effective communication with Unitholders and other stakeholders in relation to the Trust.

The Responsible Entity handles any complaints received from Unitholders in accordance with Perpetual's 'Complaints Handling Policy'. The Responsible Entity is a member of the Financial Ombudsman Service, an independent dispute resolution body, which is available to Unitholders in the event that any complaints in relation to the Trust cannot be satisfactorily resolved by the Responsible Entity.

PRINCIPLE 7 — RECOGNISE AND MANAGE RISK

The Responsible Entity values the importance of robust risk management systems and maintains a current risk register as part of its formal risk management program. The Responsible Entity has established a Compliance Committee, comprised of Virginia Malley, Michelene Collopy and Michael Vainauskas.

The 'Compliance Committee' meets at least quarterly. The 'Compliance Committee Charter' sets out the Compliance Committee's role and responsibilities. The 'Compliance Committee' is responsible for compliance matters regarding the Responsible Entity's Compliance Plan and Constitution and the Corporations Act. Perpetual's Audit, Risk and Compliance Committee is responsible for oversight of Perpetual's risk management and internal control systems. The Audit, Risk and Compliance Committee is comprised of Ian Hammond, Philip Bullock, Nancy Fox and Craig Ueland. The Audit, Risk and Compliance Committee terms of reference sets out its role and responsibilities. This can be obtained on Perpetual's website at www.perpetual.com.au. The majority of the 'Compliance Committee' and the 'Audit, Risk and Compliance Committee' members are independent. They are chaired by independent members.

The Responsible Entity manages the engagement and monitoring of independent external auditors for the Trust. The Responsible Entity Board receives periodic reports in relation to financial reporting and the compliance plan audit outcomes for the Trust.

Perpetual has a risk management framework in place which is reviewed annually. The declarations under section 295A

of the Corporations Act provide assurance regarding sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks. The Responsible Entity also receives appropriate declarations from the service providers involved in financial reporting.

Perpetual has an internal audit function which reports to Perpetual's Audit and Risk Compliance Committee and is for administrative purposes Perpetual's Chief Risk Officer and is independent from the external auditor. Perpetual's Audit and Risk Compliance Committee reviews the annual Internal Audit Plan and also reviews reports issued by the Head of Internal Audit.

PRINCIPLE 8 — REMUNERATE FAIRLY AND RESPONSIBLY

The fees and expenses which the Responsible Entity is permitted to pay out of the assets of the Trust are set out in the Trust's Constitution. The Trust's financial statements provide details of all fees and expenses paid by the Trust during a financial period.

Financial Information

5

(Source: Vitalharvest / goFarm)

5. FINANCIAL INFORMATION

5.1 Introduction

This Section contains a summary of the historical and forecast financial information prepared by Vitalharvest for the Directors of the Responsible Entity (together the **Financial Information**).

The purpose of including the Financial Information is to provide potential investors sufficient information to make an informed investment decision regarding Vitalharvest REIT.

Actual Historical Financial Information includes:

- Actual historical income statements for the years ended: 30 June 2015, 30 June 2016 and 30 June 2017 and the 6 months ended 31 December 2016 (unreviewed) and 2017 (**FY15, FY16, FY17, 1H17 and 1H18**) (**Actual Historical Income Statements**); and
- Statutory balance sheet as at 31 December 2017 (**Statutory Balance Sheet**).

Pro Forma Historical Financial Information includes:

- Pro Forma historical income statements for FY15, FY16, FY17, 1H17 (unreviewed) and 1H18 (**Pro Forma Historical Income Statements**);
- Pro Forma historical distribution statement for FY15, FY16, and FY17 (**Pro Forma Historical Distribution Statements**); and
- Pro Forma balance sheet prepared on a consolidated basis as at 31 December 2017 (**Pro Forma Balance Sheet**).

The Actual Historical Financial Information and the Pro Forma Historical Financial Information collectively form the **Historical Financial Information**.

Statutory Forecast includes:

- Statutory forecast income statement for the year ending 30 June 2018 (FY18F) (**Statutory Forecast Income Statement**).

Pro Forma Forecast includes:

- Pro Forma forecast income statement for FY18F (**Pro Forma Forecast Income Statement**); and
- Pro Forma forecast distribution statement for FY18F (**Pro Forma Distribution Statement**).

The Statutory Forecast and Pro Forma Forecast collectively form the **Forecast Financial Information**.

Unitholders should note that the Statutory Forecast and Pro Forma Forecast period is a period before the issue of Units is proposed to occur under the Offer. As such, it does not represent an estimate of income or Distribution entitlements accruing to Unitholders.

This Section 5 also includes:

- the basis of preparation of the Financial Information (see Section 5.2);
- the Directors' best estimate assumptions underlying the Forecast Financial Information (see Sections 5.5.1 and 5.5.2);
- analysis and management's commentary on the Financial Information (see Sections 5.4 and 5.5);
- analysis of the sensitivity of the Pro Forma NPBT for FY18F to changes in certain key assumptions (see Section 5.6); and
- Vitalharvest REIT's proposed Distribution Policy (see Section 5.5.8).

The Forecast Financial Information should be read in conjunction with the risk factors set out in Section 8. All amounts disclosed in this Section 5 are in Australian dollars and unless otherwise stated, are rounded to the nearest \$100,000.

5.2 Basis of preparation of the Financial Information

Vitalharvest is responsible for the preparation of the Financial Information for the Directors of the Responsible Entity.

The Financial Information included in Section 5 has been prepared and presented in accordance with the recognition and measurement principles of AAS issued by the AASB, which are consistent with IFRS issued by the AASB.

The Actual Historical Financial Information has been sourced from the financial statements of Vitalharvest, which were prepared in accordance with AAS.

The Pro Forma Historical Financial Information has been derived from the audited financial statements of Vitalharvest by the Directors, adjusted on a Pro Forma basis to reflect the Restructure and on-going operations of Vitalharvest REIT as a listed public entity post IPO.

This PDS includes Forecast Financial Information based on the specific and general assumptions of the Responsible Entity. The Forecast Financial Information presented in this PDS is unaudited. The basis of preparation and presentation of the Forecast Financial Information, to the extent applicable, is consistent with the basis of preparation and presentation of the Historical Financial Information.

With the exception of the application of AASB 3: Business Combinations (as set out in Section 5.7), Vitalharvest's key accounting policies have been consistently applied throughout the financial periods presented and are set out in Section 5.7.

The Financial Information is presented in an abbreviated form insofar as it does not include all the presentation and disclosures, statements or comparative information as required by AAS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

5.2.1 Preparation of the Actual Historical Financial Information

The Actual Historical Financial Information presented in this Section 5 has been based on the audited general purpose (**Reduced Disclosure Requirements or 'RDR'**) financial statements for the year ended 30 June 2017 and the special purpose financial statements for the years ended 30 June 2015 and 2016 of Vitalharvest prepared on the basis outlined above in Section 5.2.

Pitcher Partners audited the FY15, FY16 and FY17 financial statements and performed a statutory review for the 1H18 financial statements, and issued unmodified opinions for those periods.

5.2.2 Preparation of the Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information is based on the general purpose (RDR) actual financial statements of Vitalharvest for FY17 and 1H18 and the special purpose actual financial statements of Vitalharvest for FY15, FY16, and 1H17 adjusted for certain Pro Forma transactions.

The Pro Forma Historical Financial Information included in this PDS has been reviewed, but not audited, by Pitcher Partners Corporate Pty Ltd. Investors should note the scope and limitations of the Investigating Accountant's Report (see Section 6).

Refer to Sections 5.3.1 to 5.3.7 for a reconciliation between the audited Actual Historical Financial Information and the Pro Forma Historical Financial Information.

Investors should note that past results are not a guarantee of future performance.

5.2.3 Preparation of the Forecast Financial Information

The Forecast Financial Information is presented on both a Pro Forma and statutory basis and has been prepared solely for inclusion in this PDS.

The Pro Forma Forecast Income Statement and Pro Forma Distribution Statement have been derived from the Statutory Forecast Income Statement and the Statutory Distribution Statement respectively after adjusting for Pro Forma transactions and other adjustments to reflect Vitalharvest REIT's operations and corporate structure following completion of the Offer and to reflect standalone public entity costs as set out in Sections 5.3.1 and 5.3.6. The Statutory Forecast Income Statement and Statutory Distribution Statement for FY18F consist of the Directors' best estimate forecast for the 12 months ending 30 June 2018.

The Forecast Financial Information has been prepared by Vitalharvest for the Directors of the Responsible Entity based on an assessment of current economic and operating conditions and best estimate assumptions regarding future events and actions as set out in Sections 5.3.1 and 5.3.6. The Forecast Financial Information is subject to the risks set out in Section 8. The inclusion of these assumptions and risks is intended to assist investors in assessing the reasonableness of the assumptions and the likelihood of future events occurring and is not intended to be a representation that the assumptions will occur. The Forecast Financial Information presented in this PDS has been reviewed by Pitcher Partners Corporate Pty Ltd, but has not been audited. Investors should note the scope and limitations of the Investigating Accountant's Report included in Section 6.

The Responsible Entity believes the best estimate assumptions (taken as a whole), to be reasonable at the time of preparing this PDS. However, this information is not fact and investors are cautioned not to place undue reliance on the Forecast Financial Information.

Investors should be aware that the timing of actual events and the magnitude of their impact might differ from that assumed in preparing the Forecast Financial Information and this may have a material positive or material negative effect on Vitalharvest REIT's actual financial performance and/or financial position. In addition, the assumptions upon which the Forecast Financial Information is based, are by their nature subject to significant uncertainties and contingencies, many of which will be outside the control of Vitalharvest REIT, the Responsible Entity and the Manager and are not readily predictable.

Accordingly, none of the Responsible Entity, the Manager or any other person can give investors assurance that the outcomes detailed in the Forecast Financial Information will arise.

The directors of Vitalharvest considered the inclusion of forecast financial information for the year ended 30 June 2019 and formed the opinion that, having considered the guidance contained in ASIC Regulatory Guide 170 Prospective Financial Information, there are no reasonable grounds to include such information given the difficulty in forecasting the performance of the Tenants on which Variable Rent is based, for a period exceeding twelve months.

The Forecast Financial Information in this Section 5 should be read in conjunction with the general assumptions set out in Section 5.5.1, the specific assumptions set out in Section 5.5.2, the sensitivity analysis set out in Section 5.6, the risk factors set out in Section 8 and the other information contained in this PDS.

5.2.4 Use of Non-IFRS financial measures

Vitalharvest REIT uses certain measures to manage and report on its business that are not recognised under AAS. These are known as 'non-IFRS financial measures' and the principal ones used in this PDS are as follows (together **Key Earnings Metrics**):

- Earnings before interest, taxation, depreciation and amortisation (**EBITDA**) excluding significant items being EBITDA calculated after removing the effect of the significant items as set out in Section 5.3.3);
- Earnings before interest and taxation (**EBIT**) excluding significant items being EBIT calculated after removing the effect of the significant items as set out in Section 5.3.3);
- Net Profit Before tax (**NPBT**) excluding significant items being NPBT calculated after removing the post-tax effect of the significant items as set out in Section 5.3.3);
- Funds from operations (**FFO**) represent Pro Forma net income before tax adjusted for non-cash items such as depreciation and /or non-distributable items such as grant income, fair value adjustments and impairment adjustments;
- Distributable earnings are earnings forecast to be available for Distribution to Unitholders each period in accordance with the Distribution Policy; and
- Significant items are transactions incurred in the normal course of business but are separately identified due to the quantitative or qualitative impact on Vitalharvest REIT's financial performance, as determined by the Directors.

Although the Directors believe that these measures provide useful information about the financial performance of Vitalharvest REIT, they should be considered as supplements to the income statement and distribution statement that have been presented in accordance with AAS and not as a replacement for them. Because these non-IFRS financial measures are not based on AAS, they do not have standard definitions and the way Vitalharvest REIT calculates these measures may differ from similarly titled measures used by other real estate investment trusts. Readers should therefore not place undue reliance on these non-IFRS financial measures.

5.3 Historical and Forecast Income Statements

5.3.1 Pro Forma Historical and Forecast Income Statements

Tables 5A to 5C present the Pro Forma Historical Income Statements for FY15, FY16 and FY17 along with the Pro Forma Forecast Income Statement and Statutory Forecast Income Statement for FY18F, the Pro Forma Historical Income Statements for 1H17 and 1H18, and Pro Forma Historical Distribution Statements for FY15, FY16 and FY17 along with the Pro Forma Forecast Distribution Statement for FY18F. The Pro Forma Historical Income Statements and Pro Forma Forecast Income Statement are reconciled to the Actual Historical Income Statements and Statutory Forecast Income Statement respectively in Sections 5.3.5 and 5.3.6.

TABLE 5A: PRO FORMA HISTORICAL AND FORECAST INCOME STATEMENTS

	PRO FORMA HISTORICAL			PRO FORMA FORECAST	STATUTORY FORECAST
\$ MILLIONS, JUNE YEAR END	FY15	FY16	FY17	FY18F	FY18F
Base Rent	7.9	8.4	8.7	9.1	9.1
Variable Rent	9.0	9.2	7.6	12.2	12.2
Total rent revenue	16.9	17.6	16.3	21.3	21.3
Fair value adjustments	13.3	0.0	15.2	0.0	0.0
Other revenue and income	2.8	1.3	2.4	1.6	1.6
Total revenue	33.0	18.9	33.9	22.9	22.9
Impairment losses	(8.5)	0.0	0.0	(0.2)	(0.2)
Employee benefits expense	0.0	0.0	0.0	0.0	0.0
Administration fees	(1.2)	(1.2)	(1.2)	(1.2)	(0.3)
Rates and taxes	(0.2)	(0.2)	(0.2)	(0.3)	(0.3)
Other expenses	(0.2)	(0.2)	(0.2)	0.0	(0.1)
Establishment Costs	0.0	0.0	0.0	0.0	(4.3)
Total expenses	(10.1)	(1.6)	(1.6)	(1.7)	(5.2)
EBITDA	22.9	17.3	32.3	21.2	17.7
Depreciation and amortisation	(0.1)	(0.1)	(4.3)	(8.6)	(8.6)
EBIT	22.8	17.2	28.0	12.6	9.1
Finance costs	(3.9)	(3.9)	(3.9)	(3.9)	(1.6)
Interest income	0.1	0.1	0.1	0.0	0.0
Profit before tax	19.0	13.4	24.2	8.7	7.5
Income tax expense	0.0	0.0	0.0	0.0	(3.3)
NPAT	19.0	13.4	24.2	8.7	4.2
Significant items	(7.0)	(0.3)	(13.0)	7.5	15.1
Net profit excluding significant items	12.0	13.1	11.2	16.2	19.3

TABLE 5B: PRO FORMA HISTORICAL INCOME STATEMENTS FOR 1H17 AND 1H18

\$ MILLIONS, JUNE YEAR END	PRO FORMA HISTORICAL INCOME STATEMENTS	
	1H17	1H18
Base Rent	4.3	4.4
Variable Rent	6.3	10.9
Total rental revenue	10.6	15.3
Fair value adjustments	0.0	0.0
Other revenue and income	1.1	1.1
Total revenue	11.7	16.4
Impairment losses	0.0	0.0
Administration fees	(0.6)	(0.6)
Rates and taxes	(0.2)	(0.2)
Other expenses	0.0	0.0
Establishment costs	0.0	0.0
Total expenses	(0.8)	(0.8)
EBITDA	10.9	15.6
Depreciation	(2.2)	(4.3)
EBIT	8.7	11.3
Finance costs	(2.0)	(2.0)
Interest Income	0.0	0.0
Profit before tax	6.7	9.3
Income tax expense	0.0	0.0
NPAT	6.7	9.3
Add back significant items	1.4	3.3
Net profit excluding significant items	8.1	12.6

5.3.2 Forecast Distributable Earnings and Distributions

FFO represents Pro Forma net income before tax adjusted for fair value adjustments, impairment adjustments and other non-cash items such as depreciation, and non-distributable items such as grant income.

The table below provides a reconciliation from the Pro Forma net income before tax to Distributions. As set out in the table below, Vitalharvest REIT Pro Forma FY18F forecasts include:

- a Pro Forma Distribution of 8.0 cents per Unit for the period from 1 July 2017 to 30 June 2018, reflecting a payout ratio of 90% of FFO, had the entity been listed during this time.

TABLE 5C: RECONCILIATION OF DISTRIBUTABLE INCOME

PRO FORMA DISTRIBUTION STATEMENT	PRO FORMA HISTORICAL			PRO FORMA FORECAST
\$ MILLIONS, JUNE YEAR END	FY15	FY16	FY17	FY18F
Profit before tax	19.0	13.4	24.2	8.7
Non cash adjustments				
Net gain on fair value adjustment	(13.3)	0.0	(15.2)	0.0
Loss on fair value adjustment	7.8	0.0	0.0	0.2
Impairment loss	0.7	0.0	0.0	0.0
Depreciation	0.1	0.1	4.3	8.6
Debt Establishment Fee	0.2	0.2	0.2	0.2
Grant income	(2.2)	(0.3)	(2.1)	(1.3)
Funds from operations (FFO)	12.3	13.4	11.4	16.4
Payout ratio (Distribution / FFO)	90%	90%	90%	90%
Distribution	11.1	12.1	10.3	14.8
Securities on issue (millions)	185	185	185	185
FFO per unit (cents)	6.6	7.2	6.2	8.9
Distribution per Unit (cents)	6.0	6.5	5.5	8.0
Tax deferred component of distribution	n/a	n/a	n/a	n/a

Whilst Settlement Date is expected to be on 2 August 2018, the Forecast Distribution Statement has been prepared for the year from 1 July 2017 to 30 June 2018.

Whilst distributions will only be paid for the period between the date of completion of the Restructure and 30 June 2019, a distribution statement for the 12 month period ending 30 June 2018 has been presented for illustrative purposes only based on the Pro Forma income statements for the relevant periods.

TAX DEFERRED COMPONENTS OF DISTRIBUTION

It is not possible to provide the estimated tax deferred component of distributions as a Pro Forma amount as the tax deferred components will only arise in periods after completion of the Restructure and the issue of Units occurs.

If the Restructure occurs in the manner contemplated at Section 2.1, then the estimated tax deferred component of Distributions for full year FY19 would be approximately \$5.16 million. Broadly, this is comprised of tax depreciation (approximately \$2.66 million) and that portion of the Establishment Costs that is expected to be deductible over 5 years (approximately \$2.5 million).

The estimated tax deferred component is determined in accordance with the prevailing tax legislation at the time of preparing the PDS, and for the purpose of allocating tax value to assets, asset componentisation values provided with the independent valuation of the Properties. As the Independent Valuation is less than the sum of the Proceeds of the Offer and the amount of the drawn down Debt Facilities, it has been assumed that this excess will be entirely allocated to non-depreciable assets (i.e. land). The actual tax deferred component may differ from the estimate provided due to post IPO acquisition activities, including, but not limited to, future capital expenditure and additional Establishment Costs.

5.3.3 Pro Forma historical, Pro Forma forecast and statutory forecast key earnings metrics and significant items

Tables 5D and 5E set out the adjustments made to the Pro Forma historical, Pro Forma forecast and statutory forecast income statements for FY15, FY16, FY17, FY18F, 1H17 and 1H18 to separately identify the impact of significant items and on selected earnings metrics.

TABLE 5D: SUMMARY OF SIGNIFICANT ITEMS

PRO FORMA HISTORICAL					PRO FORMA FORECAST	STATUTORY FORECAST
\$ MILLIONS, JUNE YEAR END	NOTE	FY15	FY16	FY17	FY18F	FY18F
Significant items						
Net gain on fair value adjustment	1	(13.3)	0.0	(15.2)	0.0	0.0
Loss on fair value adjustment	2	7.8	0.0	0.0	0.2	0.2
Impairment loss	3	0.7	0.0	0.0	0.0	0.0
Depreciation (Bearer Plants)	4	0.0	0.0	4.3	8.6	8.6
Establishment Costs		0.0	0.0	0.0	0.0	4.3
Grant income	5	(2.2)	(0.3)	(2.1)	(1.3)	(1.3)
Total significant items (before tax)		(7.0)	(0.3)	(13.0)	7.5	11.8
EBITDA - including significant items		22.9	17.3	32.3	21.2	17.7
EBITDA - excluding significant items		15.9	17.0	15.0	20.1	20.9
EBIT - including significant items		22.8	17.2	28.0	12.6	9.1
EBIT - excluding significant items		15.8	16.9	15.0	20.1	20.9
Tax impact - significant items		0.0	0.0	0.0	0.0	3.3
NPAT - including significant items		19.0	13.4	24.2	8.7	4.2
NPAT - excluding significant items		12.0	13.1	11.2	16.2	19.3
				PRO FORMA FORECAST	PRO FORMA FORECAST	
\$ MILLIONS, JUNE YEAR END	NOTE	1H FY17			1H FY18	
Significant items						
Net gain on fair value adjustment	1	0.0			0.0	
Loss on fair value adjustment	2	0.0			0.0	
Impairment loss	3	0.0			0.0	
Depreciation (Bearer Plants)	4	2.1			4.3	
Establishment Costs		0.0			0.0	
Grant income	5	(0.7)			(1.0)	
Total significant items				1.4	3.3	
EBITDA - including significant items				10.9	15.6	
EBITDA - excluding significant items				10.2	14.6	
EBIT - including significant items				8.7	11.3	
EBIT - excluding significant items				10.1	14.6	
Tax impact - significant items				0.0	0.0	
NPAT - including significant items				6.7	9.3	
NPAT - excluding significant items				8.1	12.6	

The following significant items are excluded from Vitalharvest REIT's NPAT due to their quantitative and / or qualitative impact on financial performance:

1. Net gain on fair value adjustment from FY16 to FY18 which represent the upward revaluation of Property Portfolio. The net gain on fair value adjustments in FY15 represents the upward revaluation of bearer plants.
2. Net loss on fair value adjustment in FY15 which represents the downwards revaluation of the Property Portfolio.
3. Impairment loss relating to the net movement in the value of Water Rights.
4. Depreciation relating to the AAS amendment to depreciate bearer plants over their useful lives from 1 July 2016. The treatment has not been applied in prior Pro Forma periods because it was not a change in accounting policies.
5. Grant income represents inflows from achieving various milestones within grant agreements. These grants are typically required to be spent on capital projects.

5.3.4 Key operating metrics

Table 5E sets out the key historical and forecast operating metrics for Vitalharvest REIT derived from the Pro Forma Historical Financial Information and Pro Forma Forecast Financial Information.

TABLE 5E: KEY OPERATING METRICS

\$ MILLIONS, JUNE YEAR END	PRO FORMA HISTORICAL			PRO FORMA FORECAST
	FY15	FY16	FY17	FY18F
Pro Forma revenue and other revenue growth (excl. fair value adjustments)	n/a	(33.0%)	(1.1%)	23.5%
Pro Forma EBITDA growth (excl. significant items)	n/a	6.8%	(11.9%)	34.1%
Pro Forma NPAT growth (excl. significant items)	n/a	9.2%	(14.5%)	44.6%
Pro Forma Funds from operations growth	n/a	8.9%	(14.9%)	43.9%
Pro Forma Distribution growth	n/a	8.9%	(14.9%)	43.9%

5.3.5 Actual historical income statements

Table 5F sets out the Actual Historical Income Statements for Vitalharvest.

TABLE 5F: ACTUAL HISTORICAL INCOME STATEMENTS

\$ MILLIONS, JUNE YEAR END	FY15	FY16	FY17	1H FY17	1H FY18
Base Rent	7.9	8.4	8.7	4.3	4.4
Variable Rent	9.0	9.2	7.6	6.3	10.9
Total rental revenue	16.9	17.6	16.3	10.6	15.3
Fair value adjustments	13.3	0.0	15.2	0.0	0.0
Other revenue and income	2.8	1.3	2.4	1.1	1.1
Total revenue	33.0	18.9	33.9	11.7	16.4
Impairment losses	(8.5)	0.0	0.0	0.0	0.0
Employee benefits expense	0.0	0.0	0.0	0.0	0.0
Administration fees	(0.3)	(0.4)	(0.3)	(0.2)	(0.2)
Rates and taxes	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Other expenses	(0.2)	(0.3)	(0.3)	(0.1)	(0.1)
Total expenses	(9.2)	(0.9)	(0.8)	(0.5)	(0.5)
EBITDA	23.8	18.0	33.1	11.2	15.9
Depreciation and amortisation	(0.1)	(0.1)	(4.3)	(2.2)	(4.3)
EBIT	23.7	17.9	28.8	9.0	11.6
Net finance income/(costs)	(4.4)	(3.1)	(1.6)	(0.8)	(0.8)
Profit before tax	19.3	14.8	27.2	8.2	10.8
Income tax expense	(5.8)	(4.3)	(9.0)	(2.4)	(3.3)
NPAT	13.5	10.5	18.2	5.8	7.5
Significant items	(7.0)	(0.3)	(13.0)	1.4	3.3
NPAT excluding significant items	6.5	10.2	5.2	7.2	10.8

5.3.6 Pro Forma adjustments to the Actual Historical and Statutory Forecast Income Statements

Tables 5G set out the Pro Forma adjustments made to statutory NPAT as reported in the Actual Historical Income Statements and Statutory Forecast Income Statement for Vitalharvest. These adjustments are summarised in the footnotes below.

TABLE 5G: PRO FORMA ADJUSTMENTS TO THE ACTUAL HISTORICAL AND STATUTORY FORECAST INCOME STATEMENTS

\$ MILLIONS, JUNE YEAR END	NOTE	FY15	FY16	FY17	FY18F
Statutory NPAT		13.5	10.5	18.2	4.2
Managed investment scheme costs	1	(0.9)	(0.7)	(0.8)	(0.8)
Debt raising costs	2	(0.2)	(0.2)	(0.2)	(0.2)
Establishment Costs	3	0.0	0.0	0.0	4.3
Net Pro Forma finance costs	2	(3.7)	(3.7)	(3.7)	(3.7)
Net historical finance costs	2	4.5	3.2	1.7	1.6
Income tax expense	4	5.8	4.3	9.0	3.3
Pro Forma NPBT		19.0	13.4	24.2	8.7
Significant items		(7.0)	(0.3)	(13.0)	7.5
Pro Forma NPBT excl. significant items		12.0	13.1	11.2	16.2

\$ MILLIONS, JUNE YEAR END	NOTE	1H FY17	1H FY18
Statutory NPAT		5.8	7.5
Managed investment scheme costs	1	(0.4)	(0.3)
Debt raising costs	2	(0.1)	(0.1)
Establishment Costs	3	0.0	0.0
Net Pro Forma finance costs	2	(1.9)	(1.9)
Net historical finance costs	2	0.8	0.8
Income tax expense	4	2.4	3.3
Pro Forma NPBT		6.6	9.3
Significant items		1.4	3.3
Pro Forma NPBT excl. significant items		8.0	12.6

1. Managed investment scheme costs reflect Vitalharvest REIT's estimate of incremental annual costs that Vitalharvest REIT will incur as a managed investment scheme. These costs include Responsible Entity fees (\$0.15 million), Manager fees (\$0.5 million) and additional audit costs, listing fees, share registry costs, and other compliance and reporting costs.
2. Annual costs associated with the new finance facilities are detailed in Section 12.1.5. Net Pro Forma and net historical actual costs reflect the proposed full repayment of all existing facilities with the proceeds of the Offer and the elimination of associated historical interest expenses and the inclusion of net interest and borrowing costs paid as a consequence of the Debt Facilities and draw down of \$95.0 million per Section 12.1.5.
3. Total costs directly attributed to the Offer are estimated to be \$14.3 million of which \$0.7 million relate to debt establishment fees which are capitalised and amortised over the life of the loan. Of the remaining \$13.6 million, \$7.6 million is directly attributable to the issue of new Units estimated to be incurred in FY19 and will be offset against equity raised under the Offer. The remaining \$6.0 million is expensed in the FY18F (\$4.3 million), other historical periods and FY19 results.
4. Income tax expense. The elimination of income tax expense is a consequence of the conversion of the existing company structure to a trust on the basis that Vitalharvest REIT will not be taxable.

5.3.7 Pro Forma balance sheet

Table 5I sets out the adjustments made to the Statutory Balance Sheet as at 31 December 2017 to prepare the Pro Forma Balance Sheet. These adjustments reflect the capital structure that will be in place following Completion of the Offer, as if it had occurred as at 31 December 2017. These adjustments are summarised in the footnotes below.

TABLE 5I: PRO FORMA BALANCE SHEET

\$ MILLIONS, 31 DECEMBER 2017	STATUTORY BALANCE SHEET	CHANGE IN CAPITAL STRUCTURE	IMPACT OF THE OFFER AND DEBT FACILITIES	PRO FORMA BALANCE SHEET
CURRENT ASSETS				
Cash and cash equivalents	0.6	(213.0)	218.3	5.9
Trade and other receivables	8.7	0.0	(7.0)	1.7
Other current assets	10.9	0.0	(4.1)	6.8
Total current assets	20.2	(213.0)	207.2	14.4
NON-CURRENT ASSETS				
Biological assets	93.5	25.6	0.0	119.1
Intangibles	17.8	19.0	0.0	36.9
Investment properties	82.5	0.0	0.0	82.5
Property, plant and equipment	0.8	0.0	0.0	0.8
Total non-current assets	194.6	44.6	0.0	239.3
Total assets	214.8	(168.4)	207.2	253.7
CURRENT LIABILITIES				
Trade and other payables	4.2	0.0	6.1	10.4
Current tax liabilities	2.9	0.0	0.0	2.9
Total current liabilities	7.1	0.0	6.1	13.3
NON-CURRENT LIABILITIES				
Borrowings	54.0	0.0	41.0	95.0
Deferred tax liabilities	25.5	(25.5)	0.0	0.0
Total non-current liabilities	79.5	(25.5)	41.0	95.0
Total liabilities	86.6	(25.5)	47.1	108.3
Net assets	128.2	(142.9)	160.1	145.4
EQUITY				
Capital	56.1	(56.1)	177.2	177.2
Reserves	39.5	(39.5)	0.0	0.0
Retained earnings	32.6	(47.2)	(17.1)	(31.8)
Total equity	128.2	(142.9)	160.1	145.4
Net Asset Value per Unit				\$0.79

1. THE CHANGE IN CAPITAL STRUCTURE REFLECTS;

- The transactions contemplated as part of the IPO which represent a business combination under AASB 3: Business Combinations for accounting purposes. The application of AASB 3: Business Combinations requires the existing assets to be recorded at fair value and requires the elimination of all pre-existing equity, share capital and retained earnings. Equity includes all retained earnings that relate to the pre-existing entity.
- Property revaluations represent the increment to the value from the carrying amount at 31 December 2017 of \$193.8 million and the Independent Valuation Report as at 31 May 2018 equating to \$238.4 million. The total value of the

Farming Properties is allocated between land and buildings, bearer plants and water entitlements in accordance with the Independent Valuation Report in Section 7 of this PDS.

- Payment to CAM of \$211.2 million excluding the estimated net adjustments contemplated in the Vitalharvest Share Sale Agreement, based on the Pro Forma Balance Sheet of \$2.1 million, (resulting in the total estimated payment to CAM) for its shares in Vitalharvest of \$213.3 million. The actual adjustments under the Vitalharvest Share Sale Agreement will be calculated on the basis of the "Completion Accounts" as defined under the Vitalharvest Share Sale Agreement.

2. THE IMPACT OF THE OFFER REFLECTS:

- Pro Forma adjustments to eliminate balances that will be settled or arise as a result of the Offer, including:
- The equity and debt raise which will result in the inflow of \$280 million in cash representing:
 - Equity raise amount of \$185.0 million; and
 - Debt raise amount of \$95.0 million.
- The payment of dividends to CAM and receivable from the Tenants in accordance with the Vitalharvest Share Sale Agreement.
- The repayment of existing bank debt of \$54 million that will occur in conjunction with the IPO from the Offer proceeds.
- Establishment Costs of \$14.3 million (including \$0.7 million attributed to up front debt establishment costs recorded in pro forma balance sheet) are costs directly associated with the IPO, including advisor costs, debt establishment costs and stamp duty payable in Tasmania. Establishment Costs associated with the issue of new Units can be offset against recorded in equity \$7.6 million, with the balance recorded in the income statement \$6.0 million.
- Upfront costs for new debt facilities have been capitalised and amortised over the life of the loan. Costs of \$0.7 million are based on a draw down amount of \$95.0 million and various establishment fees consistent with transactions of this nature.
- The Pro Forma Net Asset Value (NAV) per unit is estimated to be \$0.79, less than the issue price due to the premium paid to CAM for the Farming Properties of approximately \$26.0 million and the portion of Establishment Costs that impact on net assets of \$13.6 million (exclusive of debt establishment fees of \$0.7 million which are capitalised).

5.3.8 Capitalisation and indebtedness

TABLE 5J: STATUTORY AND PRO FORMA INDEBTEDNESS AS AT 31 DECEMBER 2017

\$ MILLIONS, 31 DECEMBER 2017	STATUTORY / ACTUAL	PRO FORMA
Bank loans	54.0	95.0
Hire purchase leases	-	-
Bank overdraft	-	-
Other loans	-	-
Less: cash and cash equivalents	(0.6)	(5.9)
Net total indebtedness	53.4	89.1
Net total indebtedness/FY17 Pro Forma EBITDA	1.6	2.6
Net total indebtedness/FY18 Pro Forma EBITDA	2.5	4.2

1. Bank loans are secured by first priority general security agreement over all the assets and undertakings of Vitalharvest (excluding assets held under KD and KCW). First ranking registered mortgages over all Properties (excluding assets held by KD and KCW). For avoidance of doubt including Properties, Plantings and WALs. Share security over the shares in KD and KCW.
2. Cash and cash equivalents represent cash on hand and on deposit with NAB.

5.3.9 Liquidity and capital resources

Vitalharvest REIT's principal sources of liquidity will be cash generated from rent and cash on hand. As at 31 December 2017, on a Pro Forma basis (adjusted for the repayment of existing debt facilities), Vitalharvest had:

- Net cash and equivalents of \$5.9 million; and
- Undrawn debt of \$15.0 million under the Debt Facilities.

Vitalharvest REIT's main uses of liquidity are to fund working capital and capital expenditure requirements in order to operate and expand its business and the payment of interest and distributions. Vitalharvest REIT believes that its cash from operations, cash on hand and undrawn borrowing capacity under the Debt Facilities will be sufficient to meet its cash requirements for the foreseeable future.

5.3.10 Description of the Debt Facilities

OVERVIEW OF DEBT FACILITIES

As detailed in Table 5K, Vitalharvest will repay its existing debt facilities (\$54.0 million) with NAB on completion of the Offer.

