



ASX
RELEASE

14 October 2014

**MIRVAC INDUSTRIAL TRUST
EXPLANATORY MEMORANDUM AND NOTICE OF MEETING**

Mirvac Funds Management Limited ("MFML"), the responsible entity for Mirvac Industrial Trust, [ASX: MIX] (the "Trust" or "MIX") today announced the release of the attached Notice of Meeting and Explanatory Memorandum in respect of a MIX Unitholder meeting to consider the proposal by AustFunding Pty Ltd, a subsidiary of The Goldman Sachs Group, Inc., to acquire all of the units on issue in MIX (the "Proposal").

A copy of the Explanatory Memorandum is expected to be mailed to MIX Unitholders on or around 27 October 2014.

The Independent Expert, Deloitte Corporate Finance Pty Limited, has concluded that in its opinion, the Proposal is fair and reasonable and in the best interests of MIX Unitholders.

The Directors of MFML believe the Proposal is in the best interests of MIX Unitholders and unanimously recommend that MIX Unitholders vote in favour of the Proposal, in the absence of a superior proposal.

The Meeting to vote on the Proposal will be held at 10.00am (Sydney Time) on Wednesday, 19 November 2014 at Allens, Level 28, Deutsche Bank Place, Corner of Hunter and Phillip Streets, Sydney.

For further information, please contact:

MIX Unitholder Enquiries:
MIX Information Line
+61 1300 363 917

Nicholas Blake
General Manager, Mirvac Industrial Trust
T: +61 2 9080 8000

Andrew Butler
Group Executive, Office & Industrial
T: +61 2 9080 8000

Level 26
60 Margaret Street
Sydney NSW 2000
Australia

T +61 2 9080 8000
www.mirvac.com
Mirvac Limited
ABN 92 003 280 699

Mirvac Funds Limited
ABN 70 002 561 640
AFSL 233121
Mirvac Wholesale Funds
Management Limited
ABN 36 076 204 727

Mirvac Funds
Management Limited
ABN 78 067 417 663
AFSL 220718

Mirvac Real Estate Pty Ltd
ABN 65 003 342 452
Mirvac Capital
Investments Pty Limited
ABN 86 093 644 252

MIRVAC INDUSTRIAL TRUST

EXPLANATORY MEMORANDUM

AND NOTICE OF MEETING

In relation to the proposed acquisition by the Acquirer of all Mirvac Industrial Trust Units. This is an important document and requires your immediate attention. You should read this document in its entirety before deciding how to vote. If you are in any doubt about what to do, you should consult your legal, investment, taxation or other professional adviser.

**YOUR DIRECTORS UNANIMOUSLY RECOMMEND
THAT YOU VOTE IN FAVOUR OF THE PROPOSAL,
IN THE ABSENCE OF A SUPERIOR PROPOSAL.**

Mirvac Funds Management Limited (ABN 78 067 417 663) (AFSL 220 718)
as responsible entity of Mirvac Industrial Trust (ARSN 113 489 624) (ASX: MIX).

IMPORTANT NOTICES

This Explanatory Memorandum is issued by Mirvac Funds Management Limited in its capacity as responsible entity of Mirvac Industrial Trust (**MFML**).

THIS EXPLANATORY MEMORANDUM

This Explanatory Memorandum provides MIX Unitholders with information about the proposed acquisition of all Scheme Units on issue as at 28 November 2014 by AustFunding Pty Ltd (**Acquirer**), a subsidiary of The Goldman Sachs Group, Inc. The Notice of Meeting is included as Annexure A and a copy of the proposed Supplemental Deed (to implement the Proposal) is included as Annexure C.

You should read this Explanatory Memorandum in its entirety before making a decision as to how to vote on the Scheme Resolutions to be considered at the Meeting and, if necessary, consult your investment, tax, legal or other professional adviser.

DEFINED TERMS

Capitalised terms used in this document have the meaning given to them in the Glossary.

DISCLAIMER

None of the entities noted in this document is an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Cth).

The historical information is derived from sources believed to be accurate at the date of this Explanatory Memorandum. However, no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of any information, opinion or conclusion contained in this Explanatory Memorandum. To the maximum extent permitted by law, neither MFML nor any of its Directors, officers, employees, agents, advisers or intermediaries, nor any other person accepts any liability for any loss arising from the use of this Explanatory Memorandum or its contents or otherwise arising in connection with it, including, without limitation, any liability from fault or negligence on their part.

The historical information in this Explanatory Memorandum is, or is based upon, information that has been released to the market. It should be read in conjunction with other periodic and continuous disclosure announcements of the Mirvac Industrial Trust (**MIX**), including the MIX full year financial results for the year ended 30 June 2014 lodged with ASX Limited (**ASX**) on 21 August 2014, the MIX half year financial results for the period ended 31 December 2013 lodged with the ASX on 20 February 2014 and announcements to the ASX available at www.asx.com.au.

The information in this Explanatory Memorandum remains subject to change without notice. MFML reserves the right to withdraw or vary the timetable for the Proposal without notice. The pro forma financial information provided in this Explanatory Memorandum is for illustrative purposes only and is not represented as being indicative of MIX's views on its future financial condition and/or performance.

NO INVESTMENT ADVICE

This Explanatory Memorandum does not constitute financial product advice and does not and will not form any part of any contract for the acquisition of Scheme Units.

This Explanatory Memorandum has been prepared without taking account of any person's investment objectives, financial situation or particular needs. MIX Unitholders should seek independent financial and taxation advice before making any investment decision in relation to the Proposal or how to vote in respect of the Proposal.

ASIC AND ASX INVOLVEMENT

A copy of this Explanatory Memorandum (including the Independent Expert's Report) has been provided to ASIC for the purpose of Regulatory Guide 74. Neither ASIC nor any of its officers takes any responsibility for the contents of this Explanatory Memorandum.

A copy of this Explanatory Memorandum will be lodged with the ASX. Neither the ASX nor any of its officers takes any responsibility for the content of this Explanatory Memorandum.

COURT INVOLVEMENT

The Court provided the First Judicial Advice on 14 October 2014. The Court's provision of the First Judicial Advice is not and should not be treated as an endorsement by the Court of, or any other expression of opinion by the Court on, the Proposal. In particular, the Court's provision of the First Judicial Advice does not mean that the Court:

- > has formed any view as to the merits of the Proposal or as to how MIX Unitholders should vote (on this matter MIX Unitholders must reach their own decision); or
- > has prepared, or is responsible for, the content of this Explanatory Memorandum.

RESPONSIBILITY FOR INFORMATION

Except as outlined below, the information contained in this Explanatory Memorandum has been provided by MFML and is the responsibility of MFML. Except as outlined below, neither the Acquirer nor any of its respective directors, employees, officers or advisers assume any responsibility for the accuracy or completeness of any such information.

The Acquirer has provided and is solely responsible for Section 6 of this Explanatory Memorandum, including information as to the funding arrangements it has made to provide the Scheme Payment and information as to the Acquirer's opinions, views and intentions in relation to MIX (except to the extent that information is based on information about MIX, for which MFML takes responsibility). Neither the Acquirer nor any of its directors, officers or advisers assume any responsibility for the accuracy or completeness of the information contained in this Explanatory Memorandum, other than the information contained in section 6. To the maximum extent permitted by law, neither the Acquirer nor any of its respective directors, officers, employees, agents, advisers or intermediaries, nor any other person, accepts any liability for any loss arising from the use of this Explanatory Memorandum or its contents or otherwise arising in connection with it, including without limitation any liability for fault or negligence on their part. While the Acquirer has provided the information in Section 6, no other Goldman Sachs Group member has provided information in this Explanatory Memorandum and no other Goldman Sachs Group member, nor any of their respective directors, officers or advisers assumes any responsibility for the accuracy or completeness of any of the information contained in this Explanatory Memorandum. None of MFML or any of its respective directors, officers or advisers assume any responsibility for the accuracy or completeness of Section 6 of this Explanatory Memorandum.

The Independent Expert has provided and is responsible for the information contained in Annexure B of this Explanatory Memorandum. The Independent Expert does not assume any responsibility for the accuracy or completeness of the information contained in this Explanatory Memorandum other than that contained in Annexure B. Neither MFML, the Acquirer, nor any of their respective directors, officers, employees, agents, advisers or intermediaries assumes any responsibility for the accuracy or completeness of the information contained in Annexure B.

PricewaterhouseCoopers has provided and is responsible for the Tax Report. PricewaterhouseCoopers is not responsible for any other information in this Explanatory Memorandum. Neither MFML, the Acquirer, nor any of their respective directors, officers, employees, agents, advisers or intermediaries assumes any responsibility for the accuracy or completeness of the information contained in the Tax Report included in this Explanatory Memorandum.

PRIVACY AND PERSONAL INFORMATION

MFML and the Acquirer may collect personal information in the process of implementing the Proposal. The personal information may include the names, contact details and details of holdings of MIX Unitholders, plus contact details of individuals appointed by MIX Unitholders as proxies, corporate representatives or attorneys

at the Meeting. The primary purpose of collecting such personal information is to assist MFML and the Acquirer in implementing the Proposal. If the information outlined above is not collected, MFML may be hindered in issuing this Explanatory Memorandum and implementing the Scheme. Personal information of the type described above may be disclosed to the Registry, print and mail service providers and MFML and the Acquirer.

If you would like to obtain details of information about you held by MFML, please contact the Registry.

DISCLOSURES REGARDING FORWARD LOOKING STATEMENTS

This Explanatory Memorandum contains certain "forward looking statements". Forward looking statements can generally be identified by the use of the forward looking words such as "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "will", "might", "could", "may", "target", "plan" and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on future earnings, distributions or financial position or performance are also forward looking statements. The forward looking statements contained in this Explanatory Memorandum involve known and unknown risks and uncertainties, assumptions and other factors, many of which are beyond the control of MFML, and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. Actual outcomes, results, performance, achievements or other estimates may differ from the anticipated results, performance, achievements or amounts expressed, projected or implied by these forward looking statements. Deviations as to future results, performance and achievements are both normal and to be expected. The forward looking statements included in this Explanatory Memorandum are made only as at the date of this Explanatory Memorandum. None of MFML or any of its respective Directors, officers or advisers gives any representation, assurance or guarantee to MIX Unitholders that any forward looking statements will actually occur or be achieved. MIX Unitholders are cautioned not to place undue reliance on such forward looking statements.

NOTICE TO OVERSEAS MIX UNITHOLDERS

This Explanatory Memorandum and the Proposal are subject to Australian disclosure requirements, which may be different from the requirements applicable in other jurisdictions. The financial information included in this document is based on financial statements that have been prepared by management of MIX in accordance with Australian equivalents to International Financial Reporting Standards, which may differ from generally accepted accounting principles in other jurisdictions (unless otherwise specified). This Explanatory Memorandum and the Proposal do not in any way constitute an offer of securities in any jurisdiction.

EFFECT OF ROUNDING

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Explanatory Memorandum are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Explanatory Memorandum.

CURRENCY AND FINANCIAL DATA

Unless stated otherwise, all dollar values are in Australian dollars (**A\$**) and financial date is presented as at the date stated.

TIME

Unless stated otherwise, all references to times are to Sydney Time.

DATE

This Explanatory Memorandum is dated 14 October 2014.

CONTENTS

Proposal Summary	02
Key Dates	03
Chairman's Letter	04
What do I need to do	06
1. Meeting Details and How to Vote	07
2. Evaluation of the Proposal.....	09
3. Frequently Asked Questions.....	11
4. Details of the Proposal	14
5. Information Regarding MIX	21
6. Information Regarding the Acquirer	27
7. Tax Report	29
8. Additional Information.....	34
9. Glossary.....	39
Annexure A - Notice of Meeting.....	41
Annexure B - Independent Expert's Report	42
Annexure C - Supplemental Deed Poll.....	96
Annexure D - Deed Poll	107

PROPOSAL SUMMARY

This is a high level summary of the Proposal. You should read this Explanatory Memorandum and the Independent Expert's Report in their entirety before making a decision on how to vote in relation to the Proposal.

- › The Proposal involves the acquisition of all Scheme Units by the Acquirer, the payment of the Scheme Consideration to Scheme Unitholders and the delisting of MIX.
- › The Proposal represents the culmination of the strategy announced in February 2013 to sell non-core assets and realign the Portfolio to position it for a potential future sale to maximise MIX Unitholder value.
- › The Scheme Consideration is estimated to be A\$0.214 per MIX Unit, based on an A\$/US\$ exchange rate of 0.8973 as at 18 September 2014 and assumed Transaction Costs amounts.
- › The actual Scheme Consideration amount distributed to Scheme Unitholders will be subject to the spot/prevaling exchange rate quoted to the Registry on the Implementation Date, and any Transaction Costs Adjustment.
- › The Proposal is subject to requisite MIX Unitholder approval, including by way of Special Resolution, and the satisfaction of Conditions Precedent.
- › The Mirvac Group is not receiving any additional payment or other form of consideration under the Proposal in relation to MFML's management rights or any other potential fees that may arise in respect of MIX. MFML will continue to be paid the management fee for managing MIX, such management fee will accrue up until the last day of the month occurring on or before the Implementation Date.

If you have any questions in relation to the Proposal, please contact the MIX information line on +61 1300 363 917 (within and outside Australia), Monday to Friday between 8:30am and 5:30pm (Sydney Time) or visit MIX's website at www.mirvac.com/mix.

KEY DATES

FOR THE PROPOSAL

EVENT	DATE
Last date/time for acceptance of Proxy Forms for the Meeting to vote on Scheme Resolutions	10:00am (Sydney Time) on 17 November 2014
Record date for determining voting entitlement	7:00pm (Sydney Time) on 17 November 2014
MIX Unitholders Meeting	10:00am (Sydney Time) on 19 November 2014
Second Judicial Advice Date	21 November 2014

If MIX Unitholders approve the Proposal at the Meeting and the Court provides the Second Judicial Advice on the Second Judicial Advice Date, the following timetable is proposed for the implementation:

EVENT	DATE
Effective Date - The date on which the amendments to the MIX Constitution come into effect in order to give effect to the Proposal	21 November 2014
Last day of trading of MIX Units on the ASX	
Record Date - All MIX Unitholders who hold Scheme Units on the Record Date will be entitled to receive the Scheme Consideration	28 November 2014
Implementation Date - The date on which the Proposal will come into effect	3 December 2014
Dispatch of Scheme Consideration - The date on which the Scheme Consideration will be dispatched to MIX Unitholders	8 December 2014

All dates and times are indicative only and are subject to change. Unless otherwise specified, all dates and times refer to Sydney Time. Any changes to the above timetable will be announced to the ASX and notified on MIX's website at www.mirvac.com/mix.