As at the date of the PDS, Vitalharvest REIT has agreed a Commitment Letter with a Credit Approved Term Sheet for a suite of new bank facilities with NAB subject to agreement on loan documentation and satisfaction of conditions precedent, as detailed below (being the Debt Facilities):

TABLE 5K: DESCRIPTION OF DEBT FACILITIES

Borrower: Vitalharvest Finance Trust

FACILITY TYPE	COMMITTED/ DRAWN AMOUNT	INTEREST COST, AMORTISATION & TENOR	COMMENTARY
3-YEAR CORE DEBT FACILITY	\$47.5 million / \$47.5 million	Interest Rate: 3-month Bank Bill Swap Bid Rate (BBSY) plus Margin Subject to change based on market conditions, total interest rate on drawn debt is anticipated to be approximately 4.00% Amortisation: Nil Tenor: 3 years	Debt funding may be used initially to support IPO and working capital needs, thereafter for general corporate purposes.
5-YEAR CORE DEBT FACILITY	\$47.5 million / \$47.5 million	Interest Rate: 3-month BBSY plus Margin Subject to change based on market conditions, total interest rate on drawn debt is anticipated to be approximately 4.00% Amortisation: Nil Tenor: 5 years	Debt funding may be used initially to support IPO and working capital needs, thereafter for general corporate purposes.
CAPITAL EXPENDITURE FACILITY	\$15.0 million / nil	Interest Rate: 3-month BBSY plus Margin Subject to change based on market conditions, total interest rate on drawn debt is anticipated to be approximately 3.85% Amortisation: Nil Tenor: 3 years	To assist with capital expenditure funding requirements for the Farming Properties

ITEM	DESCRIPTION
SECURITY	<p>First priority general security agreement over all the assets and undertakings of Vitalharvest REIT (excluding assets held under KD and KCW)</p> <p>First ranking registered mortgages over all Properties (excluding assets held by KD and KCW). For avoidance of doubt including Properties, Plantings and WALs</p> <p>Share security over the shares in KD and KCW</p>
CONDITIONS PRECEDENT	<p>Standard for financings of this nature, and include:</p> <p>Evidence of a minimum of \$150 million raised under the IPO achieved and the Vitalharvest Share Sale Agreement is on a debt free basis</p> <p>External valuations acceptable to be relied upon for first mortgage purposes by NAB and meeting Loan to Value Ratio covenant at inception</p> <p>Evidence of insurances over Properties with NAB interest noted</p> <p>AML KYC</p>
HEDGING POLICY	<p>Finance Trust must establish and provide NAB with a Board approved hedging policy in respect of managing interest rate risk. Hedging to be conducted in line with this on completion of the Offer</p>
FINANCIAL COVENANT	<p>Financial covenants are to be maintained at all times and tested half-yearly:</p> <p>Loan to Value Ratio not greater than 55%, with values at all times based on independent expert assessments not aged more than 3 years</p> <p>Interest Coverage Ratio not less than 3x at all times, calculated over a 12 month period defined as net property income divided by interest expense</p> <p>Net Asset Value not less than \$125.0 million</p> <p>Distributions for any given financial year are to be capped at 100% of FFO</p>
UNDERTAKINGS	<p>Standard for financings of this nature, including in respect of Vitalharvest REIT:</p> <p>Asset disposal and capital expenditure restrictions with subject to thresholds without prior consent</p> <p>Not permitting further financial indebtedness subject to thresholds without prior consent</p> <p>Permitted acquisitions in line with core business and maintenance of financial covenants immediately following</p> <p>Responsible Entity must not cease in its capacity</p> <p>No assignment or subletting by Tenant without prior consent</p>
EVENTS OF DEFAULT	<p>The facility agreements contain events of default which are usual for debt facilities of this nature, including events relating to failure to pay an amount due, a breach of a financial covenant or other undertaking, a misrepresentation, an investigation of Vitalharvest REIT's affairs commencing where that investigation has certain consequences, compulsory acquisition of assets, cross- default and insolvency events.</p> <p>If an event of default is triggered, this may result in, amongst other things, the commitments provided under the facilities agreement being cancelled and the amounts borrowed under the facilities agreement being declared immediately payable or payable on demand.</p>
REVIEW EVENT	<p>Cancellation of any Leases representing 15% or more of Properties in the Property Portfolio</p> <p>Delisting or suspension from the ASX for 5 days or more</p>

5.3.11 Contractual obligations, commitments and contingent liabilities

Table 5L sets out Vitalharvest's contractual obligations and commitments (following completion of the Offer). Capital commitments relate to capital expenditure Vitalharvest has committed to, but which has yet to be completed or invoiced by the Tenants.

Vitalharvest REIT is not aware of any material actual or contingent liabilities, transactions or arrangements which are not disclosed in the Pro Forma Balance Sheet (see Section 5.3.7) or the table below.

TABLE 5L: CONTRACTUAL OBLIGATIONS AND COMMITMENTS AS AT 31 DECEMBER 2017

\$ MILLIONS, 31 DECEMBER 2017	NOTE	LESS THAN 1 YEAR	1-5 YEARS	MORE THAN 5 YEARS	TOTAL
Capital expenditure	1	2.6	0	0	2.6
Total		2.6	0	0	2.6

Note: In addition to the above commitments, Vitalharvest has applied to receive \$3.4 million under the Irrigation Industry Improvement Program Round 4 grant program. At the date of this PDS Vitalharvest has been advised its application will be successful however formal paperwork is still to be completed. As a result of this successful application, Vitalharvest has committed to spend \$3.4 million on further capital expenditure projects at its properties and to purchase 479ML of water entitlements.

1. As at 30 June 2017, Vitalharvest had committed to \$8.8 million of capital expenditure projects on the Farming Properties. As at 31 December, \$2.6 million of this remained unspent, and as a commitment. At the date of this PDS, \$2.5 million remains unspent.

5.4 Management discussion and analysis of the Pro Forma Financial Information

5.4.1 General factors affecting the operating results of Vitalharvest

Below is a discussion of the general factors which affected Vitalharvest's operations and relative financial performance in FY15, FY16 and FY17 and which the Directors expect may continue to affect financial performance in the future.

The discussion of those general factors is intended to provide a brief summary only and does not detail all factors that affected Vitalharvest's historical operating and financial performance, nor everything which may affect operations and financial performance in the future.

REVENUES

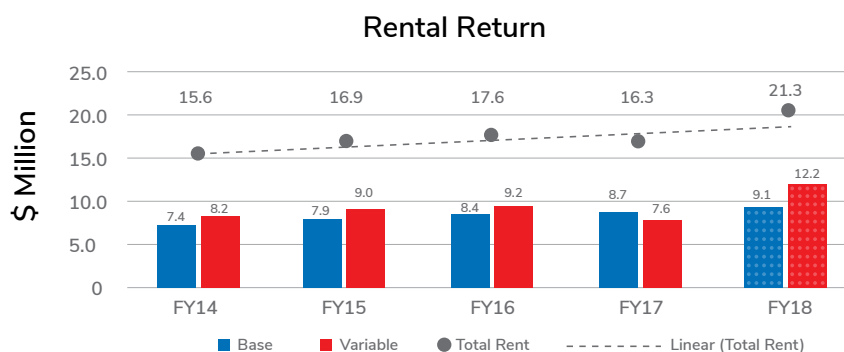
The key drivers of Vitalharvest REIT's revenue are:

BASE RENT

Base Rent is calculated as 8% of the total cost base of the Farming Properties in accordance with the Berry Property and Citrus Property leases. Any increase is representative of capital expenditure contributed by the Landlord. The cost base of the Farming Properties is increased by capital expenditure that is submitted to the Landlord by the Tenants for approval. The Tenants carry out all approved capital expenditure and submit invoices to the Landlord for reimbursement. Grant income applied to capital expenditure does not increase the cost base for the purposes of calculating Base Rent.

VARIABLE RENT

Vitalharvest is entitled to Variable Rent based on 25% of the Tenants' underlying business unit EBT in accordance with the Berry Property and Citrus Property Leases. Consequently, Variable Rent fluctuations are subject to the seasonal and climatic impacts on volume, and the quality of fruit produced and broader domestic and global markets which impact prices.



Aggregate rent from the Leases is forecast to increase from \$15.6 million in FY14 to forecast \$21.3 million in Pro Forma Forecast FY18, representing a CAGR of 8.1% per annum. The Base Rent is forecast to increase from \$7.4 million in FY14 to \$9.1 million in Pro Forma Forecast FY18, representing a CAGR of 5.3% per annum.

Between FY14 and Pro Forma Forecast FY18, the Variable Rent is forecast to increase from \$8.2 million to \$12.2 million representing a CAGR of 10.4% per annum.

While the income stream has been growing in the manner referred to above in the periods referred to above, past performance is not necessarily an indicator of future performance and there can be no guarantee that income will continue to grow or that the forecast for FY18 will be achieved.

GRANT INCOME

Grant income is driven by completion of set milestones within grant income agreements.

FAIR VALUE GAINS AND IMPAIRMENT LOSSES ON NON-CURRENT ASSETS

Fair value gains and losses arise from the revaluation of investment properties in accordance with AASB 140: Investment Properties.

OTHER INCOME

Other income represents outgoings recovered, interest income and miscellaneous income.

Outgoings recovered represents all outgoing costs reimbursed by the Tenant including water, rates and taxes, permits and license fees.

Interest income is earned on deposits.

Miscellaneous income includes contributions received from the Tenant for taking on the grant.

ADMINISTRATION FEES

Administration fees represent costs required in the ongoing management of the listed entity including fees payable to the Responsible Entity and Manager.

RATES AND TAXES

Rates and taxes represent all outgoings and costs pertaining to the Farming Properties including: water, permits and licence fees, rates and taxes.

DEPRECIATION

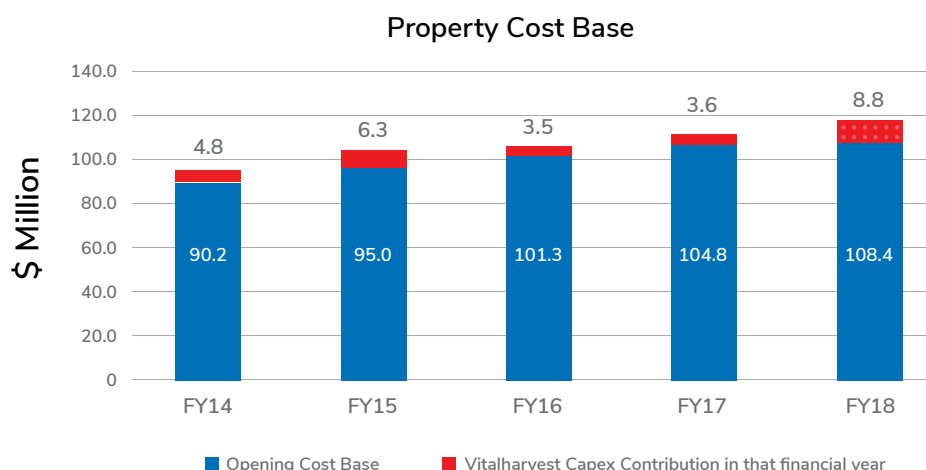
Depreciation is based on the existing asset base using prevailing valuations obtained and is calculated by applying accounting useful lives of those assets in accordance with AASB 116: Property, Plant and Equipment. Bearer trees (fruit producing trees) on Farming Properties owned by the entity are depreciated from 1 July 2016 in accordance with AASB 116: Property, Plant and Equipment.

TAX

The listed entity is a trust with flow through tax treatment. As such, tax is borne in the hands of Unitholders. Refer to Section 10.

CAPITAL EXPENDITURE

Capital expenditure is spent on the Farming Properties and forms part of the cost base on which Base Rent is calculated at 8%. The Tenants apply to the Landlord for capital expenditure contributions which if approved are undertaken by the Tenants and then invoiced to the Landlord for reimbursement. Capital expenditure fluctuates depending upon the timing of the application by the Tenant, completion of the project and approval of payment by the Landlord.



5.5 Management discussion and analysis of the Forecast Financial Information

The Forecast Financial Information has been prepared based on the significant accounting policies adopted by the Responsible Entity, which are in accordance with AAS and are disclosed in Section 5.7. It is assumed that there will be no changes to AAS, the Corporations Act or other financial reporting requirements that may have a material effect on the Responsible Entity's accounting policies during the forecast period.

The Forecast Financial Information is based on a number of best estimate assumptions concerning future events, including those set out below. In preparing the Forecast Financial Information, the Responsible Entity has analysed historical performance and made assumptions in order to predict future performance for FY18F. The Responsible Entity believes it has prepared the Forecast Financial Information with due care and attention and considers all assumptions, when taken as a whole, to be reasonable at the time of preparing this PDS, including each of the general assumptions set out in Section 5.5.1.

However, actual results may vary from the forecast and the variation may be materially positive or negative. The assumptions upon which the Forecast Financial Information are based are by their nature subject to significant uncertainties and contingent events, many of which are outside the control of the Responsible Entity and its Directors and are not reliably predictable.

Accordingly, none of the Responsible Entity, its Directors or any other person can give any assurance that the Forecast Financial Information or any other prospective statement contained in the PDS will be achieved. Events and outcomes might differ in amount and timing from the assumptions, with a material positive or negative impact on the Forecast Financial Information.

The assumptions detailed below should be read in conjunction with the sensitivity analysis set out in Section 5.6, the risk factors set out in Section 8 and the Investigating Accountant's Report set out in Section 6.

5.5.1 General assumptions

In preparing the Forecast Financial Information, the following general assumptions have been adopted:

- No material changes in Federal, State or local government legislation, tax legislation, regulatory requirements or government policies (in particular the taxation risks identified in Section 8.1) that will have a material impact on Vitalharvest REIT's financial performance, cash flows, financial position, tax treatment and accounting policies;
- No material change in applicable accounting standards, other mandatory professional reporting requirements or the Corporations Act, which will have a material impact on Vitalharvest REIT's financial performance, financial position, accounting policies, financial reporting or disclosure;
- No significant deviation from current market expectations of the broader economic conditions relevant to the geographic markets in which Vitalharvest REIT operates;
- No material disruption to the continuity of operations of the Responsible Entity nor its tenants, nor other material changes in its business;
- The Responsible Entity and Manager continue to be engaged and perform duties consistent with those contracted at the time of IPO;
- None of the risks set out in Section 8 occur, or if they do, none of them have a material adverse impact on the Responsible Entity's operations; and

- The proceeds from the Offer are raised in accordance with the timetable and terms set out in this PDS.

5.5.2 Specific assumptions

The Forecast Financial Information is based on various best estimate assumptions, of which the key assumptions are set out below. The assumptions below are a summary only and do not represent all factors that will affect the Responsible Entity's forecast financial performance. This information is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring, and is not intended to be a representation that the assumptions will occur. It should be read in conjunction with the basis of preparation and presentation of the Forecast Financial Information set out in Section 5.3.4 the general assumptions set out in Section 5.5.1 and the risk factors set out in Section 8.

The Responsible Entity's specific assumptions underpinning the Forecast Financial Information include those set out below.

Revenue assumptions

BASE RENT

Base Rent is assumed to represent 8% of the total cost base of the Farming Properties. Any increase is representative of capital expenditure. The cost base of the Farming Properties is increased by capital expenditure that is submitted to the Landlord by the Tenants for approval. The Tenants carry out all approved capital expenditure and submit invoices to the Landlord for reimbursement. The cost base of Farming Properties increase when the Landlord pays an invoice provided by the Tenants and Base Rent increases are recognised in the month that the invoices are paid and the cost base increases.

Base Rent forecasts are based on approved capital expenditure for each Property that is forecast to be settled in FY18F.

VARIABLE RENT

The Landlord is entitled to Variable Rent based on 25% of the underlying Tenants' relevant business unit EBT in accordance with each lease agreement. Consequently, Variable Rent fluctuations are subject to the seasonal and climatic impacts on volume, and the quality of fruit produced and broader domestic and global markets which impact price.

Variable Rent is forecast based on the forecast EBT for each underlying business unit of each Tenant as it relates to the Farming Properties.

GRANT INCOME

Grant income is forecast based on anticipated milestones for projects under existing agreements.

OTHER INCOME

Outgoings are forecast to be recovered from the Tenant in full. Outgoings recovered represents all outgoings and costs reimbursed by the Tenant including water, rates and taxes, permits and license fees.

No miscellaneous income is forecast.

Expense assumptions

FAIR VALUE GAINS AND IMPAIRMENT LOSSES ON NON-CURRENT ASSETS

Fair value gains included in the forecasts represent the difference in the carrying value of bearer plants and water rights as at 30 June 2017 and the 31 May 2018 Independent Valuation Report. As part of the change in capital structure adjustments, \$44.6 million of the valuation increment has been taken to a revaluation reserve in accordance with AASB 116: Property Plant and Equipment and AASB 3: Business Combinations. This reserve was paid out as part of the capital restructure in the Pro Forma Balance Sheet. The forecast assumes no fair value gains, losses or impairment to Vitalharvest at 30 June 2018 and are valued in accordance with the Independent Valuation Report in Section 7.

ADMINISTRATION FEES

Administration fees are forecast to be in accordance with the Responsible Entity and the Management Agreement.

RATES AND TAXES

Rates and taxes include: water, permits and license fees, rates and taxes and are forecast to be consistent with prior periods.

DEPRECIATION

Depreciation is forecast based on the valuations in the historical balance sheet by applying accounting useful lives that are consistent with FY17 in accordance with AASB 116: Property, Plant and Equipment.

TAX

The Australian corporate tax rate is assumed to remain at 30%. Other relevant tax and duty rates are assumed to remain at the current statutory rates. Vitalharvest REIT will be a listed real estate investment trust and as such not taxed. Distributions are taxed in the hands of the Unitholders.

CAPITAL EXPENDITURE

Capital expenditure is only forecast at one Berry Property (Corindi) totalling \$2.5 million.

5.5.3 Revenue**TABLE 5M: PRO FORMA HISTORICAL AND FORECAST INCOME STATEMENT – FY15, FY16, FY17 AND FY18F**

TOTAL RENTAL INCOME	FY15A	FY16A	FY17A	FY18F
\$ millions, June year end				
Total rental income	16.9	17.6	16.3	21.3
YoY \$ change	n/a	0.7	(1.3)	5.0
YoY % change	n/a	4%	(7%)	31%

- In FY16 total rental revenue increased by \$0.7 million from \$16.9 million (in FY15) to \$17.6 million (in FY16) due to a \$0.5 million increase in Base Rent and a \$0.2 million increase in Variable Rent.
- In FY17 total rental revenue decreased by \$1.3 million from \$17.6 million (in FY16) to \$16.3 million (in FY17) due to a \$0.3 million increase in Base Rent and a \$1.6 million decrease in Variable Rent.
- In FY18F total rental revenue is forecast to increase by \$5.0 million from \$16.3 million (in FY17) to \$21.3 million (in FY18F) due to a \$0.4 million increase in Base Rent and a \$4.6 million increase in Variable Rent. Variable Rent is based on the underlying divisional EBT of the Tenants.

BASE RENT INCOME	FY15A	FY16A	FY17A	FY18F
\$ millions, June year end				
Total Base Rent – Berry and Citrus Properties	7.9	8.4	8.7	9.1
YoY \$ change	n/a	0.5	0.3	0.4
YoY % change	n/a	6%	4%	5%

- Total Base Rent increased by \$0.5 million in FY16 from \$7.9 million in FY15 to \$8.4 million.
- Total Base Rent increased by \$0.3 million in FY17 from \$8.4 million in FY16 to \$8.7 million.
- Total Base Rent is forecast to increase by \$0.4 million in FY18F from \$8.7 million in FY17 to \$9.1 million.

CAPITAL EXPENDITURE

FY15A capital expenditure (\$6.3 million) related to expenditure at Berry Properties for blueberry and raspberry development on tunnel structures, irrigation, trellis and plantings.

FY16A capital expenditure (\$3.5 million) related to expenditure at Berry Properties for blueberry substrate and dam works and raspberry development on irrigation, trellis and other improvements.

FY17A capital expenditure (\$3.6 million) related to expenditure at Berry Properties for blueberry substrate and dam works and raspberry irrigation.

Forecast capital expenditure (\$8.8 million) on Berry Properties relates to blueberry development works including irrigation, planting, trellis and raspberry irrigation and trellising.

VARIABLE RENT INCOME	FY15A	FY16A	FY17A	FY18F
\$ millions, June year end				
Total Variable Rent – Berry and Citrus Properties	9.0	9.2	7.6	12.2
YoY \$ change	n/a	0.2	(1.6)	4.6
YoY % change	n/a	2%	(17%)	61%

- Total Variable Rent increased by \$0.2 million in FY16A from \$9.0 million in FY15A to \$9.2 million.
- Total Variable Rent decreased by \$1.6 million in FY17A from \$9.2 million in FY16A to \$7.6 million.
- Total Variable Rent is forecast to increase by \$4.6 million in FY18F from \$7.6 million in FY17A to \$12.2 million.

GRANT INCOME	FY15	FY16	FY17	FY18F
\$ millions, June year end	2.2	0.3	2.1	1.3
YoY \$ change	n/a	(1.9)	1.8	(0.8)
YoY % change	n/a	(86%)	600%	(38%)

- Grant income decreased by \$1.9 million in FY16 from \$2.2 million in FY15 to \$0.3 million, increased by \$1.8 million in FY17 to \$2.1 million and is forecast to decrease by \$0.8 million to \$1.3 million in FY18. Fluctuations in grant income are driven by the quantum of grants and the achievement of milestones in accordance with grant agreements.

NET FAIR VALUE AND IMPAIRMENT ADJUSTMENTS	FY15	FY16	FY17	FY18F
\$ millions, June year end	5.6	0.0	15.2	(0.2)
YoY \$ change	n/a	(5.6)	15.2	(15.4)
YoY % change	n/a	n/a	n/a	n/a

- Net gain on fair value adjustments of \$5.6 million in FY15A was the result of the revaluation of investment properties and bearer plants from \$88.5 million to \$94.1 million.
- There was no revaluation in FY16A.
- Net gain on fair value adjustments of \$15.2 million in FY17 was the result of the revaluation of investment properties from \$62.4 million to \$77.6 million. From 1 July 2016, revaluations of bearer plants are recorded in the revaluation reserve rather than recognised as a fair value adjustment in the profit and loss statement.
- Net impairment on fair value adjustments of \$0.2 million in FY18F was the result of the revaluation decrease of investment properties being recorded in the profit and loss.

5.5.4 Expenses

ADMINISTRATION FEES	FY15A	FY16A	FY17A	FY18F
\$ millions, June year end	1.2	1.2	1.2	1.2
YoY \$ change	n/a	0.0	0.0	0.0
YoY % change	n/a	nil	nil	nil

- Administration fees represent Vitalharvest REIT's new and incremental costs that will be incurred as a publicly listed managed investment scheme including: Responsible Entity fees (\$0.15 million), Management fees (\$0.5 million), audit and compliance costs (\$0.2 million), and other miscellaneous costs such as legal fees, independent valuation fees, ASX annual fees and Unit registry costs.

PROPERTY RATES AND TAXES	FY15A	FY16A	FY17A	FY18F
\$ millions, June year end	0.2	0.2	0.2	0.3
YoY \$ change	n/a	0.0	0.0	0.1
YoY % change	n/a	nil	Nil	34%

- Property rates and taxes include all outgoing expenses that are recovered by Vitalharvest from the Tenant and are forecast to remain consistent with the period FY15A to FY17A. These expenses include: permits and license fees, rates and taxes and water.

5.5.5 Depreciation

DEPRECIATION	FY15A	FY16A	FY17A	FY18F
\$ millions, June year end	0.1	0.1	4.3	8.6
YoY \$ change	n/a	0.0	4.2	4.3
YoY % change	n/a	nil	n/a	n/a

- In FY15A and FY16A, depreciation related to tunnel structures and office equipment. In FY17A and FY18F depreciation related to tunnel structures, office equipment and bearer plants (Vitalharvest's trees and bushes).
- The AAS were amended in FY17 to require bearer plants to be accounted for in accordance with AASB 116: Property, Plant and Equipment resulting in these assets being depreciated over their estimated useful life. The treatment has not been applied in prior periods because it was not a change in accounting policy. In FY17A the carrying value of bearer plants was increased by \$52.2 million and is forecast to increase by \$25.6 million in FY18F based on the Independent Valuation Report included in Section 7.

5.5.6 Finance costs

NET FINANCE INCOME/(COSTS)	FY15A	FY16A	FY17A	FY18F
\$ millions, June year end	3.8	3.8	3.8	3.9
YoY \$ change	n/a	0.0	0.0	0.1
YoY % change	n/a	0%	0%	3%

- Net finance costs represent the Pro Forma costs associated with the bank facilities and interest earned detailed in Section 5.3.10.

5.5.7 Pro Forma Historical and Forecast Distributable Income

PRO FORMA DISTRIBUTION	FY15A	FY16A	FY17A	FY18F
\$ millions, June year end				
Funds from operations (FFO)	12.3	13.4	11.4	16.4
Payout ratio (Distribution / FFO)	90%	90%	90%	90%
Distribution	11.1	12.1	10.3	14.8

5.5.8 Distribution Policy

Vitalharvest REIT's Distribution Policy will be to pay out between 85% to 100% of its FFO. FFO is calculated as net profit adjusted for fair value and impairment adjustments, depreciation and other non-cash accounting amounts, and non distributable income. Vitalharvest REIT will only pay Distributions from its FFO.

Vitalharvest REIT's Distribution payout ratio will be formulated with regard to a range of factors including:

- general business and financial conditions;
- the certainty of Vitalharvest REIT's cash flow;
- the average lease duration and the timing of significant lease expiries;
- capital expenditure requirements of the Properties;
- taxation considerations;
- working capital requirements; and
- other factors that the Directors consider relevant.

On and from March 2019, it is anticipated that Distributions will be made on a bi-annual basis, with one interim Distribution to be paid in March and the other Distribution to be paid in November, which reflects the expected timing of the receipt of Variable Rent.

5.6 Sensitivity Analysis

The Forecast Financial Information detailed in Section 5.5 includes estimates based on a number of assumptions as described in Sections 5.5.1 and 5.5.2. These estimates and assumptions are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of Vitalharvest REIT, the Directors and the Manager. These estimates and assumptions include future business decisions, which are subject to change.

Investors should be aware that future events cannot be predicted with certainty and as a result, deviations from the figures forecast in this PDS are to be expected. To assist investors in assessing the impact of these assumptions on the Pro Forma Forecast Financial Information, the sensitivity of Pro Forma forecast FFO for FY18F to changes in certain key assumptions is set out below. The changes in the key assumptions set out in the sensitivity analysis are intended to provide a guide only

and variations in actual performance could exceed the ranges shown. Each sensitivity is presented in terms of the impact on FY18F Pro Forma forecast FFO.

TABLE 5N: SENSITIVITY ON PRO FORMA FORECAST FFO FOR FY18F

ASSUMPTION	CHANGE	IMPACT ON FY18F FFO (\$M)	IMPACT ON FY18F FFO (\$M)
Tenant EBIT	+/- 1%	0.1	(0.1)
Capital expenditure	+/- 10%	0.1	(0.1)
No Hedging	+ / - 25 bps%	(0.2)	0.2
80% Hedged	+ / - 25 bps%	(0.05)	0.05

Each of the above sensitivities assume no other change in forecast assumptions.

5.7 Significant Accounting Policies

The principal accounting policies in the preparation of the Financial Information included in Section 5 are set out below. These accounting policies are consistent with the last audited financial statements of Vitalharvest for the year ended 30 June 2017 prepared in accordance with the Corporations Act and AAS - Reduced Disclosure Requirements.

The following are the significant accounting policies adopted by Vitalharvest in the preparation and presentation of the financial report.

HISTORICAL COST CONVENTION

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

FAIR VALUE MEASUREMENT

For financial reporting purposes, 'fair value' is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants (under current market conditions) at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

When estimating the fair value of an asset or liability, Vitalharvest REIT uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

BUSINESS COMBINATIONS

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses and results in the consolidation of the assets and liabilities acquired. Business combinations are accounted for by applying the acquisition method.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree.

Goodwill is recognised initially at the excess of: the aggregate of the consideration transferred over the fair value of the net identifiable assets acquired and liabilities assumed.

IMPAIRMENT OF GOODWILL

Goodwill, is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

An impairment loss is recognised when the carrying amount of an asset or group of assets exceeds the asset's or group of asset's recoverable amount. The recoverable amount is defined as the higher of its fair value less costs to sell and value in use.

REVENUE

Interest revenue is measured in accordance with the effective interest method.

Rent revenue is recognised at the time the recipient is entitled to the income.

Grant income is recognised in the profit and loss over the period necessary to match it to the costs that they are intended to compensate.

All revenue is measured net of the amount of goods and services tax.

INCOME TAX

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

FINANCE COSTS

Borrowing costs including interest expense calculated using the effective interest method and costs associated with the establishment of the finance.

Interest costs are expensed as incurred and costs associated with the establishment of finance are expensed over the period of the relevant facility.

INTANGIBLE ASSETS

Intangible assets

Except for indefinite useful life intangible assets, which are not amortised but are tested annually for impairment, intangible assets are amortised over their estimated useful lives commencing from the time the asset is available for use. The amortisation method applied to an intangible asset is consistent with the estimated consumption of economic benefits of the asset.

Water rights

Water rights are measured initially at their cost of acquisition. Water rights are an indefinite life intangible asset and are therefore tested for impairment annually.

INVESTMENT PROPERTIES

Investment properties comprise land and buildings held for the purpose of earning rental income or for capital appreciation, or both.

An investment property is initially recorded at cost. After initial recognition, the investment property is measured at fair value with any changes in the fair value recognised in profit or loss.

Fair values at 30 June 2017 have been determined based on a valuation by the directors of Vitalharvest as supported by an Independent Valuation Report. In the prior year, fair values were determined based on a valuation by the directors of Vitalharvest.

BIOLOGICAL ASSETS

Biological assets are measured at their fair value at each reporting date (other than assets relating to bearer plants - see Property, plant and equipment).

PROPERTY, PLANT AND EQUIPMENT

Plant and equipment

Plant and equipment is carried at cost less, where applicable, any accumulated depreciation and any accumulated impairment losses.

Bearer plants

Bearer plants are initially measured at their cost. Subsequent to initial recognition, bearer plants are measured at their fair value at the date of their revaluation less any subsequent accumulated depreciation and any subsequent impairment losses.

At each balance date the carrying amount of each asset is reviewed to ensure that it does not differ materially from the asset's fair value at reporting date. Where necessary, the asset is revalued to reflect its fair value. Increases in the carrying amounts arising on revaluation of bearer plants are recognised in other comprehensive income and accumulated in equity under the heading of revaluation reserve. To the extent that the increase reverses a decrease of the same asset previously recognised in profit or loss, the increase is recognised in profit or loss. Decreases that offset previous increases of the same

asset are recognised in other comprehensive income under the heading of revaluation reserve; all other decreases are charged to profit and loss.

Depreciation

Land is not depreciated. The depreciable amount of all property, plant, equipment and bearer plants is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

CLASS OF FIXED ASSET	DEPRECIATION RATES	DEPRECIATION BASIS
Bearer plants	3% to 25%	Straight line
Plant and equipment	5%	Straight line

Goods and services tax (GST)

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

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Investigating Accountant's Report

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(Source: Vitalharvest / goFarm)

6. INVESTIGATING ACCOUNTANT'S REPORT



Pitcher Partners Corporate Pty Ltd

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29 June 2018

The Directors
The Trust Company (RE Services) Limited
Level 18, Angel Place
123 Pitt Street
Sydney NSW 2001

The Directors
Vitalharvest Pty Ltd
Suite 4, 170 Little Malop Street
Geelong VIC 3220

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT ON VITALHARVEST FREEHOLD TRUST HISTORICAL AND PRO FORMA HISTORICAL FINANCIAL INFORMATION AND FORECAST FINANCIAL INFORMATION

We have been engaged to report on the Historical Financial Information and Pro Forma Historical Financial Information for the three years ended 30 June 2017 and the half-year ended 31 December 2017, and the Forecast Financial Information for the year ending 30 June 2018 of Vitalharvest Freehold Trust (Vitalharvest) (together the Financial Information). The Financial Information has been prepared for inclusion in the Product Disclosure Statement (PDS) dated on or about 29 June 2018 in connection with the proposed issue of 185,000,000 units in Vitalharvest to the value of \$185,000,000 (the Offer).

Expressions and terms defined in the PDS have the same meaning in this report.

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Services License (AFSL) under the *Corporations Act 2001*. Pitcher Partners Corporate Pty Ltd (Pitcher Partners Corporate) holds the appropriate AFSL under the *Corporations Act 2001*.

Background

Vitalharvest owns the Farming Properties including fruit producing plantings. The farms are leased to and operated by a third party under a lease agreement.

Liability limited by a scheme approved under Professional Standards Legislation.*

*Other than for the acts or omissions of financial services licensees.

Pitcher Partners is an association of independent firms

Adelaide Brisbane Melbourne Newcastle Perth Sydney

 an independent member of
BAKER TILLY
INTERNATIONAL

The offer is seeking to raise \$185m through the initial public offer of units and associated listing of Vitalharvest on the Australian Securities Exchange (ASX). The funds raised will be indirectly used to acquire all the shares in Vitalharvest Pty Ltd which is the current owner of the Farming Properties comprising of four Berry Properties located in New South Wales and Tasmania and three citrus properties located in South Australia and the Water Rights.

Scope

Historical Financial Information

You have requested Pitcher Partners Corporate review the following financial information included in the PDS:

- the Income Statement for the years ended 30 June 2015, 30 June 2016, 30 June 2017 and the half-year ended 31 December 2017; and
- the Balance Sheet at 31 December 2017.

(collectively, the "Historical Financial Information").

The Historical Financial Information has been extracted from the special purpose financial report of Vitalharvest Pty Ltd for the years ended 30 June 2015 and 30 June 2016, and general purpose financial report (Reduced Disclosure Requirements (RDR)) for 30 June 2017, which was audited by Pitcher Partners and from the condensed half year financial report of Vitalharvest Pty Ltd for the half-year ended 31 December 2017 which was reviewed by Pitcher Partners in accordance with the Australian Auditing Standards. Pitcher Partners issued unmodified audit opinions on the financial reports for the years ended 30 June 2015, 30 June 2016 and 30 June 2017 and an unmodified review opinion on the financial report for the half-year ended 31 December 2017. The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies. The Historical Financial Information is presented in the PDS in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro Forma Historical Financial Information

You have requested Pitcher Partners Corporate review the Pro Forma Historical Financial Information included in the PDS, comprising:

- the Pro Forma Income Statements for the years ended 30 June 2015, 30 June 2016, 30 June 2017, and the half-year ended 31 December 2017;
- the Pro Forma Balance Sheet as at 31 December 2017; and
- the Pro Forma Distribution Statements for the years ended 30 June 2015, 30 June 2016 and 30 June 2017.