CHAIRMAN'S LETTER

14 October 2014

Dear MIX Unitholder,

On 19 September 2014, Mirvac Funds Management Limited in its capacity as responsible entity of MIX (**MFML**), announced that it had entered into a Scheme Implementation Agreement with AustFunding Pty Ltd (**Acquirer**), a subsidiary of The Goldman Sachs Group, Inc., in relation to a trust scheme under which the Acquirer will acquire all of the MIX Units upon Scheme implementation (the **Proposal**).

If approved by MIX Unitholders at the Meeting on 19 November 2014, along with the satisfaction of other conditions, the Proposal will effect the transfer of all MIX Units for cash consideration of approximately A\$0.214 per MIX Unit¹.

BACKGROUND TO THE PROPOSAL

In February 2013, MFML announced a strategic plan to sell non-core assets and realign the Portfolio to position it for a potential future sale in order to maximise MIX Unitholder value. On 28 May 2014, MFML announced the sale of the remaining four non-core assets, delivering a realigned portfolio of 24 B-grade, Chicago centric, industrial assets, and the commencement of a formal expression of interest (**EOI**) campaign to realise all of the MIX Units listed on the ASX. The Proposal represents the culmination of this strategy and the EOI campaign.

MFML, with the assistance of Macquarie Capital (Australia) Limited and Chicago property specialists, CBRE Group, Inc., canvassed in excess of 50 market participants to participate in the EOI process, including the Acquirer. The decision to unanimously recommend the Proposal outlined in this Explanatory Memorandum followed a period of negotiation with the Acquirer to realise the highest price available, and consideration of alternatives available to maximise MIX Unitholder value. This resulted in the entry into the Scheme Implementation Agreement under which the parties have agreed to pursue this Proposal.

DIRECTORS' RECOMMENDATION

After careful consideration of the Proposal, the Directors have concluded that the Proposal is in the best interests of MIX Unitholders and provides the opportunity to receive immediate value in cash for Scheme Units. The Directors therefore **unanimously recommend that MIX Unitholders vote in favour of the Proposal, in the absence of a Superior Proposal**.

In reaching this conclusion, the Directors examined a range of alternatives. These included:

- › MIX remaining as a standalone, ASX-listed entity with management continuing to manage the Portfolio and addressing upcoming debt maturities;
- › realising the Portfolio via a sale or strategic transaction in the future;
- › realising the Portfolio via asset sales followed by a wind-up of MIX;
- › recapitalising MIX through an equity raising and pursuing a growth strategy; and
- › pursuing alternative offers received during the EOI campaign and the value they might represent.

Section 4.4 of this Explanatory Memorandum contains further details about the alternatives considered by the Directors.

The Directors have also taken into account the following factors:

- › the estimated Scheme Consideration of A\$0.214 per MIX Unit¹ represents a 22.0% premium to the closing price of A\$0.175 on 18 September 2014 (the trading day prior to the execution of the Scheme Implementation Agreement), a 22.8% premium to the one month VWAP of A\$0.174 to 18 September 2014, and a 25.8% premium to the three month VWAP of A\$0.170 to 18 September 2014;
- › the estimated Scheme Consideration of A\$0.214 per MIX Unit¹ represents a 33.5% premium to the closing price of A\$0.160 on 27 May 2014 (the trading day prior to the announcement of the EOI campaign), a 32.3% premium to the one month VWAP of A\$0.161 to 27 May 2014, and a 30.7% premium to the three month VWAP of A\$0.163 to 27 May 2014;
- › the estimated Scheme Consideration of A\$0.214 per MIX Unit¹ represents a 3.2% premium to the 30 June 2014 pro forma NTA of A\$0.207²;
- › the Independent Expert has concluded that the Proposal is fair and reasonable and in the best interests of MIX Unitholders, in the absence of a Superior Proposal;
- › the Proposal was derived from an EOI process which the Directors believe comprehensively tested the market;
- › no Superior Proposal has emerged since the announcement of the Proposal;
- › the Proposal provides MIX Unitholders with the opportunity to receive immediate value in cash;
- › the need to refinance the ING Facilities on or prior to their maturity date on 1 March 2016; and
- › the ability of MIX to pay distributions in the future.

The reasons that you may vote against the Proposal include:

- › you may disagree with the recommendation of the Directors;
- › you may disagree with the Independent Expert;
- › you may wish to retain your exposure to the Portfolio and the benefits and risks of being invested in Chicago industrial real estate via an ASX-listed REIT;
- › you may be exposed to potential tax consequences depending on your own individual tax position; or
- › you may believe that a Superior Proposal may emerge.

¹ Based on the A\$/US\$ exchange rate of 0.8973 as at 18 September 2014 and assumed Transaction Costs amounts. The amount ultimately received by Scheme Unitholders will depend in part on the A\$/US\$ exchange rate to be applied to the Scheme Payment, and any Transaction Costs Adjustment (refer Section 4.5).

² Taking into account the Touhy asset sale which settled on 2 October 2014 (US time) and movement in the A\$/US\$ exchange rate (refer Section 5.7).

INDEPENDENT EXPERT'S CONCLUSION

Deloitte Corporate Finance Pty Limited is the Independent Expert and has concluded that the Proposal is fair and reasonable and in the best interests of MIX Unitholders, in the absence of a Superior Proposal.

Further detail, including the reasons for its opinions, is contained in the Independent Expert's Report set out in Annexure B of this Explanatory Memorandum.

MIRVAC GROUP SUPPORTS THE PROPOSAL

Mirvac Group as MIX's largest Unitholder and owner of MFML, has indicated that it supports the Proposal, and that its current intention is to vote in favour of the Proposal, in the absence of a superior proposal, to the extent that it is permitted to vote¹. The Proposal reflects Mirvac Group's intention to support the best commercial outcome for all MIX Unitholders, and in the context of the current Proposal, Mirvac Group confirms it intends to sell its units in MIX only into a MFML Board recommended proposal that is in the best interests of MIX Unitholders.

NEXT STEPS

The Proposal will only proceed if approved by MIX Unitholders at a Meeting to be held at Allens, Level 28, Deutsche Bank Place, Corner of Hunter and Phillip Streets, Sydney NSW 2000, commencing at 10:00am (Sydney Time) on 19 November 2014, along with the satisfaction of certain other conditions.

MIX Unitholders are encouraged to attend the Meeting and vote in favour of the Scheme Resolutions. You may also vote by returning the enclosed Proxy Form in accordance with the instructions on the form.

This Explanatory Memorandum contains important information in relation to the Proposal, including the reasons for the Directors' recommendation and a summary of the advantages, disadvantages and risks associated with the Proposal. Please read this Explanatory Memorandum carefully and, if necessary, consult your investment, tax, legal or other professional adviser before voting on the Scheme Resolutions.

If you have any questions in relation to the Proposal, please contact the MIX information line on +61 1300 363 917 (within and outside Australia), Monday to Friday between 8:30am and 5:30pm (Sydney Time) or visit MIX's website at www.mirvac.com/mix.

Yours sincerely,



Paul Barker
Chairman

¹ Mirvac Group is an associate of MFML and, as such, may be restricted under section 253E of the Corporations Act from voting on the resolutions to approve the transaction to the extent that it has an interest in the resolutions other than as a member. Whether or not Mirvac is permitted to vote will be determined by MFML.

1

STEP 1 – CAREFULLY READ THIS EXPLANATORY MEMORANDUM

This Explanatory Memorandum is an important document and you should read it carefully and in its entirety before making a decision on how to vote at the Meeting.

If you have any questions in relation to the Proposal, please contact the MIX information line on +61 1300 363 917 (within and outside Australia), Monday to Friday between 8.30am and 5.30pm (Sydney Time) or visit MIX's website at www.mirvac.com/mix.

If you have any doubts as to the actions you should take or you have further questions, please consult with your investment, tax, legal or other professional adviser.

2

STEP 2 – VOTE ON THE SCHEME RESOLUTIONS

As a MIX Unitholder, you are entitled to vote on whether the Proposal should proceed at the Meeting. This is your opportunity to play a role in deciding the future of MIX.

The Meeting is scheduled for 19 November 2014 at Allens, Level 28, Deutsche Bank Place, Corner of Hunter and Phillip Streets, Sydney NSW 2000, commencing at 10:00am (Sydney Time).

You can vote on the Scheme Resolutions either by attending the Meeting (or having your attorney, or in the case of a body corporate, a corporate representative attend) or by completing and returning the Proxy Form accompanying this Explanatory Memorandum. Proxy Forms must be received by 10:00am (Sydney Time) on 17 November 2014.

For details on how to complete and lodge the Proxy Form, please refer to the instructions on your Proxy Form. For details on having your attorney or corporate representative attend the Meeting, please refer to Section 4.12 of this Explanatory Memorandum.

1

MEETING DETAILS AND HOW TO VOTE

1.1 NOTICE OF MEETING

A copy of the Notice of Meeting is set out in Annexure A to this Explanatory Memorandum.

1.2 LOCATION AND DETAILS OF MEETING

The details of the Meeting are as follows:

Location: Allens, Level 28, Deutsche Bank Place,
Corner of Hunter and Phillip Streets,
Sydney NSW 2000

Date: 19 November 2014

Time: 10:00am (Sydney Time)

1.3 WHAT IS THE BUSINESS OF THE MEETING?

MIX Unitholders will be asked to consider and, if thought fit, approve the Scheme Resolutions which must be passed as a condition to implementation of the Proposal. Full details of the Scheme Resolutions are set out in Section 4.8 of this Explanatory Memorandum and the Notice of Meeting.

1.4 WHO IS ENTITLED TO VOTE AT THE MEETING?

All MIX Unitholders on the Register at 7:00pm (Sydney Time) on 17 November 2014 are entitled to vote on the Scheme Resolutions (subject to the voting exclusions set out in Section 4.12 of this Explanatory Memorandum).

1.5 WHAT ARE THE VOTING MAJORITIES REQUIRED TO PASS THE SCHEME RESOLUTIONS?

The requisite majorities required in order to pass the Scheme Resolutions are described in Section 4.8 of this Explanatory Memorandum.

1.6 IS VOTING COMPULSORY?

No, although your vote is important and the Directors encourage you to exercise your right to vote.

In order for the Proposal to proceed, both Scheme Resolutions must be approved by the requisite majorities of MIX Unitholders present and voting – the requisite majorities for the Meeting are set out in Section 4.8 of this Explanatory Memorandum. You should note that even though voting is not compulsory, if the requisite majorities of MIX Unitholders approve the Scheme Resolutions, and other relevant conditions are satisfied or waived, the Proposal will proceed and be binding on all MIX Unitholders. If either of the Scheme Resolutions is not passed by the requisite majority, the Proposal will not proceed.

The Directors unanimously recommend that you vote in favour of the Proposal, in the absence of a Superior Proposal.

If you are unable to attend the Meeting, the Directors urge you to vote in any of the following ways:

- > online via the Trust's website at www.mirvac.com/mix following the prompts and instructions given there;
- > by post: using the reply paid envelop or mailing your Proxy Form to Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235;
- > by facsimile: +61 2 9287 0309; or
- > by hand delivery: Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138.

Instructions about the Meeting and how to vote are set out in Section 4.12 of this Explanatory Memorandum.

1.7 VOTING IN PERSON, BY ATTORNEY OR CORPORATE REPRESENTATIVE

Details about how to vote in person, by attorney or corporate representative are set out in the Notice of Meeting.

If you wish to vote in person, you must attend the Meeting.

If you cannot attend the Meeting, you may vote by proxy, attorney or if you are a body corporate, by appointing a corporate representative.

Attorneys who plan to attend the Meeting should bring with them the original or a certified copy of the power of attorney under which they have been authorised to attend and vote at the Meeting.

A body corporate which is a MIX Unitholder may appoint an individual to act as its corporate representative. The appointment must comply with the requirements of section 253B of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

1.8 VOTING BY PROXY

A MIX Unitholder has the right to appoint a proxy to attend and vote at the Meeting on their behalf. Details about appointing a proxy are included in the Notice of Meeting and the Proxy Forms accompanying this Explanatory Memorandum.

A proxy does not need to be a member of MIX, and you may appoint the Chairman of the Meeting as your proxy. A MIX Unitholder may appoint up to two proxies, and if so, may specify the proportion or number of votes each proxy is appointed to exercise.

If you appoint two proxies and do not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half the votes. The Proxy Form, which accompanies this Explanatory Memorandum, includes instructions on how to vote and appoint a proxy.

TO BE VALID, PROXY FORMS MUST BE RECEIVED BY THE REGISTRY NO LATER THAN 10:00AM (SYDNEY TIME) ON 17 NOVEMBER 2014, THAT IS, 48 HOURS BEFORE THE MEETING.

Proxy Forms may be lodged in any of the following ways:

- > online via the Trust's website at www.mirvac.com/mix following the prompts and instructions given there;
- > by post: using the reply paid envelop or mailing your Proxy Form to Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235;
- > by facsimile: +61 2 9287 0309; or
- > by hand delivery: Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138.

If you appoint the Chairman of the Meeting as your proxy and you do not specifically direct how your proxy is to vote on a Scheme Resolution, the Chairman of the Meeting will exercise your votes in favour of the Scheme Resolutions.

If your attorney executes the Proxy Form on your behalf, the power of attorney pursuant to which they act must have been previously provided to the Registry or a certified copy must be lodged along with your Proxy Form.

1.9 ADDITIONAL INFORMATION

If, after reading this Explanatory Memorandum, you have any questions about the Proposal, please call the MIX information line on +61 1300 363 917 (within and outside Australia), Monday to Friday between 8:30am and 5:30pm (Sydney Time) or visit MIX's website at www.mirvac.com/mix.

2

EVALUATION OF THE PROPOSAL

2.1 REASONS TO VOTE FOR THE PROPOSAL

The Directors unanimously recommend that you vote in favour of the Proposal, in the absence of a Superior Proposal

For the reasons set out in this section, the Directors believe that the Proposal is in the best interests of MIX Unitholders and unanimously recommend that MIX Unitholders vote in favour of the Proposal at the Meeting, in the absence of a Superior Proposal.

In reaching their recommendation, the Directors assessed the Proposal having regard to a range of potential alternatives (see Section 4.4 of this Explanatory Memorandum) including the following:

- › MIX remaining as a standalone, ASX-listed entity with management continuing to manage the Portfolio and addressing upcoming debt maturities;
- › realising the Portfolio via a sale or strategic transaction in the future;
- › realising the Portfolio via asset sales followed by a wind-up of MIX;
- › recapitalising MIX through an equity raising and pursuing a growth strategy; and
- › pursuing alternative offers received during the EOI campaign and the value they might represent.

In the opinion of the Directors, the Proposal offers the most compelling and certain opportunity for MIX Unitholders to receive immediate value in cash in the absence of a Superior Proposal.