(collectively, the "Pro Forma Historical Financial Information").

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of Vitalharvest Pty Ltd, after adjusting for the effects of pro forma adjustments described in Section 5 of the PDS. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Historical Financial Information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in Section 5 of the PDS, as if those event(s) or transaction(s) had occurred as at the date of the Historical Financial Information. Due to its nature, the Pro Forma Historical Financial Information does not represent the company's actual or prospective financial position, financial performance, cash flows or distributions.



Forecast Financial Information

You have requested Pitcher Partners Corporate review the following financial information of Vitalharvest included in the PDS:

- the Statutory Forecast Income Statement of Vitalharvest, as described in Section 5 of the PDS (the Forecast). The directors' assumptions underlying the Forecast are set out in Section 5 of the PDS. The stated basis of preparation used in the preparation of the Forecast is the recognition and measurement principles contained in Australian Accounting Standards and the entity's adopted accounting policies; and
- the Pro Forma Forecast Income Statement and Pro Forma Forecast Distribution Statement, as described in Section 5 of the PDS (collectively, the Pro Forma Forecast). The Pro Forma Forecast has been derived from the Forecast, after adjusting for the effects of the Pro Forma adjustments described in Section 5 of the PDS. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Forecast and the events or transactions to which the Pro Forma adjustments relate, as described in Section 5 of the PDS, as if those events or transactions had occurred as at the date of the Forecast. Due to its nature, the Pro Forma Forecast does not represent the Vitalharvest's actual or prospective financial performance or distributions for the period ending 30 June 2018,

(collectively, the "Forecast Financial Information").

Directors' responsibility

The Directors of Vitalharvest (Directors) are responsible for the preparation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. Similarly, the Directors of the Vitalharvest are responsible for the preparation of the Forecast Financial Information for the year ending 30 June 2018, including the assumptions underlying the Forecast and determination of the pro forma adjustments made to the Forecast and included in the Pro Forma Forecast. This includes responsibility for such internal control as the directors determine are necessary to enable the preparation of the Historical Financial Information, Pro Forma Historical Financial Information and Forecast Financial Information that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Our review procedures of the Historical Financial Information was primarily limited to:

- analytical procedures on the audited financial performance of the Vitalharvest for the years ended 30 June 2015, 30 June 2016 and 30 June 2017 and the half-year ended 31 December 2017;
- a comparison of consistency in application of recognition and measurement principles in Australian Accounting Standards, and the accounting policies adopted by the Vitalharvest and disclosed in the proposed PDS;
- a review of Vitalharvest's work papers, accounting records and other documents of Vitalharvest and its auditors or advisors; and
- enquiry of directors, management and others in relation to the Historical Financial Information.

Our review procedures of the Pro Forma Historical Financial Information were primarily limited to:

- a review of the extraction of Vitalharvest's Historical Financial Information from financial statements for the years ended 30 June 2015, 30 June 2016 and 30 June 2017 and the half-year ended 31 December 2017;
- analytical procedures on the Pro Forma Historical Financial Information of Vitalharvest;
- a review of Vitalharvest's work papers, accounting records and other documents of Vitalharvest and its auditors or advisers;
- a review of the pro forma transactions and/or adjustments made to the Historical Financial Information;
- a review of accounting policies for consistency of application and identification of any adjustments to align the accounting policies to those of Vitalharvest; and
- enquiry of Directors, management, personnel and advisers.

The above review procedures did not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We did not perform an audit and, accordingly, do not express an audit opinion.

Our review of the Forecast Financial Information was primarily limited to:

- comparison and analytical review procedures;
- discussions with management and Directors of the Vitalharvest of the factors considered in determining their assumptions; and
- examination, on a test basis, of evidence supporting the assumptions, amounts and other disclosures in the Forecast Financial Information and the evaluation of Accounting Policies used in the Forecast Financial Information.

Conclusions

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in Section 5 of the PDS, are not presented fairly, in all material respects, in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information, as described in Section 5 of the PDS, is

not presented fairly in all material respects, in accordance with the stated basis of preparation being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies.

Forecast

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention which causes us to believe that:

- the, Directors' assumptions do not provide reasonable grounds for the Forecast; and
- in all material respects, the Forecast:
 - is not prepared on the basis of the directors' assumptions as described in Section 5 of the PDS;
 - is not presented fairly in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards (notwithstanding the exceptions noted above) and the entity's adopted accounting policies; and
- the Forecast itself is unreasonable.

Pro Forma Forecast

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that:

- the Directors' assumptions used in the preparation of the Pro Forma Forecast does not provide reasonable grounds for the Pro Forma Forecast; and
- in all material respects, the Pro Forma Forecast:
 - is not prepared on the basis of the directors' assumptions, as described in Section 5 of the PDS;
 - is not presented fairly in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards (notwithstanding the exceptions noted above), applied to the Forecast and Vitalharvest's adopted accounting policies, and the pro forma adjustments as if those adjustments had occurred as at the date of the Forecast; and
- the Pro Forma Forecast itself is unreasonable.

Forecast and Pro Forma Forecast

The Forecast and Pro Forma Forecast has been prepared by management and adopted by the directors in order to provide prospective investors with a guide to the potential financial performance of Vitalharvest for the year ending 30 June 2018. There is a considerable degree of subjective judgement involved in preparing forecasts since it relates to events and transactions that have not yet occurred and may not occur. Actual results are likely to be different from the Forecast and Pro Forma Forecast since anticipated events or transactions frequently do not occur as expected and the variation may be material. The directors' assumptions upon which the Forecast and Pro Forma Forecast are based, relate to future events and/or transactions that management expect to occur and actions that management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of Vitalharvest. Evidence may be available to support the directors' assumptions on which the Forecast is based however such evidence is generally future oriented and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those assumptions, and accordingly, provide a lesser level of assurance on the reasonableness of the directors' assumptions. The limited assurance conclusion expressed in this report has been formed on the above basis.

Prospective investors should be aware of the material risks and uncertainties in relation to an investment in the Vitalharvest, which are detailed in the PDS, and the inherent uncertainty relating to the Forecast. Accordingly, prospective investors should have regard to the investment risks and sensitivities as described in Sections 8 of the PDS respectively. The sensitivity analysis described in Section 5.6 of the PDS demonstrates the impact on the Forecast and Pro Forma Forecast of changes in key assumptions. We express no opinion as to whether the Forecast or Pro Forma Forecast will be achieved.

The Forecast and Pro Forma Forecast have been prepared by the directors for the purpose of the initial public offer of units in Vitalharvest and associated listing on the Australian Securities Exchange. We disclaim any assumption of responsibility for any reliance on this report, or on the Forecast or Pro Forma Forecast, to any person other than to the directors, or for any purpose other than that for which it was prepared. We have assumed, and relied on representations from certain members of management of Vitalharvest that all material information concerning the PDS and proposed operations of Vitalharvest has been disclosed to us and that the information provided to use for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

Restriction on Use

Without modifying our conclusions, we draw attention to Section 5 of the PDS, which describes the purpose of the financial information prepared, being for inclusion in the PDS. As a result, the financial information may not be suitable for another purpose.

Consent

Pitcher Partners Corporate has consented to the inclusion of this report in the PDS in the form and context in which it is included.

Liability

The liability of Pitcher Partners Corporate is limited to the inclusion of this report in the PDS. Pitcher Partners Corporate makes no representation regarding, and has no liability for, any other statement or other material in, or any omissions from, the PDS.

Declaration of Interest

Pitcher Partners Corporate does not have any interest in the outcome of the Offer other than in the preparation of this report for which normal professional fees will be received.

Yours faithfully

PITCHER PARTNERS CORPORATE PTY LTD



Stephen Whitchurch

Executive Director and Representative



Pitcher Partners Corporate Pty Ltd
ACN: 082 323 868
AFSL: 229841

Level 13, 664 Collins Street
DOCKLANDS VIC 3008
Tel: +61 3 8610 5000

Financial Services Guide

Version dated: 29 June 2018

What is a Financial Services Guide?

This Financial Services Guide ("FSG") is an important document that is designed to assist you in deciding whether to use any of the general financial product advice provided by Pitcher Partners Corporate Pty Ltd. The use of "we", "us" or "our" is a reference to Pitcher Partners Corporate Pty Ltd as the holder of Australian Financial Services Licence ("AFSL") No. 229841. The contents of this FSG include:

- who we are and how we can be contacted
- what services we are authorised to provide under our AFSL
- how we (and any other relevant parties) are remunerated in relation to any general financial product advice we may provide.
- details of any potential conflicts of interest
- details of our internal and external dispute resolution procedures and how you can access them.

Information about us

Pitcher Partners Corporate Pty Ltd has been engaged by The Trust Company (RE Services) Limited to provide general financial product advice in the form of a report to be given to you in connection with a financial product to be issued by another party. You are not the party or parties who engaged us to prepare this report. We are not acting for any person other than the party or parties who engaged us. We are only responsible for the financial product advice provided in our report and for the contents of this FSG.

You may contact us by writing to Level 13, 664 Collins Street, DOCKLANDS VIC 3008, or by telephone on +613 8610 5000.

Pitcher Partners Corporate Pty Ltd is ultimately owned by the Victorian partnership of Pitcher Partners, a provider of audit and assurance, accounting, tax, corporate advisory, insolvency, superannuation, investment advisory and consulting services. Directors of Pitcher Partners Corporate Pty Ltd are partners of Pitcher Partners.

The Victorian partnership of Pitcher Partners is an independent partnership of Pitcher Partners. As such, neither it nor any of the other independent partnerships has any liability for each other's acts or omissions. Each of the member firms is a separate and independent legal entity operating under the name "Pitcher Partners", or other related names.

The financial product advice in our report is provided by Pitcher Partners Corporate Pty Ltd and not by the Victorian partnership of Pitcher Partners or its related entities.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, we and the Victorian partnership of Pitcher Partners (and its related bodies corporate) may from time to time provide professional services to financial product issuers in the ordinary course of business.

We hold professional indemnity insurance as required by the Corporations Act 2001 (Cth).

What financial services are we licensed to provide?

Our AFSL authorises us to provide general financial product advice and deal in the following classes of financial products to both retail and wholesale clients:

- Deposit products (including basic deposit products and deposit products other than basic deposit products)
- Derivatives
- Government debentures, stocks or bonds
- Interests in managed investment schemes including investor directed portfolio services
- Securities

Information about the general financial product advice we provide

The financial product advice provided in our report is known as "general advice" because it does not take into account your personal objectives, financial situation or needs. You should consider whether the general

If our advice is being provided to you in connection with the acquisition or potential acquisition of a financial product issued by another party, we recommend you obtain and read carefully the relevant Product Disclosure Statement ("PDS") or offer document provided by the issuer of the financial product. The purpose of the PDS or offer document is to help you make an informed decision about the acquisition of a financial product. The contents of the PDS or offer document will include details such as the risks, benefits and costs of acquiring the particular financial product.

How are we and our employees remunerated?

The fees we charge for preparing reports are usually determined on an hourly basis; however they may be a fixed amount or derived using another basis. We may also seek reimbursement of any out-of-pocket expenses incurred in providing the services.

Fee arrangements are agreed and confirmed in a letter of engagement with the party or parties who engage us.

Neither Pitcher Partners Corporate Pty Ltd nor its directors and officers, nor any related bodies corporate or associates and their directors and officers, receives any other fees, commissions or other benefits in connection with preparing and providing this report.

All of our employees receive a salary with partners also having an equity interest in the partnership. We do not receive any commissions or other benefits arising directly from services provided to you. The remuneration paid to our directors reflects their individual contribution to the company and covers all aspects of performance.

We do not pay commissions or provide other benefits to other parties for referring prospective clients to us.

What should you do if you have a complaint?

If you have any concerns regarding our report, you may wish to advise us. We are committed to responding to any complaints promptly, fairly and effectively. We have developed an internal complaint resolution policy and complaint handling procedures that are designed to respond to your concerns promptly and equitably. Please address your complaint in writing to:

Partner in Charge – Corporate Finance
Pitcher Partners
Level 13, 664 Collins Street
DOCKLANDS VIC 3008

If we are not able to resolve your complaint to your satisfaction within 45 days of the first notification of your complaint to us, you may contact the Financial Ombudsman Service ("FOS"). FOS provides free advice and assistance to consumers to help them resolve complaints relating to members of the financial services industry. Complaints may be submitted to FOS at:

Financial Ombudsman Service Limited
GPO Box 3
MELBOURNE VIC 3001
Telephone: 1300 780 808
Fax: +61 3 9613 6399
Internet: <http://www.fos.org.au>

The Australian Securities and Investments Commission ("ASIC") website contains information on lodging complaints about companies and individual persons and sets out the types of complaints handled by ASIC. You may contact ASIC as follows:

Info line: 1 300 300 630
Email: info@asic.gov.au
Internet: <http://www.asic.gov.au/asic/asic.nsf>

If your complaint relates to a breach of our Privacy Policy or the Australian Privacy Principles, the matter should be referred to The Privacy Officer, GPO Box 5193, Melbourne VIC 3001.

Independent Valuation Report

7

(Source: Vitalharvest / goFarm)

7. INDEPENDENT VALUATION REPORT

18 June 2018

The Board of The Trust Company (RE Services) Limited
Level 18
Angel Place, 123 Pitt Street
SYDNEY NSW 2001

The Board

Valuation Report - Vitalharvest Portfolio

Thank you for your recent request for a quote to value the above portfolio.

INSTRUCTIONS

CBRE Valuations Pty Limited ("CBRE") accepted instructions dated 12/06/2018 to prepare a market Valuation for the interest in the portfolio listed above. The Valuation is to be relied upon for Product Disclosure Statement purposes only and is specifically addressed for use and reliance upon by the parties named in the subject Terms of Engagement. The Valuation is prepared in accordance with the Australian Property Institute Australia and New Zealand Valuation and Property Standards, having regard to ANZVGN 8 Valuations for use in Offer Documents. The instructions specifically request us to provide our opinion of the market value of the property as at 31/05/2018 on the following basis:

- i. Market Value – As Is - Vacant Possession
- ii. Market Value - As Is - Subject to Existing Occupancy Arrangements

CBRE has been instructed to provide a full Valuation Report in addition to this Summary Letter which is included in the Product Disclosure Statement document. In accordance with ANZVGN 8, our Valuation Report draws attention to the key issues and considerations impacting value and provides a detailed Property Risk Assessment and SWOT Analysis, plus the report details our Critical Assumptions, General Assumptions, Disclaimers, Limitations, Qualifications and Recommendations. As commercial investments of this nature are inherently complex and the market conditions have changed and/or have been uncertain in recent times, it is considered prudent to consider the entire contents of our Valuation Report. Therefore, we recommend that this Summary Letter be read and considered together with the Valuation Report. We accept no responsibility for reliance upon the Summary Letter. We refer the reader to The Trust Company (RE Services) Limited to obtain a copy of our Valuation Report.

CBRE Valuations Pty Limited
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363 George Street
Sydney NSW 2000
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www.cbre.com.au

BRIEF DESCRIPTION OF THE PORTFOLIO

“Riverland Aggregation”

- The properties within the “Riverland Aggregation” are currently leased with the initial term expiring 30 June 2026 (approximately 8.1 years).
- The aggregation comprises 3 orchards which are located within the Riverland region of South Australia and predominately planted to various citrus varieties as well as avocados and pomegranate.
- A summary of each property’s planted area is as follows:
 - “Kangara” – (856.66 hectares planted)
 - “Solara Orchard & Packing Shed” – (441.09 hectares planted)
 - “Yandilla Park” – (595.80 hectares planted)
- The portfolio sources irrigation water from the Southern Connected Murray Darling Basin and is benefited by a 10,713.09 megalitre water entitlement, which is summarised below:
 - 4,545.04 megalitres of South Australian River Murray, Class 3A entitlement;
 - 5,575.05 megalitres of South Australian River Murray, Class 3A entitlement via the Renmark Irrigation Trust;
 - 588.00 megalitres of Victorian Zone 7 Murray, High Reliability entitlement; and
 - 5.00 megalitres of South Australian River Murray, Class 1 entitlement.

“Corindi Aggregation”

- The properties within the “Corindi Aggregation” are currently leased with the initial term expiring 30 June 2026 & 30 June 2027 (approximately 8.1 years & 9.1 years, respectively).
- “Corindi Aggregation” comprises “Corindi Farm” and “Bett’s” which collectively form 3 properties located within a 4-kilometre radius, situated approximately 40 radial kilometres north of the Coffs Harbour township in the North Coast region of New South Wales.
- The properties within the portfolio are utilised for blueberry, raspberry and blackberry production, comprising various growing systems including High Tunnel, High Tunnel – Substrate and traditional inground growing techniques. Each property’s planted area is summarised as follows:
 - “Corindi Farm” – (269.82 hectares planted)
 - “Bett’s” – (11.60 hectares planted)
- The “Corindi Aggregation” collectively sources irrigation water from various catchment dams throughout the aggregation.

“Tasmanian Aggregation”

- The properties within the “Tasmanian Aggregation” are currently leased with the initial term expiring 30 June 2026 (approximately 8.1 years).
- The aggregation comprises 2 berry properties which are located within the Central North region of Tasmania.
- The properties within the portfolio are utilised for blueberry and blackberry production, comprising various growing systems including High Tunnel, High Tunnel – Substrate and traditional inground growing techniques.
- Each property’s planted area is summarised as follows:
 - “9 Mile Blueberries” – (49.02 hectares planted)
 - “Brooklyn Berries” – (16.62 hectares planted)
- Irrigation water is collectively sourced from local watercourses.

“Tumbarumba Farm”

- The property is currently leased with the initial term expiring 30 June 2026 (approximately 8.1 years).
- “Tumbarumba Farm” is located approximately 9 radial kilometres north of the Tumbarumba township in south-east NSW.
- The property is utilised for blueberry production, comprising inground growing techniques. A summary of the planted area is provided below:
 - “Tumbarumba Farm” - (23.46 hectares planted)
- Irrigation water is predominately sourced from the Tarcutta River, as well as groundwater with a total of 179 megalitres for irrigation purposes.

MARKET MOVEMENT

The valuation referred to above represents the value of the property as at the date of valuation only. The value assessed may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements or factors specific to the particular property or particular property sector). CBRE is not liable for losses arising from any subsequent changes in value.

CRITICAL ASSUMPTIONS AND RELIANCE ON INFORMATION PROVIDED

A summary of select Critical Assumptions noted in the full Valuation Report are noted as follows:

“Riverland Aggregation”

Title	<ul style="list-style-type: none"> ▪ The land is not subject to any encroachments or restrictions on title.
Identification	<ul style="list-style-type: none"> ▪ All structures have been erected within the title boundaries of the site and there are no encroachments on or by the subject land. ▪ We note that in regard to rural properties, it is common for fencing to encroach either way between boundaries. Given that it is not practical to verify the status of boundaries due to the sheer size and scale of rural properties, we assume there to be no impact on productivity, marketability, or value.
Roads	<ul style="list-style-type: none"> ▪ The property is unaffected by any road alteration proposals.
Approvals/Permits	<ul style="list-style-type: none"> ▪ All Council approvals and permits have been obtained for the existing/proposed development.
Business Operations	<ul style="list-style-type: none"> ▪ The business operations at the property generate sufficient cash surpluses to warrant the capital investment.
Individual Property Assessments	<ul style="list-style-type: none"> ▪ The properties valued form part of a larger portfolio owned by the subject proprietor. We have reported the individual values of each property and acknowledge the possible existence of a premium if transferred as a portfolio.
Valuation Assessment:	<ul style="list-style-type: none"> ▪ There are 3 individual leases with separate fixed rental amounts however the variable rental components are paid in aggregate across the 3 leases. Given the co-location of the properties (all located in the same growing region) and interdependence of the leases, we have expressed our adopted value as a total of all the properties.
Land Class Apportionment	<ul style="list-style-type: none"> ▪ In an effort to apportion the correct land classes across the aggregation, we have relied upon information provided by the Vitalharvest in obtaining the appropriate planted areas. ▪ If any of the information is found to be incorrect, we reserve the right to review the valuation.
Water Access Easement	<ul style="list-style-type: none"> ▪ We have been unable to verify the existence of water supply easements / crown leases (or similar) which connect River Pump sites to the subject properties. We have assumed all relevant approvals are in place to facilitate irrigation on each property included in this valuation.
Lease Details	<ul style="list-style-type: none"> ▪ We have been provided with current and forecast rentals by the Vitalharvest. It is an express assumption that these are true and correct.

Variable Rental	<ul style="list-style-type: none"> We note that the Variable Rent is paid in aggregate over the subject property as well as other properties under the same ownership and same lessee. The variable rental amounts provided are proportionate to the base rental amounts of each property. It is an express assumption that this methodology is correct and we have assessed value on this basis.
Building Inspection	<ul style="list-style-type: none"> We have not internally inspected dwellings due to tenancy therefore we have relied upon information provided by Vitalharvest Pty Ltd relating to internal accommodation facilities, fittings and fixtures.
Heritage Agreement (Volume 6119 Folio 817)	<ul style="list-style-type: none"> We note the existence of a Heritage agreement pursuant to section 23 of the Native Vegetation Act 1991 encumbering the lands described in Volume 6119 Folio 817, registered via instrument number 8232429. A heritage agreement may contain any provision for the preservation or enhancement of native vegetation and put onerous restrictions on the proprietor of land to which the agreement applies. We have not been provided with a copy of the agreement, and have made an express assumption that the agreement does not have a material impact on value. As such, we have disregarded it in our valuation assessment. If this is found to be incorrect, we reserve the right to review our valuation.
Solara Packing Shed	<ul style="list-style-type: none"> We note that the Solara fixed rental component includes the Solara packing shed rental of \$40,414 plus GST per annum with the first option of 3 years expiring 31 December 2018 and the second option of 3 years expiring 31 December 2021. Given the integration of this asset within the Riverland Aggregation, we consider it highly probable that the tenant would continue to lease the premises on similar terms to the existing lease but expiring in line with the Solara Orchard Lease (30 June 2026). We have assessed value on this basis.
Passing Rental Amount	<ul style="list-style-type: none"> We have been provided and relied upon passing rental amounts provided by the Vitalharvest Pty Ltd in assessing value. It is an express assumption that these are true and correct.

“Corindi Aggregation”

Title	<ul style="list-style-type: none"> The land is not subject to any encroachments or restrictions on title.
Identification	<ul style="list-style-type: none"> All structures have been erected within the title boundaries of the site and there are no encroachments on or by the subject land. We note that in regard to rural properties, it is common for fencing to encroach either way between boundaries. Given that it is not practical to verify the status of boundaries due to the sheer size and scale of rural properties, we assume there to be no impact on productivity, marketability, or value.
Roads	<ul style="list-style-type: none"> The property is unaffected by any road alteration proposals.
Approvals/Permits	<ul style="list-style-type: none"> All Council approvals and permits have been obtained for the existing development.
Business Operations	<ul style="list-style-type: none"> The business operations at the property generate sufficient cash surpluses to warrant the capital investment.
Integral Plant & Equipment	<ul style="list-style-type: none"> Our assessment of Market Value includes all integral fixed plant and equipment that is required for the normal operation of the property as an operational horticultural enterprise.
Plant Breeder's Rights	<ul style="list-style-type: none"> We note that some or all the berry and rubus plantings are subject to Plant Breeder's Right Agreements (PBRs) which we have not sighted. It is an express assumption that the registered proprietor continues to have the PBRs under licence, post the termination or expiration of the lease with the incumbent lessee.
Lease Details	<ul style="list-style-type: none"> We have been provided with current and forecast rentals by the Vitalharvest. It is an express assumption that these are true and correct. We note that some Certificate of Title references in the Leases do not accord with the current Certificates of Title. It is an express assumption that these align and we have assessed value on that basis.
Substrate Infrastructure	<ul style="list-style-type: none"> The leases are silent on the ownership of the hydroponic substrate infrastructure. It is an express assumption that all substrate infrastructure is considered a fixture for the purpose of this valuation.

Variable Rental	<ul style="list-style-type: none"> ▪ We note that the Variable Rent is paid in aggregate over the subject property as well as other properties under the same ownership and same lessee. The variable rental amounts provided are proportionate to the base rental amounts of each property. ▪ It is an express assumption that this methodology is correct and we have assessed value on this basis.
Kathleen Drive Pty Ltd – Water Sharing Agreement	<ul style="list-style-type: none"> ▪ We have been advised Vitalharvest Pty Ltd holds 7 of 9 (78%) A Class shares and 23 of 26 (88%) B Class shares in Kathleen Drive Pty Ltd (KD). Each share in KD is linked to a particular lot of land within the sub division of Kathleen Drive at the Berry Farm in Corindi, New South Wales. It is an historical hangover from when the land in KD was macadamia farms and the owners acted effectively as a co-operative for the sale of the macadamia nuts. KD owns land on which there is a dam catchment area that services the remainder of the Berry Farm in Corindi and the remaining other KD owners' farms. KD does not generate any profits as it does not charge its shareholders for use of water and the lessee paying for its maintenance cost.
Building Inspection	<ul style="list-style-type: none"> ▪ We have not internally inspected dwellings due to tenancy therefore we have relied upon information provided by the Vitalharvest relating to internal accommodation facilities, fittings and fixtures.
Land Class Apportionment	<ul style="list-style-type: none"> ▪ In an effort to apportion the plantable area and non-planted areas of the subject portfolio, we have relied upon information provided by Vitalharvest in obtaining the appropriate areas. We have reconciled the areas provided by Vitalharvest via Google Earth Pro Mapping Software. ▪ If any of the information is found to be incorrect, we reserve the right to review the valuation.
"Bett's" Lease Term	<ul style="list-style-type: none"> ▪ All of the leases Initial Terms expire 30 June 2026, except for Greys Roads (referred to as "Bett's" within this report), whose term is specified for 15 years, from 1 July 2012, being 30 June 2027, 1 year later than the other leases. Notwithstanding this anomaly, this lease is linked to the Other Leased Properties, so once the further terms are exercised on the other leases in June 2026, it will automatically extend to this lease. ▪ Noting the above, we have assumed that "Bett's" lease will be terminated one year earlier (on commercial terms) if the current lessee does not take up their option.
Passing Rental Amount	<ul style="list-style-type: none"> ▪ We have been provided and relied upon passing rental amounts provided by the Vitalharvest Pty Ltd in assessing value. It is an express assumption that these are true and correct.

"Tasmanian Aggregation"

Title	<ul style="list-style-type: none"> ▪ The land is not subject to any encroachments or restrictions on title.
Identification	<ul style="list-style-type: none"> ▪ All structures have been erected within the title boundaries of the site and there are no encroachments on or by the subject land. ▪ We note that in regard to rural properties, it is common for fencing to encroach either way between boundaries. Given that it is not practical to verify the status of boundaries due to the sheer size and scale of rural properties, we assume there to be no impact on productivity, marketability, or value.
Roads	<ul style="list-style-type: none"> ▪ The property is unaffected by any road alteration proposals.
Approvals/Permits	<ul style="list-style-type: none"> ▪ All Council approvals and permits have been obtained for the existing/proposed development.
Business Operations	<ul style="list-style-type: none"> ▪ The business operations at the property generate sufficient cash surpluses to warrant the capital investments.
Plant Breeder's Rights	<ul style="list-style-type: none"> ▪ We note that some or all the berry and rubus plantings are subject to Plant Breeder's Right Agreements (PBRs) which we have not sighted. It is an express assumption that the registered proprietor continues to have the PBRs under licence, post the termination or expiration of the lease with the incumbent lessee.
Lease Details	<ul style="list-style-type: none"> ▪ We have been provided with current and forecast rentals by the Vitalharvest. It is an express assumption that these are true and correct. ▪ We note that some Certificate of Title references in the Leases do not accord with the current Certificates of Title. It is an express assumption that these align and we have assessed value on that basis.

Substrate Infrastructure	<ul style="list-style-type: none"> ▪ The leases are silent on the ownership of the hydroponic substrate infrastructure. It is an express assumption that all substrate infrastructure is considered a fixture for the purpose of this valuation.
Variable Rental	<ul style="list-style-type: none"> ▪ We note that the Variable Rent is paid in aggregate over the subject portfolio as well other properties under the same ownership and same lessee. The variable rental amounts provided are proportionate to the base rental amounts of each property. ▪ It is an express assumption that this methodology is correct and we have assessed value on this basis.
Planting Schedule	<ul style="list-style-type: none"> ▪ We have been provided a planting record noting the age, variety and area developed to berry plantings. It is an express assumption that these are true and correct.
Land Class Apportionment	<ul style="list-style-type: none"> ▪ In an effort to apportion the plantable area and non-planted areas of the subject portfolio, we have relied upon information provided by Vitalharvest in obtaining the appropriate areas. We have reconciled the areas provided by Vitalharvest via Google Earth Pro Mapping Software. ▪ If any of the information is found to be incorrect, we reserve the right to review the valuation.
Building Inspection	<ul style="list-style-type: none"> ▪ We have not internally inspected dwellings due to tenancy arrangements, therefore we have relied upon information provided by the Vitalharvest relating to internal accommodation facilities, fittings and fixtures.
Irrigation Infrastructure	<ul style="list-style-type: none"> ▪ Raspberry plantings situated on adjoining allotments are also benefited by the irrigation infrastructure located on the subject portfolio. The adjoining plantings do not form part of this valuation assessment.
Notified Corridor	<ul style="list-style-type: none"> ▪ We were unable to ascertain the purpose of this notice. We have assumed no material impact to the market value.
Notice of Permit Corridor	<ul style="list-style-type: none"> ▪ We were unable to ascertain the purpose of this notice. We have assumed no material impact to the market value.
Notice to Treat	<ul style="list-style-type: none"> ▪ We were unable to ascertain the purpose of this notice. We have assumed no material impact to the market value.
Currency of Certificates of Title	<ul style="list-style-type: none"> ▪ In circumstances where we have been provided Certificates of Titles which have not been searched recently, we have assumed these to be current and accurate.
Easement in Schedule of Easements	<ul style="list-style-type: none"> ▪ Certificate of Title Volume 15374 Folio 4 & Volume 143438 Folio 1 refers to various easements which we have been unable to verify. We have assumed no material impact on value.
Tree Farm Agreement	<ul style="list-style-type: none"> ▪ We have sighted the Tree Farming Agreement and transfer deed share farming agreement. We consider the future profitability of this to be speculative and have not attributed any value to this in assessing Market Value (on both bases).
Passing Rental Amount	<ul style="list-style-type: none"> ▪ We have been provided and relied upon passing rental amounts provided by the Vitalharvest Pty Ltd in assessing value. It is an express assumption that these are true and correct.

“Tumbarumba Farm”

Title	<ul style="list-style-type: none"> ▪ The land is not subject to any encroachments or restrictions on title.
Identification	<ul style="list-style-type: none"> ▪ All structures have been erected within the title boundaries of the site and there are no encroachments on or by the subject land. ▪ We note that in regard to rural properties, it is common for fencing to encroach either way between boundaries. Given that it is not practical to verify the status of boundaries due to the sheer size and scale of rural properties, we assume there to be no impact on productivity, marketability, or value.
Roads	<ul style="list-style-type: none"> ▪ The property is unaffected by any road alteration proposals.
Business Operations	<ul style="list-style-type: none"> ▪ The business operations at the property generate sufficient cash surpluses to warrant the capital investment.

- Plant Breeder's Rights
 - **We note that some or all the berry and rubus plantings are subject to Plant Breeder's Right Agreements (PBRs) which we have not sighted. It is an express assumption that the registered proprietor continues to have the PBRs under licence, post the termination or expiration of the lease with the incumbent lessee.**
 - Variable Rental
 - We are advised by the Vitalharvest that the Variable Rent is paid in aggregate over the subject property as well other properties under the same ownership and same lessee. In apportioning the Variable Rental, we have pro-rated the aggregate amount proportionate to the base rental amounts of each property.
 - It is an express assumption that this methodology is correct and we have assessed value on this basis.
 - Planting Schedule
 - We have been provided a planting record noting the age, variety and area developed to berry plantings. It is an express assumption that these are true and correct.
 - Certificates of Title
 - In circumstances where we have been provided Certificates of Titles which have not been searched recently, we have assumed these to be current and accurate.
 - Land Class Apportionment
 - In an effort to apportion the plantable area and non-planted areas of the property, we have relied upon information provided by Vitalharvest in obtaining the appropriate areas. We have reconciled the areas provided by Vitalharvest via Google Earth Pro Mapping Software.
 - If any of the information is found to be incorrect, we reserve the right to review the valuation.
 - Passing Rental Amount
 - We have been provided and relied upon passing rental amounts provided by the Vitalharvest Pty Ltd in assessing value. It is an express assumption that these are true and correct.
- Our valuation calculations include rental growth assumptions throughout a defined cash flow period. These assumptions have been based on prevailing economic and market conditions as at the date of valuation. Market conditions will change over time influenced by internal and external factors against which a review of the assumptions may be warranted. Therefore, reliance upon these projections must be made with full acceptance of their limited reliability and with due consideration of the commercial risks related to such forecasts. The Discounted Cash Flow method of valuation referred to in the Valuation Report has been undertaken for the purpose of assisting in the determination of the current market value of the interest in the property and we make no guarantees or warranty as to the accuracy of future rental income stream projections, as these can be impacted by a combination of unforeseen circumstances.
 - We have relied upon information provided by Vitalharvest Pty Ltd.
 - Our valuation is based upon the most current information available at the time the valuation was prepared. CBRE accepts no responsibility for subsequent changes in information as to income, expenses or market conditions. Any subsequent change in lease terms may also have a corresponding change to the value.
 - In the current market, it is our view that a 9-12 month marketing period may be required to effect a disposal of the interest in the asset assuming a professional marketing campaign.

REPORT CONTENT

Our Valuation Report, in addition to the content noted earlier, contains detailed information and description pertaining to: Instructions; Use and Reliance; Site Details including Location, Legal, Environmental and Town Planning; and Building Improvements along with analysis of the asset's Occupational and Financial attributes. This is followed by a comprehensive Economic, Investment Market and Horticultural Market Overview and details of the sales evidence regarded, along with our Investment Considerations. Finally, the report considers the value and marketability of the property. We again refer the reader of this letter to our Valuation Report for detail in respect of the above items.

VALUATION METHODOLOGY

In arriving at our opinion of market value in accordance with the instructions, we have placed primary emphasis on the capitalisation of market net income approach and where appropriate have also adopted discounted cash flow analysis. A detailed explanation of the asset's investment credentials and the application of the discounted cash flow and capitalisation of market and/or passing income methodology are provided in the Valuation Report.