The Scheme Consideration represents a premium to MIX's recent trading prices and pro forma NTA

The premium of the estimated Scheme Consideration of A\$0.214 per MIX Unit¹ to the closing price of MIX on the day prior to the announcement of the EOI campaign and on the day prior to the execution of the SIA are as follows:

	DAY PRIOR TO THE ANNOUNCEMENT OF THE EOI CAMPAIGN BEING 27 MAY 2014	DAY PRIOR TO EXECUTION OF THE SIA BEING 18 SEPTEMBER 2014
Premium to last closing price	33.5%	22.0%
Premium to one month VWAP	32.3%	22.8%
Premium to three month VWAP	30.7%	25.8%

The estimated Scheme Consideration of A\$0.214 per MIX Unit¹ represents a 3.2% premium to MIX's 30 June 2014 pro forma NTA of A\$0.207 per MIX Unit, after accounting for the impact of the Touhy asset sale announced on 3 September 2014 and A\$/US\$ exchange rate movements.

If the Proposal is not approved, it is possible that MIX Units could trade:

- › below the Scheme Consideration per Scheme Unit offered under the Proposal; and/or
- › below the value of MIX's trading price on 18 September 2014.

¹ Based on the A\$/US\$ exchange rate of 0.8973 as at 18 September 2014 and assumed Transaction Costs amounts. The amount ultimately received by Scheme Unitholders will depend in part on the A\$/US\$ exchange rate to be applied to the Scheme Payment, and any Transaction Costs Adjustment (refer Section 4.5).

The Independent Expert's conclusion

Deloitte Corporate Finance Pty Limited has been appointed as the Independent Expert and has prepared the Independent Expert's Report. The Independent Expert has considered the Proposal and has concluded that the Proposal is fair and reasonable and in the best interests of MIX Unitholders, in the absence of a Superior Proposal.

The Independent Expert's Report is set out in Annexure B of this Explanatory Memorandum. You are encouraged to read this report in full.

Limited prospects of a Superior Proposal

As announced on 28 May 2014, the Directors undertook a formal EOI process and canvassed in excess of 50 market participants. The Proposal was derived from this EOI process which the Directors believe comprehensively tested the market, including giving interested parties an opportunity to put forward a proposal for MIX.

The Directors believe that it is unlikely that there will be a superior third party offer because the terms of the Proposal are attractive relative to:

- > the recent trading price of MIX Units;
- > MIX's 30 June 2014 pro forma NTA; and
- > third party proposals received during the EOI campaign.

As at the date of this Explanatory Memorandum no alternate Superior Proposal has emerged. However, there remains the possibility that a third party may make a Superior Proposal prior to the Meeting. The Directors will notify MIX Unitholders via an ASX announcement and the MIX website if a Superior Proposal is received before the Meeting.

The Proposal provides MIX Unitholders with the opportunity to receive immediate value in cash

Under the Proposal, Scheme Unitholders have the opportunity to receive immediate value for their MIX Units in cash. If the Proposal is not implemented, and in the absence of a Superior Proposal, MIX Units are likely to trade below the price at which they have traded since 18 September 2014 and at a level below the estimated per unit Scheme Consideration.

The ability to refinance the ING Facilities on or prior to their maturity date on 1 March 2016

As at 30 June 2014, MIX had total outstanding debt of US\$104.3 million across two ING Facilities (gearing of 57.3%) with a maturity date of 1 March 2016. Key terms of the ING Facilities include amortisation payments, debt prepayment penalties and capital expenditure reserve obligations. The weighted average cost of debt was 4.43%, which MFML believes is broadly in line with current market interest rates available for new five year debt collateralised against a Portfolio of this nature. MIX Unitholders should be aware that, although it is expected that MIX may be able to refinance the ING Facilities on generally similar terms, either with its existing lender or new lender(s), there can be no guarantee that this will happen.

Mitigation of MIX's ongoing operational risks and challenges

Under the Proposal, Scheme Unitholders have the opportunity to receive immediate value in cash for their MIX Units, mitigating a number of risks to which MIX Unitholders are otherwise exposed to, including:

- > MIX remains sub-scale relative to other A-REITs from a total assets and market capitalisation perspective, impacting its ability to raise equity on terms which are in the best interests of MIX Unitholders;

- > MIX is currently not paying distributions in order to retain capital to provide adequate funding for the potential costs associated with the EOI campaign and to continue to manage and maintain the Portfolio during this period. It is anticipated that if the Proposal does not proceed this distribution policy will remain unchanged for the foreseeable future in order to retain capital for the upcoming maturity of the ING Facilities, and any potential debt prepayment penalties and capital expenditure reserve obligations;
- > MIX's trading liquidity is low compared to other A-REITs and currently does not qualify for inclusion in any A-REIT indices, potentially impacting MIX Unitholder's ability to sell some or all of their MIX Units at the prevailing market price;
- > MIX's investments are in the US and are exposed to foreign exchange risks; and
- > general and specific risks involved in an investment in MIX Units, including exposure to B-grade, Chicago centric, industrial real estate through the Portfolio.

POSITION OF MIRVAC GROUP

Mirvac Group as MIX's largest Unitholder and owner of MFML, has indicated that it supports the Proposal, and that its current intention is to vote in favour of the Proposal, in the absence of a superior proposal, to the extent that it is permitted to vote¹. The Proposal reflects Mirvac Group's intention to support the best commercial outcome for all MIX Unitholders, and in the context of the current Proposal, Mirvac Group confirms it intends to sell its units in MIX only into a MFML Board recommended proposal that is in the best interests of MIX Unitholders.

Mirvac Group is not receiving any payment from the Acquirer or other form of consideration under the Proposal in relation to MFML's management rights or any other potential fees that may arise in respect of MIX. MFML will continue to be paid the management fee for managing MIX, such management fee will accrue up until the last day of the month occurring on or before the Implementation Date.

2.2 REASONS TO VOTE AGAINST THE PROPOSAL

You may disagree with the recommendation of the Directors and the conclusion of the Independent Expert

You may disagree with the:

- > Directors, who recommend that you vote in favour of the Proposal, in the absence of a Superior Proposal; and/or
- > Independent Expert, who has concluded that the Proposal is fair and reasonable and in the best interests of MIX Unitholders.

MIX Unitholders will no longer have exposure to the Portfolio

If the Proposal is approved, MIX Unitholders will lose their exposure to any further upside or performance of the Portfolio.

You may believe that it is not the optimum time to exit an investment with an exposure to the type of properties held by MIX. You may also believe that the net realisable value may be higher under any of the strategic alternatives than the Scheme Consideration to be received under the Proposal.

Tax consequences may not be optimal for your circumstances

If the Proposal is implemented there may be tax consequences for Scheme Unitholders, which may include tax payable on the Scheme Consideration. Further information on the relevant tax consequences for Australian residents is contained in the Tax Report prepared by PricewaterhouseCoopers, set out in Section 7 of this Explanatory Memorandum.

Expectation of a Superior Proposal

You may consider that there is potential for a Superior Proposal to emerge.

¹ Mirvac Group is an associate of MFML and, as such, may be restricted under section 253E of the Corporations Act from voting on the resolutions to approve the transaction to the extent that it has an interest in the resolutions other than as a member. Whether or not Mirvac is permitted to vote will be determined by MFML.

3

FREQUENTLY ASKED QUESTIONS

This section is a summary only and is not intended to address all the relevant issues for MIX Unitholders. MIX Unitholders should read this Explanatory Memorandum in its entirety. The questions and answers are intended to assist in understanding the Proposal and do not replace independent financial advice in relation to the Proposal.

NO.	QUESTION	ANSWER	FURTHER INFORMATION
PROPOSAL			
1	What is this document?	This document is an Explanatory Memorandum and Notice of Meeting. It is intended to help you decide how to vote on the Scheme Resolutions which need to be passed at the Meeting in order for the Proposal to proceed. The Directors recommend that you read this Explanatory Memorandum in its entirety and, if necessary, consult your investment, tax, legal or other professional adviser before voting on the Scheme Resolutions.	
2	Why have I received this document?	You have received this document as you were a registered holder of MIX Units on 17 October 2014.	
3	What is the Proposal?	The Proposal is a trust scheme which is an arrangement which, if implemented, will result in all Scheme Units being transferred to the Acquirer, for an estimated Scheme Consideration of A\$0.214 per MIX Unit to Scheme Unitholders. The estimate is based on the A\$/US\$ exchange rate of 0.8973 as at 18 September 2014 and assumed Transaction Costs amounts. The amount ultimately received by Scheme Unitholders will depend in part on the A\$/US\$ exchange rate to be applied to the Scheme Payment (based on the spot/prevaling A\$/US\$ exchange rate quoted to the Registry on the Implementation Date), and any Transaction Costs Adjustment.	Section 4.1 and 4.5.
4	When will I receive the Scheme Consideration?	If the Proposal becomes effective, Scheme Unitholders will receive the Scheme Consideration on or as soon as reasonably practicable after 8 December 2014 for each Scheme Unit that they hold at the Record Date. It is anticipated that the Implementation Date will be 3 December 2014. Please note that this may change. Any changes will be notified on the MIX website at www.mirvac.com/mix .	Section 4.5
5	Who are the acquiring parties?	AustFunding Pty Ltd an Australian corporation incorporated under the laws of Victoria, and which is a wholly owned subsidiary of The Goldman Sachs Group, Inc.	Section 6
6	How will the Proposal be funded?	The Acquirer intends to fund the Scheme Payment with cash (through debt) from Goldman Sachs Group. The Acquirer has access to committed funding to cover the Scheme Payment from Goldman Sachs Group. The Scheme is not conditional on the Acquirer obtaining debt or equity finance to fund the payment of the Scheme Payment.	Section 6.5
7	What is the recommendation of the Directors?	The Directors unanimously recommend that MIX Unitholders vote in favour of the Proposal, in the absence of a Superior Proposal.	Section 2.1 and 4.7
8	What is the Independent Expert's conclusion?	The Independent Expert has concluded that the Proposal is fair and reasonable and in the best interests of MIX Unitholders.	The Independent Expert's Report is set out in full in Annexure B

3 FREQUENTLY ASKED QUESTIONS

NO.	QUESTION	ANSWER	FURTHER INFORMATION
PROPOSAL CONTINUED			
9	What do I have to do to receive the consideration?	If the Proposal is implemented and you continue to be the registered holder of MIX Units on the Record Date, you will not need to do anything to receive the Scheme Consideration.	Section 4.11
10	Can I keep my MIX Units if the Proposal becomes effective?	If the Proposal becomes effective, the Acquirer will acquire all MIX Units on issue, including those of Scheme Unitholders who voted against the Proposal or did not vote at the Meeting.	Section 1.6 and 4.11
STEPS INVOLVED			
1	How will the Proposal be implemented?	If the Scheme Resolutions are passed by the required majorities and the Second Judicial Advice is obtained, the Acquirer and MFML will take the necessary steps to implement the Scheme. If the Scheme is implemented, all MIX Units on issue will be transferred to the Acquirer and Scheme Unitholders will receive the Scheme Consideration on or as soon as reasonably practicable after 8 December 2014.	Section 4.14
2	When and where is the Meeting on the Proposal being held?	The Meeting will be held on 19 November 2014 at Allens, Level 28, Deutsche Bank Place, Corner of Hunter and Phillip Streets, Sydney NSW 2000, commencing at 10:00am (Sydney Time) or at such later time and date as notified to MIX Unitholders. Details of proxy voting options are set out in Section 4.12.	Section 1.2 and 4.12
3	Who is entitled to vote?	All MIX Unitholders who are registered holders of MIX Units at 7:00pm (Sydney Time) on 17 November 2014 will be entitled to attend and vote at the Meeting (subject to the voting exclusions set out in Section 4.12 of this Explanatory Memorandum).	Section 4.12
4	Is voting compulsory?	No, although your vote is important and the Directors encourage you to exercise your right to vote. If you cannot attend the Meeting, you are encouraged to complete the enclosed Proxy Form and return it to the Registry as per the instructions on the form so that it is received no later than 10:00am (Sydney Time) on 17 November 2014.	Section 1.6
5	What are the Scheme Resolutions proposed at the Meeting?	MIX Unitholders will be asked to approve: <ul style="list-style-type: none"> > amendments to the MIX Constitution which will allow the Proposal to be implemented; and > the acquisition of all of the Scheme Units by the Acquirer. 	Section 4.8
6	What is the required majority to approve the Proposal?	The approval threshold is different for the two Scheme Resolutions but they are inter-dependent. The resolution to approve the amendments to the MIX Constitution requires the approval of at least 75% of the votes cast at the Meeting by MIX Unitholders entitled to vote on the resolution. The resolution to approve the acquisition of all of the Scheme Units by the Acquirer requires the approval of more than 50% of the votes cast at the Meeting by MIX Unitholders entitled to vote on the resolution.	Section 4.9
7	Can I be bound by the Proposal if I do not vote?	Yes, if the Proposal becomes effective the Scheme will be binding on you and all other Scheme Unitholders. Any MIX Units held by you on the Record Date will be transferred to the Acquirer and you will receive the Scheme Consideration, notwithstanding that you did not vote, or that you voted against the Proposal.	Section 4.11
8	Why will the Second Judicial Advice be obtained and what is the Second Judicial Advice Date?	If the Scheme Resolutions are approved by the requisite majorities, MFML will seek the Second Judicial Advice (that is, the opinion, advice and direction of the Court under section 63 of the <i>Trustee Act 1925</i> (NSW) that MFML would be justified in implementing the Scheme, giving effect to the amendments in the MIX Constitution as set out in the Supplemental Deed, and doing all things necessary to implement the Scheme) on the Second Judicial Advice Date.	Section 4.14
9	When does the Proposal become effective?	Assuming all other applicable conditions under the scheme implementation agreement are met, if MFML receives the Second Judicial Advice, the amendments to the MIX Constitution will be lodged with ASIC at which time the Proposal becomes effective. The Effective Date is currently expected to be 21 November 2014, although this may be subject to change.	Section 4.15
10	What happens if the Proposal does not proceed?	If the Proposal does not proceed, MIX Unitholders will not receive the Scheme Consideration and will retain their MIX Units. MIX will continue to operate as a standalone listed entity on the ASX. The rights of MIX Unitholders will remain unchanged.	Section 4.6

FREQUENTLY ASKED QUESTIONS

NO.	QUESTION	ANSWER	FURTHER INFORMATION
OTHER QUESTIONS			
1	Are there any conditions to the Proposal?	<p>The obligations of MFML and the Acquirer to implement the Scheme are conditional on the satisfaction or waiver of certain conditions. The conditions are included in the Scheme Implementation Agreement and summarised in Section 8.1 of this Explanatory Memorandum with key conditions including:</p> <ul style="list-style-type: none"> > receipt of all relevant regulatory approvals; > the requisite MIX Unitholder approvals; > the Second Judicial Advice being obtained; > the Independent Expert not changing its conclusion that the Scheme is fair and reasonable and in the best interests of Scheme Unitholders; and > the Directors continuing to recommend unanimously that Scheme Unitholders vote in favour of the Scheme Resolutions. 	Section 8.1
2	What happens if an alternative proposal emerges?	If an alternative proposal is made, the Directors will review that proposal to determine if it represents a Superior Proposal to MIX Unitholders and advise you of their recommendation.	Section 4.4
3	What are the tax implications of the Proposal?	PricewaterhouseCoopers has provided a Tax Report on the general Australian taxation impacts of the Proposal on MIX Unitholders. This report is set out in Section 7 of this Explanatory Memorandum and you are encouraged to read this report. You should obtain advice from your own taxation adviser on your individual circumstances.	Section 7
4	Where can I obtain more information?	You can contact the MIX information line on +61 1300 363 917 (within and outside Australia), Monday to Friday between 8:30am and 5:30pm (Sydney Time) or visit MIX's website at www.mirvac.com/mix .	

4

DETAILS OF THE PROPOSAL

4.1 OVERVIEW

The Proposal is a trust scheme which is an arrangement by which the MIX Constitution is amended to authorise the transaction and if implemented, will result in all Scheme Units being transferred to the Acquirer in exchange for the payment of the Scheme Consideration being made to Scheme Unitholders as detailed in this Explanatory Memorandum.

The amount of the Scheme Consideration is estimated to be A\$0.214 per MIX Unit, based on an A\$/US\$ exchange rate of 0.8973 as at 18 September 2014 and assumed Transaction Costs amounts.

Any amounts distributed to Scheme Unitholders will be subject to the spot/prevaling A\$/US\$ exchange rate quoted to the Registry on the Implementation Date and any Transaction Costs Adjustment.

The Proposal is subject to MIX Unitholder approval. The Scheme Resolutions must be passed by the requisite MIX Unitholder majorities including the Special Resolution that requires approval by at least 75% of the votes cast by MIX Unitholders.

4.2. BACKGROUND

On 14 February 2013, MFML announced that it had identified five non-core assets that it intended to divest to establish a portfolio of 24 B-grade, Chicago centric, industrial assets. It was expected that a realigned portfolio would be more attractive to institutional owners of industrial assets and would facilitate a Portfolio sale, transferring the asset level debt to an acquirer and potentially avoiding the considerable debt prepayment penalties that would be incurred in a staged asset divestment wind-up scenario. The debt prepayment penalties are estimated to be approximately US\$6.7 million as at 30 June 2014.

On 26 February 2013, MFML announced the settlement of the sale of 3145 Central Avenue, Waukegan, one of the identified non-core assets.

On 28 May 2014, MFML announced the unconditional sale of the remaining four non-core assets and the commencement of a formal EOI campaign to realise 100% of the MIX Units. Macquarie Capital (Australia) Limited and Chicago property specialists, CBRE Group, Inc. were appointed advisers to assist with this process.

On 3 September 2014, MFML announced the unconditional sale of 5990 West Touhy Avenue, Niles to Svigos Asset Management, an owner occupier for US\$9.025 million being approximately 7.44% above the asset's book value of US\$8.40 million as at 30 June 2014. Settlement occurred on 2 October 2014 (US time). Touhy has been considered a secondary asset within the Portfolio.

4.3 DEVELOPMENT OF THE PROPOSAL

MFML, with the assistance of its advisers, canvassed in excess of 50 market participants to take part in the EOI process. The Proposal was derived from this EOI process which the Director's believe comprehensively tested the market. On receipt of an executed confidentiality agreement, parties were provided access to limited stage 1 due diligence materials.

On 15 August 2014, MFML granted exclusivity to the Acquirer, providing them with a period of time to complete confirmatory due diligence on their indicative proposal.

On 19 September 2014, MFML and the Acquirer entered into the Scheme Implementation Agreement. The Directors unanimously recommended the Proposal, in the absence of a Superior Proposal and providing certain Conditions Precedent are achieved, including the approval of the Scheme Resolutions by MIX Unitholders.

DETAILS OF THE PROPOSAL

4.4 ALTERNATIVES CONSIDERED BY THE DIRECTORS

In the period up to the announcement of the Proposal, the Directors explored a range of alternatives to maximise MIX Unitholder value. These alternatives are described in greater detail below.

MIX remaining as a standalone, ASX-listed entity with management continuing to manage the Portfolio and addressing upcoming debt maturities

The Directors considered a status quo scenario where MIX remains listed on the ASX and MFML continues to manage the Portfolio to increase earnings over the medium term and address the ING Facilities upcoming debt maturity on 1 March 2016.

Over recent years, whilst MIX's capital structure has been stabilised via selected asset sales and debt refinancing, it continues to trade at a discount to NTA. The following factors may contribute to MIX's discounted unit price compared to NTA:

- > the fact that the Portfolio of US assets are owned by an externally managed, ASX-listed vehicle;
- > acknowledgement that most alternatives involving a return of capital to MIX Unitholders would require costs to be incurred;
- > as at the date of this Explanatory Memorandum, distributions are not being paid;
- > MIX lacks scale, liquidity and has a relatively small market capitalisation for an A-REIT; and/or
- > there is limited funding capacity to achieve growth.

As at 30 June 2014, MIX had total outstanding debt of US\$104.3 million under the ING Facilities with a maturity date of 1 March 2016 and gearing of 57.3%. Key terms of the ING Facilities include amortisation payments, debt prepayment penalties and capital expenditure reserve obligations. MIX Unitholders should be aware that, although it is expected that MIX may be able to refinance the ING Facilities on generally similar terms, there can be no guarantee that this will happen.

Under a status quo scenario, it is unlikely that the trading price of MIX Units will equal or exceed the estimated Scheme Consideration in the absence of a strategic transaction excluding the impact of A\$/US\$ exchange rate movements (see Section 4.5).

MIX realising the Portfolio via a sale or strategic transaction in the future

The Directors considered retaining ownership of the Portfolio for a period of time in order to execute a sale or strategic transaction in the future.

The Directors believe now is an attractive time to crystallise value for the Portfolio with reference to the potential negative impacts from the upcoming ING Facilities maturity and uncertainty regarding the United States' interest rate outlook. Furthermore, the pricing achieved at an implied Portfolio capitalisation rate of 7.7% represents a market benchmark for a B-grade industrial portfolio in Chicago. The Proposal also results in MIX Unitholders receiving immediate value in cash - any net proceeds to MIX Unitholders from a future sale or strategic transaction would have to be discounted to a present value to compare the outcome on a like-for-like basis in today's dollars. There is no certainty that MFML would be able to attract an interested party in the future to successfully execute this strategy.

Given this, and the above risks, it is difficult to estimate with any certainty the quantum and timing of the net proceeds MIX Unitholders would ultimately receive from this strategy.

Realising the Portfolio via asset sales followed by a wind-up of MIX

The Directors considered disposing of MIX's 23 (post Touhy sale) remaining assets via a staged asset divestment, repaying liabilities, winding-up MIX and returning the net proceeds to MIX Unitholders.

The orderly sale of assets may close the gap between MIX's Unit price and NTA, however this strategy is accompanied by significant execution, timing and valuation risks, including the potential crystallisation of debt prepayment penalties and partial repayment obligations associated with the existing asset-level debt.

A wind-up may also limit the universe of prospective bidders to direct asset owners and encourage potential purchasers to individually select certain higher quality assets, leaving MIX with a handful of lower quality assets that are more difficult to sell.

Given this, and the above risks, it is difficult to estimate with any certainty the quantum and timing of the net proceeds MIX Unitholders would ultimately receive from this strategy.

Recapitalising MIX through an equity raising and pursuing a growth strategy

The Directors considered a recapitalisation through an equity raising from existing and/or new investors to enable MIX to repay debt and acquire assets to increase its scale and attractiveness to A-REIT investors.

The three month VWAP, leading up to 18 September 2014 of MIX Units was A\$0.170, representing a 18.0% discount to the 30 June 2014 pro forma NTA. An issue of new equity would likely need to be priced at a discount to the current trading price of MIX Units, materially diluting NTA.

Even if MIX was to undertake a dilutive equity raising, there is no certainty that MIX would be able to acquire assets with its cost of capital relative to other acquirers or at attractive valuations to successfully execute this strategy. The Directors have also considered a reduced appetite for A-REITs with pure exposure to international assets, where institutional investors can generally achieve this exposure directly in international markets with entities of greater scale and liquidity than MIX.

Alternative proposals received during the EOI campaign and the value they represent

MFML, with the assistance of the financial advisers, conducted an EOI campaign which comprehensively tested the market and have considered and analysed all proposals received. The Acquirer has undertaken full due diligence and the Proposal is subject only to the Conditions Precedent. The Directors believe the Proposal is the most compelling proposal received and unanimously recommend that MIX Unitholders vote in favour of the Proposal at the Meeting, in the absence of a Superior Proposal.

As at the date of this Explanatory Memorandum, no Superior Proposal has emerged. However, there remains the possibility that a third party may make a Superior Proposal prior to the Meeting. The Directors will notify MIX Unitholders if a Superior Proposal is received before the Meeting.

Conclusion

Following consideration of the above strategic alternatives, as at the date of this Explanatory Memorandum, each Director has determined that the Proposal is in the best interests of MIX Unitholders and recommends the Proposal in the absence of a Superior Proposal.

4 DETAILS OF THE PROPOSAL

4.5 WHAT YOU WILL RECEIVE - SCHEME CONSIDERATION

If the Proposal is implemented, the Scheme Consideration is estimated to be A\$0.214 per MIX Unit, based on an A\$/US\$ exchange rate of 0.8973 as at 18 September 2014 and assumed Transaction Costs amounts.

The Scheme Consideration per Scheme Unit is estimated to be as follows:

Scheme Payment	US\$m	69.5
A\$/US\$ exchange rate	A\$/US\$	0.8973
Scheme Consideration	A\$m	77.4
MIX Units on issue	#m	362.5
Scheme Consideration per Scheme Unit	A\$	0.214

Foreign exchange risk

If the Proposal is approved, in exchange for the Scheme Units, the Acquirer will make a Scheme Payment in US dollars. Scheme Unitholders will receive the Scheme Consideration in Australian dollars. Scheme Unitholders are exposed to foreign exchange risk as the amount ultimately received will depend in part on the A\$/US\$ exchange rate applied to the Scheme Payment, as outlined in the table above.

The Acquirer will deposit the Scheme Payment into a US dollar account with an authorised deposit taking institution in Australia with the Registry's nominated financial institution on the Implementation Date. The US dollar deposit representing the Scheme Payment will be converted into Australian dollars at the spot/prevaling exchange rate quoted by the nominated financial institution and these Australian dollar proceeds will be transferred into an Australian dollar bank account, constituting the Scheme Consideration. Subject to the obligation of the Acquirer to pay, or procure the payment of, the Scheme Payment in immediately available funds by no later than 9:00am (Sydney Time) on the Implementation Date, it is MFML's intention to instruct the Registry to convert the Scheme Payment into Australian dollars at the spot/prevaling exchange rate as soon as practicable after the Scheme Payment has been received on the Implementation Date. The Australian dollar Scheme Consideration, will then be dispatched to MIX Unitholders three Business Days after the Implementation Date.

MFML does not intend to hedge the expected Australian dollar proceeds, consistent with MIX's current policy not to hedge its US dollar capital exposure. If the Australian dollar strengthens against the US dollar, the Scheme Consideration in Australian dollars will decrease. On the other hand, if the Australian dollar weakens against the US dollar, the Scheme Consideration in Australian dollars will increase.

By way of example, a sensitivity table highlighting the impact of movements in the A\$/US\$ exchange rate on the Scheme Consideration to Scheme Unitholders is outlined below:

A\$/US\$ exchange rate	0.84	0.86	0.88	0.8973	0.92	0.94
Scheme Consideration in A\$ cents per Scheme Unit	0.229	0.223	0.218	0.214	0.208	0.204

Transaction Costs

There are a number of Transaction Costs associated with the Proposal including, but not limited to, advisory costs, accounting fees, legal fees, Independent Expert's fees, printing and costs associated with convening the Meeting.

Given MIX is an ASX-listed real estate investment trust that owns assets located in Chicago, the transaction results in costs incurred in both the US and Australia. Total Transaction Costs are estimated to be approximately US\$3.9 million comprised of US\$1.6 million US dollar transaction costs and A\$2.5 million Australian dollar transaction costs.

The Scheme Payment is based on an assumed amount of transaction costs of US\$3.9 million. Should the actual amount of Transaction Costs incurred exceed this amount, the Scheme Payment will decrease dollar for dollar, and the Scheme Consideration will decrease. On the other hand, should the actual amount of Transaction Costs incurred be less than this amount, the Scheme Payment will increase dollar for dollar, and the Scheme Consideration will increase. By way of example, a US\$0.5 million increase in Transaction Costs reduces the Scheme Consideration by approximately A\$0.0015 per Scheme Unit.

4.6 WHAT IF THE SCHEME DOES NOT BECOME EFFECTIVE?

If the Proposal is not approved by MIX Unitholders and therefore not implemented, MIX will continue to be listed on the ASX and will continue to be managed by MFML. MIX Unitholders will continue to hold their MIX Units and will not receive the Scheme Consideration.

MIX Unitholders maintain exposure to MIX and the Portfolio via an ASX-listed REIT

If the Proposal does not proceed, MIX will continue to be an externally managed, ASX-listed vehicle owning US assets with limited funding capacity to achieve growth. Management will continue to manage the Portfolio to improve earnings over the medium term by focusing on tenant retention, managing expiries and incurring capital expenditures prudently.

Need to refinance the ING Facilities

As at 30 June 2014, MIX had total outstanding debt of US\$104.3 million across two ING Facilities with a maturity date of 1 March 2016 and gearing of 57.3%. Key terms of the ING Facilities include amortisation payments, debt prepayment penalties and capital expenditure reserve obligations. The weighted average cost of debt was 4.43%, which MFML believes is broadly in line with current market interest rates available for new five year debt collateralised against a Portfolio of this nature. MIX Unitholders should be aware that, although it is expected that MIX may be able to refinance the ING Facilities on generally similar terms either with its existing lender or new lender(s), there can be no guarantee that this will happen.

Costs associated with the Proposal

If the Proposal does not proceed, MIX will incur approximately A\$2.0 million in Transaction Costs, negatively impacting NTA by A\$0.005 per MIX Unit.

There are also a limited number of circumstances under which a break fee of US\$0.7 million will be payable by MFML to the Acquirer. The break fee will not be payable solely because MIX Unitholders do not approve the Proposal. Details of the break fee and the circumstances in which a break fee is payable to the Acquirer are described in Section 8.4.