VALUATION SUMMARY

In accordance with the instructions, we summarise our valuation conclusions for the portfolio as at 31/05/2018 as follows:

- i. Market Value - As Is - Subject to Existing Occupancy Arrangements
- ii. Market Value – As Is Vacant Possession

The following tables outline our Valuation Conclusions as at 31/05/2018.

LEASE PARTICULARS

Lease Details	The portfolio is currently leased with the initial term expiring 30 June 2026 (approximately 8.1 years) but for a minor portion of "Corindi Aggregation" which expires 30 June 2027 (9.1 years).
Lessor	Vitalharvest Pty Ltd (ACN 140 954 874).
Lessee	CostaExchange Ltd (ACN 002 687 961) & AgriExchange Pty Ltd (ACN 050 165 921)
Sum of Leasehold	\$21,433,059 per annum.
Passing Rent	

ASSESSMENT

Valuation Approaches	Discounted Cash Flow; Direct Comparison – Summation
Date of Valuation	31 May 2018

SUM OF ADOPTED VALUES	Market Value - As Is - Subject to existing occupancy arrangements \$238,400,000 (Two Hundred and Thirty Eight Million, Four Hundred Thousand Dollars)
	Market Value - As Is - Vacant Possession \$216,950,000 (Two Hundred and Sixteen Million, Nine Hundred and Fifty Thousand Dollars)

This valuation is exclusive of GST.

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We note the variation in valuation outcomes above maybe associated with all Critical Assumptions and Recommendations noted herein.

CONSENT

CBRE provides its consent for the inclusion of this Summary Letter within the Product Disclosure Statement for The Board of The Trust Company (RE Services) Limited subject to The Board of The Trust Company (RE Services) Limited making recipients of the Product Disclosure Statement aware of the following liability disclaimers.

LIABILITY DISCLAIMER

- (a) CBRE is not operating under an Australian Financial Services Licence when providing the full Valuation Report or this Summary Letter and those documents do not constitute financial product advice. Investors should consider obtaining independent advice from their financial advisor before making any decision to invest in/with Vitalharvest Pty Ltd.
- (b) CBRE disclaims any liability to any person in the event of an omission from, or false and misleading statements included in the Product Disclosure Statement, other than in respect to this Summary Letter and the full Valuation Report.
- (c) The Valuation Report and this Summary Letter are strictly limited to the matters contained within those documents, and are not to be read as extending, by implication or otherwise, to any other matter in the Product Disclosure Statement. Without limitation to the above, no liability is accepted for any loss, harm, cost or damage (including special, consequential or economic harm or loss) suffered as a consequence of fluctuations in the real estate market subsequent to the date of valuation.
- (d) CBRE has prepared the full Valuation Report and this Summary Letter relying on and referring to information provided by third parties in including financial and market information ("Information"). CBRE assumes that the Information is accurate, reliable and complete and it has not tested the information in that respect.
- (e) References to the Property's value within this Summary Letter or the Product Disclosure Statement have been extracted from CBRE's Valuation Report. The Valuation Report draws attention to the key issues and considerations impacting value and provides a detailed assessment and analysis as well as key critical assumptions, general assumptions, disclaimers, limitations, qualifications and recommendations. As commercial investments of this nature are inherently complex and the market conditions have changed and/or have been uncertain in recent times, CBRE recommends that this Summary Letter and any references to value within the Product Disclosure Statement must be read and considered together with the Valuation Report. This Summary Letter is to be read in conjunction with our full Valuation Report dated 31/05/2018 and is subject to the Assumptions, Limitations, Disclaimers and Qualifications contained therein. We refer the reader to RE - The Board of The Trust Company (RE Services) Limited to obtain a copy of the Full Valuation Report.
- (f) No responsibility is accepted for any loss or damage arising as a result of reliance upon this Summary Letter and the Full Valuation Report.
- (g) Neither this Summary Letter nor the full Valuation Report may be reproduced in whole or in part without prior written approval of CBRE.
- (h) CBRE charges a professional fee for producing valuation reports, and the fee paid by Vitalharvest Pty Ltd for the Valuation Report and this Summary Letter was \$33,000 inclusive of GST.
- (i) We confirm that the valuer does not have a pecuniary interest that would conflict with a proper valuation of the interest in the property.
- (j) This document is for the sole use of persons directly provided with it by CBRE. Use by, or reliance upon this document by anyone other than those parties named above is not authorised by CBRE and CBRE is not liable for any loss arising from such unauthorised use or reliance.

Yours faithfully
CBRE Valuations Pty Limited



Michael Mobilio
Associate Director
Valuation & Advisory Services



Benjamin Grice
Valuer
Valuation & Advisory Services

Daniel Thomas



Regional Director
Valuation & Advisory Services

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Investment Risks

8

(Source: Vitalharvest / goFarm)

8. INVESTMENT RISKS

This Section describes the key risks associated with an investment in Vitalharvest REIT. It does not purport to be an exhaustive list of every risk faced by Vitalharvest REIT or Unitholders, now or in the future. Many of these risks, or the consequences of them, are outside the control of Vitalharvest REIT, the Responsible Entity and the Manager. If one or more of these risks eventuates, then the income of Vitalharvest REIT, Distributions and the value of the Units and your investment in Vitalharvest REIT may be significantly affected.

8.1 Risks specific to your investment in Vitalharvest REIT

8.1.1 Weather and climate risks

Extreme weather events including fire, frost, floods, hail or drought may result in damage to crops at the Properties and may adversely impact on Vitalharvest REIT's financial performance. It is not possible to predict the timing or severity of extreme weather events. Additionally, climate is one of the biggest risk factors impacting on the agricultural sector's performance. Climate change may have a number of adverse impacts on Vitalharvest REIT's agricultural productivity at the Properties which may adversely impact the financial position and operating capability of the Tenants and Costa Group.

While certain measures adopted at the Properties to reduce the impact of climatic elements, such as nets and tunnels, may assist in mitigating the effects of weather events, there is no guarantee that these measures will be sufficient for all weather events or effects.

Extreme weather events and climate change may also adversely impact the Tenants' EBT from time to time, which in turn may have an adverse impact on the aggregate Rent which Vitalharvest REIT receives and the Distributions that can be paid to Unitholders. In the longer term, this may have an adverse impact on the value of the Properties.

8.1.2 Commodity price and production fluctuations

Australian commodity prices are determined by supply and demand dynamics. For example, citrus fruit prices are determined by factors in the domestic and international citrus fruit markets, product type, seasonal factors (such as the timing and length of the growing season), demand from citrus fruit processors and import quotas and tariffs. Some or all of those factors, and other risks identified in this Section 8.1 (such as the weather, climate and horticultural risks) may also have an impact on total production.

Changes in production and global and domestic commodity pricing (in particular, berry and citrus prices, and fluctuations in the cost of farming inputs including fertiliser and insecticides) may adversely impact the Tenants' EBT. For example, a shorter or longer growing season may result in production occurring and Variable Rent being recognised earlier or later in a particular financial year, which may adversely impact one financial year but benefit another. However, there is no guarantee that this will always be the case.

As such, there is no guarantee that previous commodity prices or production results will be achieved or will increase in future, and any negative movement in commodity prices and production may have an adverse effect on the Tenants' EBT from time to time, which in turn may have an adverse impact on the aggregate Rent which Vitalharvest REIT receives. In the longer term, this may have an adverse impact on the value of the Properties.

8.1.3 Exchange rates

Vitalharvest REIT's revenues are generated in Australian dollars. However a substantial proportion of the citrus products that Costa Group produces in Australia is sold in the world market and typically traded in US dollars. Additionally, some farming input costs such as chemical fertiliser and fuel may be payable in US dollars. Accordingly, any appreciation or depreciation of the Australian dollar against the US dollar as well as other adverse exchange rate movements could have an adverse effect on Vitalharvest REIT's future financial performance and position.

8.1.4 Loss of citrus market

Costa Group exports a significant proportion of its citrus produce to offshore markets. If key offshore markets are closed to Australian citrus produce or if it becomes uneconomic to export Australian citrus to these markets by virtue of a rising Australian dollar, government or regulatory actions (including tariffs or restrictions) or other reasons (such as increases in shipping or transport costs or import / export fees), this may adversely impact the Tenants' EBT from time to time, which in turn may have an adverse impact on the aggregate Rent which Vitalharvest REIT receives. In the longer term, this may have an adverse impact on the value of the Properties.

8.1.5 Increasing competition

The berry and citrus markets are competitive, and if the Tenants are unable to compete effectively, the Tenants' EBT may suffer, which in turn may have an adverse impact on the aggregate Rent which Vitalharvest REIT receives.

Increased supply from existing and new competitors to the Tenants' berry and/or citrus businesses may threaten the Tenants' market position and/or result in a decrease in berry and/or citrus prices.

In addition, the Tenants' competitors may introduce new and/or superior citrus or berry varieties which may adversely impact the Tenants' market position and the prices it can command from the market. Vitalharvest REIT cannot predict the timing and scale of the Tenants' competitors' actions in these areas or whether new competitors will emerge in the berry and/or citrus markets, including competitors who offer comparable products at more attractive prices.

These factors may adversely impact the Tenants' EBT from time to time, which in turn may have an adverse impact on the aggregate Rent which Vitalharvest REIT receives. In the longer term, this may have an adverse impact on the value of the Properties.

8.1.6 Impact of new 'Integrity Measure' proposal

On 27 March 2018 the Australian Government announced an 'Integrity Measure' proposal whereby foreign investors in Managed Investment Trusts holding agricultural land will not be able to access the concessional rate of withholding tax (currently 15%) in respect of fund payments made on or after 1 July 2019. If enacted, it is expected that this would apply to the Trust. As at the date of this PDS no legislation in connection with the proposal has been introduced into Parliament. It is not expected that the proposal will have any other implications for Unitholders, however as draft legislation has not been released as at the date of this PDS this is not yet known with certainty.

8.1.7 Access to water

The Citrus Properties rely predominantly on water sourced from the Murray River system which is highly regulated by the government. Due to the highly regulated nature of water from this source, the Citrus Properties may be exposed to water availability risks which may adversely impact agricultural productivity on the Citrus Properties and the financial position of Vitalharvest REIT. Changes in government policy relating to the delivery and cost of water may also impact the underlying value of the Initial Assets.

The Berry Properties have locally sourced surface and groundwater and are less impacted by any change to the regulation of water allocation. However, the Berry Properties are directly impacted by the amount of rainfall at the locations of the Berry Properties and may be adversely impacted by any material changes in rainfall patterns and quantity impacting those properties.

8.1.8 Disease and other horticultural risks

Plantings at the Properties may be exposed to disease or insect infestation which may adversely impact the viability of the crops in any particular season. If the Tenants' Plantings are unable to be sold due to disease or insect infestation, this may adversely affect the Tenants' EBT from time to time, which in turn may have an adverse impact on the aggregate Rent which Vitalharvest REIT receives.

If the Tenants' endeavours to combat disease or insect infestation are unsuccessful, the suitability of the Properties to produce the intended crops in the future and the value of the Properties may also be adversely effected in the long term.

8.1.9 Breach of the Debt Facilities

Pursuant to the debt financing to be provided under the Debt Facilities, Vitalharvest REIT will be required to comply with a number of undertakings and financial covenants.

An event of default may occur under the Debt Facilities if Vitalharvest REIT fails to comply with any of these financial covenants or undertakings which could result in NAB demanding immediate repayment of all or part of the Debt Facilities (together with accrued interest) including through the enforcement of any security granted in connection with the Debt Facilities. Vitalharvest REIT may need to dispose of some or all of the Property Portfolio for less than market value, raise additional equity, or reduce or suspend Distributions in order to repay the Debt Facilities.

8.1.10 Risk of disputes

From time to time, the Tenants and the Landlord may assert (against each other) breaches of the Leases, other agreements between the Tenants and the Landlord (and/or their respective wholly-owned subsidiaries) or other rights that the Tenants or the Landlord (and/or their respective wholly-owned subsidiaries) may have, whether in contract, tort, at law or equity and whether express or implied, including for example, claims arising out of the issuing of or the disclosures or use of certain information included in this PDS, disputes under the Leases including disputes relating to the methodology used for the calculation of Variable Rent, implementation of capital expenditure programs or other claims or disputes in the future with respect to their ordinary course of operations. While Vitalharvest REIT endeavours to settle claims and disputes collaboratively, this may not always be possible and may lead to litigation. If the litigation involves a material sum or related costs, this may have an adverse effect on Vitalharvest REIT's financial performance and other resources.

8.1.11 Interest rates, gearing and financial covenants

Vitalharvest REIT will partially finance the acquisition of the Properties with debt. Borrowings magnify investment gains or losses and increase the volatility of returns in response to movements in interest rates and property values.

Interest payable on the Debt Facilities will depend on the interest rate which is comprised of a base interest rate plus a

variable interest rate margin (based on a margin grid). Interest rates moving unfavourably may result in increased interest costs. This could result in a reduction in profits and Distributions.

Vitalharvest REIT holds interest bearing debt and as such it is exposed to movements in interest rates. The Finance Trust as directed by the Manager will engage in interest rate hedging through the use of interest rate swaps for the Debt Facilities in order to help protect against these movements in the base interest rate. While these swaps provide more certainty in a changing interest rate market, they may also result in interest expenses that are higher than the spot rate. In addition, for accounting purposes, interest rate swaps are required to be recorded at fair value and this may lead to fluctuations in comprehensive income.

Furthermore, the use of leverage in Vitalharvest REIT magnifies investment gains or losses driven by movements in interest rates and also increases the volatility of returns to movements in interest rates and property values. Vitalharvest REIT's target Gearing is 40.0%, with Pro Forma Gearing forecast to be 39.8% on the Allotment Date.

Additionally, Vitalharvest REIT is exposed to the risk that part or all of the Debt Facility cannot be refinanced at maturity. To minimise this risk Vitalharvest REIT is proposing to equally split its core debt into 3 and 5 year maturities.

Financial covenants include ensuring the Loan to Value Ratio is below 55%, ensuring the interest coverage ratio is greater than 3 times, Net Asset Value not less than \$125.0 million and ensuring the dividend payout ratio does not exceed 100% of FFO annually. Compliance with these financial covenants may impact on Vitalharvest REIT and its ability to undertake certain activities including those activities, acquisitions (other than the purchase of the Properties) and expenditure contemplated in this PDS.

For more information please refer to Section 12.1.5.

8.1.12 Loss of IP licence from Driscoll's Australia Partnership by the Tenant or Vitalharvest REIT

CostaExchange undertakes its own research and development for new PBR Bushes varieties at the Corindi Berry Property in NSW (**Costa IP**). CostaExchange also has a license of the intellectual property rights in the PBR Berry varieties developed by Driscoll's (**Driscoll's IP**). Vitalharvest REIT believes that the Costa IP and Driscoll's IP are important to CostaExchange's success and its competitive position.

The failure to maintain the Costa IP, defend against claims of infringement of Costa IP or to maintain the use of the Driscoll's IP may diminish CostaExchange's competitiveness and materially impact CostaExchange's financial position and business.

Furthermore, the loss of the licence for Driscoll's IP may adversely impact CostaExchange's berry business and Vitalharvest REIT's business.

8.1.13 Re-leasing and vacancy

Other than the Berry Lease for the Dunorlan Property, which has consecutive leases the last of which expires in 2036, all Farming Leases provide for an option to renew the term of the Farming Leases for a further 10 years from on or about 30 June 2026 to on or about 30 June 2036. If the Tenant does not exercise the option in relation to any of the Berry Leases, there is a risk that all Berry Leases (except the Grays Road Property Lease) but including the Berry Lease for the Dunorlan Property, will expire or terminate on or about 30 June 2026. Similarly if the Tenant does not exercise the option in relation to one of the Citrus Leases, there is a risk that all Citrus Leases will expire on or about 30 June 2026. If the options to renew are not exercised in respect of the Leases, it will be necessary to re-lease either the Berry Properties or Citrus Properties (or all Properties) and there is no guarantee that the terms upon which the Properties are re-leased will be the same or similar. This may have an adverse impact on Vitalharvest REIT's income stream from, and the value of, the affected Properties.

If a Tenant does not extend the Leases, Vitalharvest REIT has, among other things, the right to re-entry of the Properties in order to operate the relevant Farming Properties itself or to find another third party lessee to operate the relevant Farming Property.

8.1.14 Properties are substantially leased to Costa Group entities

As the Properties are substantially leased to Tenants which are wholly owned subsidiaries of Costa Group, most of Vitalharvest REIT's rental income is received from entities within the same corporate group (being Costa Group). If the Costa Group's financial standing materially deteriorates such that the Tenants are unable to make rental payments to Vitalharvest REIT, this may have an adverse impact on the aggregate Rent which Vitalharvest REIT receives. In the longer term, this may have an adverse impact on the value of the Properties.

In addition, as a proportion of the Rent which Vitalharvest REIT receives is calculated based on the Tenants' EBT, if the Tenants' EBT declines, this may adversely impact on the aggregate Rent which Vitalharvest REIT receives and its financial position. Vitalharvest REIT's ability to maintain and grow its revenue streams is also dependent on the decisions and actions of the Tenants as the Variable Rent is based on the Tenants' EBT derived from the Properties and the Base Rent

can only grow as a result of Vitalharvest REIT contributing to capital expenditure projects proposed by the Tenants. There is no guarantee that the Tenant will continue to propose capital expenditure projects at the Farming Properties, which may impact on the growth of the Rent received.

8.1.15 Decrease in size of domestic market

Domestically, the Tenants sell their produce to a number of customers including several large supermarket chains and other retailers. If a key customer does not stock or refuses to stock the berries or citrus produced by the Tenants, this may have an adverse effect on the Tenants' EBT, which in turn may have an adverse impact on the aggregate Rent which Vitalharvest REIT receives. In the longer term, this may have an adverse impact on the value of the Properties.

8.1.16 Counterparty Risk

The Trust Company (RE Services) Limited, as the Responsible Entity of the Trust, is subject to strict regulatory and compliance arrangements under the Corporations Act and ASIC policy. If a breach or series of breaches by the Responsible Entity of the Corporations Act or the terms of its AFS Licence is significant and not resolved to ASIC's satisfaction, ASIC may take action to suspend or revoke its AFS Licence which in turn may adversely impact the ability of Vitalharvest REIT to operate until a new responsible entity is appointed.

The Manager is obliged to comply with its obligations under the Management Agreement including all applicable laws. If the Manager becomes insolvent or otherwise breaches the Management Agreement and the Responsible Entity terminates the Management Agreement, a new manager will need to be appointed which may adversely affect the operation of Vitalharvest REIT if the new manager does not have the knowledge of the Properties that the Manager has or there is a disruption to management as a result of the transition to a new manager.

The Manager does not hold an AFS Licence but acts as an authorised representative of an AFS Licence holder. If the Manager breaches the terms of its appointment as an authorised representative and its appointment is terminated or if the AFS Licence holder's AFS Licence is cancelled or suspended, the Manager will need to make alternative arrangements for the provision of financial services required under the Management Agreement.

Vitalharvest REIT may also be exposed to counterparty risk as a consequence of hedging arrangements entered into to hedge the exposure of Vitalharvest REIT to interest rates from time to time. At the date of this PDS it is expected that interest rate swaps will be entered into with the provider of the Debt Facilities. If in the future further debt funding is required or the Debt Facilities are refinanced this position may change, however it is expected that any arrangements for hedging interest rates will be with large reputable financial institutions and the counterparty risk will be minimal.

8.1.17 Ownership or control of Packsheds

The Yandilla Packshed is owned by and located on land owned by CostaExchange.

The packshed at Kangara is situated on land which is the subject of the Kangara Packshed lease. That Packshed Lease is a lease to AgriExchange Murtho Pty Ltd (a wholly-owned subsidiary of CostaExchange) with a 99-year term until December 2102.

If the Citrus Leases expire without being renewed and the Yandilla Packshed and the packshed at Kangara remain under the control of CostaExchange, the Landlord and/or any new lessee will need to implement a replacement packing solution for these Packsheds, which may reduce the attractiveness for a prospective tenant leasing the Citrus Properties and/or may be reflected in a lower rental on the Citrus Properties which may have an adverse impact on the aggregate Rent which Vitalharvest REIT receives. In the longer term, this may have an adverse impact on the value of the Properties.

This risk does not apply to the Solora Packshed as Vitalharvest owns the Solora Packshed and has the ability to ensure it is not leased for a term that extends beyond the expiry of the relevant Citrus Leases.

8.1.18 Restructure - Stamp Duty

The Restructure will involve Transactions which, in the absence of corporate reconstruction exemptions being granted, would give rise to NSW, SA and Tasmanian stamp duty liabilities for Vitalharvest Finance and the Leasehold Trustee in its capacity as trustee of the Leasehold Trust.

Vitalharvest has received a ruling confirming that all relevant Transactions under the Restructure will be exempt from NSW and SA duty. However, that ruling is subject to the actual transactions and / or surrounding circumstances of the Restructure not being materially different from that described in Vitalharvest's ruling request. On the terms of the Restructure as set out in Section 2.1, it will not be materially different from that described in Vitalharvest's ruling request. However, if this is not the case, then there is a risk that the duty exemption will be denied or revoked, with the consequence being that NSW or SA stamp duty for the Restructure is assessed to Vitalharvest Finance and / or Leasehold Trustee in its capacity as trustee of Leasehold Trust.

The Tasmanian Commissioner of State Revenue does not provide taxpayers with rulings in advance of a relevant

transaction occurring. Accordingly, a request for an exemption from Tasmanian duty will be lodged after the Restructure occurs. There is a risk that an exemption will not be granted, with the consequence that Tasmanian stamp duty for the Restructure is assessed to Vitalharvest Finance and / or Leasehold Trustee in its capacity as trustee of Leasehold Trust.

8.1.19 Third party consents

Consent from third parties may be required in relation to the transfer of the beneficial ownership in certain water rights and entitlements and 3IP Deed. Consents will be sought (in some cases out of an abundance of caution as it is not clear whether consent is required in the circumstances of a transfer of beneficial ownership) and granted, however, as at the date of this PDS, some consents are outstanding. Ministerial consent has been obtained in relation to the 3IP Deed.

The Manager has no reason to expect that the outstanding consents will not be forthcoming. However, failure to obtain consents may expose Vitalharvest REIT to fines or other liability.

8.1.20 Potential conflicts of interest

The Manager is or may become the manager to other funds and accounts not described in this PDS. While the Manager has implemented policies and procedures to identify and mitigate conflicts of interest, it is possible therefore that the Manager may, in the course of its business, have potential conflicts of interest which may not be managed effectively and may be detrimental to the Trust and its Unitholders.

The Trust will only be exposed to investments managed by the Manager and as such the Manager may benefit from such investments as set out in section 13.4. Other parties may have interests that diverge from that of the Manager and the Trust which may have an adverse effect on Unitholders. There may be potential conflicts in entities within the Perpetual Group acting in various capacities in this structure (i.e. Responsible Entity, Custodian) and Perpetual Group entities acting in similar roles for other funds.

8.2 Risks specific to investments in property

8.2.1 Property Valuations

The value of the Property Portfolio held by Vitalharvest REIT may be impacted by a number of risks affecting the property market generally, and farmland in particular, including changes in market rental rates, property yields, capitalisation and discount rates, economic growth outlooks and demand for end-market products such as berries or citrus fruits. The value of the Property Portfolio may also be affected by matters affecting the Costa Group and the Tenants including their earnings, biological assets and intellectual rights.

The Property Portfolio will be independently valued regularly in accordance with Vitalharvest REIT's valuation policy. For more detail in relation to Vitalharvest REIT's valuation policy, see Section 2.9. However, reported valuations represent only the analysis and opinion of qualified experts at a certain date, and are not guarantees of present or future values or the amount of a sale price at that value at any particular time. Further valuations are based on assumptions which (notwithstanding that they must be reasonably based) may prove to be inaccurate which will affect the accuracy of the valuation. Accordingly, a property in Vitalharvest REIT's Property Portfolio may not be able to be realised for the value ascribed to it under Vitalharvest REIT's valuation policy and may be materially lower than that shown in the valuation.

In addition, the independent valuations referred to in this PDS are the opinions of CBRE in relation to the Properties as at the date the reports were issued and do not reflect any changes since that date. The market values as described in the valuation reports may not reflect the price the Properties would realise if they were subsequently sold.

A change in the value of the Property Portfolio may cause Vitalharvest REIT (through the Finance Trust) to breach its financial covenants or limit the ability of Vitalharvest REIT to refinance its Debt Facilities at the end of their respective terms. This may adversely impact Vitalharvest REIT's future financial performance and position.

8.2.2 Property illiquidity risk of having to sell land that is illiquid

Property assets are, by their nature, illiquid investments. In the context of Vitalharvest REIT's Property Portfolio, this illiquidity may be more acute given that the majority of assets owned by Vitalharvest REIT are large scale. Given this scale, the number and quality of potential buyers may be limited.

Should Vitalharvest REIT (including through the Leasehold Trust) be required to realise one or more assets, for example in the event of a covenant breach, Vitalharvest REIT may not be able to do so in a timely manner, or at the amount at which the asset has been valued. Additionally, if the reason for the sale of the asset is Vitalharvest REIT's insolvency, this would trigger the Tenants' right of first refusal under the terms of the Berry Leases and Citrus Leases.

8.2.3 Environmental contamination

If any of the Property Portfolio were found to be contaminated, the value of the Property Portfolio and the use of the relevant Property for farming purposes may be adversely impacted. Neither CAM, Vitalharvest, the Manager nor the Responsible Entity are aware of any environmental contamination at any of the Properties that would materially impact

their value or preclude the particular Tenants' ongoing operation.

Detailed environmental surveys have not been undertaken prior to Vitalharvest REIT's investments in agricultural land. There may be undiscovered soil or groundwater contamination or other environmental problems that could require investigation or remediation. If environmental claims or violations do arise, Vitalharvest REIT could be required to conduct costly investigations or clean-ups. Environmental concerns could also cause a reduction in resale prices.

There is some possibility of asbestos being contained in buildings located on the Properties. The Tenants keep and maintain asbestos registers in relation to the Properties.

There is a risk that any new properties acquired may be contaminated rendering the properties unable to be used for farming purposes which would result in costs to remove and replace the affected buildings, a write-down in their valuation and a reduction in the value of Vitalharvest REIT and the Units. The Manager will undertake the necessary due diligence on all new property acquisitions to mitigate this risk as far as reasonably possible.

8.3 General risks of an investment in Vitalharvest REIT

8.3.1 Access to equity and debt funding

Volatility in the financial markets could have an adverse effect on Vitalharvest REIT's ability to fund its business. Vitalharvest REIT's ability to raise additional funds will be subject to, among other things, factors beyond the control of Vitalharvest REIT, including cyclical factors affecting the economy and share markets generally.

A reduction in Vitalharvest REIT's ability to raise additional funds directly or through the Finance Trust, deterioration of the terms on which such funds can be raised, increased cost of funding or otherwise reduced or limited access to capital may adversely impact Vitalharvest REIT's financial position.

In addition, any deterioration in global financial markets could impact risk appetite among lending institutions which may impact Vitalharvest REIT's ability to refinance its existing Debt Facilities or obtain new debt funding from another lending institution. As a result, Vitalharvest REIT may not be able to implement its business strategy (including by investing in existing properties or acquiring new properties) and may not be able to meet its working capital and general financing needs. This may adversely impact Vitalharvest REIT's future financial performance and position.

8.3.2 Unitholder dilution

In the future, Vitalharvest REIT may elect to engage in various types of capital raisings, including the issue of new Units to raise equity. If you do not participate in a future entitlement offer or choose not to reinvest your Distributions pursuant to any future DRP, this may result in your percentage interest in Vitalharvest REIT being diluted. While Vitalharvest REIT will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that it is able to issue within a 12 month period without Unitholder approval (other than where exceptions apply), Unitholders' holdings at the time may be diluted as a result of such capital raisings if they do not participate.

8.3.3 Trading in Units may not be liquid

There is currently no public market through which the Units may be sold. There can be no guarantee that an active market in the Units will develop or that the price of the Units will increase following Official Quotation. There may be relatively few potential buyers or sellers of the Units on the ASX at any time. This may increase the volatility of the market price of the Units.

Significant blocks of Units held by individual investors may also reduce liquidity in the trade of the Units. In particular, as a listed investment trust there is no regular redemption facility for the Units. The ability to sell Units will depend on the availability of buyers. Compared to other products that are traded on ASX, such as shares in some of Australia's largest companies, the Units may be relatively illiquid.

In the case of the Trust, there is also risk from conditional and deferred trading of Units prior to receipt of confirmation of holdings. This risk has been stated in Section 9.10.4.

8.3.4 Changes in laws, regulations and policy

Vitalharvest REIT and the attractiveness of an investment in Vitalharvest REIT may be affected by changes in laws, regulations and government policies relevant to Vitalharvest REIT's activities and operations (including matters such as planning and zoning regulation and policy, compliance with environmental laws, regulations, taxation and general compliance costs).

Any changes in laws, regulations and government policies relevant to the Tenants' activities and operations may also adversely impact the Tenants' EBT from time to time, which in turn may have an adverse impact on the aggregate Rent which Vitalharvest REIT receives. In the longer term, this may have an adverse impact on the value of the Properties.

8.3.5 Economic conditions

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Tenants, which in turn may have an adverse effect on Vitalharvest REIT's activities, as well as on its ability to fund those activities.

Deterioration in the general economic conditions, including factors that impact negatively on disposable income of consumers, could affect consumer expenditure, including on the demand for berry or citrus products which may adversely impact the Tenants' EBT from time to time, which in turn may have an adverse impact on the aggregate Rent which Vitalharvest REIT receives.

8.3.6 Accounting standards

The AAS to which Vitalharvest REIT adheres are set by the AASB and are consequently out of the control of Vitalharvest REIT. Changes to the AAS issued by the AASB or changes to the commonly held views on the application of those standards could materially adversely affect the financial performance and position reported in Vitalharvest REIT's financial statements.

8.3.7 Market conditions

Changes in the general economic outlook both in Australia and globally may impact the performance of the Tenants' businesses, Vitalharvest REIT and the value and returns from its Property Portfolio. Market conditions are affected by many factors such as:

- changes in the Australian and international economic outlook;
- performance of comparable listed entities;
- changes in governmental laws and regulations, fiscal policies and zoning ordinances and costs of compliance therewith;
- changes in inflation, interest rates and rental capitalisation rates;
- changes in operating expenses (to the extent they are payable by Vitalharvest REIT and to the extent that they impact the ability of Tenants of Vitalharvest REIT to make rental payments);
- civil unrest, acts of war, terrorist attacks, acts of god and natural disasters, including earthquakes and floods, which may result in uninsured and insured losses; and
- significant contractual or political disturbances impacting the Tenants, or Vitalharvest REIT or the continuity of their respective businesses.

The market price of Units can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities. Vitalharvest REIT gives no assurance that the price of the Units will increase following quotation on the ASX, even if Vitalharvest REIT's earnings meet or exceed forecasts.

8.3.8 Cyber risk

There is a risk of fraud, data loss, business disruption or damage to the information of the Vitalharvest REIT or to investors' personal information as a result of a threat or failure to protect this information or data.

8.3.9 Unit trading price

The trading price of any listed security may change, related to performance and matters inherent to the investment performance of the securities, but also due to external factors such as market sentiment, or a range of other factors including the presence of larger Unitholders buying or selling interests in the Units. Therefore, Unitholders should expect that for periods of time, sometimes extended periods, the Units may trade below the stated underlying NAV per Unit.

8.3.10 Volatility of units

Given that the Units are listed on ASX, Units may be thinly or heavily traded, and could be subject to significant volatility, irrespective of any changes in the underlying value of the investments held by the Trust.

Units may also trade at a discount or premium to the NAV per Unit. There can be no guarantee that the total number of buyers multiplied by the number of Units that each buyer wants to buy at any point in time in the market will match or exceed the total number of sellers multiplied by the number of Units each seller wants to sell, or that Unitholders will be able to buy or sell Units for a price which they or the Responsible Entity believe fairly reflects the value of their Units. In addition, the NAV per Unit will fluctuate with changes in the value of the underlying investments held by the Trust.

8.3.11 ASX counterparty risk

ASX counterparty risk is the risk that when a Unitholder sells their Units on market they are relying on CHESS, the central system for clearing and settling trades on the ASX, to ensure they receive their settlement proceeds as well as the risk that arises as a result of Unitholders relying on the creditworthiness of their Broker when making trades on the ASX.

Details of the Offer

9

(Source: Vitalharvest / goFarm)



9. DETAILS OF THE OFFER

9.1 Purpose of the Offer and use of proceeds

The Offer is an initial public offering of 185.0 million Units at an Offer Price of \$1.00 per Unit to raise a Minimum Subscription of \$185.0 million. The Offer is made on the terms and is subject to the conditions set out in this PDS.

If the Minimum Subscription is not achieved within four months after the date of this PDS, the Responsible Entity will repay all Application Monies in full without interest as soon as practicable or issue a supplementary or replacement product disclosure statement and allow Applicants one month in which to withdraw their Applications and be repaid their Application Monies in full without interest. The Responsible Entity may retain any interest earned on Application Monies.

The Proceeds of the Offer and the net proceeds of the Debt Facilities will be applied:

- the repayment of debt obligations under promissory notes used to acquire Vitalharvest Shares (including of the Initial Assets);
- to partially refinance existing debt in relation to the Initial Assets;
- to pay the costs associated with the establishment of Vitalharvest REIT and completion of the Restructure and the Offer; and
- to provide working capital for Vitalharvest REIT.

The following table shows the sources of funds and allocation for its proposed uses under the Restructure:

SOURCES OF FUNDS	\$M	USES OF FUNDS	\$M
Issue of new Units under the Institutional Offer, Broker Firm Offer, General Offer	185.0	Payment to CAM ²⁴	211.2
Draw down of debt	95.0	Repayment of existing debt in Vitalharvest	54.0
		Working capital	0.5
		Tasmanian Stamp Duty ²⁵	1.8
		Establishment Costs (excluding Tasmanian Stamp Duty)	12.5
Total sources	Up to 280.0	Total uses	Up to 280.0

9.2 Structure of the Offer

The Offer is structured as follows:

- the Institutional Offer, which consists of an invitation to certain Institutional Investors for the Units;
- the Broker Firm Offer, which is open to Retail Investors who have received a firm allocation from their Broker;
- the General Offer, which is underwritten as to \$10 million, and which is available to Retail Investors, members of the public and Institutional Investors not participating in the Institutional Offer or the Broker Firm Offer; and
- the Priority Offer which is open to selected investors who have received an invitation under the Priority Offer.

The Responsible Entity reserves the right to not proceed with the Offer at any time before the issue of Units to Successful Applicants.