Distributions

MFML is currently not paying distributions in order to retain capital to provide adequate funding for both the potential costs associated with the EOI campaign and to continue to manage and maintain the Portfolio during this period. It is anticipated that if the Proposal does not proceed this distribution policy will remain unchanged for the foreseeable future in order to retain capital for the upcoming maturity of the ING Facilities, and any potential debt prepayment penalties and capital reserve obligations.

4.7 RESPONSIBLE ENTITY DIRECTORS' RECOMMENDATION

MFML Directors have concluded that the Proposal:

- > provides MIX Unitholders with the opportunity to receive immediate value in cash;
- > is in the best interests of MIX Unitholders; and
- > unanimously recommend that MIX Unitholders vote in favour of the Proposal, in the absence of a Superior Proposal.

DETAILS OF THE PROPOSAL

4.8 SCHEME RESOLUTIONS

The transfer of all MIX Units on issue to the Acquirer requires MIX Unitholders to consider and, if considered appropriate, to approve the following:

- › a Special Resolution to approve amendments to the MIX Constitution as set out in the Supplemental Deed and to authorise MFML to execute and lodge with ASIC the Supplemental Deed to give effect to those amendments; and
- › an Ordinary Resolution for the purposes of item 7 of section 611 of the Corporations Act to approve the acquisition of all of the Scheme Units by the Acquirer.

The requisite majorities required to approve the Scheme Resolutions are as follows:

- › the Special Resolution requires approval by at least 75% of the votes cast at the Meeting by MIX Unitholders entitled to vote on the resolution; and
- › the Ordinary Resolution requires approval by more than 50% of the votes cast at the Meeting by MIX Unitholders entitled to vote on the resolution.

4.9 SCHEME RESOLUTIONS INTER-DEPENDENT

The Scheme Resolutions above are inter-dependent and the Proposal will only proceed if both Scheme Resolutions are passed at the Meeting by the requisite majorities. If either of the Scheme Resolutions is not approved, the Proposal will not be implemented. Please refer to Section 4.6 for the consequences if the Scheme does not become effective.

4.10 CONDITIONS AND TERMINATION RIGHTS

Conditions

A number of Conditions Precedent contained in the Scheme Implementation Agreement need to be satisfied or (where applicable) waived before the Proposal can be implemented. Set out below are the conditions and their status as at the date of this Explanatory Memorandum.

These conditions are also included in the explanation of the Scheme Implementation Agreement in Section 8.1.

CONDITION	STATUS
Regulatory approvals: before 8:00am on the date of dispatch of this Explanatory Memorandum to MIX Unitholders, ASIC and ASX have granted all approvals and relief required to implement the Proposal	ASX has provided the confirmation sought by MFML, and ASIC has indicated its willingness, in principle to grant the relief sought
MIX Unitholder approval: MIX Unitholders approve the Scheme Resolutions by the requisite majorities before 8:00am on the Second Judicial Advice Date	A meeting of MIX Unitholders is to be held on Wednesday, 19 November 2014 at 10:00am (Sydney Time) at Allens, Level 28, Deutsche Bank Place, Corner of Hunter & Phillip Streets, Sydney NSW 2000
No restraints: no judgment, order, decree, statute, law, ordinance, rule or regulation, or other temporary restraining order, preliminary or permanent injunction, restraint or prohibition, entered, enacted, promulgated, enforced or issued by any court or other governmental agency of competent jurisdiction, remains in effect as at 8:00am on the Second Judicial Advice Date that prohibits, materially restricts, makes illegal or restrains the completion of the Scheme or any of the Scheme Implementation Agreement, the Deed Poll, or the Supplemental Deed	MFML is not aware of any such restraint being in effect at the date of this Explanatory Memorandum, or of any reason why such a restraint would be in effect on the Second Judicial Advice Date
Execution and lodgment of Supplemental Deed: MFML executes the Supplemental Deed and lodges a copy of the executed Supplemental Deed with ASIC	MFML will execute and lodge a copy of the executed Supplemental Deed on the day of the Second Judicial Advice Date
No MIX Prescribed Occurrences: no MIX Prescribed Occurrence occurs or becomes known to the Acquirer or MFML between the date of the Scheme Implementation Agreement and 8:00am on the Second Judicial Advice Date	MFML is not aware of any such occurrence
No MIX Material Adverse Change: no MIX Material Adverse Change occurs or becomes known to the Acquirer or MFML between the date of the Scheme Implementation Agreement and 8:00am on the Second Judicial Advice Date	MFML is not aware of any such change
MIX representations and warranties: the representations and warranties of MFML set out in the Scheme Implementation Agreement: <ul style="list-style-type: none"> › that are qualified as to materiality, are true and correct; and › that are not so qualified, are true and correct in all material respects, as at the date of the Scheme Implementation Agreement and as at 8:00am on the Second Judicial Advice Date as though made on and as of that time 	As at this date of this Explanatory Memorandum, the representations and warranties of MFML set out in the Scheme Implementation Agreement are true and correct, and MFML is not aware of any reason why this condition will not continue to be satisfied
MFML Director's recommendation: all of the Directors on the MFML Board have, in this Explanatory Memorandum, stated that they recommend that the MIX Unitholders vote in favour of the Scheme Resolutions, in the absence of a Superior Proposal, and no Director on the MFML Board has withdrawn, qualified or varied those recommendations before the Scheme Resolutions are approved by the requisite majorities of MIX Unitholders	The Directors on the MFML Board have all recommended that the MIX Unitholders vote in favour of the Scheme Resolutions, in the absence of a Superior Proposal. As at the date of this Explanatory Memorandum, the Directors have not withdrawn, qualified or varied these recommendations

4 DETAILS OF THE PROPOSAL

CONDITION	STATUS
Deed of Retirement and Appointment: before the Second Judicial Advice Date, MFML signs and delivers the Deed of Retirement and Appointment to the Acquirer, which will come into effect on the Implementation Date	MFML will sign and deliver the executed Deed of Retirement and Appointment to the Acquirer before the Second Judicial Advice Date
Independent Expert's Report: the Independent Expert provides the Independent Expert's Report to MFML, stating that in its opinion the Scheme is fair and reasonable, and is in the best interests of MIX Unitholders before the date on which this Explanatory Memorandum is lodged with ASIC, and the Independent Expert does not change its conclusion or withdraw the Independent Expert's Report by notice in writing to MFML prior to the Meeting	The Independent Expert has concluded in its report that the Scheme is fair and reasonable, and in the best interests of MIX Unitholders, in the absence of a Superior Proposal. As at the date of this Explanatory Memorandum, MFML is not aware of any factor or circumstances that would cause the Independent Expert to change that conclusion
Second Judicial Advice: the Court provides the Judicial Advice	The Second Judicial Advice Date is currently scheduled for Friday, 21 November 2014
Execution of Deed Poll: between the date of the Scheme Implementation Agreement and the date of sending this Explanatory Memorandum to MIX Unitholders, the Acquirer has signed and delivered the Deed Poll	The Acquirer has signed and delivered the Deed Poll
Acquirer representations and warranties: the representations and warranties of the Acquirer set out in the Scheme Implementation Agreement: <ul style="list-style-type: none"> > that are qualified as to materiality, are true and correct; and > that are not so qualified, are true and correct in all material respects, as at the date of the Scheme Implementation Agreement and as at 8:00am on the second Judicial Advice Date as though made on and as of that time 	As at this date of this Explanatory Memorandum, the representations and warranties of the Acquirer set out in the Scheme Implementation Agreement are true and correct, and the Acquirer is not aware of any reason why this condition will not continue to be satisfied

Termination rights

Either MFML or the Acquirer may terminate the Scheme Implementation Agreement by notice to the other if:

- > At any time before 8:00am on the Second Judicial Advice Date and with certain exceptions, the other party is in material breach of any clause of the Scheme Implementation Agreement, provided that notice setting out the relevant circumstances and intention to terminate is given and the relevant circumstances have continued to exist for five Business Days (or any shorter period ending at 5:00pm on the last Business Day before the Second Judicial Advice Date) from the time such notice is given; or
- > any of the Conditions Precedent are not satisfied or waived in accordance with the terms of the Scheme Implementation Agreement by the requisite date and the parties cannot agree on an alternative means of proceeding or to extend that date.

In addition, the Acquirer may terminate the Scheme Implementation Agreement at any time before 8:00am on the Second Judicial Advice date by notice in writing to MFML if:

- > a majority of Directors of the MFML Board publicly change (including by attaching qualifications to) or withdraw their recommendation that MIX Unitholders approve the Scheme, or publicly recommend, promote, or otherwise endorse a Competing Proposal;
- > a majority of the Directors of the MFML Board fail to make a public recommendation for counter proposal by the Acquirer in circumstances of a Competing Proposal; or
- > if a Competing Proposal is announced, made or becomes open for acceptance and the third party announcing it acquires a Relevant Interest in more than 20% of all MIX Units and that Competing Proposal is (or has become) free from any defeating conditions.

MFML may terminate at any time before 8:00am on the Second Judicial Advice Date, by notice in writing to the Acquirer, if the majority of the MFML Board publicly changes (including by attaching qualifications to) or withdraws its recommendation that MIX Unitholders approve the Scheme or publicly recommends, promotes or otherwise endorses a Superior Proposal.

DETAILS OF THE PROPOSAL

4.11 YOUR CHOICES AS A MIX UNITHOLDER

You may:

- > vote in favour of the Scheme Resolutions at the Meeting and, if the Proposal is implemented, your Scheme Units will be transferred to the Acquirer, you will receive the Scheme Consideration, and you will cease to hold MIX Units;
- > vote against the Scheme Resolutions at the Meeting (but your Scheme Units will still be transferred to the Acquirer and you will still receive the Scheme Consideration if, in spite of your vote, the Scheme Resolutions are passed by the requisite majorities and the Proposal is implemented);
- > sell your MIX Units before the Record Date in which case you will not be entitled to the Scheme Consideration if the Proposal is implemented; or
- > do nothing (and if the Proposal is implemented, your Scheme Units will be transferred to the Acquirer and you will receive the Scheme Consideration).

4.12 MEETING AND HOW TO VOTE

Eligible MIX Unitholders

All eligible MIX Unitholders on the MIX Register at 10:00am (Sydney Time) on 17 November 2014 are entitled to vote unless they are otherwise excluded in the manner set out in the Notice of Meeting.

In order for the Proposal to proceed, both Scheme Resolutions must be approved by the requisite majorities of MIX Unitholders. If either of the Scheme Resolutions are not passed by the requisite majority, the Proposal will not proceed. Section 4.8 provides details of the Scheme Resolutions and the requisite voting majorities that are required for the Scheme Resolutions to be approved.

The Directors unanimously recommend that you vote in favour of the Scheme Resolutions to approve the Proposal, in the absence of a Superior Proposal. If you are unable to attend the Meeting, the Directors urge you to lodge your vote:

- > online via the Trust's website at www.mirvac.com/mix following the prompts and instructions given there;
- > by post: using the reply paid envelop or mailing your Proxy Form to Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235;
- > by facsimile: +61 2 9287 0309; or
- > by hand delivery: Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138.

DETAILS OF THE MEETING

Details of the Meeting to consider the Scheme Resolutions are as follows:

Location: Allens, Level 28, Deutsche Bank Place, Corner of Hunter and Phillip Streets, Sydney NSW 2000

Date: 19 November 2014

Time: 10:00am (Sydney Time)

The Notice of Meeting is set out in Annexure A of this Explanatory Memorandum. There is a personalised Proxy Form (enclosed with this Explanatory Memorandum) for the Meeting.

Scheme Resolutions

Section 4.8 provides details of the Scheme Resolutions and the requisite voting majorities that are required for the Scheme Resolutions to be approved.

Voting in person, by attorney or by corporate representative

If you wish to vote in person, you must attend the Meeting.

If you cannot attend the Meeting, you may vote by proxy, attorney or, if you are a body corporate, by appointing a corporate representative.

Attorneys who plan to attend the Meeting should bring with them the original or certified copy of the power of attorney under which they have been authorised to attend and vote at the Meeting.

A body corporate which is a MIX Unitholder may appoint an individual to act as its corporate representative. The appointment must comply with the requirements of section 253B of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

Voting by proxy

If you cannot attend the Meeting in person, you can lodge your proxy:

- > online via the Trust's website at www.mirvac.com/mix following the prompts and instructions given there;
- > by post: using the reply paid envelop or mailing your Proxy Form to Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235;
- > by facsimile: +61 2 9287 0309; or
- > by hand delivery: Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138.

Please ensure your proxy instructions are received no later than 10:00am (Sydney Time) on 17 November 2014 by one of the methods detailed above and on the Proxy Form. Any Proxy Forms received after this deadline will be ineffective for the Meeting.

You may complete the Proxy Form in favour of the Chairman of the Meeting or appoint up to two proxies to attend and vote on your behalf at the Meeting. If two proxies are appointed, and the appointment does not specify the proportion or number of the MIX Unitholder's vote each proxy may exercise, each proxy may exercise half of the votes. If a proxy appointment is signed by or validly authenticated by the MIX Unitholder but does not name the proxy or proxies in whose favour it is given, the Chairman of the Meeting will act as proxy.

To be valid, Proxy Forms must be received by no later than 10:00am (Sydney Time) on 17 November 2014.

4 DETAILS OF THE PROPOSAL

Voting exclusions and intentions

In accordance with section 253E of the Corporations Act, MFML and its associates (including Mirvac Group) will not vote on the Scheme Resolutions if they have an interest in those Resolutions, other than as a member of MIX.

In accordance Takeovers Guidance Note 15, any votes in favour of either Scheme Resolution cast by the Acquirer or its associates must be disregarded. In addition, in accordance with section 611 item 7 of the Corporations Act, none of the Acquirer or its associates will vote at the Meeting on the Ordinary Resolution for the purposes of item 7 of section 611 of the Corporations Act.

Voting intentions of the Chairman

MFML has appointed Paul Barker, Chairman of MFML, to chair the Meeting. If the Chairman of the Meeting is your proxy and you do not specifically direct how your proxy is to vote on a Scheme Resolution, you will be taken to have directed the Chairman of the Meeting to vote in favour of the Proposal and the Chairman of the Meeting will exercise your votes in favour of the Scheme Resolutions.

Additional Information

If, after reading this Explanatory Memorandum, you have any questions about the Proposal, please call the MIX information line on +61 1300 363 917 (within and outside Australia), Monday to Friday between 8:30am and 5:30pm (Sydney Time) or visit MIX's website at www.mirvac.com/MIX.

4.13 FIRST JUDICIAL ADVICE

On 14 October 2014, MFML obtained judicial advice from the Court under section 63 of the *Trustee Act 1925* (NSW) that MFML, in its capacity as the responsible entity of MIX, would be justified in convening the Meeting to consider the Proposal, distributing this Explanatory Memorandum to MIX Unitholders and proceeding on the basis that amending the MIX Constitution to effect the Proposal as contemplated by the Scheme Resolutions would be within the powers conferred by the MIX Constitution and section 601GC of the Corporations Act.

A copy of the proposed amendments to the MIX Constitution is contained in the Supplemental Deed, which is set out in Annexure C of this Explanatory Memorandum.

4.14 SECOND JUDICIAL ADVICE

If:

- > the Scheme Resolutions are approved by the requisite majorities; and
- > all Conditions Precedent to the Proposal have been satisfied or remain capable of being satisfied, or (where applicable) waived,

MFML will apply for the Second Judicial Advice (that is, the opinion, advice and direction of the Court under section 63 of the *Trustee Act 1925* (NSW) that MFML would be justified in implementing the Scheme, giving effect to the amendments in the MIX constitution as set out in the Supplemental Deed, and doing all things necessary to implement the Scheme) on the Second Judicial Advice Date. If the Court does not provide the Second Judicial Advice, the Proposal will not become effective.

Any MIX Unitholder who claims that their rights as a MIX Unitholder will be prejudiced by the amendments to the MIX Constitution set out in the Supplemental Deed Poll or by MFML implementing the Scheme, may apply to the Court at or before the hearing before the Court on the Second Judicial Advice Date to seek orders or directions as the circumstances may require. The Second Judicial Advice Date is subject to change but is currently 21 November 2014.

4.15 IMPLEMENTATION STEPS AND TIMING (EFFECTIVE DATE AND IMPLEMENTATION DATE)

If the Court provides the Second Judicial Advice following approval of all Scheme Resolutions by MIX Unitholders at the Meeting by the requisite majorities and the satisfaction or waiver of all other Conditions Precedent to implementation, MFML and the Acquirer will take or procure the taking of the steps required for the Proposal to be implemented, including lodging with ASIC a copy of the Supplemental Deed to give effect to the amendments to the MIX Constitution at which time the Proposal will become effective.

It is anticipated that these steps will occur on or about 21 November 2014.

If the Proposal becomes effective:

- > MFML will become bound to take the steps required for the Acquirer to become the holder of all MIX Units held by the Scheme Unitholders; and
- > the Acquirer will become bound to deposit the Scheme Payment into a trust account nominated by MFML and, maintained by a third party on terms agreed with the Acquirer acting reasonably, before 9:00am on the Implementation Date.

On the Implementation Date, following receipt of the Scheme Consideration by MFML on behalf of all Scheme Unitholders, MFML will execute a master transfer on behalf of all Scheme Unitholders to transfer all of their Scheme Units to the Acquirer and deliver the master transfer to the Acquirer for execution as transferee. The Acquirer must execute the master transfer and return it to MFML, or to MFML's nominated Registry, for registration. MFML will then enter or procure to have entered the name and address of the Acquirer into the MIX Register as the owner of the MIX Units.

4.16 WARRANTY BY SCHEME UNITHOLDERS

The effect of the amendments to the MIX Constitution, as inserted by the Supplemental Deed, is that all MIX Unitholders, including those who do not vote and those who vote against the Proposal, will be deemed to have warranted to MFML in its own right, and on behalf of the Acquirer, that their Scheme Units are fully paid up and are not subject to any encumbrances or interests of third parties or restrictions on transfer of any kind and that they have full power and capacity to sell and transfer the Scheme Units registered in their name.

4.17 DELISTING OF MIX

Under the terms of the Supplemental Deed, MFML will apply to the ASX for termination of the official quotation of MIX Units and the removal of MIX from the official list of the ASX with effect from the Business Day immediately following the Implementation Date, or from such later date as may be determined by the Acquirer.

5

INFORMATION REGARDING MIX

5.1 OVERVIEW

Mirvac Industrial Trust (ASX: MIX) is an ASX-listed real estate investment trust focused on investing in industrial properties located in and around Chicago in the United States. MIX listed on the ASX on 20 May 2005 and is managed by MFML, a wholly-owned subsidiary of Mirvac Limited and the responsible entity of MIX.

Following the onset of the global financial crisis in late 2007 MIX was in an extremely perilous position with overall gearing peaking at 84.3% and the Trust's NTA and unit price reaching their lowest points of A\$0.10 per MIX Unit and A\$0.016 per MIX Unit, respectively, with substantial loan facilities in or expected to enter default. During this period MFML executed a number of capital enhancement initiatives to protect and recover value for MIX Unitholders. These included:

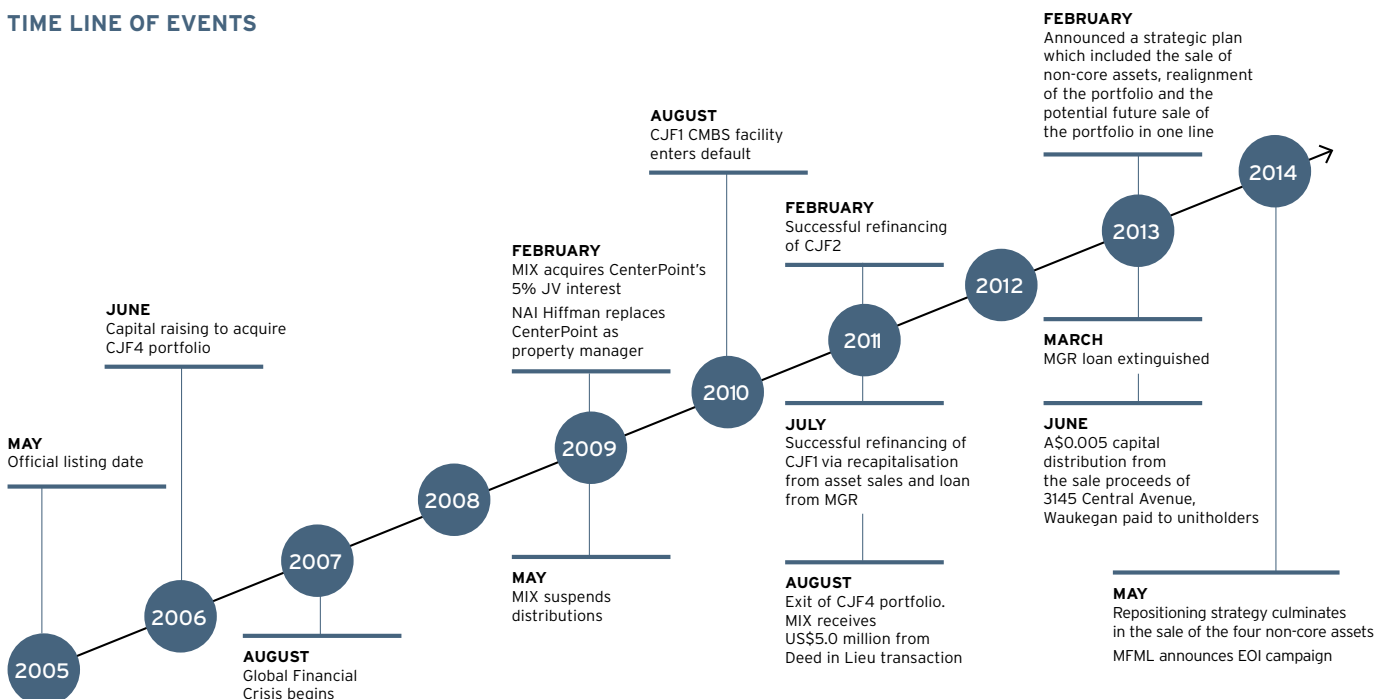
- > the buyout of the Trust's then 5.0% joint venture partner and then property manager, CenterPoint Properties, at a cost of US\$13.6 million ensuring MFML had strategic control of the Trust;

- > the completion of 19 asset sale transactions with a combined value of approximately US\$157 million. The proceeds from these sales were used to repair the Trust's balance sheet;
- > refinanced a total of approximately US\$150.0 million of expiring debt facilities;
- > negotiated US\$5.0 million in compensation from the lender to the CJF4 debt pool, in return for a full release from the loan facility totaling US\$144.1 million; and
- > repaid a US\$17.8 million bridging facility from Mirvac Group used to assist with the recapitalisation of the Trust and joint venture buyout.

These initiatives culminated in the strategic plan that was announced in February 2013 which included the sale of non-core assets, realignment of the Portfolio and the potential future sale of the Portfolio.

In May 2014, MIX completed the sale of four non-core assets and simultaneously announced the EOI campaign for the realisation of 100% of MIX Units.

TIME LINE OF EVENTS



5.2 PORTFOLIO

As at 30 June 2014, MIX owned a 4.98 million square foot portfolio of 24 B-grade, Chicago centric, industrial assets, with the following metrics¹:

- > valuation of US\$164.0 million;
- > weighted average capitalisation rate of 8.12%;
- > occupancy of 89%; and
- > weighted average lease expiry of 3.9 years.

PROPERTY	TOTAL GLA (SQFT)	OCCUPANCY (%)	ASSET WALE BY INCOME (YEARS)	BOOK VALUE (US\$M)	CAP RATE (%)
1445-1645 Greenleaf Avenue	150,000	84	3.3	4.4	8.00
2727 West Deihl Road	440,343	100	4.5	23.8	7.50
28170 North Keith Drive	77,924	100	5.2	3.6	7.50
3602 North Kennicott Avenue	94,300	100	4.6	5.8	8.00
6510 West 73rd Street	306,552	100	3.4	8.8	8.50
7200 Mason Avenue	207,345	100	4.0	8.2	8.00
800-850 Regency Drive	48,250	36	4.3	3.5	8.25
1020 Frontenac Road	99,684	Vacant	–	3.4	7.50
11601 South Central Avenue	260,000	100	8.8	6.8	7.50
13040 South Pulaski Avenue	395,466	98	1.2	8.5	8.50
1750 South Lincoln Drive	499,200	100	4.5	9.9	9.25
1796 Sherwin Avenue	98,879	100	1.6	4.3	8.00
1850 Greenleaf Avenue	58,627	100	3.6	2.7	8.00
1880 Country Farm Road	162,000	100	2.5	7.7	8.00
3841-3865 Swanson Court	100,000	74	5.6	3.5	8.00
5110 South 6th Street	58,500	100	1.6	2.4	8.50
525 West Marquette Avenue	112,144	26	0.2	4.0	8.00
5990 West Touhy Avenue ²	302,410	54	3.6	8.4	9.00
6000 West 73rd Street	148,091	100	4.0	4.9	8.00
6558 West 73rd Street	301,000	75	3.8	8.3	8.00
6600 River Road	630,410	93	2.5	14.4	8.50
6751 South Sayre Avenue	242,690	100	6.4	7.7	8.00
8200 100th Street	148,472	100	6.0	6.9	8.00
8100 100th Street	38,290	100	6.0	2.1	8.00
Totals/Weighted Average	4,980,577	89	3.9	164.0	8.12

5.3 BORROWINGS

As at 30 June 2014, MIX had total outstanding debt of US\$104.3 million across two ING Facilities with a maturity date of 1 March 2016.

Under the loan documentation, the prepayment of the ING Facilities incurs a cost based on a yield maintenance calculation for the duration of the loan term at US Treasuries + 30bps or 1.00% of the outstanding principal balance, whichever is greater. The estimated debt prepayment penalty was US\$6.7 million as at 30 June 2014.

FACILITY	BALANCE (US\$M)	COST (%)	MATURITY
ING - CJF1	34.7	4.30	1 March 2016 ³
ING - CJF2	69.6	4.50	1 March 2016 ⁴
Total/Weighted Average	104.3	4.43	1.67 years

1 The information as at 30 June 2014 includes Touhy. MFML announced on 3 September 2014 that it had executed an unconditional contract to sell the Touhy asset with settlement taking place on 2 October 2014 (US time).

2 MFML announced on 3 September 2014 that it had executed an unconditional contract to sell the Touhy asset with settlement taking place on 2 October 2014 (US time).

3 The facility matures 1 March 2031 with the first call date at 1 March 2016.

4 The facility matures 1 March 2041 with the first call date at 1 March 2016.

INFORMATION REGARDING MIX

5.4. MARKET OVERVIEW AND COMMENTARY

The Chicago industrial market, which includes Southern Wisconsin and Northwest Indiana, has an inventory of nearly 1.2 billion square feet, which is made up of approximately 65.0% warehouse, 32.0% manufacturing and the remainder workspace/service facilities. Chicago ended 2013 with a vacancy rate of 6.6%, one of the lowest vacancy rates the market has ever seen, down 110 basis points from a year ago and 380 basis points from 1Q 2010 (10.2%). During the 2Q 2014, the vacancy rate fell even further to 6.2%.

With the lowest vacancy rates in over a decade and a dwindling supply of available class A space, construction continues to occur. Through the first half of 2014, there has been 7.5 million square feet of construction starts, the highest first half total since 2000. Currently, there are 27 projects totalling 11.5 million square feet under construction.

Low vacancy, limited speculative construction and high leasing velocity has caused an increase in market rents with CBRE Group, Inc. projecting a rent growth in Chicago of 3.7% on average for the next five years.

Unlike much of the country's industrial markets whose growth is driven by e-commerce tenants such as Amazon, the growth in the Chicago market is driven by local and regional tenants. These tenants, who are primarily in the manufacturing and service industries, are slowly recovering from the recession and causing strong growth in rental rates and the overall economy. A significant barrier to an increased supply of acquisition opportunities is the under allocation of industrial property held by most institutional owners and the inability to recycle capital.