The General Offer is underwritten as to \$10 million. No other Offer under this PDS, including the Institutional Offer, the Broker Firm Offer and the Priority Offer, is underwritten.

9.3 The Lead Manager

Bell Potter has been appointed to act as Lead Manager for the Offer.

The fee payable to Bell Potter comprises:

- a management fee of:

²⁴ Payment to CAM of \$211.2 million excluding the estimated net adjustments contemplated in the Vitalharvest Share Sale Agreement, based on the Pro Forma Balance Sheet of \$2.1 million, (resulting in the total estimated payment to CAM) for its shares in Vitalharvest of \$213.3 million. The actual adjustments under the Vitalharvest Share Sale Agreement will be calculated on the basis of the "Completion Accounts" as defined under the Vitalharvest Share Sale Agreement.

²⁵ If a request for an exemption from Tasmanian duty (which will be lodged after the Restructure occurs) is not granted, a stamp duty liability of approximately \$1.80 million is expected to be payable to the Tasmanian Commissioner of State Revenue in relation to the Restructure.

- 2.5% of the proceeds from the Offer (excluding any amounts raised from the subscription of the underwritten Units, any amount raised from CAM subscribing for Units under the Offer and the amount raised from the first 10 million Units under the Priority Offer (excluding any amount raised from CAM subscribing for Units under the Priority Offer)); and
- 1% of the amount raised from the Units that Bell Potter has agreed to underwrite; and
- an underwriting fee of 1.5% of the amount raised from the subscription of the Units that Bell Potter has agreed to underwrite.

Taylor Collison Limited and Third Party Platform Pty Ltd trading as 'Bell Direct' have been appointed to act as Co-Managers for the Offer. The Lead Manager is responsible for payment of any fees to the Co-Managers. The Co-Managers do not have any entitlement to any additional fees from Vitalharvest REIT.

In addition to the fees described above, the Responsible Entity has agreed to reimburse the Lead Manager for certain agreed costs and expenses, including legal expenses, incurred by the Lead Manager in relation to the Offer.

9.4 Allocation policy

The allocation of Units between the Institutional Offer, the Broker Firm Offer and the General Offer will be determined by the Lead Manager in consultation with the Responsible Entity, having regard to the following factors:

- desire to foster a stable, long-term register;
- desire for a liquid and informed trading market for the Units;
- ability of Institutional Investors and Retail Investors to participate in potential future equity raisings;
- overall level of demand for Units between the Institutional Offer, Broker Firm Offer, the General Offer and the Priority Offer; and
- any other factors that the Lead Manager and the Responsible Entity consider appropriate.

The Lead Manager, in consultation with the Responsible Entity, will have absolute discretion regarding the allocation of Units to Applicants in the Offer (subject to Brokers in the Broker Firm Offer having sole discretion in respect of the allocation of Units to their clients) and may reject an Application, or allocate fewer Units than applied for, in their absolute discretion. The Lead Manager and the Responsible Entity may also aggregate any Applications which they believe may be multiple Applications from the same person.

The allocation of Units under the Priority Offer will be determined by the Responsible Entity in consultation with the Lead Manager.

9.5 Institutional Offer

9.5.1 Invitations to bid

The Institutional Offer will comprise an invitation to certain Institutional Investors to bid for Units under this PDS. There is no maximum Application amount.

9.5.2 Allocations under the Institutional Offer

The allocation of Units among bidders in the Institutional Offer will be determined by the Lead Manager in consultation with the Responsible Entity. The allocation policy may take into account the following factors:

- the volume of Units bid for;
- the timeliness of bids lodged by the particular bidders;
- the desire for an informed and active trading market in Units following the Offer;
- the size and investment mandate of particular bidders;
- the desire to have a wide spread of Institutional Investors on the Trust's register;
- the likelihood the bidder will be a long-term Unitholder in the Trust; and
- any other factors that the Lead Manager, following consultation with the Responsible Entity, considers appropriate in its absolute discretion.

9.6 Broker Firm Offer

9.6.1 Who can apply for the Broker Firm Offer

The Broker Firm Offer is only open to Retail Investors who have received a firm allocation from their Broker. If you have been offered a firm allocation by a Broker, you will be treated as a Broker Firm Offer Applicant in respect of that allocation. You should contact your Broker to determine whether they may allocate Units to you under the Broker Firm Offer.

9.6.2 How to apply in the Broker Firm Offer

If you have received an allocation of Units from your Broker and wish to apply for Units under the Broker Firm Offer, you should contact your Broker for information about how to submit your Broker Firm Offer Application Form and for payment instructions.

Broker Firm Offer Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the reverse of the Broker Firm Offer Application Form.

Applicants under the Broker Firm Offer will pay the same Offer Price of \$1.00 per Unit.

Application Monies must be paid in accordance with instructions from your Broker. Your Broker will act as your agent and it is your Broker's responsibility to ensure that your Application Form and Application Monies are received before 5.00pm (AEST) on the Closing Date or any earlier closing date as determined by your Broker.

The Responsible Entity may elect to conduct and close the Offer or any part of it early, extend the Offer or any part of it, or accept late Applications either generally or in particular cases. Applicants are therefore encouraged to submit their Applications as early as possible. Please contact your Broker for instructions.

Applicants under the Broker Firm Offer must not send their Broker Firm Offer Application Forms to the Registry.

By making an Application under the Broker Firm Offer, you declare that you were given access to the PDS, together with a Broker Firm Offer Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this PDS or the complete and unaltered electronic version of this PDS.

9.6.3 Minimum and maximum Application amount

For Applicants applying under the Broker Firm Offer, the minimum Application amount is \$2,000 (i.e. 2,000 Units), or as directed by the Applicant's Broker. There is no maximum Application amount under the Broker Firm Offer.

9.6.4 Allocation policy under the Broker Firm Offer

The allocation of Units to Brokers will be determined by the Lead Manager in consultation with the Responsible Entity having regard to the criteria outlined in Section 9.5.2.

It will be a matter for the Broker as to how they allocate firm stock among their Retail Investor clients and if any Application Monies need to be refunded. Brokers (and not the Responsible Entity or the Lead Manager) will be responsible for ensuring that clients who have received a firm allocation from them receive the relevant Units.

Applicants in the Broker Firm Offer should confirm their allocation with the Broker from whom they received their allocation.

9.7 General Offer

9.7.1 Who can apply in the General Offer

The General Offer is only open to Australian and New Zealand resident Retail Investors (including members of the public). Applicants under the General Offer must apply online at www.vitalharvest.com.au/offer by selecting the 'General Offer' option. Applicants must complete the Application Form accompanying an electronic version of this PDS and follow the instructions on the online Application Form. Application Monies must be paid via BPAY® in accordance with instructions set out on the Application Form. The Application Form must be lodged, together with payment of the Application Monies for the Units before the General Offer Closing Date.

9.7.2 How to apply in the General Offer

Apply online at www.vitalharvest.com.au/offer by selecting the "General Offer" option and completing an Application Form accompanying an electronic version of the PDS in accordance with the instructions set out on the Application Form.

Lodge your Application Form online and pay your Application Monies using BPAY® in accordance with the directions provided in the Application Form. The expected General Offer Closing Date for the General Offer is 27 July 2018.

By making an Application, an Applicant declares that they were given access to this PDS, together with an Application Form. Applicants under the General Offer must lodge their Application Forms online. Vitalharvest REIT, the Manager, the Responsible Entity, the Registry and the Lead Manager take no responsibility for any acts or omissions in connection with

your Application, Application Form or Application Monies.

An Application in the General Offer is an offer by the Applicant to the Responsible Entity to subscribe for or purchase Units for all or any of the Application Monies specified in and accompanying the Application Form, at the Offer Price. An Application is made by an Applicant on the terms and conditions set out in this PDS including any supplementary or replacement PDS and the Application Form (including the conditions regarding quotation on ASX). To the extent permitted by law, an Application to invest is an irrevocable application by the Applicant to the Responsible Entity, to subscribe for the Units specified in the Application Form, on the terms and conditions set out in the Application Form.

9.7.3 Minimum and maximum Application amount

For Applicants applying under the General Offer, the minimum Application amount is \$2,000 (i.e 2,000 Units). There is no maximum Application amount under the General Offer.

9.7.4 Allocation policy under the General Offer

The allocation of Units between the General Offer and the Broker Firm Offer will be determined by the Lead Manager in consultation with the Responsible Entity.

9.8 Priority Offer

Units offered under the Priority Offer will be allocated at the discretion of the Responsible Entity.

The Priority Offer is open to selected investors who have been made an offer by the Responsible Entity.

The Responsible Entity reserves the right in its absolute discretion not to issue any Units under the Priority Offer.

9.9 Escrow arrangements

CAM has entered into a voluntary escrow agreement with the Responsible Entity in relation to all of the Units which it will acquire under the Offer (Escrowed Units).

Under the voluntary escrow agreement, CAM agrees, subject to certain limited exceptions, not to dispose of, or agree or offer to dispose of, create, or agree or offer to create, any security interest in, or do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of the Escrowed Units for a period of 12 months from their time of issue.

The voluntary escrow agreement restrictions do not apply in relation to:

- CAM accepting an offer under a takeover bid under Chapter 6 of the Corporations Act in relation to Units;
- Units held by CAM being transferred or cancelled as part of a scheme of arrangement under Part 5.1 of the Corporations Act;
- an arrangement which is a requirement of applicable laws; or
- a transaction with the prior approval of the Trust or the Responsible Entity.

9.10 Other information about the Offer

9.10.1 No cooling-off

Applicants should note there will not be a cooling off period in relation to Applications. Once an Application has been lodged, it cannot be withdrawn. Should quotation of the Units be granted by ASX, Unitholders will have the opportunity to sell their Units at the prevailing market price, which may be different to the Offer Price.

9.10.2 Offer discretion

The Responsible Entity may withdraw the Offer at any time before the issue of Units. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest). Any interest earned on Application Monies may be retained by the Responsible Entity.

The Responsible Entity reserves the right to:

- close the Offer or any part of it early;
- extend the Offer or any part of it;
- accept late Applications either generally or in particular cases;
- reject any Application; and
- allocate any Applicant fewer Units than specified in their Application.

9.10.3 Ranking of Units and Distributions

Each Unit will be issued fully paid. From the date of issue, each Unit will rank equally with all other Units on issue.

Unitholders will be entitled to receive a first Distribution in respect of their Units for the period from Allotment to 31 December 2018, expected to be paid in March 2019.

Thereafter, Distributions are intended to be paid on a half yearly basis in accordance with the Distribution Policy as summarised in Sections 2.8 and 5.5.8.

9.10.4 Trading of Units on ASX

The Responsible Entity will apply to ASX within seven days after the date of this PDS for listing of the Trust on ASX and for Official Quotation of the Units. Vitalharvest REIT expects the ASX code for the Units will be VTH. If the required approvals from ASX are not given within three months after the application was made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.

The Trust will be required to comply with the Listing Rules, subject to any applicable waivers obtained from time to time.

ASX takes no responsibility for this PDS or the investment to which it relates. The fact that ASX may admit the Trust to the official list is not to be taken as an indicator of the merits of the Vitalharvest REIT or the Units.

Conditional and deferred settlement

It is expected that the trading of the Units will commence on or about Wednesday, 1 August 2018, initially on a conditional and deferred settlement basis.

The contracts formed on acceptance of Applications will be conditional on Settlement and the issue of Units occurring. Trades occurring on ASX before Settlement and the issue of Units occurring will be conditional on Settlement and the issue of Units occurring.

Conditional trading will continue until Vitalharvest REIT has informed ASX that Settlement and issue of the Units has occurred, which is expected to be Thursday, 2 August 2018 (Settlement) and Friday, 3 August 2018 (issue of Units). Trading will then be on an unconditional but deferred settlement basis until Vitalharvest REIT has informed ASX that holding statements have been dispatched to Unitholders. This is expected to occur on or about Monday, 6 August 2018. Units are expected to commence trading on ASX on an unconditional and normal settlement basis on or about Thursday, 9 August 2018.

If settlement has not occurred within 14 days (or such longer period as ASX allows) after the day the Units are first quoted on ASX, the Offer and all contracts arising on acceptance of the Offer will be cancelled and of no further effect and all Application Monies will be refunded (without interest). In these circumstances, all purchases and sales made through ASX participating organisations during the conditional trading period will be cancelled and of no effect.

It is the responsibility of each Applicant to confirm their holding before trading in Units. Applicants who sell Units before they receive an initial holding statement do so at their own risk. Vitalharvest REIT, the Responsible Entity, the Manager and their respective directors and officers, the Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who sell Units before receiving their initial holding statement, whether on the basis of a confirmation of allocation provided by any of them, by the Trust Information Line, by a Broker or otherwise.

9.10.5 ASX admission and quotation

Following the issue of Units under the Offer (expected to occur on or about 3 August 2018) the Registry will send Successful Applicants a holding statement detailing the number of Units issued to them under the Offer. It is expected that holding statements will be dispatched on or about 6 August 2018. It is the responsibility of Applicants to confirm their allocation of Units prior to trading in Units. Applicants can confirm their allocation of Units by contacting their Broker or calling the Trust Information Line on 1300 117 902 (within Australia) or +61 3 9415 4055 (outside Australia) on business days during the Offer Period. A Unitholder who sells Units before they receive their holding statements does so at their own risk. Vitalharvest REIT, the Manager, the Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who sell Units before receiving their initial statement of holding, whether on the basis of a confirmation of allocation provided by any of them, by the Trust Information Line, by a Broker or otherwise.

9.10.6 CHESS and issuer sponsored holdings

The Responsible Entity will apply for the Units to participate in CHESS, in accordance with the Listing Rules and the Settlement Operating Rules. CHESS is an automated transfer and settlement system for transactions in securities quoted on the ASX under which transfers are effected in a paperless form.

The Responsible Entity will also, in accordance with the Listing Rules and the Settlement Operating Rules, maintain an

electronic CHESS sub-register (for Unitholders who are participants in CHESS or sponsored by such a participant) and an electronic issuer sponsored sub-register (for all other Unitholders). These two sub-registers will together make up the Trust's principal register of Unitholders. Following allocation of the Units to Successful Applicants, Unitholders will be sent an initial holding statement that sets out the number of Units that have been allocated and the Unitholder's holder identification number, or in the case of issuer sponsored holders, the Unitholder reference number.

Unitholders will subsequently receive statements showing any changes to their holding of Units. Certificates will not be issued for Units.

9.10.7 Brokerage, commission and stamp duty

No brokerage, commission or stamp duty is payable by Applicants who apply for Units using an Application Form. Various fees in relation to the Offer may be payable by the Responsible Entity to the Lead Manager.

If you buy or sell Units on ASX, you may have to pay brokerage and other transaction costs. Under current legislation, there is no stamp duty payable on the sale or purchase of Units on ASX provided that no investor (either alone or together with any related or associated persons or other persons in an associated transaction for the purposes of stamp duty law) acquires 90% or more of the Units on issue. See Section 11.2.

9.10.8 Taxation issues

A summary of certain Australian tax consequences of investing in Vitalharvest REIT is contained in Section 10. However, the summary provides general information only. Applicants should make their own enquiries in relation to the taxation consequences of investing, taking into account their own circumstances, including obtaining independent professional taxation advice on the consequences of the Offer to them, based on their own particular circumstances and applicable to their own local jurisdiction.

Applicants should obtain and only rely on independent professional taxation advice if they are in doubt, from a taxation perspective, about the consequences of investing in Vitalharvest REIT.

9.10.9 Foreign investors

This document does not constitute an offer of Units in any jurisdiction in which such offer would be unlawful. No action has been taken to register or qualify this document, the Units or this Offer, or otherwise to permit a public offering of the Units in any jurisdiction outside Australia or New Zealand except to the extent permitted below.

HONG KONG

WARNING: This document has not been, and will not be, authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorise this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Units have not been and will not be offered or sold in Hong Kong other than to 'professional investors' (as defined in the SFO).

No advertisement, invitation or document relating to the Units has been or will be used, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities law of Hong Kong) other than with respect of the Units which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the SFO and any rules made under that ordinance.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

SINGAPORE

The offer or invitation of the Units of Vitalharvest Freehold Trust (the "**Trust**"), which is the subject of this document, does not relate to a collective investment scheme which is authorised under Section 286 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**") or recognised under Section 287 of the SFA.

This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Units may not be circulated or distributed, nor may Units be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under section 304 of the Securities and Futures Act, Chapter 289 of Singapore (the '**SFA**') or (ii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

JAPAN

The Offer has not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the **FIEL**) pursuant to an exemption from the registration requirements applicable to a private placement of securities to 'qualified institutional investors' (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder) (**Qualified Institutional Investors**). Accordingly, the Units may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires Units may not resell them to any person in Japan that is not a Qualified Institutional Investor.

9.10.10 Enquiries

If you have enquiries or questions about this PDS or the Offer, you should contact the Trust Information Line on 1300 117 902 (within Australia) or +61 3 9415 4055 (outside Australia) or the Lead Manager. If you have any queries or uncertainties relating to aspects of this PDS or the Offer, please consult your Broker, accountant or other independent financial adviser before deciding whether to invest.

Taxation implications

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(Source: Vitalharvest / goFarm)

10. TAXATION IMPLICATIONS

The comments in this Section provide a general outline of the Australian taxation implications for Australian tax resident individual Unitholders and non-resident Unitholders who acquire and hold their Units on capital account for income tax purposes. This Section does not consider Unitholders that either hold their Units on revenue account or as trading stock, are exempt from Australian income tax, or are subject to the Taxation of Financial Arrangements rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth).

This summary does not consider the Australian income tax implications for non-resident Unitholders that acquire their Units through a 'Permanent Establishment' in Australia or through an Australian interposed entity (or entities).

This summary is based on Australian taxation laws contained in the *Income Tax Assessment Act 1997* (Cth), *Income Tax Assessment Act 1936* (Cth), *Income Tax Rates Act 1986* (Cth), *Income Tax (Transitional Provisions) Act 1997* (Cth), *A New Tax System (Goods & Services Tax) Act 1999* (Cth), *Tax Administration Act 1953* (Cth) and the applicable stamp duty legislation as at the date of the PDS.

Taxation laws are subject to ongoing change. Accordingly, this Section does not consider any changes in administrative practice or interpretation by the relevant tax authorities, or any changes (or anticipated changes) in law by judicial decision or legislation following the date of the PDS. To the extent that there are any changes in law after the date of the PDS, including those having retrospective effect, Unitholders should consider the taxation implications, taking into account their own individual circumstances.

This taxation summary is general in nature and does not cover all tax consequences that could apply in all circumstances of any Unitholder. It is recommended that each Unitholder obtain their own professional and independent taxation advice before acquiring or disposing of Units.

This summary does not constitute financial product advice in the ordinary sense or as defined in the *Corporations Act*.

This summary is confined to Australian taxation implications and is only one aspect to be considered before making an investment decision. Prospective Unitholders should seek independent financial product advice from a licensed provider under the *Corporations Act* before making a decision about an investment in the Trust.

10.1 Taxation Treatment of the Trust

The income tax treatment of the Trust and its Unitholders will depend on whether the Responsible Entity elects, and is eligible, to apply the Attribution Managed Investment Trust (**AMIT**) provisions. The AMIT provisions are an elective income tax regime for qualifying managed investment trusts (**MIT**) that provide for flow-through taxation to Unitholders irrespective of whether income or capital is distributed to Unitholders. The Responsible Entity should not be liable to pay Australian income tax on the taxable income derived by the Trust. This is on the condition that the Trust will not be taxed as a company under the public trading trust provisions (discussed below). Where the AMIT provisions do not apply, the ordinary trust taxation provisions will apply to the Trust.

While the AMIT provisions are not expected to materially change the way in which Unitholders would be taxed (as compared to the ordinary trust taxation provisions), the AMIT provisions are intended to provide more certainty on the application of the income tax provisions to the Trust and its Unitholders, and to allow for accumulation of income in accordance with the Distribution Policy.

The Responsible Entity intends to make an irrevocable election to apply the new AMIT provisions and believes it will qualify for the regime. In order to qualify as an AMIT for an income year, the trust must qualify as a MIT for income tax purposes for that income year and the Unitholders must have clearly defined rights to income and capital. The Responsible Entity will provide an update to Unitholders to the extent that the Trust does not qualify for the AMIT provisions.

10.1.1 Public trading trust rules

A unit trust that satisfies the definition of a 'public trading trust' can be taxed like a company for a year of income under Division 6C of the *Income Tax Assessment Act 1936* (Cth). Based on the information in this PDS regarding the proposed activities of the Trust and its controlled entities, the Trust should not be regarded as a public trading trust. While the Trust is not expected to satisfy the definition of a public trading trust, these rules must be considered on an annual basis.

10.1.2 MIT aspects

In order to qualify as a MIT for Australian tax purposes, a unit trust must satisfy a number of requirements annually (for example, the unit trust must be widely held and not closely held). The Responsible Entity believes that the Trust will be in a position to qualify as a MIT for income tax purposes.

A MIT is able to make a capital account election and access reduced withholding tax rates on certain distributions to foreign investors. A MIT that has made a capital account election may treat the disposal of eligible investments (such as shares, securities and real property) on capital account, which provides certainty on the tax treatment of disposals of these assets in that they will be dealt with under the CGT rules rather than the ordinary income rules.

10.1.3 Tax losses

Where a revenue loss or net capital loss is incurred by any of the Trust (or any of the sub-trusts being the Finance Trust and

the Leasehold Trust), the loss must be quarantined within the Trust and cannot be passed to Unitholders for tax purposes. Instead, revenue tax losses will be carried forward and offset against assessable income derived by the relevant Trust in future years subject to satisfying the relevant trust loss recoupment tests.

Any net capital losses of the Trust (or any of the sub-trusts being the Finance Trust and the Leasehold Trust) will be carried forward and offset against future capital gains derived by the relevant Trust. There are no restrictions on utilising carried forward net capital losses incurred by a trust.

10.2 Taxation Treatment of Vitalharvest Finance

Vitalharvest Finance and Vitalharvest will be the trustees of Finance Trust and Leasehold Trust respectively and earn trustee fees for their services, albeit not significant income. In their own capacities, and not as trustees, Vitalharvest Finance and Vitalharvest will form a consolidated group for income tax purposes. The effect of this is that Vitalharvest Finance, as head company of the tax consolidated group, will be liable to Australian income tax at the prevailing corporate rate (currently 30%) on any taxable income. It is not presently expected that Vitalharvest or Vitalharvest Finance will be in a position to pay any dividends, and therefore there are unlikely to be distributions made by the Trust in respect of dividends.

10.3 Taxation of Australian Tax Resident Unitholders

10.3.1 Taxation of distributions from the Trust

The AMIT provisions require the taxable income of the Trust to be attributed to Unitholders on a fair and reasonable basis, having regard to their income and capital entitlements in accordance with the constituent documents. The Responsible Entity will seek to allocate taxable income having regard to the Units held by Unitholders, entitlements to income and capital, as well as cash distributions made to such Unitholders during the relevant period. Under the AMIT provisions, a Unitholder may be taxable on their share of the Trust's taxable income prior to receiving distributions from the Trust.

10.3.2 Adjustments to cost base of Units

Where the AMIT regime applies, a tax cost base adjustment will apply where broadly the amount of cash distributions made by the Trust are different to the amounts assessed to the Unitholder under the AMIT regime. Where the cash distributions in an income year are more than the amount assessed to the Unitholder (for example due to tax depreciation), a tax cost base reduction is generally required.

If the tax cost base of a Unit is reduced to nil, the Unitholder should make a capital gain on any further tax deferred distributions received in respect of that Unit.

Where the cash distributions in an income year are less than the amount assessed to the Unitholder (for example due to the Distribution Policy), a tax cost base increase is generally required. There is a single AMIT tax cost base adjustment amount for an income year based broadly on the net position of cash distributions received and amounts assessed to the Unitholder (inclusive of any CGT concession amounts) in respect of the income year (being the AMIT tax cost base net amount).

10.3.3 Disposal of assets by the Trust

From time to time, the net income of the Trust may include the receipt of a capital gain as a result of the disposal of a property. A capital gain arises to the extent that the consideration received for the property exceeds its tax cost base. Where the trust holding the property has held the property for at least 12 months, a 50% CGT discount to the capital gain may be applied so as to reduce the capital gain included in its net income.²⁶

To the extent that the Trust distributes a net capital gain (i.e. the gross capital gains less 50% CGT discount), Unitholders are required to gross up the net capital gain for the 50% CGT discount. Unitholders may then apply any available capital losses to the gross capital gain and then apply the 50% CGT discount (if the Unitholder qualifies for the 50% CGT discount).

10.3.4 Taxation on disposal of Units

The disposal of a Unit held by an Australian resident Unitholder on capital account will constitute a CGT event. A capital gain will arise where the cost base of the Unit (being the amount paid to acquire the Unit, plus specific costs that relate to the acquisition or disposal) is exceeded by the capital proceeds on disposal. Similarly, the Unitholder will make a capital loss where the capital proceeds received for their Units are less than the reduced cost base of their Units.

Where the Unitholder is an individual, complying superannuation entity or trustee, and the Units have been held for at least 12 months prior to the CGT event, the Unitholder may be entitled to a CGT discount on the disposal of the Units. The CGT discount is not available to corporate entities.

If the CGT discount applies, a capital gain arising to individuals and entities acting as Trustees (other than a trust that is a complying superannuation entity) may be reduced by one-half after offsetting current year or prior year capital losses.

10.4 Taxation of Non-resident Unitholders

10.4.1 Taxation of distributions from the Trust

A MIT fund payment refers to Australian sourced income that is distributed by a MIT that is not dividends, interest, royalties or non-taxable Australian property. In the case of the Trust, a fund payment is likely to be comprised of net rental income and net capital gains on the disposal of properties within the Property Portfolio, which should qualify as a MIT fund payment.

²⁶ It should be noted that in the 2018-2019 Federal Budget on 8 May 2018, the Australian Government announced a proposal to prevent MITs and AMITs from applying the 50% capital gains tax discount at the trust level. If enacted as announced, this measure will apply to relevant payments made by the Trust from 1 July 2019.

Where the Trust makes a fund payment to a non-resident Unitholder, the Trust may apply a final reduced withholding tax rate. For a non-resident Unitholder who has provided an address in an information exchange (EOI) country (as specified in the taxation law regulations), a concessional withholding tax rate of 15% applies (the Concessional WHT).²⁷ Where a non-resident Unitholder has provided an address in a non-EOI country, a withholding tax rate of 30% will apply.

As withholding tax is a final tax for Australian income tax purposes, non-resident Unitholders are not required to lodge Australian income tax returns with respect to fund payments received from the Trust.

Where a non-resident Unitholder is a trust in an EOI country and has beneficiaries in a non-EOI country, the non-resident Unitholder trust may be liable for further withholding tax on the fund payment.

Distribution components that are comprised of interest will generally be subject to a 10% final withholding tax.

10.4.2 Taxation on disposal of Units

Capital gains realised upon the (direct or indirect) disposal or redemption of Units owned by non-resident Unitholders will generally be subject to Australian capital gains tax on the basis that the Units will be treated as taxable Australian property. A CGT Discount is not available for non-resident Unitholders/Investors. However, no Australian tax should be payable on capital gains where the relevant non-resident Unitholder (together with associates) has less than a 10% interest in the Trust (either at the time of the CGT Event or in any 12 month period in the 24 months prior to the CGT event).

10.5 Australian Goods and Services Tax (GST)

No GST should be payable by Unitholders on acquisition or disposal of Units and no GST should be payable by Unitholders on receipt of cash distributions from the Trust. However, Unitholders may not be entitled to claim full input tax credits in relation to any GST included in any costs incurred in connection with the acquisition and disposal of the Units. In this regard, Unitholders should obtain their own independent tax advice.

10.6 Stamp Duty

Unitholders should not be liable for stamp duty in relation to the issue of Units. Under current stamp duty legislation, no stamp duty would ordinarily be payable by Unitholders on any subsequent transfer of their Units.

10.7 Tax File Number and Australian Business Number

A Unitholder is not required to quote their TFN, or where relevant, ABN, to the Trust. However, if a Unitholder's TFN or ABN is not provided and an exemption is not available, Australian tax may be required to be deducted by the Responsible Entity from distributions at the highest marginal tax rate plus the Medicare levy.

A Unitholder that holds Units as part of an enterprise may quote their ABN instead of their TFN.

10.8 Foreign Account Tax Compliance Act (FATCA)

In compliance with the U.S income tax laws commonly referred to as the FATCA and the Intergovernmental Agreement signed with the Australian government in relation to FATCA, the Trust will be required to provide information to the ATO in relation to:

- Unitholders that are US citizens or residents;
- entities controlled by US persons; and
- financial institutions that do not comply with FATCA.

The Trust (through the Registry) is intending to conduct its appropriate due diligence (as required). Where the Trust's Unitholders do not provide appropriate information to the Trust, the Trust will also be required to report those accounts to the ATO

10.9 Common Reporting Standard (CRS)

The CRS is the single global standard for the collection, reporting and exchange of financial account information of non-residents, which applies to calendar years ending after 1 July 2017. The CRS is similar to FATCA, whereby the Responsible Entity will need to collect and report similar financial account information of all non-residents to the ATO. The ATO may exchange this information with the participating foreign tax authorities of those non-residents.

²⁷ It should be noted that on 27 March 2018 the Australian Government announced a proposal whereby foreign investors in REITs holding agricultural land will not be able to access the Concessional WHT rate in respect of fund payments made on or after 1 July 2019. If enacted, it is expected that this would apply to the Trust. As at the date of this PDS no legislation has been introduced into Parliament.

Fees and other costs

11

(Source: Vitalharvest / goFarm)

11. FEES AND OTHER COSTS

11.1 Consumer advisory warning

The Corporations Act requires the Issuer to include the following consumer advisory warning. The information in the consumer advisory warning is standard across product disclosure statements.

DID YOU KNOW?

- Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.
- For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example reduce it from \$100,000 to \$80,000).
- You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.
- You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check different fee options.

11.2 Fees and other costs

This Section shows the fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the Vitalharvest REIT as a whole.

Tax information is set out in Section 10 of this PDS.

You should read all of the information about fees and costs because it is important to understand their impact on your investment.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Fees when your money moves in or out of the managed investment product		
Establishment fee The fee to open your investment.	Nil	Not Applicable
Contribution fee The fee on each amount contributed to your investment.	Nil	Not Applicable
Withdrawal fee The fee on each amount you take out of your investment.	Nil	Not Applicable
Exit fee The fee to close your investment.	Nil	Not Applicable
Management costs¹		
The fees and costs for managing your investment.		
Estimated Responsible Entity Fee ²	0.05% per annum of Trust GAV.	Calculated and accrued daily and paid Quarterly in arrears from the Trust's assets

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Management Fee (payable to the Manager) ³	<p>0.6% per annum of the Initial Assets GAV (fixed at \$500,000 per annum subject to annual CPI increases for the Initial Term).</p> <p>Initial Assets GAV means: the total value of the Initial Assets (excluding depreciation and amortisation) of the Leasehold Trust based on the Leasehold Trust's audited financial accounts for the Financial Year in relation to which the Management Fee is calculated (adjusted for the accounting treatment of Water Rights)</p> <p>Initial Term means: 10 years from the commencement of the Management Agreement</p>	<p>During the Initial Term, calculated Monthly in arrears on the first day of each Month and paid from the assets of Vitalharvest REIT during the Month.</p> <p>After the end of the Initial Term, the Management Fee will be calculated in advance on the first day of each Quarter based on the management accounts of the Leasehold Trust for the immediately preceding Quarter and paid from the assets of the Vitalharvest REIT during the Quarter (and later reconciled to the audited financial accounts of the Leasehold Trust for the Financial Year in which payments were made based on management accounts)</p>
Asset Management Fee (payable to the Manager) ³	<p>0.45% per annum of the difference between the Initial Assets GAV (as defined above in relation to Management Fee) and Commencing GAV;</p> <p>plus</p> <p>1.05% per annum of New Assets GAV</p> <p>Initial Assets GAV (as defined above in relation to the Management Fee)</p> <p>Commencing GAV means: the total value of the assets of the Leasehold Trust as set out in the Pro Forma Balance Sheet contained in Table 5 I</p> <p>New Assets GAV means the total value of New Assets (excluding depreciation and amortisation) based on, as applicable, the audited financial accounts of the Trust or other sub-trust(s) through which the New Assets are held, as applicable, for the Financial Year in relation to which the amount is calculated (adjusted for the accounting treatment of Water Rights)</p>	<p>Calculated in advance on the first day of each Quarter based on management accounts of the Leasehold Trust, the Trust or other sub-trust through which the New Assets are held (as applicable) for the immediately preceding Quarter and paid from the assets of Vitalharvest REIT during the Quarter (and later reconciled to the relevant audited financial accounts for the Financial Year in which payments were made based on management accounts)</p>
Manager's Acquisition Fee (New Assets) ³	<p>1% of Gross Acquisition Cost of New Assets</p> <p>Gross Acquisition Cost means all amounts paid to or at the direction of the vendor of New Assets (including any pre-settlement cash Distributions or dividends) plus or minus any payments or adjustment to or by the vendor, post settlement of the acquisition of the New Assets</p>	<p>Calculated and paid on settlement from the assets of Vitalharvest REIT (subject to subsequent adjustments for post completion amounts at the time of payment of such amounts, if any)</p>

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Early Termination Fee ³	<p>1.5% of Gross Asset Value (only payable if the Manager terminates the Management Agreement prior to the Initial Term in circumstances where a Termination Event has occurred).</p> <p>Gross Asset Value for the purposes of calculating the Early Termination Fee means: the total value of the assets of the Trust (excluding depreciation and amortisation) based on the Trust's audited financial accounts for the Financial Year immediately prior to the year in which the Early Termination Fee is calculated (adjusted for the accounting treatment of Water Rights)</p> <p>Termination Event means: where the Trust is delisted from the ASX (otherwise than due to breach by the Manager or circumstances within the reasonable control of the Manager) or if a person (alone or together with their associates) acquires a relevant interest whereby their voting power (or that of another person) in the Trust exceeds 50%.</p>	Calculated on the first day of each Quarter and paid from the assets of Vitalharvest REIT after the start of the relevant Quarter
Estimated recoverable expenses (includes an estimate for the Responsible Entity's Fee and the Management Fees described above to the extent they are anticipated) ⁴	0.87% per annum of the Trust's NAV	Paid from the assets of Vitalharvest REIT after the cost has been incurred
Estimated Establishment Costs ⁵	\$14.3 million	Paid on a once off basis from the assets of Vitalharvest REIT after Units are issued under the Offer
Service fees		
Switching fee The fee for changing investment options.	Nil	Not applicable

¹ The management costs and the components of the management costs set out in the table above are inclusive of GST net of input tax credits/reduced input tax credits. References to Quarter or Quarterly refer to the 3 month period ending on 30 September, 31 December, 31 March or 30 June as the case requires. For more information about management costs, please refer to the heading 'Management costs' in the 'Additional Explanation of Fees and Costs' section (Section 11.4) below. Certain additional costs apply, such as transactional and operational costs. For more information about transactional and operational costs, please refer to the heading 'Transaction and operational costs' in the 'Additional Explanation of Fees and Costs' section below. The audited financial accounts in relation to which 'Initial Assets GAV', 'New Assets GAV' or 'Gross Asset Value' is determined for the purposes of the Management Fee, Asset Management Fee and the Early Termination Fee, as applicable, will be prepared in accordance with AASB 140 and AASB 116.