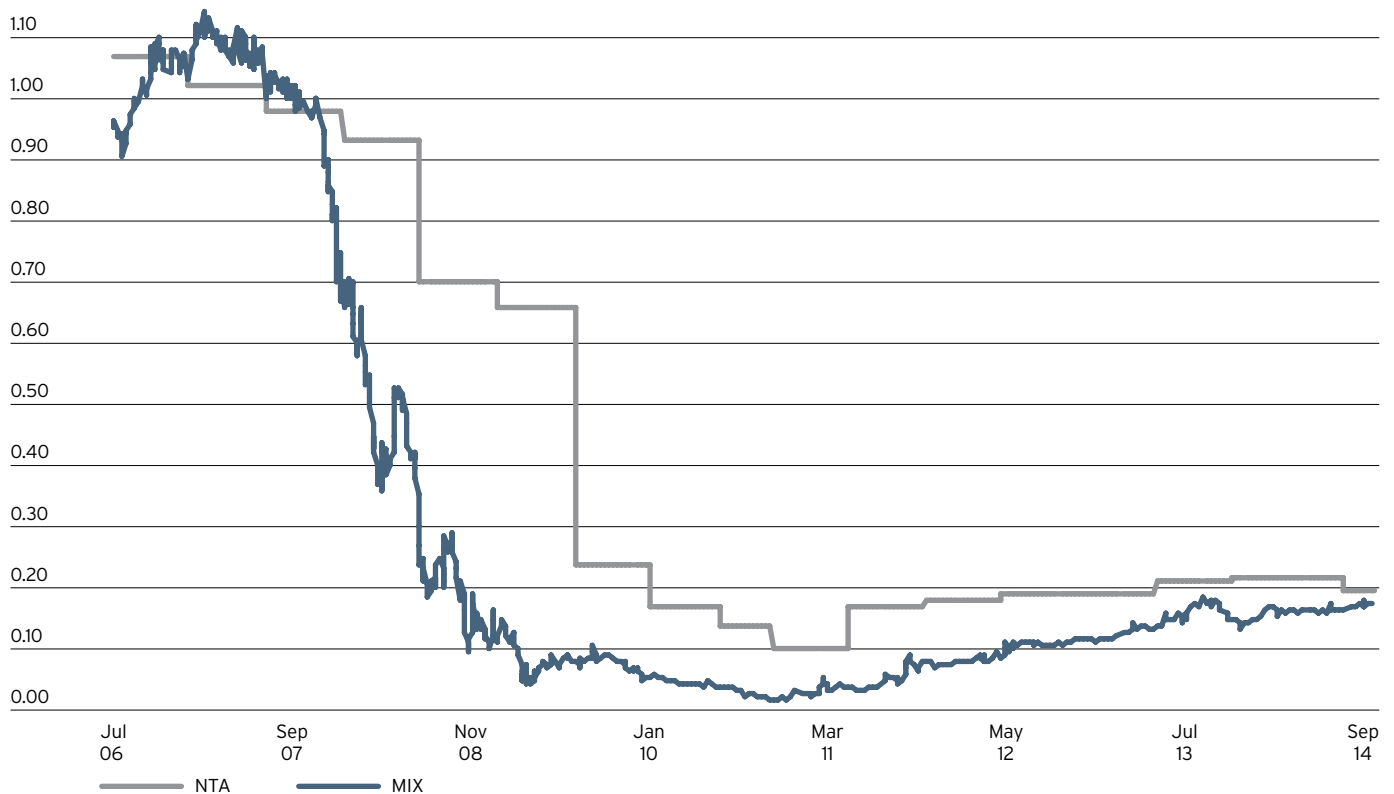
Chicago is just now emerging from the economic downturn associated with the GFC. Demand is currently strongest for Class A product and starting to flow out to Class B product. The market for Class C and D assets still has a long way to rise before returning to peak pricing.

5.5 RECENT MIX UNIT PRICE PERFORMANCE

The closing price of MIX Units on 18 September 2014 (the trading day prior to the execution of the Scheme Implementation Agreement) was A\$0.175. The one month and three month VWAPs to 18 September 2014 were A\$0.174 and A\$0.170 per MIX Unit respectively.

MIX price/NTA

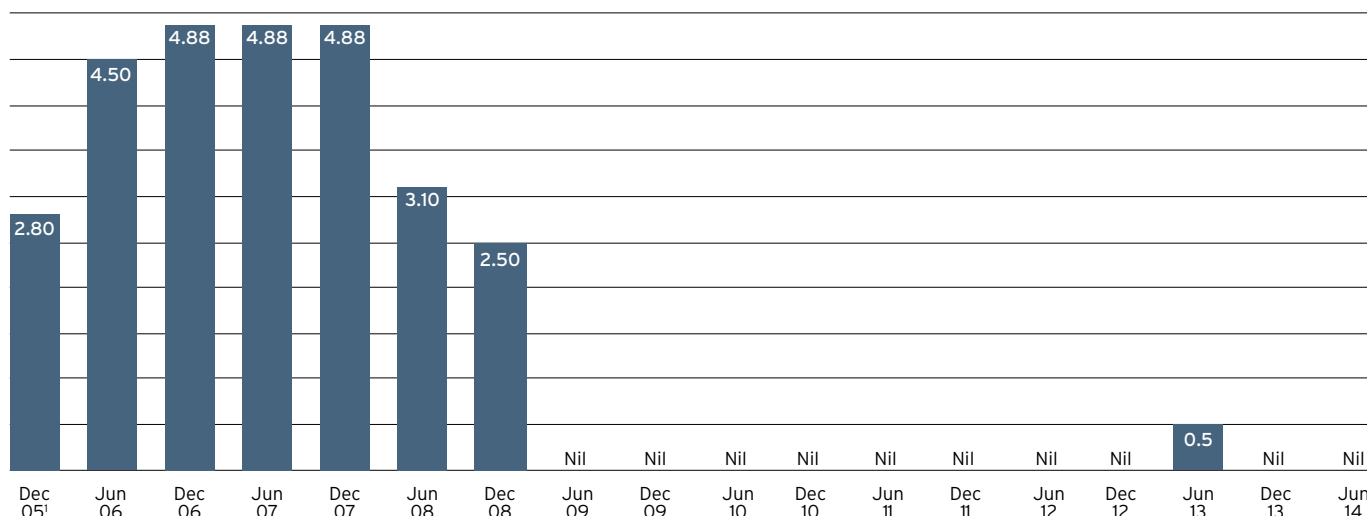
A\$1.20



5.6 DISTRIBUTION HISTORY

As at the date of this Explanatory Memorandum, MFML has determined that MIX will not pay distributions. MFML believes it is prudent to continue to retain capital to provide adequate funding for the expected costs associated with the EOI campaign and to continue to actively maintain the Portfolio through this period.

MIX distribution history (A\$cpu)



5.7 HISTORICAL AND PRO FORMA BALANCE SHEET

The information in this section comprises:

- historical summarised balance sheet extracted from the unaudited US dollar financial information as at 30 June 2014 that was released to the ASX on 21 August 2014 together with the MIX Annual Financial Report for the year ended 30 June 2014; and
- pro forma summarised balance sheet as at 30 June 2014 showing the impact of the sale of Touhy and foreign exchange movements.

The information is presented in abbreviated form insofar as it does not include all of the disclosures required by applicable accounting standards.

MIX Consolidated Statement of Financial Position as at 30 June 2014

US\$ ('000'S)	30 JUNE 2014	TOUHY ADJUSTMENTS	PRO FORMA
Cash	14,587	397	14,984
Investment properties	164,000	(8,400)	155,600
Other assets	2,800	(14)	2,786
Total assets	181,387	(8,017)	173,370
Borrowings	103,874	(7,596)	96,278
Other liabilities	10,404	(634)	9,770
Total liabilities	114,278	(8,230)	106,048
Net tangible assets	67,109	213	67,322
MIX units on issue	362,457		362,457
NTA per MIX Unit US\$	0.185		0.186
A\$/US\$ exchange rate	0.9432		0.8973
NTA per MIX Unit A\$	0.196		0.207

Pro forma adjustments

The MIX balance sheet as at 30 June 2014 has been adjusted to reflect the sale of the Touhy asset announced on 3 September 2014.

The sale price agreed for the Touhy asset of US\$9.025 million is approximately 7.44% above the asset's book value of US\$8.40 million as at 30 June 2014 with settlement taking place on 2 October 2014 (US time).

The pro forma balance sheet also reflects movement in the A\$/US\$ exchange rate since 30 June 2014. The Australian dollar weakened against the US dollar from 0.9432 to 0.8973 as at 18 September 2014.

By way of example, a sensitivity table highlighting the impact of movements in the A\$/US\$ exchange rate on MIX's 30 June 2014 pro forma NTA is outlined below:

A\$/US\$ exchange rate	0.84	0.86	0.88	0.8973	0.92	0.94
MIX 30 June 2014 pro forma NTA	0.221	0.216	0.211	0.207	0.202	0.198

Please refer to MIX's full year financial statements for further details on MIX's balance sheet as at 30 June 2014 and other financial disclosures in relation to MIX.

¹ 31 December 2005 units partly paid.

5.8 BOARD AND MANAGEMENT**Paul Barker (Non-Executive Chairman)**

BBus, FCA, ACIS, MAICD

Paul has extensive experience in accounting and financial services both in Australia and overseas. Formerly Chief Executive of Audit Victoria, he also held senior group executive positions with Standard Chartered Bank in Hong Kong, Singapore and London.

Paul is also the Chairman of Mirvac REIT Management Limited.

Paul has previously held roles including Chairman of the Transport Accident Commission, Deputy Chairman of the Victorian WorkCover Authority, Chairman of the Emergency Services Telecommunications Authority, Chairman of VicForests, Chairman of Stadium Operations Limited (Etihad Stadium), Director of Employment National Limited, and Chairman of the Victorian division of the Institute of Chartered Accountants.

He is a Fellow of the Institute of Chartered Accountants in Australia and a member of the Institute of Chartered Secretaries and the Australian Institute of Company Directors.

Paul was appointed as an Independent Non-Executive Chair to the Board on 1 April 2007.

Vicki Allen (Non-Executive Director)

BBus, MBA, FAICD

Vicki Allen is a skilled director and consultant, with more than 25 years' experience in the financial services and property sectors. Vicki's executive career spans senior strategic, operational, product and business development roles at The Trust Company, National Australia Bank, Lend Lease Corporation and Westfield Limited.

Vicki is currently the Chair of Bridge Housing Limited, a member of NSW Self Insurance Corporation Advisory Board and on the board of a major industry superannuation fund.

Vicki was appointed as an Independent Non-Executive Director and Deputy Chair to the Board on 28 May 2013.

Rob Morrison (Non-Executive Director)

BTRP (Hons), MComm

Robert has extensive experience in property investment and funds management. During his 21 years at AMP, Robert held executive roles which included Head of Property and Director of Asian Investments. Robert's investment experience includes senior portfolio management roles where he managed both listed and unlisted property investments on behalf of institutional investors.

Robert was previously an executive director of AMP Capital and a national director of the Property Council of Australia. He is a founding partner and executive director of alternative investments firm, Barwon Investment Partners, and a non-executive Director of Ingenia Communities Group.

Robert was appointed as an Independent Non-Executive Director to the Board on 25 July 2013.

Elana Rubin (Non-Executive Director)

BA (Hons), MA, FFin, FAICD, FAIM

Elana Rubin was appointed a Non-Executive Director of MFML on 26 November 2013 and has extensive experience in property and financial services.

Elana is a Director of several NAB life insurance and asset management subsidiaries, Director of PPB Advisory, and a Member of the Qualitas Properties Advisory Board and the Victorian Council of the Australian Institute of Company Directors.

Elana is the former Chair of AustralianSuper (July 2007 to April 2013), one of Australia's leading superannuation funds, having been on the Board since 2006. She was a Director of Victorian WorkCover Authority (December 2001 to February 2012) and Chair from 2006.

Elana was previously a Non-Executive Director of TAL Life Limited (formerly Tower Australia Limited) (November 2007 to April 2013) and has been a Director on a number of listed companies and other entities including Bravura Solutions Limited.

Elana is currently an Independent Non-Executive Director of Mirvac Group (appointed November 2010).

Andrew Butler (Executive Director)

BAPPSc (Land Economics), GradDip Management, AAPI

Andrew Butler has been with Mirvac for 19 years and is currently responsible for Mirvac's office and industrial portfolio.

Andrew has been involved in property investment, development, acquisitions, and property funds management for more than 25 years. He has extensive experience in commercial, retail, industrial and hotel property throughout Australia, New Zealand and the US.

Prior to his appointment as Group Executive Office and Industrial, Andrew served as CEO, Investment; Director, Investment; Director, Listed and Unlisted Funds; Director, MREIT; and Director, Property Acquisitions and Agency Services for Mirvac. Prior to joining Mirvac, Andrew worked at Stanton Hillier Parker in valuations and consultancy.

Andrew was appointed an Executive Director to the MFML Board on 13 December 2010.

Nicholas Blake (General Manager, Mirvac Industrial Trust)

BEC, AFin

Nicholas Blake is the General Manager, Mirvac Industrial Trust, an ASX listed Australian Real Estate Investment Trust. Nicholas is responsible for the operational, strategic aspects and performance of the Trust's activities. The Trust currently owns a portfolio of 23 industrial assets located in the greater Chicago area. Prior to his appointment as General Manager, Mirvac Industrial Trust in March 2008, Nicholas was the Portfolio Manager for the Trust from 2006.

Nicholas has worked in the property industry for over 15 years and with Mirvac for over 11 years. He has a comprehensive background in property funds management in both listed and unlisted funds both in Australia and the United States. Prior to joining Mirvac, Nicholas worked as Assistant to the Head of Property at James Fielding Group where he was responsible for the formation of a wide range of wholesale and retail property funds management products. Prior to that he was a research analyst for BT Funds Management.

**Garry Tchaprazian (Operations & Asset Manager,
Mirvac Industrial Trust)**

BCom, MCom, CA

Garry Tchaprazian is the Operations and Asset Manager for Mirvac Industrial Trust. Garry is responsible for the day-to-day management and operations of the Trust's 23 asset, Chicago based, industrial property portfolio. Prior to being promoted to the Operations and Asset Manager role in December 2012, Garry previously held the role as the Trust's Finance Manager.

Garry has worked in the property finance industry for the past 12 years. He is a member of the Institute of Chartered Accountants and graduated from the University of New South Wales with a Bachelor of Commerce in Accounting and Finance and a Masters of Commerce in Business Law and Taxation.

Prior to joining Mirvac in April 2006, Garry spent three years at Ernst & Young and held various finance positions with Multiplex Group, Thomas and Coffey Limited and Deutsche Asset Management.

Tim Au-Yeung (Finance Manager)

BCom, MCom (Fin), CPA

Tim Au-Yeung is the Finance Manager for Mirvac Industrial Trust. Tim is responsible for the finance function which includes accounting, financial analysis and statutory reporting responsibilities. Along with his accounting role, he is also responsible for the Trust's financial modelling. Prior to being promoted in December 2012, Tim was the Trust's Senior Trust Accountant.

Tim is a CPA and has 13 years of experience as a trust accountant on various property trusts. He joined Mirvac in July 2006.

6

INFORMATION REGARDING THE ACQUIRER

If the Scheme becomes effective and is implemented, the Acquirer will acquire all the units in MIX on issue at the Record Date.

The information in this Section 6 of the Explanatory Memorandum has been provided by the Acquirer and the Acquirer is responsible for its accuracy. The Goldman Sachs Group, Inc. (**Goldman Sachs**), its directors, officers and advisors accept no responsibility for the information contained in this Section 6 of the Explanatory Memorandum.

6.1 OWNERSHIP OF THE ACQUIRER

The Acquirer is AustFunding Pty Ltd (ACN 601 686 999), an Australian proprietary company limited by shares and is taken to be registered in the state of Victoria. Its ultimate parent entity is Goldman Sachs.