² The percentage amount included in the table for the Estimated Responsible Entity fee assumes a Trust GAV of up to \$250 million. If Trust GAV exceeds \$250 million a lesser percentage may apply. For more information about the calculation of the Responsible Entity fee (and the Responsible Entity's right to receive Additional Fund Administration Services Fees) see under the heading 'Fees payable to the Responsible Entity' in the 'Additional Explanation of Fees and Costs' section (Section 11.4) below.

³ For information in relation to the Management Fee payable to the Manager and the Asset Management Fee, Acquisition Fee and Early Termination Fee that may be payable to the Manager please refer to the heading 'Fees payable to the Manager' in the 'Additional Explanation of Fees and Costs' (Section 11.4) below.

⁴ As the Trust is newly established, this figure reflects the Responsible Entity's reasonable estimate at the date of this PDS of the recoverable expenses of Vitalharvest REIT for the period 1 July 2018 to 30 June 2019 and expressed as a percentage of the Trust's NAV assuming that the Trust's NAV is the Pro Forma NAV as at 31 December 2017 as shown on the Pro Forma Balance Sheet in Section 5 (i.e. \$145.4 million). For more information please refer to the heading 'Estimated recoverable expenses' in the 'Additional Explanation of Fees and Costs' section (Section 11.4) below.

⁵ For information about what the Estimated Establishment Costs comprise please refer to the heading 'Estimated Establishment Costs' in the 'Additional Explanation of Fees and Costs' section (Section 11.4) below.

11.3 Additional explanation of fees and costs

11.3.1 Management costs

Management costs are comprised of the Fees payable to the Responsible Entity, the Fees payable to the Manager, the Establishment Costs and the recoverable expenses. These fees and expenses are only able to be paid from the assets of Vitalharvest REIT if they are properly incurred.

Management costs do not include transactional and operational costs and other costs of the nature that you would incur if you invested directly into the assets of Vitalharvest REIT. For more information, see under the relevant headings below.

i. Fees payable to the Responsible Entity

The Responsible Entity will receive a Responsible Entity fee for its role as responsible entity of the Trust of estimated to be 0.05% per annum of Trust GAV up to and including \$250 million. The Responsible Entity fee is subject to a tiered arrangement and the percentage may reduce as Trust GAV increases.

The Responsible Entity will also be entitled to charge its standard hourly rates (applicable at the relevant time and which may be notified to Unitholders from time to time) subject to the maximum amount described in Section 11.3.3 below for any additional services that it may be required to provide.

ii. Fees payable to the Manager

The Manager is entitled to fees in relation to the services it provides to Vitalharvest REIT with respect to investment and fund administration and property/asset management.

More detailed information in relation to the fees payable to the Manager is set out below. References to Quarter or Quarterly refer to the 3 month period ending on 30 September, 31 December, 31 March or 30 June as the case requires.

Where relevant, examples are provided by way of illustration only. The actual amounts paid to the Manager may differ from those in the illustrations.

FEE NAME	MANNER OF CALCULATION	TIME FOR CALCULATION
Management Fee (for the Initial Term): Payable for delivery of services under the Management Agreement (other than as provided for in the Asset Management Fee)	\$500,000 per annum increasing annually by CPI	Calculated and payable Monthly in arrears

FEE NAME	MANNER OF CALCULATION	TIME FOR CALCULATION
Asset Management Fee: Payable for delivery of services relating to asset management (other than as reflected in the Management Fee)	0.45% per annum of the difference between the Initial Assets GAV and the Commencing GAV plus 1.05% per annum of the New Assets GAV Initial Assets GAV as defined above in relation to the Management Fee Commencing GAV means: the total value of the assets of the Leasehold Trust as set out in the Pro Forma Balance Sheet contained in Table 5 I New Assets GAV means the total value of New Assets (excluding depreciation and amortisation) based on, as applicable, the audited financial accounts of the Trust or other sub-trust(s) through which the New Assets are held, as applicable, for the Financial Year in relation to which the amount is calculated adjusted for the accounting treatment of Water Rights	Calculated in advance on the first day of each Quarter based on the relevant management accounts for the immediately preceding Quarter and paid from the assets of Vitalharvest REIT during the Quarter (and later reconciled to the relevant audited financial accounts for the Financial Year in which payments were made based on management accounts)

ASSET MANAGEMENT FEE EXAMPLE:

ASSET MANAGEMENT FEE - INITIAL ASSETS	(\$)	RATE	TOTAL FEE (P.A)
Commencing GAV	\$253,700,000		
Initial Assets GAV	\$255,000,000		
Difference	\$1,300,000	0.45%	\$5,850.00
Plus			
ASSET MANAGEMENT FEE - NEW ASSETS	(\$)	RATE	TOTAL FEE (P.A)
New Assets GAV	\$52,000,000	1.05%	\$546,000.00
Total Asset Management Fee*			\$551,850.00

*assuming both change in Initial Assets GAV and acquisition of New Assets occurred in same year

Acquisition Fee (New Assets): To remunerate the Manager for leading, managing, undertaking and co-ordinating any acquisition search, including due diligence, negotiations, financing and leasing arrangements with respect to New Assets	1% of the Gross Acquisition Cost of New Assets Gross Acquisition Cost means: all amounts paid to or at the direction of the vendor of New Assets (including any pre-settlement cash Distributions or dividends) plus or minus any payments or adjustment to or by the vendor, post settlement of the acquisition of the New Assets	Calculated and payable as follows: <ul style="list-style-type: none"> all amounts paid to or at the direction of the vendor (including any pre settlement cash distributions or dividends), paid at the settlement for the purchase of the assets; and any amount of the purchase price or other adjustment paid post settlement, at the time of payment of the post settlement payments.
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ACQUISITION FEE EXAMPLE:

GROSS ACQUISITION COST	(\$)	RATE	FEE PAYABLE ON SETTLEMENT (\$)	FEE PAYABLE POST COMPLETION PAYMENT (1%)
New Asset Purchase Price	\$50,000,000.00	1.00%	\$500,000.00	-
Post Completion Payment	\$2,000,000.00	1.00%	-	\$20,000.00

*If Post Completion Payment is payable to Vitalharvest REIT as a reduction in purchase price the Manager would have an obligation to repay this amount

Early Termination Fee: To recognise the significant cost to the Manager to establish and maintain the necessary management infrastructure to provide the Services.	1.5% of the total of the Gross Asset Value if a Termination Event occurs leading to the termination of the Management Agreement by the Manager at any time prior to the end of the Initial Term. Gross Asset Value for the purposes of calculating the Early Termination Fee means the total value of the assets of the Trust (excluding depreciation and amortisation) based on the Trust's audited financial accounts for the Financial Year immediately prior to the year in which the Early Termination Fee is calculated adjusted for the accounting treatment of water rights.	Calculated and payable as at the date of termination of the Management Agreement.
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EARLY TERMINATION FEE EXAMPLE:

EARLY TERMINATION FEE	(\$)	RATE	TOTAL FEE (P.A)
GAV	\$280,000,000.00	1.50%	\$4,200,000.00

iii. Estimated Establishment costs

These costs include the estimated costs incurred by Vitalharvest REIT in establishing and registering the Trust as a registered scheme and establishing the sub-trusts and other entities forming part of the structure of the Trust, preparation of the PDS, the costs payable to advisers and other costs incurred in connection with the Offer and Listing. They also include the costs of acquiring the Initial Assets. An amount of approximately \$1.8 million has been included for Tasmanian stamp duty, however this amount may not be payable if the corporate reconstruction exemption is granted by the Tasmanian State Revenue Office. For further information see Section 8.1.18. The actual amount of Establishment Costs may differ from the amount of the estimate.

iv. Estimated recoverable expenses

Recoverable expenses are the ordinary and everyday expenses incurred in operating the Vitalharvest REIT and are deducted from the assets of the Vitalharvest REIT as and when they are incurred. The expenses normally incurred in the day-to-day operation of the Vitalharvest REIT include fees payable to and expenses recoverable by the Responsible Entity, the Manager, the Custodian, the Unit Registry and other expenses in operating Vitalharvest REIT including costs relating to distributions, reporting and auditing the financial statements of the Trust and the fees and expenses of interposed vehicles, such as the expenses of the Leasehold Trust and the Finance Trust and any other entity forming part of Vitalharvest REIT and a proportionate amount of expenses incurred where such entity is not wholly owned. The recoverable expenses do not include transactional and operational costs described below. The percentage in the fees and costs table represents the Responsible Entity's reasonable estimate of the Responsible Entity Fee, the Management Fee (but not other fees that may be payable to the Manager as it is not currently anticipated that other fees will be payable to the Manager in the relevant period) and the other recoverable expenses calculated for the period 1 July 2018 to 30 June 2019 and expressed as a percentage of the Trust's NAV assuming that the Trust's NAV is the Pro Forma NAV as at 31 December 2017 as shown on the Pro Forma Balance Sheet in Section 5 (i.e. \$145.4 million). It includes GST after taking account of any input tax credits or reduced input tax credits. The actual management costs and actual NAV may differ from the amounts included in the estimate.

v. Unanticipated expenses

If unanticipated expenses are incurred in relation to the operation of the Vitalharvest REIT, these will also be deducted from the assets of the Vitalharvest REIT, however as they are unanticipated at the time of preparation of this PDS, they are not reflected in the estimated recoverable expenses. Unanticipated expenses could include payment to the Manager of fees described in the fees and costs table but not anticipated to be paid at the date of this PDS, costs of Unitholder meetings, costs to amend the Constitution or a trust deed for the Leasehold Trust or Finance Trust or the cost of defending or pursuing legal proceedings.

11.3.2 Transactional and operational costs

Transactional and operational costs are costs that Vitalharvest REIT will incur in relation to its transactions and operations that are not treated as management costs. Transactional and operational costs may include, insofar as they are likely to be relevant to Vitalharvest REIT, stamp duty on acquisitions of new assets, costs of due diligence, any part of an acquisition price of an asset that exceeds the price at which the asset could have been sold and property operating costs. Property operating costs include amounts payable in relation to holding real property (not including the costs of acquiring or disposing of real property) and would include matters such as rates and service charges for electricity, water, sewerage and the like. In the case of the Leases for the Initial Assets these are 'triple net' which means that the Tenant pays these amounts and they will not be paid from the Trust. Vitalharvest REIT will also incur borrowing costs. The Responsible Entity estimates these costs to be approximately \$3.6 million for the period 1 July 2018 to 30 June 2019. This estimate is based on the interest payable on the assumption that only the amount of the core debt (i.e. \$95.0 million) will be drawn down under the Debt Facilities during this timeframe. These costs represent 2.5% of Trust's NAV assuming that the Trust's NAV is the Pro Forma NAV as at 31 December 2017 as shown on the Pro Forma Balance Sheet in Section 5 (i.e. \$145.4 million). If additional amounts are drawn down (for example, under the capital expenditure facilities) this amount may increase. Transactional and operational costs are an additional cost to the investor.

Transactional and operational costs that apply with respect to the acquisition of Initial Assets by Vitalharvest REIT (including upfront borrowing and costs of putting in place arrangements to hedge the interest rate exposure of Vitalharvest REIT) have been included in the Estimated Establishment Costs as set out in the Fees and Costs table.

11.3.3 Can the fees change?

The fees and costs in this PDS can change. Reasons might include changing economic conditions and changes in

regulation. Fees may also change due to an increase in GST payable or a change to RITCs entitled to be claimed by the Vitalharvest REIT. Furthermore, as the Vitalharvest REIT is newly established, any estimates of fees and costs in this PDS are based on information available as at the date of this PDS. As such, the actual fees and costs may differ and are subject to change from time to time.

The Constitution sets the maximum amount the Responsible Entity can charge for all fees. If the Responsible Entity wishes to raise fees above the amounts currently disclosed in this PDS or notified to Unitholders (but below the maximum amount allowed for in the Constitution) Unitholders will be given at least 30 days' advance notice of any proposed change to these fees where practicable. If the Responsible Entity wishes to increase fees above that provided for in the Constitution, it would need to seek approval of Unitholders to amend the Constitution in accordance with the Constitution and the Corporations Act.

The Management Fee is currently fixed for the Initial Term of the Management Agreement but may increase after that to the amount calculated in the manner set out in the fees and costs table.

Maximum fees – Constitution

The maximum fees that can currently be charged by the Responsible Entity under the Constitution (exclusive of GST) are:

- **Responsible Entity fee** – 2% per annum of the total value of the assets of the Trust.
- **Responsible Entity remuneration for additional fund administration services** – up to \$1,000 per hour adjusted to reflect to reflect any increase in the 'All groups CPI weighted average of eight capital cities' published by the Australian Bureau of Statistics, in respect of each quarter.

11.3.4 Adviser remuneration

No commissions will be paid by the Responsible Entity to financial advisers. You may incur a fee for the advice provided to you by your adviser, but this does not represent a fee that the Responsible Entity has charged you for investing in the Trust and is not an amount paid out of the assets of the Trust. The Responsible Entity recommends that you check with your adviser if you will be charged a fee for the provision of their advice.

11.3.5 Government charges and taxation

Government taxes such as GST will be applied to your account as appropriate. In addition to the fees and costs described in this Section 11, standard government fees, duties and bank charges may also apply. The fees outlined in this Section 11 take into account any GST after taking into account any input tax credits or reduced input tax credits which may be available. For more information in relation to taxation, see Section 10.

11.4 Example of annual fees and costs for the Vitalharvest REIT

This table gives an example of how the fees and costs in the Vitalharvest REIT can affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

EXAMPLE – VITALHARVEST FREEHOLD TRUST	AMOUNT	BALANCE OF \$50,000
Management costs	0.87% per annum of the Trust's NAV ¹	For every \$50,000 you have in the Trust, you will be charged \$341 each year. ^{1,2}
EQUALS Cost of Vitalharvest Freehold Trust		If you had an investment of \$50,000 at the beginning of a year then for that year you would be charged: \$341 ² What it costs you will depend on the fees you negotiate³

*Additional fees and charges may apply. If circumstances arise whereby the Manager is entitled to an Asset Management Fee, Acquisition Fee or early Termination Fee, these fees will be additional management costs. Similarly if the Responsible Entity charges a fee for Additional Fund Administration Services or if other unanticipated expenses are incurred that are recoverable from the assets of the Vitalharvest REIT, these amounts will also be additional management costs. These additional management costs are not reasonably anticipated and therefore may not be reasonably estimated at the date of this PDS. Further, transactional and operational costs as described in Section 11.3.2 above are also payable from the assets of Vitalharvest REIT but are not management costs and therefore not reflected in the percentage amount or the amount stated that you will be charged.

¹The percentage amount includes the Responsible Entity's reasonable estimate of the Responsible Entity Fee, the Management Fee and the other recoverable expenses calculated for the period 1 July 2018 to 30 June 2019 and expressed as a percentage of the Trust's NAV assuming that the Trust's Pro Forma NAV as at 31 December 2017 is \$145.4 million as shown on the Pro Forma Balance Sheet in Section 5. It includes GST after taking account of any input tax credits or reduced input tax credits. The actual amount of management costs and NAV may differ from the amounts included in the estimate, and as a consequence the percentage and the amount you will be charged (noting that you are charged by way of deduction of the amount from the assets of Vitalharvest REIT and not by way of additional charge to you) will differ from those amounts calculated in the table. The information in the table reflects the typical ongoing amounts that may be deducted from the assets of Vitalharvest REIT each year (to the extent that they may reasonably be estimated at the date of this PDS). As a consequence the percentage and the amount stated to be charged does not include Estimated Establishment Costs as these are not ongoing amounts. However, the amount of the Estimated Establishment Costs is reflected in the Pro Forma NAV as at 31 December 2017 as shown in the Pro Forma Balance Sheet in Section 5.

²This amount is calculated in relation to an amount of \$50,000 invested at the time of the Offer.

³This statement is required to be included by the Corporations Act, however the fees in this PDS cannot be negotiated.

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Material agreements

12

(Source: Vitalharvest / goFarm)

12. MATERIAL AGREEMENTS

The provisions of the material agreements of Vitalharvest REIT are summarised below. As this Section 12 only contains a summary, the provisions of each agreement are not fully described. To understand fully all rights and obligations pertaining to the material agreements, it would be necessary to read them in full.

12.1 Vitalharvest REIT Documents

12.1.1 Constitution

The Trust is governed by the Constitution and applicable laws. A summary of the key rights and obligations attaching to the Units and a description of the material provisions of the Constitution while the Trust is Listed are set out below. This summary is not exhaustive nor does it constitute a definitive statement of the terms of the Constitution. It does not contain information about certain provisions that would apply if the Trust is not Listed. The rights and obligations attaching to ownership of Units are also governed by the Corporations Act, the Listing Rules and general law which are not discussed in full.

If you invest in the Trust, you will be bound by the terms of the Constitution (and the PDS). Copies of the Constitution are available, free of charge, on request from the Responsible Entity. Please consider the Constitution (and the information in this PDS) before investing in the Trust.

UNITS

The beneficial interest in the Trust is divided into Units. A Unit confers on the Unitholder an undivided beneficial interest in the Trust as a whole, subject to Trust liabilities and not in parts or single assets. A Unitholder holds a Unit subject to the rights and obligations attaching to that Unit. The Constitution makes provision for the issue price for Units including where the Responsible Entity may determine the issue price. The issue price for Units issued pursuant to this PDS is \$1.00.

NO REDEMPTION OF UNITS

While the Trust is listed on the ASX, Units are not able to be redeemed, except under a withdrawal offer or buy-back of Units which is at the absolute discretion of the Responsible Entity to offer and which satisfies the Corporations Act and Listing Rules.

TRANSFERS OF UNITS

While the Trust is Listed, transfers of Units may only be effected in accordance with the Listing Rules.

AMENDMENTS TO CONSTITUTION

While the Trust is a registered scheme under the Corporations Act, the Constitution may be amended by the Responsible Entity, subject to the provisions in the Corporations Act. The Responsible Entity may otherwise amend the Constitution if it considers that amendments are necessary or desirable to facilitate compliance with the Corporations Act, requirements of relief by ASIC and certain taxation laws.

LIABILITY OF UNITHOLDERS

The liability of each Unitholder is stated in the Constitution to be limited to the amount (if any) unpaid on the Units for the time being held by the Unitholder. Units issued under the Offer will be fully paid. The efficacy of such a limitation has not been finally determined by the courts. Holders are however liable for amounts that are referable to them, for example, amounts payable in connection with their entitlements to Distributions.

RESPONSIBLE ENTITY'S POWERS AND DUTIES

The Responsible Entity has all the powers in relation to the Trust that it is legally possible to have, including the power to invest in real or personal property of any nature, to borrow or raise money and to secure by mortgage or otherwise, give guarantees and incur liabilities and obligations of any kind and to fetter its own discretion, as if it were the absolute and beneficial owner of all the assets of the Trust.

The Responsible Entity may appoint delegates or agents to perform any act and to exercise any of its powers as well as advisers to assist with its duties and functions. The Responsible Entity must appoint the Manager under the Management Agreement as the exclusive Manager of the Trust. The Responsible Entity is entitled to rely on persons it has appointed if it has no reason to believe their directions, advice or information is not authentic, authorised or lacking the relevant expertise.

In discharging its duties, the Responsible Entity is required to comply with the Constitution, the Corporations Act, the Listing Rules and the general law in Australia.

RESPONSIBLE ENTITY'S INDEMNITY/ENTITLEMENT TO FEES/EXPENSE REIMBURSEMENT

The Responsible Entity is indemnified out of the assets of the Trust and can be reimbursed for any liability incurred by it,

in its own capacity or through an agent, manager, adviser or delegate, in relation to the proper performance of any of its duties in respect of the Trust. The Responsible Entity is entitled to be paid the fees as provided for in the Constitution and to recover expenses from Trust assets that are incurred by it in performing its role in connection with the Trust, subject in each case to the proper performance of its duties. Information about such fees and expenses is set out in Section 11.

RESPONSIBLE ENTITY'S LIABILITY

Under the Constitution the Responsible Entity will generally not be liable to Unitholders except in the case of its fraud, negligence or breach of trust.

The Responsible Entity's liability is generally limited to the extent to which it is entitled and does recover through its right of indemnity from the Trust assets.

RELATED PARTY DEALINGS

The Responsible Entity, the Manager and any related company or associate of the Responsible Entity or the Manager, may, subject always to acting in good faith to Unitholders hold Units or otherwise have an interest in dealings in connection with Vitalharvest REIT.

SMALL HOLDINGS

In certain circumstances, while the Trust is Listed, the Responsible Entity may sell any Units held by a Unitholder less than a marketable parcel as provided in the Constitution and Listing Rules.

MEETINGS

Meetings may be convened and conducted in accordance with the Corporations Act and the Constitution. A resolution duly passed binds all Unitholders whether or not present at the meeting.

DISTRIBUTIONS / REINVESTMENT

The Constitution provides for the Responsible Entity to make Distributions and to offer or require a DRP (for further information see Section 13.6).

REMOVAL AND RETIREMENT OF THE RESPONSIBLE ENTITY

The Responsible Entity may retire in accordance with the Corporations Act by calling a meeting of members of the Trust to pass a resolution with respect to appointing a new responsible entity. Members may also call a meeting to vote on a resolution to remove the Responsible Entity. Members are entitled to call a meeting in accordance with the provisions of the Corporations Act in order to consider and vote on a resolution to remove the Responsible Entity. While the Trust is Listed, an ordinary resolution is required for this purpose.

TERMINATION OF THE TRUST

The Unitholders may at any time terminate the Trust by calling a Unitholders' meeting in accordance with the Corporations Act to consider and vote on an extraordinary resolution directing the Responsible Entity to wind up the Trust. Otherwise, while the Trust is listed, the Trust is not able to be terminated under its Constitution. The Constitution sets out the provisions for winding up the Trust.

ASX LISTING RULES/CORPORATIONS ACT

The Constitution provides for the provisions of the Corporations Act, ASIC relief or the Listing Rules to be incorporated into the Constitution in certain circumstances.

12.1.2 Trust deeds for Leasehold Trust and Finance Trust.

The trust deeds for each of the Leasehold Trust and Finance Trust, respectively, provide for:

- the beneficial interests of the trust to be divided into Units on a similar basis to the Constitution;
- the terms that apply to the issue and redemption of units;
- the powers and duties of the trustee;
- the rights of the trustee be paid fees and recover expenses and otherwise be indemnified from the property of the trust; and
- the liability of the trustee to be limited on a similar basis to that which is the case for the Responsible Entity as set out in the Constitution.

DAY-TO-DAY CONTROL

The Responsible Entity will hold (through the Custodian) all the units in each of the Leasehold Trust and the Finance Trust

and in such circumstances the trust deeds provide that the Responsible Entity is to have day-to-day control of the trust and the relevant trustee must act in accordance with directions given by the Responsible Entity.

In particular, the trust deeds provide that the trustee:

- must promptly act in accordance with directions given by the Responsible Entity unless the trustee reasonably considers the directions are inconsistent with its duties or are unauthorised;
- may seek directions from the Responsible Entity (or Manager on behalf of the Responsible Entity); and
- is not permitted to exercise any powers or discretions without having received a direction unless it is required to protect the property, rights and income of the relevant trust.

As a consequence, the Leasehold Trust and the Finance Trust are not managed investment schemes and the provisions of the Corporations Act do not apply.

RELATED PARTY DEALINGS

The trustee, the Manager and any related company or associate of the trustee or the Manager, may, subject always to acting in good faith to unitholders hold units or otherwise have an interest in dealings in connection with the trust.

LEASEHOLD TRUST - CUSTODY TERMS

In the case of the Leasehold Trust, the trust deed contains provisions that apply with respect to the Leasehold Trustee holding custody of the Initial Assets on trust for the Responsible Entity for the purposes of enabling the Responsible Entity to comply with the obligations under the Corporations Act as notionally amended by ASIC under Class Order 13/1409.

12.1.3 Management Agreement

The Responsible Entity and the Manager have entered into the Management Agreement which sets out the terms on which the Manager will provide certain investment management, day to day property management and general administrative and listed fund services to the Responsible Entity with respect to Vitalharvest REIT. A summary of the material terms of the Management Agreement is set out below.

SERVICES

Pursuant to the Management Agreement, the Manager must invest and manage the assets of Vitalharvest REIT in accordance with the terms of the Management Agreement.

The services provided by the Manager to the Responsible Entity in relation to Vitalharvest REIT include, but are not limited to:

- ensuring the Trust's capital structure is appropriate having regard to the Trust's investment strategy;
- keeping the assets of Vitalharvest REIT under review including monitoring and reporting on Vitalharvest REIT's debt funding financial covenants;
- using its best endeavours to source, assess and evaluate investment opportunities, preparing recommendations for divestment of real property assets and conferring at regular intervals with the Responsible Entity;
- giving proper instructions to the Custodian and other entities in the Trust structure, subject to the Responsible Entity accepting recommendations from the Manager where required;
- keeping proper books of account in relation to the assets of Vitalharvest REIT, including recording transactions by or as instructed by the Manager and providing access to such records and providing assistance to the Responsible Entity or other persons as provided for under the Management Agreement including the auditor of the Trust and any regulator;
- assisting with the preparation and lodgement of financial statements and reports required by the Trust and maintaining accounts for Vitalharvest REIT;
- procuring valuations at least once every 3 years and providing reports to the Responsible Entity as set out in the Management Agreement;
- monitoring and reporting on Vitalharvest REIT's debt funding financial covenants and negotiating any refinance of any finance facility or necessary changes to the financing documents;
- maintaining a website for the Trust and assisting in the resolution of complaints from Unitholders and all aspects of investor relations;
- preparing a distributions policy for approval by the Responsible Entity and assisting the Responsible Entity in

determining the amount of or declaring any Distribution;

- assisting the Responsible Entity to comply with its continuous disclosure obligations under the Corporations Act and Listing Rules and other requirements applicable to a listed trust;
- assisting the Responsible Entity to comply with its obligations in relation to preparing disclosure documents and any marketing material for the Trust; and
- providing property management services such as managing relationships with tenants, monitoring compliance of tenants with lease terms, calculating rent and outgoings, formulating annual budgets for each property, water management, management of development and capital expenditure proposals and making recommendations regarding leasing, including the negotiation and documentation of leases.

The Manager is not permitted to delegate its discretionary powers, duties or obligations, borrow or raise money or charge or encumber the assets of Vitalharvest REIT and the security interests granted or enter into derivatives transactions without the consent of the Responsible Entity which may be expressed in the Management Agreement.

The Management Agreement provides for the Manager to delegate or appoint other persons to provide a range of services if required including with respect to accounting, valuation of assets, legal advice, investor relations, information technology, marketing and licensed property agents.

The Management Agreement also provides for the Manager to make recommendations to the Responsible Entity or procure entry into derivatives contracts with respect to hedging the exposure of Vitalharvest REIT to changes in interest rates under debt facilities and provides that the restriction on borrowing does not apply to the Debt Facilities and security interests as described in the PDS or as approved by the Responsible Entity.

In providing the services, the Manager must comply with all laws applicable to it and the services provided by it under the Management Agreement and act in good faith with the degree of care, diligence and skill a reasonable person in the Manager's position would exercise including by exercising due care in selecting agents that the Manager is permitted to appoint under the terms of the Management Agreement.

RESTRICTIONS ON RESPONSIBLE ENTITY

The Responsible Entity is subject to certain restrictions in acting without a recommendation, direction or request by the Manager unless failure to act would be in breach of its duties as Responsible Entity or any law. Nor can the Responsible Entity give directions to the Manager that are inconsistent with a recommendation by the Manager unless permitted under the Management Agreement and the Manager is not obliged to comply with a direction that is inconsistent with a recommendation, direction or request by the Manager.

EXCLUSIVITY

The Manager may from time to time perform similar management and administration services for itself and other persons and entities to the services performed in respect of the Trust under the Management Agreement. Subject to this, the Manager's appointment is exclusive to the Trust except to the extent that the Responsible Entity and the Manager agree to the appointment of other persons to manage particular assets of Vitalharvest REIT or of a controlled entity of Vitalharvest REIT.

FEES

The fees payable to the Manager by the Responsible Entity are summarised in Section 1 (Investment Overview) of the PDS and additional detail in Section 11.4 of this PDS.

EXPENSES

The Responsible Entity is liable for and must reimburse or procure reimbursement out of the assets of Vitalharvest REIT all taxes, costs, charges and expenses properly incurred by the Manager in connection with the investment and management of the assets of the Trust or the acquisition, disposal, variation, maintenance or management of any investment of the Trust property or otherwise in acting under the Management Agreement.

TERM AND TERMINATION RIGHTS

The Manager's appointment is for an initial term of 10 years (**Initial Term**) unless terminated prior to the end of the term:

- (a) by the Responsible Entity in certain circumstances such as the default of the Manager, insolvency of the Manager, the Manager ceasing to carrying on business or if required by law or the Listing Rules; or
- (b) by the Manager giving the Responsible Entity 90 days' written notice or at any time in certain circumstances including breach or insolvency of the Responsible Entity, the Trust ceasing to be Listed on ASX, if a person, alone or

together with their associates, acquires a relevant interest in Units whereby that person's or someone else's voting power in the Trust exceeds 50%, or if the law requires.

Subject to receiving Unitholder approval, the Initial Term may be extended for two further periods of 5 years (up to a total of 10 years), unless otherwise terminated in accordance with the provisions of the Management Agreement. After the Initial Term, the Management Agreement may also be terminated upon Unitholder approval being given to a proposal for termination by the Responsible Entity and 90 days' notice being given to the Manager.

The Manager may request the Responsible Entity to retire in certain circumstances and in any event after the end of the fourth year of the Initial Term which the Responsible Entity, subject to its fiduciary duties, agrees to do in accordance with the Constitution.

TERMINATION PAYMENT

In the event that the Management Agreement is terminated prior to the end of the Initial Term by the Manager only in the circumstances that the Trust is delisted from the ASX (otherwise than due to breach by the Manager or circumstances within the reasonable control of the Manager) or if a person, alone or together with their associates, acquires a relevant interest in Units whereby that person's or someone else's voting power in the Trust exceeds 50%, the Manager will be entitled to a fee for early termination. Information in relation to this fee (**Early Termination Fee**) is summarised in Section 1 of the PDS and in additional detail in Section 11 of this PDS.

INSURANCE

The Manager must maintain appropriate insurance in relation to its business.

MANAGER INDEMNITY

The Responsible Entity indemnifies the Manager against any direct losses or liabilities reasonably incurred by the Manager arising out of, or in connection with, and any costs, charges and expenses incurred in connection with the Manager or any of its officers or agents acting under the Management Agreement or on account of any bona fide investment decision made by the Manager or its officers or agents except insofar as any loss, liability, cost, charge or expense is caused by the negligence, fraud or dishonesty of the Manager or its officers, employees or supervised agents or the Manager's breach of the Management Agreement, or any act or omission of the Manager or any of its officers, employees or supervised agents that causes the Responsible Entity to be liable to Unitholders for which the Responsible Entity has no right of indemnity from the Trust. The Responsible Entity will not be liable to the Manager for any consequential loss, economic or indirect loss but will only be liable for such loss as is direct and foreseeable. This obligation continues after the termination of the Management Agreement.

The Responsible Entity's liability under the Management Agreement is limited to and can be enforced against the Responsible Entity only to the extent to which it can be satisfied out of the property of the Trust except where there is a failure of the Responsible Entity to properly perform its duties otherwise than by reason of an act or omission of the Manager.

RESPONSIBLE ENTITY INDEMNITY

The Manager indemnifies, and undertakes to keep indemnified, the Responsible Entity (both as responsible entity of the Trust and personally) against any direct loss or liability (including any claims concerning or relating to any disclosure document, Unitholder communications or promotional activities for the Trust prepared or undertaken by or on behalf of the Manager and legal costs on a full indemnity basis) and any direct costs, charges and expenses reasonably incurred by the Responsible Entity arising out of, or in connection with any negligence, fraud or dishonesty of the Manager or its officers, employees or supervised agents, the Manager's material breach of the Management Agreement, any negligent, fraudulent or dishonest act or omission of the Manager, its officers, employees or supervised agents and any act or omission of the Manager or any of its officers, employees or supervised agents that causes the Responsible Entity to be liable to Unitholders for which the Responsible Entity has no right of indemnity from the Trust. The indemnity does not extend to consequential loss and the Manager is not otherwise liable to the Responsible Entity under the Management Agreement for any other loss or liability. This obligation continues after the termination of the Management Agreement.

12.1.4 Offer Management Agreement

The Responsible Entity, Vitalharvest and the Manager have entered into an Offer Management Agreement with the Lead Manager with respect to the management of the Offer. A summary of the key terms of the Offer Management Agreement are set out below.

FEES AND EXPENSES*

In return for providing the services under the Offer Management Agreement, the Lead Manager will be paid a management fee of 2.5% (plus GST) of the gross amount raised under the Broker Firm Offer, the Institutional Offer and the General Offer, excluding any amounts raised from the subscription of the underwritten Units, any amount raised from CAM

subscribing for Units under the Offer and the amount raised from the first 10 million Units issued under the Priority Offer (excluding any amount raised from CAM subscribing for Units under the Priority Offer). The management fee includes a fee of 1% of the proceeds from the subscription of Units which the Lead Manager has agreed to underwrite under the Offer Management Agreement. In addition to the management fee, the Lead Manager will also be paid an underwriting fee of 1.5% of the proceeds from the subscription of Units which the Lead Manager has agreed to underwrite under the Offer Management Agreement. The Lead Manager will also be paid for additional expenses including marketing and communications costs, roadshow expenses and legal fees in relation to the preparation of the Offer Management Agreement and conducting due diligence in connection with the Offer. The Lead Manager is responsible for the payment of any fees to the Co-Managers. The Co-Managers do not have any entitlement to any additional fees from Vitalharvest REIT.

UNDERWRITING

The Lead Manager has agreed to underwrite the General Offer as to \$10 million on customary terms.

No other Offer under this PDS, including the Institutional Offer, the Broker Firm Offer and the Priority Offer, is underwritten by the Lead Manager (or any other person).

WARRANTIES AND REPRESENTATIONS

Customary and usual representations and warranties are each given by the Responsible Entity, Manager and Lead Manager in relation to matters such as the power to enter into the Offer Management Agreement, corporate authority and approvals and the Responsible Entity's compliance with the Corporations Act, the ASX Listing Rules, regulations and all other applicable laws in relation to making the Offer. The Responsible Entity and Manager make a number of further representations and warranties, including that the PDS will not contain any untrue, inaccurate, misleading or deceptive statements and does not contain any omission of information required to be disclosed by the Corporations Act.

INDEMNITY BY THE RESPONSIBLE ENTITY AND MANAGER

Subject to certain exclusions such as fraud, wilful misconduct or gross negligence, the Responsible Entity and Manager indemnify the Lead Manager and certain affiliated parties against certain liabilities and losses incurred or sustained directly or indirectly as a result of the appointment of the Lead Manager.

MATERIAL TERMINATION EVENTS

The Lead Manager may terminate its appointment under the Offer Management Agreement without cost or liability to the Lead Manager at any time before the Settlement Date under the Offer by written notice to the Responsible Entity on the occurrence of certain specified events in the Offer Management Agreement which include, among other things, matters such as non-compliance with, the ASX Listing Rules or any other applicable law or regulation by the Responsible Entity, default by the Responsible Entity in the performance of any its obligations and breach of representations and warranties under the Offer Management Agreement.

12.1.5 Commitment Letter and Credit Approved Term Sheet

The Responsible Entity has received the Commitment Letter and Credit Approved Term Sheet from NAB under which NAB will provide three facilities. Based on the documents, the Debt Facilities comprise:

- one core debt facility of \$47.5 million that is intended to be fully drawn down with a 3 year maturity;
- a second core debt facility of \$47.5 million that is intended to be fully drawn down with a 5 year maturity; and
- a 3 year \$15.0 million capital expenditure facility.

The Debt Facilities will only be available on finalisation and execution of full-form documents and satisfaction of each condition precedent under those documents, including evidence of a minimum of \$150 million raised under the IPO. A common terms deed and a security trust deed are being established as part of the initial financing. The Debt Facilities will be provided on a secured basis. Security that the Vitalharvest REIT will provide includes a first ranking general security agreement over all of its assets and undertakings (excluding assets held under KD and KCW), first ranking registered mortgages over all Properties (excluding assets held by KD and KCW), for the avoidance of doubt including the Properties, Plantings and WALs, and share security over the shares in KD and KCW.

The Debt Facilities may be drawn by Vitalharvest REIT (through the Finance Trust) to fund:

- the Transaction, the Establishments Costs, the repayment of Vitalharvest's existing debt and otherwise the implementation of the IPO;
- general corporate purposes; and
- capital expenditure.

The Debt Facilities are expected to be subject to certain financial covenants that apply to Vitalharvest REIT, including that, at all times and tested on 30 June and 31 December of each year:

- the Loan to Value Ratio must be less than 55%;
- the Interest Coverage Ratio must be greater than 3 times;
- Net Asset Value must be greater than \$125.0 million; and
- Distributions for any given financial year are to be capped at 100% of FFO.

The Responsible Entity will be required to provide NAB with various undertakings in connection with the Debt Facilities. These undertakings include and relate to the disposal of assets, entering into mergers or acquisitions, granting security interests, the Responsible Entity remaining the responsible entity of the Trust, assignment or subletting by the Tenants without prior consent and incurring capital expenditure beyond the limits agreed without prior consent.

12.1.6 Custodian Agreement

The Responsible Entity, the Leasehold Trustee and the Finance Trustee have appointed or will shortly appoint Perpetual Corporate Trust Limited as Custodian for the Trust, the Leasehold Trust and the Finance Trust. The arrangements between them will provide for the Custodian to hold the assets of Vitalharvest REIT (other than the Initial Assets which will be held directly by the Leasehold Trustee) and to provide for the arrangements that will apply between them with respect to all assets of Vitalharvest REIT (including the Initial Assets) including in relation to matters such as the provision of proper instructions, conducting reconciliations and the provision of reports.

12.1.7 Registry

The Responsible Entity has appointed or will shortly finalise its appointment of Computershare under a Registry Services Agreement to provide registry functions with respect to the Trust.

12.1.8 Auditor

The Responsible Entity is required to appoint an auditor to the Trust within one month after the day on which the Trust is registered with ASIC. The Responsible Entity has appointed or will shortly finalise its appointment of Deloitte Touche Tohmatsu as the independent auditor of the Trust's financial statements.

The Responsible Entity is also required to appoint an auditor of the compliance plan. The auditor is required to conduct an audit of the compliance plan within 3 months of the end of the financial year of the registered scheme and provide a report to the Responsible Entity. It will be audited by the compliance plan auditor.

12.1.9 Vitalharvest Share Sale Agreement

Vitalharvest, CAM and Vitalharvest Finance propose to enter into the Vitalharvest Share Sale Agreement for the sale of all of the Vitalharvest Shares after the close of the Offer and subject, among other things, to the Minimum Subscription being raised. The Vitalharvest Share Sale Agreement is conditional on the Listing pursuant to the terms of this PDS. A summary of the material terms of the Vitalharvest Share Sale Agreement are set out below.

SALE

Pursuant to the Vitalharvest Share Sale Agreement, CAM will sell, and Vitalharvest Finance will buy (through the use of promissory notes and some cash), all of the Vitalharvest Shares for a purchase price of approximately \$211.2 million plus adjustments.

Purchase Price

The purchase price for the Vitalharvest Shares is calculated as:

- the total amount raised by way of applications for Units under the PDS plus the total amount drawn down under the Debt Facilities (other than the capital expenditure facilities); less
- the total of all unpaid Establishment Costs and an amount for working capital for the Trust being \$500,000.

Adjustments

By way of adjustment, CAM will be entitled to:

- all of the free cash in Vitalharvest immediately prior to the completion date under the Vitalharvest Share Sale Agreement;
- a proportionate amount of all rents outstanding (Base Rent, Variable Rent for FY19 and all rent payable under the Packshed Leases), prorated until the completion date under the Vitalharvest Share Sale Agreement;

- all Variable Rent for FY18, payable within two days of receipt and confirmation of the amount of the balance of the Variable Rent for FY18, due under the terms of the Leases in November 2018; and
- an amount equivalent to stamp duty payable in Tasmania, in the event that corporate reconstruction exemption to the payment of duty, is granted under Part 1A of Chapter 10 of the Tasmanian Duties Act 2001 (Tas).

The prorated amount of Variable Rent for FY19 will be calculated on the basis of the budgeted Variable Rent for FY19 provided to the Leasehold Trustee by the Tenant and will be paid at the completion date for the sale of the Vitalharvest Shares.

WARRANTIES

Customary and usual representations and warranties are given by the parties in relation to matters such as the power to enter into the Vitalharvest Share Sale Agreement, corporate authority and approvals and the solvency of both parties. CAM makes a number of further commercial warranties including in relation to title and the Properties.

12.2 Key Property Documents

12.2.1 Leases

TENANTS

Berry Properties

All Berry Properties are leased to CostaExchange as tenant. This includes the part of the Dunorlan Property the subject of a Berry Lease but does not include those parts of the Dunorlan Property that are subject to other arrangements. For further information see under Dunorlan Arrangements in Section 12.2.4 below.

Citrus Properties

All Citrus Properties (and the Solara Packshed) are leased to AgriExchange as tenant. The Kangara Packshed is leased to AgriExchange Murtho Pty Ltd ACN 093 583 049, a wholly-owned subsidiary of AgriExchange. For further information in relation to the Packshed Leases see Sections 12.2.2 and 12.2.3 below.

The information below relates to the Berry Leases (other than the Berry Lease for the Dunorlan Property) and the Citrus Leases (which do not include the Packshed Leases).

Term

The initial term of the Berry Leases expires on or about 30 June 2026, except the Grays Road Property Lease (register no. AG696158) over 212 Grays Road, Halfway Creek NSW 2640, where the initial term expires on 30 June 2027, 1 year later than the other leases. If an option for one of the other Berry Properties is exercised, the option for this property is also exercised and its lease term extended for 10 years from on or about 30 June 2027 (i.e. expiring one year later than the leases for the other Berry Properties, including the other leases of the Corindi aggregation). The initial term of all Citrus Leases expires on or about 30 June 2026.

USE OF LAND

The Tenant must use the relevant Farming Property in accordance with 'Best Horticultural Practice' (being those operational features designed to achieve greatest agronomic efficiency in production and maintaining an economically viable farming operation and has reference to industry practices that have been adopted in relation to land planted with similar trees or bushes or the planting of Bushes in substrate from time to time).

OPTION TO RENEW

All Leases (except the Berry Leases for the Dunorlan Property) contain an option exercisable by the Tenant only to renew for a further 10 year term. This option may be exercised not more than 18 months and not less than 12 months before the end of the initial term.

All Leases are 'stapled' whereby the exercise of the option for a further term pursuant to one Berry Lease automatically deems the exercise of the option for a further term on all other Berry Leases (other than the Berry Lease for the Dunorlan Property). Likewise, if the option for one of the Citrus Leases is exercised, the options for all other Citrus Leases are automatically exercised.

Similarly, the Landlord may terminate all Leases where it is entitled to terminate any one of those Leases (subject to the rights of the Tenants' financier).

As the Berry Leases for the Dunorlan Property are sequential leases that have already been granted, those leases do not

contain an option to renew. Clause 25 of the third lease (commencing 1 July 2026 for a Term of 10 years) provides that 'this Lease will immediately terminate on the Commencement Date in the event that the Tenant has not exercised its option for a further term in relation to the All Leased Properties'.

RENT

The Tenant under a Lease of a Farming Property must pay a Base Rent and the Variable Rent.

The Base Rent is payable by equal monthly instalments in advance, while the Variable Rent is calculated annually and payable bi-annually based on forecast and actual EBT for the Tenant.

The Base Rent (per annum plus GST) is calculated as:

- 8% of the Landlord's acquisition cost of that Farming Property (being the total cost paid by the Landlord for acquisition of that Farming Property, and all stamp duty, lodging fees, legal, accounting and valuation fees associated with the acquisition of that Farming Property and any monies paid or reimbursed by the Landlord for the initial capital works program undertaken in accordance with the terms of the relevant Lease); plus
- 8% of all monies paid by the Landlord for any crop expansion or further development undertaken in relation to the relevant Farming Property from time to time with the Landlord's approval (in accordance with the terms of the relevant Lease of that Farming Property).

The Variable Rent is broadly calculated as 25% of the earnings before interest and tax derived by the Tenant from the Properties utilised for the purposes of the Tenants' berry and citrus businesses, respectively, (including, to the extent applicable, the Farming Properties and the Packshed Properties), net of agreed adjustments including an imputed interest charge for the Tenants' working capital and capital expenditure undertaken by the Tenant on the relevant Properties and not paid for by the Landlord.

For the Citrus Properties, the Tenant undertakes certain promotional and marketing activities through a marketing entity which packages, markets and sells fruit grown on the Citrus Properties and third party fruit packaged at the Citrus Properties. The earnings from the marketing entity are included as part of the Tenants' earnings before interest and tax in the Variable Rent calculation.

In relation to the Variable Rent calculation, earnings before interest and tax in relation to the Berry Leases excludes income generated from the partnership between the Tenant, Driscoll's and African Blue (but includes all reimbursement of costs to the BerryExchange Division from those operations).

While the concept and method for determining the Base Rent and Variable Rent in relation to the Berry Lease relating to the Dunorlan Property is broadly the same, certain differences apply due to the requirements of Tasmanian law, in turn due to:

- different parts of that Property being leased to different tenants (CostaExchange in relation to the Berry Lease and NBNCo for the NBNCo Leases) and other parts of that Property also being subject to a Tree Farming Agreement between Vitalharvest and TFOST; and
- the Berry Lease for the Dunorlan Property consequently being structured as three consecutive leases in order to avoid subdivision issues arising from it being a lease of 'part of land'.

Further details regarding the rent payable for the Berry Lease relating to the Dunorlan Property are set out in Section 12.2.4.

Rent if option to renew exercised

Upon exercise of the options to renew under a Lease for a Farming Property, the Base Rent in relation to that Lease is to be adjusted to the higher of:

- the 'Market Formula', being 8% of the value of the Land Assets, on a going concern basis as at the applicable rent review date (including improvements) but not including the amount of any rent or other amounts paid to the Landlord in respect of the Land Assets; and
- the Base Rent in the final year of the initial Lease term.

The Variable Rent will continue to be payable and its calculation methodology will not change upon the exercise of an option to renew the Lease.

There is no option to renew the Berry Lease relating to the Dunorlan Property, which is instead structured as three consecutive leases. However, the concept and method for determining the Base Rent and Variable Rent in the second and

third consecutive lease for the Berry Lease relating to the Dunorlan Property is not dissimilar to the consequences of the Tenant under the other Farming Properties exercising its option to renew.

Further details in relation to the Berry Lease relating to the Dunorlan Property are set out in Section 12.2.4.

TENANT TERMINATION AND RIGHT OF FIRST REFUSAL

All Leases permit the Tenant to terminate the Lease if the Landlord either ceases to carry on business, or experiences an 'Insolvency Event' (as that term is defined under the applicable Lease) (**Extraordinary Termination**). In the case of an Extraordinary Termination, the Tenant has a right to purchase the land at a price determined by an independent valuer. Based on the express terms of the Lease, it is not entirely clear that the applicable nature and scope of the Tenants' right is to purchase the relevant land on the occurrence of an Extraordinary Termination, however, Vitalharvest REIT believes that the Tenants' right in such circumstances is in the nature of an option to purchase (which, if exercised by the Tenant, will oblige the Landlord to sell the land to the Tenant on the terms provided for under the relevant Lease).

LANDLORD OBLIGATIONS ON SALE OF LAND

If the Landlord transfers its interest in the land, the Landlord must on or before the transfer procure and deliver to the Tenant a covenant in favour of the Tenant by the transferee for the performance of the transferee of all of the Landlord's covenants and obligations under the Lease, and, in the case of the Citrus Leases, the Landlord must notify the Tenant and the guarantor of any sale of the land.

USE OF TENANTS' IP ON TERMINATION / EXPIRY

The Berry Leases provide that at expiration or termination of the Lease if the Tenant controls the 'PBR' (IP in the fruit) and the PBR is not subject to any licence agreement or arrangement (such as the Grower and Sales Agency Agreement as described in Section 12.2.5) then the Tenant grants to the Landlord for \$1 (receipt acknowledged) a perpetual, non-exclusive irrevocable licence to all PBRs that it owns or uses in the operation of the BerryExchange Division to plant and grow all PBR Bushes on the Farming Property (**PBR Licence**). The Landlord will be entitled to sublicense or subcontract the rights to plants and grow all PBR Bushes on the Farming Properties under the PBR Licence, with the consent of the Tenant and which consent will not be unreasonably withheld.

The Citrus Leases do not contain any provisions specific to IP as the Plantings at the Citrus Properties do not contain any unique IP.

REPLANTING SCHEME

The Tenant must (subject to Landlord approval) implement a replanting scheme for:

- in the case of the Berry Leases, the older or less productive bushes, as agreed annually by the Landlord and Tenant; and
- in the case of the Citrus Leases, less productive trees and trees older than 30 years based on an agreed rolling average, which average will be reviewed and amended (by agreement) periodically in accordance with the terms of the relevant Lease.

REPAIR AND MAINTENANCE

The Tenant must maintain the Landlord's fixtures, fittings and chattels (including irrigation, infrastructure, capital works and paved roads) in the condition they were in at lease commencement (fair wear and tear excepted), all fencing (and replace if necessary), and all laneways, access tracks and roads.

OUTGOINGS

The Tenant must pay all rates, taxes and charges in connection with the relevant Farming Property (including land tax assessed on the aggregate of all land leased to the Tenant by the Landlord including without limitation the Farming Property), all utilities, and the cost of insuring the relevant Farming Property and Landlord fixtures, fittings and chattels (including irrigation infrastructure).

ENVIRONMENTAL LIABILITIES

The Tenant is responsible for any assessments, clean up, remediation and monitoring required due to the Tenants' use of herbicides, pesticides or agricultural chemicals, and must ensure fertilisers do not spread to immediately surrounding dams, creeks or waterways.

OBLIGATIONS AT LEASE END

The Tenant must hand back the relevant Farming Property (including the bushes or trees) in a condition consistent with the Tenants' obligations under the relevant Lease (including making good, subject to reasonable wear and tear). With respect to the Citrus Leases only, the Tenant is not required to restore the trees to their original condition, however, the Tenant must have maintained the replanting scheme at each of the Citrus Properties during the term of the Citrus Leases. The Tenant

must remove its chattels and (if required by the Landlord) fixtures, and return all water licences to the Landlord in full force and effect.

12.2.2 Kangara Packshed Lease

TENANT

AgriExchange Murtho Pty Ltd ACN 093 583 049, a wholly-owned subsidiary of AgriExchange.

TERM

The term of this lease is ninety nine (99) years commencing on 31 December 2003.

OPTION TO RENEW

The lease contains no rights of renewal.

RENT

The rent is \$1 per annum if demanded

RENT IF OPTION TO RENEW EXERCISED

Not applicable.

RIGHT OF FIRST REFUSAL

The Tenant has a right of first refusal to purchase the property where the Landlord proposes to sell, transfer or otherwise grant any interest in the property to a third party (other than by mortgage).

OTHER

- The lease does not require any guarantee or other security from the tenant to secure the performance of its obligations under the lease.
- Subject to obtaining all necessary statutory approvals, the Tenant may build new or change existing buildings on the property. The Landlord must provide all necessary consents to the Tenant obtaining such statutory approvals.
- The Tenant is not liable for any structural or capital repairs in relation to the routine maintenance of the property.
- The Tenant is permitted to remove all fixtures brought on to the Property and must immediately repay all damage.
- The Tenant may at any time surrender the lease on giving 6 months' written notice to the Landlord.

12.2.3 Solora Packshed Lease

TENANT

AgriExchange.

TERM

The initial term of the lease is three years expiring on 31 December 2018.

OPTION TO RENEW

The lease contains one right of renewal of three years. This option may be exercised not more than 12 months and not later than 3 months before the end of the initial term.

RENT

The current rent is \$40,941.60 per annum plus GST, which is reviewed annually to CPI.

RENT IF OPTION TO RENEW EXERCISED

The rent will be reviewed to CPI on the commencement of the option.

RIGHT OF FIRST REFUSAL

Not applicable

OTHER

- The lease does not require any guarantee or other security from the Tenant to secure the performance of its obligations under the lease.

- The Tenant owns certain infrastructure and property relating to the packshed, including the property identified in Schedule 1 of the Lease (by way of photographs).
- The Landlord must maintain the property in good and safe repair and condition, including structural and capital repairs.

12.2.4 Dunorlan Arrangements

As parts of the Dunorlan Property are leased to different tenants (CostaExchange pursuant to the Berry Lease and NBNCo in relation to a telecommunication tower), under Tasmanian legislation, the Berry Lease could not mirror the term and option of the Leases for the remaining Berry Properties.

Some parts of the Dunorlan Property are subject to consecutive or sequential leases, which are often registered in Tasmania as a means of ensuring subdivision legislation is not contravened for leases of 'part of land'.

The Dunorlan Property is also subject to a Tree Farming Agreement between Vitalharvest and TFOST.

The arrangements with respect to the Dunorlan Property are summarised below.

BERRY LEASE TO COSTAEXCHANGE (FORMERLY COSTAEXCHANGE LTD)

The Berry Lease for the Dunorlan Property comprises three consecutive/sequential leases each of which is registered on title. The first of the three consecutive leases commenced on 17 September 2014 and the final of the three consecutive leases expires on 29 June 2036. In the event that the option under the remaining Berry Leases is not exercised, the third of 3 consecutive lease of the Dunorlan Property will automatically terminate on its 'commencement date' as defined in that lease, being 1 July 2026.

There is no option to renew under the leases for the Dunorlan Properties.

The Tenant under the Berry Lease relating to the Dunorlan Property must pay a Base Rent and the Variable Rent.

The Base Rent is payable by equal monthly instalments in advance, while the Variable Rent is calculated annually and payable bi-annually based on forecast and actual EBT for the Tenant.

For the first of the consecutive leases:

- the Base Rent is calculated as 8% of the 'Acquisition Costs' (as defined under the relevant Lease) per annum; and
- the Variable Rent is calculated according to the group earnings of the Tenant across all Farming Properties leased by the Tenant from the Landlord.

For the second and third of the consecutive leases (commencing 1 July 2020 and 1 July 2026 respectively) the:

- commencing Base Rent is adjusted to the higher of:
 - the 'Market Formula', being 8% of the value of the Dunorlan Property and improvements, Landlord fixtures, fittings and chattels on a going concern basis but not including the amount of any rent or other amounts paid to the Landlord in respect of the Land Assets located at the Dunorlan Property; and
 - the Base Rent in the final year of the initial Lease term; and
- Variable Rent will continue to be payable and its calculation methodology will not change for the second and third of the consecutive leases.

Otherwise the terms of the Berry Leases for the Dunorlan Properties are on the same terms and conditions as the Berry Lease for the remaining Berry Properties.

NBNCO LEASES

There are two consecutive leases to NBNCo registered on title.

The first of the two consecutive leases commenced on 17 September 2014 and the second commences on 17 September 2024 and expires on 16 September 2034.

There is no option to renew.

The current rent is \$11,490.91 (plus GST) per annum, with a CPI rent increase on 17 September of each year.

The Landlord must not sell the land the subject of the NBNCo Leases or the specified adjoining land unless it procures a deed poll in favour of NBNCo from the transferee complying with the lessor's covenants under the Lease.

TREE FARMING AGREEMENT WITH TFOST

Part of the Dunorlan Property is subject to the Tree Farming Agreement between Vitalharvest and TFOST.

TFOST secures its rights under the Tree Farming Agreement by way of a registered caveat on title.

The Tree Farming Agreement is for a period of 20 years expiring on 27 August 2022 or on the date of completion of harvesting the trees, whichever occurs first.

Vitalharvest is the owner of 42.8% of the trees planted on the property as tenants in common with TFOST and will be paid 42.8% of the value of the timber once harvested by TFOST.

There is no option to renew.

Vitalharvest must not sell, lease or mortgage the relevant land without the prior written consent of TFOST which consent will not be unreasonably withheld. Vitalharvest must not dispose of the land without the agreement of TFOST.

12.2.5 Grower Deed and Grower Sales and Agency Agreement**OVERVIEW**

All bushes planted on the Berry Properties, other than bushes that are either owned by CostaExchange (**Costa IP**) or licensed by Driscoll's to CostaExchange are the property of Vitalharvest. Vitalharvest, CostaExchange and Driscoll's entered into a Grower Deed, agreeing that on the termination or expiration of a Berry Lease, Driscoll's will enter into a Grower and Sales Agency Agreement with Vitalharvest, in order to ensure that Vitalharvest has continued access to the PBR Bushes, after the termination or expiration of the Berry Leases.

GROWER DEED*Grant of right to IP in PBR Bushes*

The Grower Deed provides that Driscoll's will grant to Vitalharvest (through the terms of a Grower and Sales Agency Agreement as described below that is formed upon the termination or expiration of a Berry Lease) the right to plant and grow certain plants on the relevant land, to harvest the fruit from those plants, and to use certain trade marks for the purpose of preparing packaging for the sale of that fruit by Driscoll's as agent of Vitalharvest. The licence is not granted for any other purposes and is subject to a number of restrictions to protect the intellectual property rights of Driscoll's.

Termination of Grower Deed

Driscoll's may terminate the Grower Deed in certain circumstances, including:

- where there is any variation or amendment of any Berry Lease that in any way:
 - affects the rights of Vitalharvest to terminate the Berry Lease without the prior written consent of Driscoll's;
 - affects the terms of the Berry Lease concerning expiration of the Berry Lease without the prior written consent of Driscoll's; or
- where there is a breach of the Grower Deed by Vitalharvest which is not rectified within the earlier of 7 business days after written notice by Driscoll's of the nature of the breach, or Vitalharvest becoming aware of the breach.

GROWER AND SALES AGENCY AGREEMENT*Term*

The Grower and Sales Agency Agreement between Driscoll's and Vitalharvest commences on the termination or expiration of a Berry Lease, excluding any Berry Lease that is terminated and replaced by a new lease between Vitalharvest, as Landlord, and CostaExchange, as tenant.

Vitalharvest obligations

Vitalharvest is obliged, under the Grower and Sales Agency Agreement, to pay its own costs of co-operating in the defence and protection of the licensed intellectual property. Vitalharvest also has limited, if any, contractual protection in the event of a claim that its use of the licensed intellectual property infringes any third party intellectual property rights. Driscoll's liability under the agreement is also capped to the amount of 'Plant Fees' paid to it by Vitalharvest.

Incorporation of terms

Any amendments that are made to the CostaExchange Grower and Sales Agency Agreement between CostaExchange and Costa Berry Holdings Pty Ltd and Berry Holdings of Australia Pty Ltd (as partners of Driscoll's Australia Partnership) are automatically incorporated into each Vitalharvest Grower and Sales Agency Agreement, provided that such amendments are not inconsistent with the terms of the Grower Deed. Any such amendments could affect Vitalharvest's rights and obligations with respect to intellectual property, and are not within the control of Vitalharvest.

Termination of Grower and Sales Agency Agreement

The Grower and Sales Agency Agreement will, unless terminated sooner under the default provisions or extended by notice in writing, automatically terminate:

- in respect of plants that are:
 - strawberries, at the end of the then current strawberry growing season after delivery of strawberries that were ordered as at the date of termination;
 - raspberries, at the end of the second raspberry growing season after delivery of raspberries that were ordered as at the date of termination;
 - blackberries, at the end of the second blackberry growing season after delivery of blackberries that were ordered as at the date of termination;
 - blueberries, at the end of the fourth blueberry growing season after delivery of blueberries that were ordered as at the date of termination; or
- otherwise on:
 - termination of the Driscoll's Australia Partnership; or
 - termination of any technology licence agreement or trademark licence agreement between the Driscoll's Australia Partnership and CostaExchange and / or Driscoll's Strawberry Associates, Inc.

Additionally, either party may terminate the Grower and Sales Agency Agreement for a number of termination events, including material breach of agreement, the appointment of a receiver or administrator and the assignment or purported assignment of the agreement in breach of its provisions.

12.2.6 3IP Grants OVERVIEW

The South Australian River Murray Sustainable Irrigation Industry Improvement Program (**3IP**) is a competitive grants program to support the restoration of a healthy Murray-Darling Basin environment. Under the 3IP, the South Australian government provides grants to the owner of the land on which 3IP approved projects to improve irrigation efficiency and water returns are undertaken. As at the date of the PDS, Vitalharvest has received approximately \$4.7 million of government funding related to the 3IP program.

DEEDS OF GRANT

On 17 December 2014, a 3IP Deed of Grant was entered into by the SA Minister and Vitalharvest (as varied by a 3IP Deed of Variation) whereby Vitalharvest agreed to transfer a specified amount of permanent water entitlements to the Minister and undertake various projects relating to irrigation, in exchange for government funding (**3IP Deed**). Vitalharvest established a number of projects (**Milestones**) which would attract government funding once achieved. If achievement dates are not met, payment of funds by the SA Minister is in doubt. On 21 November 2014, a Deed of Acknowledgement and Covenants (of the 3IP Deed) was executed by Vitalharvest, AgriExchange and CostaExchange (**3IP Deed of Acknowledgement**), under which AgriExchange agreed to project manage the implementation of the 3IP Deed.

Pursuant to the terms of the agreements for the 3IP, Vitalharvest has received grants from the South Australian government for certain capital works carried out on the Citrus Properties. These obligations and the receipt of the grants is ongoing.

As at the date of the PDS, Vitalharvest has received confirmation of a further round of 3IP funding from the Minister for \$3.4 million in grants (**3IP Round 4 Agreement**).

Change of control and repayment obligations

In accordance with the 3IP Deed, the SA Minister may terminate the 3IP Deed and be released from any obligation to

advance any unpaid portion of the total funds owed to Vitalharvest if a 'Repayment Event' (as defined in the 3IP Deed) occurs. As a further consequence, if a 'Repayment Event' occurs, Vitalharvest will be required to reimburse the SA Minister for all amounts paid by the SA Minister to Vitalharvest (plus interest), less the value ascribed to all water transferred to the SA Minister under the 3IP Deeds. A 'Repayment Event' occurs if (without limitation):

- Vitalharvest ceases to carry on the Business (as defined by 3IP Deed); and/or
- there occurs a change in the Control of Vitalharvest without the previous written consent of the SA Minister.

Furthermore, the 3IP Deed prevents Vitalharvest from:

- assigning, transferring, conveying, novating, selling or otherwise disposing of any real or personal property in relation to which the funds have been applied without first obtaining the written approval of the SA Minister; or
- assigning or novating its rights under the 3IP Deed without the prior written consent of the SA Minister.

Ministerial consent has been obtained in relation to the 3IP Deed.

TERMINATION

The SA Minister may terminate the 3IP Deed at any time where either:

- the SA Minister does not receive funding from the Commonwealth; or
- for any other reason (upon giving 10 days' notice).

If the 3IP Deed is terminated, the SA Minister will pay the grantee a fair and reasonable fee for the work undertaken to the date of termination.

12.2.7 Water Management Agreement

Land adjacent to the Citrus Property known as Kangara is owned by Kingston Vineyards Pty Ltd ACN 080 860 555 (**Kingston Vineyard Land**). Both Kangara and the Kingston Vineyard Land are partially irrigated via water obtained from a dam located on land owned by KCW (**KCW Dam**). Vitalharvest, Kingston Vineyards and KCW (the shareholders of which are Vitalharvest and Kingston Vineyards) are parties to a Water Management Agreement, which governs the rights and obligations of the parties in respect of the extraction of water from the KCW Dam.

Pursuant to the Water Management Agreement, Vitalharvest and Kingston Vineyards (or any other shareholders of KCW from time to time) are only entitled to hold a share in KCW if they are also the registered proprietor of the land located in Kangara (that is, the land currently owned by Vitalharvest and Kingston Vineyards (**Eligible Land**)). Accordingly, the shares in KCW are required to be held by the same entity that is the registered proprietor of the Eligible Land and in the same proportions as an owner's Eligible Land represents as a proportion of all Eligible Land.

In addition, in accordance with the Water Management Agreement and Encumbrance 12780224, Vitalharvest must not sell, transfer or dispose (or grant any legal or equitable interest in) the land it owns at Kangara except:

- subject to the Water Management Agreement and to Encumbrance 12780224; and
- if Vitalharvest procures a replacement encumbrance on the same terms as Encumbrance 12780224.

Vitalharvest may transfer land at Kangara provided that the 'purchaser' agrees to be bound by the terms of the Water Management Agreement by executing a deed of accession to the Water Management Agreement on terms acceptable to Kingston Vineyards.

The Water Management Agreement may only be terminated by mutual agreement of Vitalharvest and Kingston Vineyards (or any other shareholders of KCW from time to time).

The constitution of KCW similarly places a restriction on the ownership of shares by providing that each member must agree to be bound by the terms of the Water Management Agreement and must be a registered proprietor of the Eligible Land in order to become a member.

Pursuant to a separate agreement, AgriExchange has been appointed by KCW as the day-to-day manager of the water services and the land owned by KCW.

Additional information

13

(Source: Vitalharvest / goFarm)

13. ADDITIONAL INFORMATION

13.1 Restructure

As at the date of the PDS, the Properties are all owned by Vitalharvest, a wholly-owned subsidiary of CAM.

The issue of Units under the Offer is subject to completion of the Restructure.

Upon completion of the Restructure:

- the Trust will own:
 - all of the units in the newly established Finance Trust;
 - all of the units in the newly established Leasehold Trust; and
 - all of the shares in the newly established Vitalharvest Finance;
- Vitalharvest Finance will be the trustee of the Finance Trust (**Finance Trustee**) and in addition Vitalharvest Finance will own in its own personal capacity all of the Vitalharvest Shares;
- the Finance Trustee will have entered into the Debt Facilities and contracts to hedge the interest rate exposure of the Finance Trust; and
- Vitalharvest will be the trustee of the Leasehold Trust and in that capacity will hold the Initial Assets.

The Implementation Deed specifies the steps required to be undertaken for the purpose of the Restructure, subject to the following conditions precedent:

- applications for Units raising not less than the Minimum Subscription pursuant to the Offer;
- the ASX granting conditional listing approval for the Trust to be admitted to the official list of the ASX and for the Units to be quoted on ASX;
- commencement of trading on a conditional and deferred settlement basis on the ASX; and
- an offer with respect to the Debt Facilities is made from NAB to the Finance Trustee that is:
 - not less than \$100.0 million ;
 - in a form acceptable to CAM; and
 - capable of acceptance by the Finance Trustee.

13.2 Current Capital Structure

The issued capital of the Trust as at the date of this PDS is set out in the table below:

CLASS OF UNITS	NO. OF UNITS
Establishment Units	100

These 'Establishment Units', held by CAM and a nominee of CAM, will be redeemed at \$1.00 each immediately upon the issue of Units to Successful Applicants who are allocated Units under the Offer. The issue of the Units will only occur after completion of the Restructure.

13.3 Interests of Responsible Entity Directors

This Section 13.3 sets out the nature and extent of the interests and fees of certain persons involved in the Offer other than as set out below or elsewhere in this PDS:

- no Director or proposed Director holds at the date of this PDS, or held at any time during the last two years before the date of lodgement of this PDS with ASIC, any interest in:
 - the formation or promotion of the Trust; or
 - any property acquired or proposed to be acquired by the Trust in connection with its formation or in connection with the Offer;
 - or the Offer; and

- no amounts have been paid or agreed to be paid by any person and no benefits have been given or agreed to be given by any person:
 - to a Director or proposed Director to induce him or her to become, or to qualify as, a Director; or
 - for services provided by a Director or proposed Director in connection with the formation or promotion of the Trust or in connection with the Offer.

13.4 Related Party Interests

Other than as set out in this PDS, there are no existing or proposed agreements or arrangements in which the Responsible Entity was, or is to be, a party, and in which any related party had or will have a direct or indirect material interest.

All agreements for the provision of services to Vitalharvest REIT have been entered into on terms that the Responsible Entity reasonably considers are arm's length terms. The Management Agreement has additionally been approved by the current holders of all of the Units as at the date of the PDS for the purposes of Division 3 of Part 2E.1 of the Corporations Act (as applied by Part 5C.7 of the Corporations Act) and as modified by the ASIC Relief referred to in Section 13.7. The Responsible Entity and the Manager may be subject to conflicts of interest when performing their duties in relation to the Vitalharvest REIT. Both the Responsible Entity and the Manager have policies and procedures in place to appropriately manage these conflicts of interest.

While the Units that are currently held by CAM will be cancelled upon the issue of Units under the Offer, CAM intends to participate in the Offer by applying for 5% of the total Units under the Offer, and reserves the right to acquire more.²⁶ From time to time, the Responsible Entity, the Manager or their related bodies corporate or directors may hold Units in the Trust.

13.5 Interests of Experts and Advisers

Except as disclosed in this PDS, no amounts of any kind (whether in cash or otherwise) have been paid or agreed to be paid to any expert, stockbroker, promoter or any other person named in this PDS as performing a function in a professional capacity in connection with the preparation or distribution of this PDS, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated, for services rendered by that person in connection with the formation or promotion of Vitalharvest REIT or the Offer under this PDS.

- A. Kidder Williams Limited has acted as Corporate advisor to Vitalharvest REIT in relation to the Offer. In consideration for these services Kidder Williams Limited will be paid a fee of approximately \$2.2 million (plus GST) funded from the amount raised.
- B. Bell Potter Securities Limited (Bell Potter) has been appointed as the Lead Manager to the offer. In accordance with the Offer Management Agreement, Bell Potter will be paid a fee of 2.50% of the dollar amount of the funds raised under the Offer excluding any amounts raised from the subscription of the underwritten Units, any amount raised from CAM subscribing for Units under the Offer and the amount raised from the first 10 million Units issued under the Priority Offer (excluding any amount raised from CAM subscribing for Units under the Priority Offer). The Lead Manager has appointed Taylor Collison Limited and Third Party Platform Pty Ltd trading as 'Bell Direct' as Co-Managers to the Offer. The Lead Manager is responsible for the payment of any fees to the Co-Managers. The Co-Managers do not have any entitlement to any additional fees from Vitalharvest REIT. Bell Potter and any Co-Managers will not be paid a broker fee in relation to any Units subscribed for by CAM.
- C. Pitcher Partners Corporate Pty Ltd has acted as the Australian Investigating Accountant to the Offer and has prepared the Investigating Accountant's Report on Financial Information in Section 5. In respect of these services, Pitcher Partners Corporate Pty Ltd will receive approximately \$550,000 (plus GST and disbursements) and no other payments have been made to Pitcher Partners Corporate Pty Ltd or its associates that would influence the preparation of the Investigating Accountant's Report.
- D. Pitcher Partners Advisors Pty Ltd has acted as tax advisors with respect to the Offer and has prepared the information in Section 10. In respect of these services Pitcher Partners Advisors Pty Ltd will receive approximately \$280,000 (plus GST and disbursements).
- E. Pitcher Partners has also acted as auditor of Vitalharvest over the past 8 years;
- F. Deloitte Touche Tohmatsu will act as auditor of the Trust and will receive fees each year for the conduct of its audit.
- G. CBRE has prepared the Independent Valuation Report in Section 7 and will receive \$33,000 inclusive of GST with respect to the preparation of the Valuation Report.
- H. MinterEllison has acted as the legal advisers in relation to the Offer and in that capacity has been involved in undertaking due diligence enquiries for the preparation of this PDS and providing legal advice to Vitalharvest REIT

in relation to the Offer. In respect of this work, Vitalharvest will pay approximately \$2.0 million (plus GST and disbursements) for services in relation to this PDS to the date of this PDS. Further amounts may be paid to MinterEllison for other services in accordance with its normal time-based charges.

13.6 Distribution Reinvestment Plan

- The Responsible Entity may put in place rules for the participation by Unitholders in a Distribution Reinvestment Plan (DRP), pursuant to which eligible Unitholders may elect to reinvest Distributions and receive additional Units. The operation, suspension and termination of the DRP is at the discretion of the Responsible Entity. The Responsible Entity has not yet determined if the DRP will be offered and, if it is to be offered, for which Distributions the DRP will be made available.
- To the extent that the Responsible Entity puts in place a DRP, participation by Unitholders in the DRP will be optional and not transferrable and will be limited to Unitholders (or, where Units are beneficially held, the beneficial owner) whose registered address is in Australia, unless the Responsible Entity otherwise determines in its absolute discretion.
- If the Responsible Entity determines to establish a DRP, full details will be provided at www.vitalharvest.com.au/investor.

13.7 ASIC Relief

In order to conduct the Offer, Vitalharvest REIT has sought, and has been granted, relief in relation to compliance with section 1020B(2) of the Corporations Act relating to the prohibition of certain short sales of securities on behalf of all persons who sell or offer to sell securities during the period of conditional and deferred settlement trading on ASX.

Vitalharvest REIT has also sought and been granted technical relief in order to facilitate the holders of existing Units to consent in writing to the Management Agreement for the purposes of Division 3 of Part 2E.1 of the Corporations Act (as applied by Part 5C.7 of the Corporations Act).

13.8 Complaints resolution

The Responsible Entity has complaints handling and dispute resolution procedures which it follows to acknowledge, investigate, respond to and resolve complaints by investors. If an investor has a complaint, they can contact the Responsible Entity during business hours on 02 9229 9000.

The Responsible Entity with assistance from the Manager will use reasonable endeavours to deal with and resolve the complaint within a reasonable time but in any case no later than 45 days after receipt of the complaint.

If an investor is not satisfied with the Responsible Entity's resolution of the complaint, the complaint can be referred to the Financial Ombudsman Service (FOS), an external complaints resolution scheme of which the Responsible Entity is a member.

The FOS's contact details are:

Address: GPO Box 3, Melbourne, Victoria 3001

Telephone: 1800 367 287

Email: info@fos.org.au

Website: www.fos.org.au

Access to FOS is generally only available to persons within their 'Terms of Reference' which are available from www.fos.org.au

13.9 Consents

Each party listed in the following table:

- does not make the Offer;
- other than as specified in this PDS, does not make, or purport to make, any statement that is included in this PDS, or a statement on which a statement made in this PDS is based, other than as specified in this Section 13.9;
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this PDS other than a reference to its name and a statement included in this PDS with the consent of that party as specified below; and
- has given and has not, before lodgement of this PDS with ASIC, withdrawn its written consent to:

²⁶ These Units will be subject to the voluntary escrow arrangements described in Section 9.9.

- be named in the PDS in the form and context in which they are named;
- the inclusion of their respective reports or statements noted next to their names and the references to those reports or statements in the form and context in which they are included in this PDS; and
- the inclusion of other statements in this PDS which are based on or are referable to statements made in those reports or statements, or which are based or referable to other statements made by those parties in the form and context in which they are included.

TABLE OF CONSENTS

NAME OF PERSON	NAMED AS	REPORT OR STATEMENT
Pitcher Partners Corporate Pty Ltd	Investigating Accountant	Investigating Accountant's Report in Section 6 Any reference in Section 5 to the audited financial statements of Vitalharvest
Pitcher Partners Advisors Pty Ltd	Tax adviser	Section 10
Pitcher Partners	Auditor of the accounts of Vitalharvest	Any reference in Section 5 to the audited financial statements of Vitalharvest
goFARM Asset Management Pty Ltd	Manager	The letter to investors immediately before the Investment Overview Every statement made by the Manager in this PDS or said in this PDS to be based on statements by the Manager,
Vitalharvest	Vitalharvest and/or Landlord	Every statement made by Vitalharvest in this PDS or said in this PDS to be based on a statement by Vitalharvest
Bell Potter Securities Limited	Lead Manager	Not Applicable
Taylor Collison Limited Third Party Platform Pty Ltd trading as 'Bell Direct'	Co-Managers	Not Applicable
Kidder Williams Limited	Corporate adviser	Not Applicable
Computershare Investor Services Pty Ltd	Registry	Not Applicable
MinterEllison	Legal adviser	Not Applicable
CBRE	Independent Valuer	Independent Valuation Report in Section 7 Any statement in this PDS referring to the Independent Valuation Report
Deloitte Touche Tohmatsu	Auditor of the Trust	Not Applicable
Perpetual Corporate Trust Limited	Custodian	The statement about the Custodian in Section 4.1
CAM	N/A	Every statement made by CAM in this PDS or said in this PDS to be based on a statement by CAM

13.10 Privacy

The Responsible Entity may collect personal information from you when you contact it and from any other relevant forms to be able to administer your investment and comply with any relevant laws, including the Privacy Act and provide information to relevant government agencies in accordance with those laws. If you do not provide us with your relevant personal information, the Responsible Entity may not be able to properly administer your investment.

Privacy laws apply to the handling of personal information and the Responsible Entity will collect, use and disclose your personal information in accordance with its privacy policy, which includes details about the following matters:

- the kinds of personal information the Responsible Entity collects and holds;
- how the Responsible Entity collects and holds personal information;
- the purposes for which the Responsible Entity collects, holds, uses and discloses personal information;
- how you may access personal information that the Responsible Entity holds about you and seek correction of such information (note that exceptions apply in some circumstances);
- how you may complain about a breach of the Australian Privacy Principles (APP), or a registered APP code (if any) that binds the Responsible Entity, and how the Responsible Entity will deal with such a complaint; and
- whether the Responsible Entity is likely to disclose personal information to overseas recipients and, if so, the countries in which such recipients are likely to be located if it is practicable for the Responsible Entity to specify those countries.

The privacy policy of the Responsible Entity is publicly available at its website at www.perpetual.com.au or you can obtain a copy free of charge by contacting the Responsible Entity on 02 9229 9000. The Manager may also collect, use and disclose your personal information, including personal information provided to the Manager by the Responsible Entity, for investor relations purposes in accordance with its privacy policy. A copy of the Manager's privacy policy will be publicly available at www.vitalharvest.com.au/investor.

13.11 Anti-money laundering and counter terrorism financing

The AML/CTF Act and other applicable anti-money laundering and counter terrorism laws, regulations, rules and policies which apply to the Responsible Entity (AML Requirements), regulate financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing. The AML/CTF Act is enforced by the Australian Transaction Reports and Analysis Centre (AUSTRAC). In order to comply with the AML Requirements, the Responsible Entity may be required to, amongst other things:

- verify an investor's identity and the source of their application monies before providing services to them, and to re-identify them if it considers it necessary to do so; and
- where an investor supplies documentation relating to the verification of their identity, keep a record of this documentation for 7 years.

The Responsible Entity reserves the right to request such information as is necessary to verify the identity of an investor and the source of the payment. In the event of delay or failure by the investor to produce this information, the Responsible Entity may refuse to accept an application and the application monies relating to such application or may suspend the payment of withdrawal proceeds if necessary to comply with the AML Requirements applicable to it. Neither the Responsible Entity nor its delegates shall be liable to the investor for any loss suffered by the investor as a result of the rejection or delay of any subscription or payment of withdrawal proceeds.

The Responsible Entity has implemented a number of measures and controls to ensure it complies with its obligations under the AML Requirements, including carefully identifying and monitoring investors. As a result of the implementation of these measures and controls:

- transactions may be delayed, blocked, frozen or refused where the Responsible Entity has reasonable grounds to believe that the transaction breaches the law or sanctions of Australia or any other country, including the AML Requirements;
- where transactions are delayed, blocked, frozen or refused, the Responsible Entity is not liable for any loss investors suffer (including consequential loss) caused by reason of any action taken or not taken by it as contemplated above, or as a result of its compliance with the AML Requirements as they apply to the Trust; and
- the Responsible Entity may from time to time require additional information from investors to assist it in this process.

The Responsible Entity has certain reporting obligations under the AML Requirements and is prevented from informing you that any such reporting has taken place. Where required by law, an entity may disclose the information gathered to regulatory or law enforcement agencies, including AUSTRAC. The Responsible Entity is not liable for any loss an investor may suffer as a result of its compliance with the AML Requirements.

13.12 Accessing information about the Trust

The Trust is proposed to be a disclosing entity for the purposes of the Corporations Act and will therefore be subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules. These obligations require the ASX to be notified periodically and on a continuous basis of information about specific events and matters as they arise for the purpose of ASX making the information available to the financial market operated by it. In particular, the Trust has

an obligation under the Listing Rules (subject to certain limited exceptions) to notify ASX immediately of any information concerning the Trust, of which it becomes aware, which a reasonable person would expect to have a material effect on the price or value of the Trust's securities. The Trust is also required to prepare and lodge with ASIC and ASX both yearly and half-yearly financial statements accompanied by a Directors' declaration and report, and an audit or review report.

A copy of each annual report, half yearly report and any continuous disclosure notice lodged by the Responsible Entity in relation to the Trust, will be available at: www.vitalharvest.com.au/investor and a paper copy will also be available free of charge by contacting the Manager through the website: www.vitalharvest.com.au/investor.

13.13 Legal Proceedings

Vitalharvest REIT is not engaged in any litigation at the date of this PDS, and as far as the Responsible Entity is aware, no litigation involving Vitalharvest REIT or their respective trustees is pending or threatened.

13.14 Investor Considerations

There are general risks associated with any investment. The value of securities listed on ASX may rise or fall depending upon a range of factors including factors beyond the control of Vitalharvest REIT.

Before deciding to participate in this Offer, you should consider whether the Units to be issued are a suitable investment for you and if required seek advice on the matters contained in this PDS from a stockbroker, solicitor, accountant or other professional adviser. The potential tax effects relating to the Offer will vary between investors.

13.15 Governing Law

This PDS and the contracts that arise from the acceptance of Applications under the Offer are governed by the laws applicable in Victoria and each Applicant submits to the non-exclusive jurisdiction of the courts of Victoria.

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Appendix A – Glossary

(Source: Vitalharvest / goFarm)

Appendix A – Glossary

The terms in the column headed 'Term' have the meanings given to them in the column headed 'Definition' unless otherwise stated in this PDS or the context otherwise requires. The singular may be taken to include the plural and vice versa.

TERM	DEFINITION
3IP	South Australian River Murray Sustainable Irrigation Industry Improvement Program
3IP Deed	The 3IP deed of grant between Vitalharvest and the SA Minister dated 17 December 2014 as supplemented or amended by the 3IP Deed of Acknowledgement, the 3IP Deed of Variation and the 3IP Round 4 Agreement
3IP Deed of Acknowledgement	The deed of acknowledgement and covenants of the 3IP Deed between Vitalharvest, AgriExchange and CostaExchange dated 21 November 2014
3IP Deed of Variation	The deed of variation of the 3IP Deed between the SA Minister and Vitalharvest dated 7 November 2016
3IP Round 4 Agreement	The confirmation by Vitalharvest from the SA Minister for the further 3IP grants and which is anticipated to be executed prior to Listing
AAS	Australian Accounting Standards
AASB	Australian Accounting Standards Board
ABN	Australian Business Number
AEST	Australian Eastern Standard Time
African Blue	Blueberry Investments Morocco Pty. Ltd. ACN 126 881 249
AFS Licence	Australian Financial Services Licence
AgriExchange	AgriExchange Pty Ltd ACN 050 165 921
Allotment	The allotment or issue of Units pursuant to the Offer
Allotment Date	The date on which Allotment occurs
AML/CTF Act	Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)
AML/CTF Rules	The Anti-Money Laundering and Counter-Terrorism Financing Rules, contained in the Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No 1)
Appendix	This Appendix to the PDS
Applicant	A person who submits an Application
Application	An application to subscribe for Units under this PDS
Application Form	The application form included in or accompanying this PDS (including the electronic form provided by an online application facility)
Application Monies	The amount accompanying an Application Form submitted by an Applicant
A-REIT	Australian real estate investment trust
ASAE	Australian Standard on Assurance Engagements
ASIC	Australian Securities and investments Commission
Associate	Has the meaning given in Division 2 of Part 1.2 of the Corporations Act as if section 12(1) of the Corporations Act included a reference to the Management Agreement and the Trust was the designated body.
ASX	ASX Limited ABN 98 008 624 691, the Australian Securities Exchange, or the market operated by it, as the context requires
ASX Settlement	ASX Settlement Pty Ltd ACN 008 504 532 or the clearing and settlement facility operated by it, as the context requires
Base Rent	The base rent component of the rent payable under a Lease of a Farming Property which is more fully described in Section 12.2.1 or, in the case of the Berry Lease relating to the Dunorlan Property, in Section 12.2.4
BerryExchange Division	means that part of the Tenants' business that operates its berry business under the name "BerryExchange" including without limitation all growing harvesting, packaging and sale of blueberries and rubus and the development, commercialisation and licensing of plant varietal rights

TERM	DEFINITION
Berry Leases	The leases of each of the Berry Properties (or, where relevant, part of a Berry Property) to CostaExchange Pty Ltd ACN 002 687 961, excluding for the avoidance of doubt those parts of the Dunorlan Property subject to the NBNC Co Leases and the Tree Farming Agreement
Berry Properties	The properties that are planted with berries and which are more particularly described in Section 3
Best Horticultural Practice	Those operational procedures designed to achieve greatest agronomic efficiency in production and maintaining an economically viable farming operation and has reference to industry practices that have been adopted in relation to land planted with similar bushes or trees from time to time
Board	The board of directors of the relevant entity
Broker	A broker appointed by the Lead Manager to act as a participating broker to the Broker Firm Offer
Broker Firm Offer	The invitation under this PDS to Retail Investors who have received a firm allocation of Units from their Broker
CAGR	Compound Annual Growth Rate
CAM	Costa Asset Management Pty Ltd ACN 079 151 894 ATF Costa Asset Management Unit Trust ACN 256 383 719
CEO	Chief Executive Officer
CGT	Capital gains tax
Citrus Leases	The farm leases of each of the Citrus Properties to AgriExchange (not including the Packshed Leases)
Citrus Properties	The properties that are planted predominately with citrus fruit and which are more particularly described in Section 3
Closing Date	The date on which the Offer is expected to close, being Tuesday, 27 July 2018
Co-Managers	Taylor Collison Limited ACN 008 172 450 and Third Party Platform Pty Ltd ACN 121 227 905 trading as 'Bell Direct'
Computershare	Computershare Investor Services Pty Ltd ACN 078 279 277
Constitution	The Constitution for the Trust dated June 2018
Control	The meaning given to it in section 50AA of the Corporations Act
Corporations Act	Corporations Act 2001 (Cth) and the regulations made under it
CostaExchange	CostaExchange Pty Ltd ACN 002 687 961
Costa Group	Costa Group Holdings Ltd ACN 151 363 129 (ASX Code: CGC)
CPI	Consumer price index
Credit Approved Term Sheet	The binding credit approved term sheet dated 17 June 2018 issued by NAB setting out the terms of the Debt Facilities
Custodian	Perpetual Corporate Trust Limited ACN 000 341 533 AFS Licence 392 673
Custodian Agreement	The agreement entered into or to be entered into between the Responsible Entity, the Leasehold Trustee, the Finance Trustee and the Custodian with respect to the arrangements to apply in connection with the holding of assets of Vitalharvest REIT
Debt Facilities	<p>The debt facilities, as proposed as at the date of this PDS, to be entered into between the Responsible Entity and NAB in respect of:</p> <ul style="list-style-type: none"> a. one loan facility of \$47.5 million with a maturity of 3 years; b. a second loan facility of \$47.5 million with a maturity of 5 years; and c. a capital expenditure facility of \$15.0 million
Deloitte Touche Tohmatsu	Deloitte Touche Tohmatsu ABN 74 490 121 060
Director	A director of the Responsible Entity
Distribution	A distribution (of either income and/or capital/corpus, as the context requires) made or to be made by the Trust
Distribution Policy	The Responsible Entity's policy for Distributions

TERM	DEFINITION
Distribution Yield	Represents the rate of return derived by dividing the Distribution per Unit by the Offer Price on a per annum basis
Driscoll's	Driscoll's Australia Pty Ltd as agent for the Driscoll's Australia Partnership
Driscoll's Australia Partnership	Driscoll's Australia Partnership ABN 32 685 595 255, being the partnership between Costa Berry Holdings Pty Ltd ACN 142 331 780 and Berry Holdings of Australia Pty Ltd ACN 108 172 425 to conduct the business of propagating and licensing certain proprietary plants in Australia and New Zealand
DRP	Distribution reinvestment plan
Dunorlan Arrangements	The leases of the Dunorlan Property (including the Berry Lease of the Dunorlan Property and the NBNCo Leases) and the Tree Farming Agreement
Dunorlan Property	The land located at Dunorlan, Tasmania and which is more particularly described in Section 3, part of which includes a Berry Property on that site
EBITDA	Earnings before interest, taxation, depreciation and amortisation
EBITDA-S	Earnings before interest, tax, depreciation, material items and fair value movements in biological assets (SGARA)
EBT	Earnings before interest and tax derived by the Tenant from the Properties, net of an imputed interest charge for capital expenditure undertaken by the Tenant on the Properties and working capital relating to the Tenants' operations at the Property
Establishment Costs	The Establishment Costs with respect to the establishment of Vitalharvest REIT, the Restructure and the Offer. Total Establishment Costs are expected to be approximately \$14.3 million (but if \$1.8 million stamp duty is not required to be paid to the Tasmanian State Revenue Office the Establishment Costs may be \$12.5 million)
Exposure Period	The seven day period after the date of this PDS with ASIC, which ASIC may extend by a further seven days
Farming Properties	The Berry Properties and Citrus Properties excluding for the avoidance of doubt the Packshed Properties, the land the subject of the NBNCo Leases and the land the subject of the Tree Farming Agreement
FFO	Funds from operations, which represents net profit adjusted for Establishment Costs and non-cash accounting adjustments such as fair value adjustments, impairment charges, depreciation, amortisation of upfront debt costs and other non-distributable items such as grant income
FFO Yield	The rate of return derived by dividing the FFO per Unit by the Offer Price of \$1.00
Final Price	The price per Unit issued under the PDS
Finance Trust	Vitalharvest Finance Trust, being a sub-trust established to enter into arrangements for the debt funding for the acquisition of the Vitalharvest Shares, the Berry Properties, Citrus Properties, Packshed Properties, Water Rights and shares in the Water Companies
Finance Trustee	Vitalharvest Finance in its capacity as trustee of the Finance Trust
Financial Information	The meaning in Section 5.1
Forecast Financial Information	The meaning in Section 5.1
Forecast Period	The period from 1 July 2017 to 30 June 2018 (inclusive)
FY or Financial Year	Financial year of the Trust from 1 July to 30 June (inclusive)
Gearing	Interest-bearing liabilities divided by the sum of the market value of the Property Portfolio plus the amount of capital expenditure paid in relation to or in respect of each asset in the Property Portfolio since the last independent valuation of that particular asset
General Offer	The invitation under this PDS to Retail Investors and members of the public not included in the Broker Firm Offer
goFARM Group	goFARM Holdings Pty Ltd ACN 161 390 058 and its subsidiaries
Grays Road Property Lease	The property lease dated 7 September 2011 for a small component of land on the Corindi farm (20.21 hectares) comprised in Folio 43/1091464 located at 212 Grays Road, Corindi, New South Wales being a Berry Property with an initial term expiring 30 June 2027 and an option to renew for a further term to 30 June 2037
Grower Deed	The agreement between the Landlord, CostaExchange and Driscoll's dated 7 October 2011

TERM	DEFINITION
Grower Sales and Agency Agreement	The agreement that may be formed between Driscoll's and Vitalharvest in circumstances where a Lease is terminated (in the form of schedule 2 to the Grower Deed subject to any amendments made to the form of the document as specified in the Grower Deed)
GST	The meaning given in section 195-1 of the A New Tax System (Goods and Services Tax) Act 1999 (Cth)
IFRS	International Financial Reporting Standards
Implementation Deed	The IPO Implementation Deed dated on or about the date of this PDS and entered into by Vitalharvest, the Leasehold Trustee, CAM, Vitalharvest Finance and the Finance Trustee
Independent Valuation Report	The report set out in Section 7
Independent Valuer or CBRE	CBRE Valuations Pty Limited ACN 008 912 641
Initial Assets	The Properties and Water Rights and the shares in the Water Companies
Initial Term	The initial term of the Management Agreement being 10 years
Institutional Investor	An investor to whom offers or invitations in respect of securities can be made without the need for a product disclosure statement (or other legal or other formality, other than a formality which the Company is willing to comply with)
Institutional Offer	The offer under the PDS to certain Institutional Investors to apply for Units
Interest Coverage Ratio	Calculated as net property income divided by interest expense for preceding 12 month period on a rolling basis
Investigating Accountant	Pitcher Partners Corporate Pty Ltd ACN 082 323 868
Investigating Accountant's Report	The report issued by the Investigating Accountant, which is set out in Section 6
IP	Intellectual property
IPO	The initial public offer of Units pursuant to the PDS
Kangara Packshed	The land on which the packshed at Kangara is located, which is adjacent to land at the Citrus Property known as Kangara farm which is more particularly described in Section 3
KCW	Kangara Community Water Pty Ltd ACN 604 033 114
KCW Land	The properties owned by KCW and more particularly described as the land comprised in Folio 6183/611
KD	Kathleen Drive Pty Ltd ACN 002 610 586
KD Land	The properties owned by KD and more particularly described as the land comprised in Volume 1355/819010 and 905/703783.
Kingston Vineyards	Kingston Vineyards Pty Ltd ACN 080 860 555
Land Assets	the relevant Property and improvements, Landlord fixtures, fittings and chattels, including without limitation trees or bushes, irrigation infrastructure, capital works, paved roads, and fencing and the applicable water licences
Landlord	Vitalharvest
Lead Manager	Bell Potter Securities Limited ACN 006 390 772 AFSL 243480
Leasehold Trust	Vitalharvest Leasehold Trust, being a sub-trust established to hold the Initial Assets
Leasehold Trustee	Vitalharvest in its capacity as trustee of the Leasehold Trust
Leases	The Berry Leases and the Citrus Leases
Lessee(s)	The Tenant(s) and other parties who enter into lease agreements for occupancy of properties in the Property Portfolio
Listing	Listing of the Trust on ASX
Listing Rules	The official Listing rules of ASX from time to time as modified by any express written confirmation, waiver or exemption given by ASX
Loan to Value Ratio or LVR	The interest-bearing liabilities divided by the external market value of the Property Portfolio
Management Agreement	The management agreement between the Responsible Entity and the Manager dated on or about 29 June 2018
Manager	goFARM Asset Management Pty Ltd ACN 625 505 455

TERM	DEFINITION
Minimum Final Price	\$1.00 per Unit issued under the Offer
Minimum Subscription	\$185.0 million
ML	Mega Litre
NAB	National Australia Bank Limited ACN 004 044 937
NAV or Net Asset Value	The total assets of the Trust less the total liabilities of the Trust as at the relevant time
NBNCo	NBNCo Ltd ACN 136 533 741
NBNCo Leases	The leases to NBNCo of part of the Dunorlan Property
Non-Farming Properties	The Packshed Properties, the land the subject of the NBNCo Leases and the land the subject of the Tree Farming Agreement
NPAT	Net profit after tax
NSW	New South Wales
Offer	The offer of Units under this PDS, including the Institutional Offer, the Priority Offer, the General Offer and Broker Firm Offer
Offer Management Agreement	The offer management agreement dated 29 June 2018 between the Responsible Entity, the Manager and the Lead Manager
Offer Period	The period between the Opening Date and the Closing Date
Offer Price	\$1.00 per Unit
Official Quotation	The admission of the Trust to the official list of the ASX and the quotation of units in the Trust on the ASX Officially Quoted has a similar meaning
Opening Date	The date on which the Offer will open, being 16 July 2018
Packshed Leases	The lease of the Kangara Packshed to AgriExchange Murtho Pty Ltd ACN 093 583 049, a wholly-owned subsidiary of AgriExchange and the lease of the Solora Packshed to AgriExchange
Packshed Properties	The land the subject of the Packshed Leases
PBR Bushes	The berry plant varieties that are planted at the Properties and the subject of intellectual property rights owned by CostaExchange or by Driscoll's and licensed to Costa Exchange, as the case requires
PDS	This product disclosure statement issued by the Responsible Entity
Perpetual	Perpetual Limited ACN 000 431 827 (ASX:PPT)
Pitcher Partners	Referred to in its capacity as auditor of Vitalharvest
Plantings	The bushes and trees located on the Properties at the inception of the Leases and further bushes and trees planted subsequently to the commencement of the Leases
Priority Offer	The offer under the PDS to selected investors who have been made an offer by the Responsible Entity
Privacy Act	The Privacy Act 1988 (Cth)
Proceeds	The amount raised under the IPO (being the total of all Application Monies not including any Broker service fees)
Pro Forma	Hypothetical financial information prepared under a given set of assumptions
Pro Forma Balance Sheet	The unaudited Pro Forma balance sheet as at 31 December 2017 as set out in Section 5.3.7, assuming completion of the Offer
Properties	The Farming Properties and Non-Farming Properties
Property Portfolio	At the date of this PDS, the Properties to be acquired as part of the Restructure and subsequently, the Properties and any properties acquired subsequent to the date of the Restructure
Registry	Computershare Investor Services Pty Ltd
Registry Services Agreement	The agreement entered into or to be entered into between the Responsible Entity and the Registry with respect to registry functions
Rent	The total rent payable under a Lease comprising of the Base Rent plus the Variable Rent

TERM	DEFINITION
Responsible Entity	The responsible entity of the Trust from time to time, being, at the date of this PDS, The Trust Company (RE Services) Limited ACN 003 278 831 AFSL 235150
Restructure	The adoption and implementation of the Transactions as proposed as at the date of this PDS and as contemplated in the Implementation Deed (set out in Section 2.1)
Retail Applicants	Applicants who are Retail Investors
Retail Investor	Investors who are not Institutional Investors
RITC	Reduced Input Tax Credit
SA	South Australia
SA Minister	The person holding the position of South Australian Minister for Agriculture, Food and Fisheries from time to time
Section	A numbered section of this PDS
Settlement	Settlement in respect of the Units the subject of the Offer Management Agreement and associated settlement support agreements
Settlement Date	The day of settlement for the Offer
Settlement Operating Rules	The operating rules of ASX Settlement and, to the extent they are applicable, the operating rules of each of ASX and the clearing and settlement facility operated by ASX Clear Pty Ltd ACN 001 314 503
SGARA	Self-generating and regenerating assets
Solara Packshed	The packshed located on land at the Citrus Property known as Solara farm which is more particularly described in Section 3
Successful Applicants	An Applicant issued Units under the Offer
Tenant	In respect of: the Berry Leases (including the Berry Lease of the Dunorlan Property where the context requires) means CostaExchange; and the Citrus Leases means AgriExchange, each a wholly-owned subsidiary of Costa Group
TFN	Tax file number
TFOST	The Trust Company (Australia) Limited as trustee for the Tasmanian Forest Operating Sub Trust
Transaction	The transactions undertaken or to be undertaken in relation to the Restructure, each of which are as set out in the Implementation Deed
Tree Farming Agreement	The agreement dated 28 August 2002 between Vitalharvest and TFOST (having been novated to TFOST in 2014) relating to the cultivation of trees on part of the Dunorlan Property
Trust	Vitalharvest Freehold Trust ARSN 626 537 362 (and includes the Trust acting through the Leasehold Trust and/or the Finance Trust or any other sub-trusts holding assets of the Trust, as the context requires)
Trust Information Line	1300 117 902 (within Australia) +61 3 9415 4055 (outside Australia) between 8.30am and 5.00pm AEST on business days during the Offer Period
Trust GAV	The total value of the assets of the Trust based on the audited accounts for the Trust prepared on a consolidated basis in accordance with AASB 140 and AASB 116 at the applicable time (and adjusted for the accounting treatment of Water Rights)
Unit	A Unit in the Trust
Unitholder	A registered holder of one or more Units
US	United States of America
Variable Rent	The Variable Rent component of the rent payable under a Lease of a Farming Property which is more fully described in Section 12.2.1
Vendor	CAM

TERM	DEFINITION
Vitalharvest	Vitalharvest Pty Ltd ACN 140 954 874 in its personal capacity prior to the completion of the Restructure and upon and after completion of the Restructure in its capacity as trustee of the Leasehold Trust
Vitalharvest Finance	means Vitalharvest Finance Pty Ltd ACN 626 149 329
Vitalharvest REIT	means the Trust including, if the context requires, the Leasehold Trust and/or the Finance Trust or any other sub-trust through which the Trust invests
Vitalharvest Share Sale Agreement	The Share Sale Agreement between Vitalharvest, CAM and Vitalharvest Finance for the sale of all of the Vitalharvest Shares to be entered into as part of the Restructure as provided by the Implementation Deed
Vitalharvest Shares	All of the issued share capital in Vitalharvest
WACR	Weighted average capitalisation rate
WAL	Water Access Licence(s)
WALE	Weighted average lease expiry as at the date of this PDS, except the third term of the Dunorlan Lease
Water Companies	The companies, being KD and KCW, that hold water rights and entitlements relevant to the Properties and certain land on which dams are located, in which Vitalharvest holds shares (64.8% in the case of KCW and 78% of A Class Shares and 88% B Class Shares in the case of KD)
Water Management Agreement	The Water Management Agreement between Vitalharvest, Kingston Vineyards Pty Ltd ACN 080 860 555 and KCW, dated 8 April 2015
Water Rights	All of the water rights and entitlements attaching to the relevant Properties that Vitalharvest owns directly
Yandilla Packshed	The packshed located on land that is owned by CostaExchange

CORPORATE DIRECTORY – Vitalharvest Freehold Trust

RESPONSIBLE ENTITY

The Trust Company (RE Services) Limited
Level 18, Angel Place
123 Pitt Street
Sydney 2001 NSW Australia

MANAGER

goFARM Asset Management Pty Ltd
1-11 Amsterdam Street
Richmond VIC 3121 Australia

CORPORATE ADVISER

Kidder Williams Ltd
Level 48, 120 Collins Street
Melbourne VIC 3000 Australia

LEAD MANAGER

Bell Potter Securities Limited
Level 29, 101 Collins Street
Melbourne VIC 3000 Australia

CO-MANAGERS

Taylor Collison Limited
Level 16, 211 Victoria Square
Adelaide, South Australia 5000

Third Party Platform Pty Ltd
trading as 'Bell Direct'
GPO Box 1630
Sydney, NSW 2001

REGISTRY

Computershare Investor Services Pty Ltd
Yarra Falls 452 Johnston Street
Abbotsford VIC 3067 Australia

AUSTRALIAN LEGAL ADVISER

MinterEllison
Level 23, Rialto Towers
525 Collins Street
Melbourne VIC 3000 Australia

INVESTIGATING ACCOUNTANT

Pitcher Partners Corporate Pty Ltd
Level 13, 664 Collins Street
Docklands VIC 3008 Australia

TRUST AUDITOR

Deloitte Touche Tohmatsu
550 Bourke Street
Melbourne VIC 3000 Australia

TAXATION ADVISER

Pitcher Partners Advisors Pty Ltd
Level 13, 664 Collins Street
Docklands VIC 3008 Australia

TRUST INFORMATION LINE

1300 117 902 (within Australia)
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