6.2 DIRECTORS OF THE ACQUIRER

- > Simon Rothery
- > David Gribble

6.3 OVERVIEW OF GOLDMAN SACHS

The Goldman Sachs Group, Inc. is a leading global financial services firm. Founded in 1869, the firm is headquartered in New York and maintains offices in all major financial centers around the world. Goldman Sachs has total assets of approximately US\$860 billion and global core excess liquidity of approximately US\$170 billion as at June 30, 2014. Goldman Sachs is required to file annual, quarterly and current reports, proxy statements and other information with the U.S. Securities and Exchange Commission, which are available to the public through <http://www.sec.gov> or the Goldman Sachs website.

6.4 THE ACQUIRER'S INTENTIONS IF THE SCHEME IS IMPLEMENTED

The Acquirer (as part of the Goldman Sachs Group) believes that its ability to draw upon its global real estate experience puts it in a strong position to be able to strategically assess the MIX assets and successfully implement the Scheme.

This Section 6.4 sets out the intentions of the Acquirer if the Scheme is implemented, which have been formed on the basis of facts and information concerning MIX (including information obtained during due diligence which may include certain non-public information made available to the Acquirer prior to entry into the Scheme Implementation Agreement) and the general business environment which is known to the Acquirer at the time of preparation of this Explanatory Memorandum.

Any decisions to be made by the Acquirer will only be made after the Acquirer has had a chance to undertake a detailed review of MIX's activities and assets to evaluate MIX's long-term potential, profitability and prospects. Accordingly, statements set out in this Section 6.4 are statements of present intention only which may change as new information becomes available or circumstances change, and the statements in this Section 6.4 should be read in that context.

If the Scheme is implemented:

- > the Acquirer will become the holder of all Scheme Units;
- > MFML will retire and a new responsible entity will be appointed as responsible entity of MIX;
- > it is proposed that MIX be removed from the official list of the ASX; and
- > applications will be made for MIX to be deregistered as a managed investment scheme.

The Acquirer has engaged One Managed Investment Funds Limited (ABN 47 117 400 987) (AFSL 297042) to be the new responsible entity of MIX after implementation of the Scheme.

After implementation of the Scheme, the Acquirer intends to undertake a strategic review of MIX and MIX's portfolio to evaluate the long-term potential, profitability and prospects of MIX and MIX's assets before making any final decisions. As part of that strategic review, the Acquirer may also determine a strategy for each asset within the MIX Portfolio, with the objective of maximizing the income and capital value potential for each asset, in the context of a medium-term investment horizon. Decisions regarding potential asset acquisitions or disposals will be made on a case by case basis, including transfer of those assets to other entities within the Goldman Sachs Group. Statements made in this section are subject in all respects to the outcome of that review.

In that strategic review, the Acquirer may also assess the optimal financing strategy for MIX and the portfolio of MIX's assets, which may include injection of further capital, maintaining the current debt against the portfolio, seeking to refinance the debt with new debt, or holding the portfolio on an unlevered basis. The Acquirer may, following implementation and the strategic review, retain the MIX structure for internal debt funding, equity funding or any other purpose.

6.5 FUNDING ARRANGEMENTS FOR SCHEME PAYMENT

If the Scheme becomes effective and is implemented, it is anticipated that Scheme Unitholders will receive a payment estimated to be A\$0.214 per Scheme Unit as cash consideration¹. The Acquirer intends to fund the Scheme Payment with cash (through debt) from Goldman Sachs Group. The Acquirer has access to committed funding to cover the Scheme Payment, as described below. The Scheme is not conditional on the Acquirer obtaining debt or equity finance to fund the payment of the Scheme Payment. Accordingly, the description of the Acquirer's funding arrangements below is provided for information purposes only, to help demonstrate the arrangements that the Acquirer has in place to finance the payment of the Scheme Payment if the Scheme becomes effective. Subject to the terms and conditions of the commitment letter below, the total amount of debt financing available to the Acquirer is sufficient to pay the Scheme Payment.

The Acquirer and MFML have a binding commitment letter from GS Diversified Funding LLC (**GSDF**), a member of the Goldman Sachs Group, dated 17 September 2014, pursuant to which GSDF has agreed to provide, or arrange or procure for one or more other Goldman Sachs Group members to provide, debt funding to the Acquirer for it to use to fund the Scheme Payment and the costs and expenses related to the Proposal. GSDF's obligations under the commitment letter are separately guaranteed by Goldman Sachs. Under the terms of the commitment letter, GSDF has agreed to provide, or arrange or procure one or more other Goldman Sachs Group members to provide, the Acquirer with a term loan facility of US\$70 million, which may be subject to adjustment to account for the difference between the estimated Transaction Costs and final Transaction Costs incurred by MFML in relation to the Scheme.

The commitment letter contains all of the conditions to the debt funding and sets out the material terms of the debt facilities.

The obligation to provide the debt funding under the commitment letter is subject to:

- > all Conditions Precedent under the Scheme Implementation Agreement being satisfied or waived;
- > the Scheme Implementation Agreement having not been terminated; and
- > the Scheme becoming effective,

and such funding must be provided except where the Scheme Implementation Agreement is terminated in accordance with its terms or the Acquirer becomes the subject of an insolvency event.

If these conditions precedent to the debt facilities are satisfied, the debt funding from GSDF, or the relevant Goldman Sachs Group members arranged or procured by GSDF, will be provided to the Acquirer. As at the date of this Explanatory Memorandum, the Acquirer is not aware of any reason why any of the conditions precedent to the debt facilities will not be satisfied, and expect that they will be satisfied in time to allow payment in full of the aggregate Scheme Payment as and when due under the terms of the Scheme.

6.6 ACQUIRER'S INTEREST IN MIX UNITS

As at the date of this Explanatory Memorandum, neither the Acquirer nor any of their associates (as defined in the Corporations Act) has a Relevant Interest in any MIX Units.

During the four months prior to the date of this Explanatory Memorandum, neither the Acquirer nor any of its associates (as defined in the Corporations Act) gave, or agreed to give, consideration for any MIX Units, other than under the Scheme.

6.7 BENEFITS TO MIX UNITHOLDERS

During the four months before the date of this Explanatory Memorandum, neither the Acquirer nor any of its associates (as defined in the Corporations Act) have given or offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person, or an associate to:

- > vote in favour of the Scheme; or
- > dispose of MIX Units,

and where the benefit was not offered to all Scheme Unitholders.

6.8 BENEFITS TO DIRECTORS

The Acquirer will not be making any payment or giving any benefit to any current member of the MFML Board or the Mirvac Group Board relating to the implementation of the Scheme.

¹ Based on the A\$/US\$ exchanged rate of 0.8973 as at 18 September 2014 and assumed Transaction Costs amounts. The amount ultimately received by Scheme Unitholders will depend in part on the A\$/US\$ exchange rate to be applied to the Scheme Payment, and any Transaction Costs Adjustment (refer to Section 4.5).

7

TAX REPORT

PWC has provided a Tax Report on the general Australian taxation impacts of the Proposal.

No MIX Unitholder will be liable for GST or stamp duty in respect of the sale of their Scheme Units under the Scheme.

You should obtain advice from your own taxation adviser on the tax implications for you of the Proposal.



The Directors
Mirvac Funds Management Limited
as Responsible Entity of the Mirvac Industrial Trust
Level 26
60 Margaret Street
SYDNEY NSW 2000

23 September 2014

Dear Directors

Tax Report

This Tax Report has been prepared for inclusion in the Explanatory Memorandum (**EM**) dated on or about 14 October 2014 in relation to the Proposal. Capitalised terms in this letter have the same meaning as they do in the EM.

The Tax Report has been prepared for the Directors and should not be relied upon by any other party.

The purpose of this letter is to provide a broad summary of the Australian tax considerations for Unitholders should the Proposal proceed. In providing this opinion, PwC has relied upon certain facts set out in the EM that have not been independently reviewed or verified by PricewaterhouseCoopers.

Disclaimer

The information below is based on existing tax law and established interpretations as at the date of this letter. The law is complex and subject to change periodically as is their interpretation by the courts and the Australian Taxation Office (**ATO**) and state revenue authorities (**SRO**).

The taxation information provided below is intended only as a brief guide. The Australian taxation consequences for MIX Unitholders will ultimately depend on their individual circumstances. Accordingly, it is recommended that MIX Unitholders seek professional taxation advice in relation to their own position.

The information in this section only applies to individuals who hold their MIX Units on capital account.

PricewaterhouseCoopers, ABN 52 780 433 757
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.



The information in this section does not cover the taxation implications for MIX Unitholders who hold their investment on revenue account, as trading stock, or where the MIX Units are subject to the Taxation of Financial Arrangement provisions.

The comments in this section do not address any taxation implications which might arise in countries other than Australia. MIX Unitholders who are not Australian tax residents should seek their own advice on the consequences of the disposal of their MIX Units under any relevant foreign tax laws.

The information contained in this letter does not constitute “financial product advice” within the meaning of the *Corporations Act (2001)* (Cth) (**Corporations Act**). PwC, which is providing this letter, is not licensed to provide financial product advice under the Corporations Act. To the extent that this letter contains any information about a “financial product” within the meaning of the Corporations Act, taxation is only one of the matters that must be considered when making a decision about the relevant financial product. This letter has been prepared for general circulation and does not take into account the objectives, financial situation or needs of any recipient. Accordingly, any recipient should, before acting on this material, consider taking independent financial advice from a person who is licensed to provide financial product advice under the Corporations Act.

Capital Gains Tax (CGT) consequences for Australian resident MIX Unitholders

Should Unitholders in MIX vote in favour of the Proposal, they will dispose of their Units in MIX. The disposal of the MIX Units will have CGT implications for the MIX Unitholder as CGT event A1 will occur upon disposal of their Units to AustFunding Pty Limited. Broadly, the MIX Unitholder must include any realised capital gain or loss on the disposal of their MIX Units in the calculation of their net capital gain or loss for the year in which the disposal occurs. The date of disposal will be taken to be the Implementation Date.

A MIX Unitholder will derive a capital gain on the disposal of their MIX Units to the extent that the capital proceeds on disposal exceed the CGT cost base of the MIX Units. A MIX Unitholder will incur a capital loss to the extent that the capital proceeds on disposal are less than the CGT reduced cost base of the MIX Units. Unitholders should note that distributions of tax deferred income they have received from MIX in the past would have reduced the cost base and reduced cost base of their MIX Units. The Scheme Payment (refer Section 4.5) will be the capital proceeds for the purposes of calculating the capital gain or loss.

As the Scheme Payment will be made in USD, MIX Unitholders should work out the capital proceeds by converting the amount received (or the amount they are entitled to receive) to Australian currency at the time of the relevant CGT event. Practically, this should be the amount of the Scheme Consideration received by MIX Unitholders.



As the Scheme Consideration should be translated from USD to AUD on the Implementation Date, there should be no further foreign exchange matters to consider for MIX Unitholders.

Generally, the CGT cost base of each MIX Unit will include the amount paid by each MIX Unitholder to acquire their MIX Units, together with any capital costs of acquisition and/or disposal, reduced by any tax deferred distributions or returns of capital made by MIX while each MIX Unitholder held their MIX Units.

For MIX Unitholders who are individuals, trustees of trusts or complying superannuation entities who have held the MIX Units for 12 months or more at the Implementation Date (exclusive of the acquisition date and the Implementation Date), and there is a net capital gain on the MIX Units, a discount factor of 50% (or 33.3% for complying superannuation entities) may be available to the individual, trustee of a trust or complying superannuation entity (the **CGT Discount**). The operation of the CGT discount can be complex, so MIX Unitholders in these circumstances should obtain specific advice.

Where a MIX Unitholder realises a capital loss on the disposal of their MIX Units, the capital loss incurred may be offset against capital gains derived in the same, or future, income years.

CGT consequences for non-resident MIX Unitholders

Broadly, non-resident MIX unitholders should only have Australian CGT consequences where the MIX Units are Taxable Australian Property (**TAP**).

The MIX Units should only constitute TAP where:

- The MIX Units have been held by the non-resident MIX Unitholder in carrying on a business in Australia through a permanent establishment; or
- Both of the following apply:
 - the MIX Unitholder has held more than 10% of the issued capital of MIX at the Implementation Date or throughout any time in a 12 month period during the two years preceding the Implementation Date; and
 - at the Implementation Date, more than 50% of the market value of MIX consists of TAP (direct and indirect interests in Australian real property).

As MIX invests in Chicago centric real property, non-residents who hold their investment on capital account, and do not hold their investment through an Australian permanent establishment, should not generally be subject to Australian CGT on disposal of their MIX Units.

***Goods and services tax (GST)***

The disposal of MIX Units should not be subject to GST. However MIX Unitholders may incur GST on costs that relate to their participation in the Proposal and should seek their own independent advice in relation to the GST implications of participating in the Proposal.

Stamp duty

Australian stamp duty should not be payable by MIX Unitholders in respect of the disposal of their units.

A handwritten signature in black ink, appearing to read 'Michael Davidson'.

Michael Davidson
Partner

8

ADDITIONAL INFORMATION

8.1 SUMMARY OF SCHEME IMPLEMENTATION AGREEMENT

The Scheme Implementation Agreement was entered into by the Acquirer and MFML as responsible entity of MIX on 19 September 2014.

The key terms of the Scheme Implementation Agreement are summarised below.

Conditions Precedent

A number of Conditions Precedent contained in the Scheme Implementation Agreement need to be satisfied or (where applicable) waived before the Proposal can be implemented.

In particular, the Conditions Precedent includes the following:

- › **Regulatory approvals:** before 8:00am on the date of dispatch of this Explanatory Memorandum to MIX Unitholders, ASIC and ASX have granted all approvals and relief required to implement the Proposal;
- › **MIX Unitholder approval:** MIX Unitholders approve the Scheme Resolutions by the requisite majorities before 8:00am on the Second Judicial Advice Date;
- › **No restraints:** no judgment, order, decree, statute, law, ordinance, rule or regulation, or other temporary restraining order, preliminary or permanent injunction, restraint or prohibition, entered, enacted, promulgated, enforced or issued by any Court or other governmental agency of competent jurisdiction, remains in effect as at 8:00am on the Second Judicial Advice Date that prohibits, materially restricts, makes illegal or restrains the completion of the Scheme or any of the Scheme Implementation Agreement, the Deed Poll, or the Supplemental Deed;
- › **Execution and lodgement of the Supplemental Deed:** MFML executes the Supplemental Deed and lodges a copy of the executed Supplemental Deed with ASIC;
- › **No MIX Prescribed Occurrences:** no MIX Prescribed Occurrence occurs or becomes known to the Acquirer or MFML between the date of the Scheme Implementation Agreement and 8:00am on the Second Judicial Advice Date;
- › **No MIX Material Adverse Change:** no MIX Material Adverse Change occurs or becomes known to the Acquirer or MFML between the date of the Scheme Implementation Agreement and 8:00am on the Second Judicial Advice Date;

- › **MIX representations and warranties:** the representations and warranties of MFML set out in the Scheme Implementation Agreement:
 - that are qualified as to materiality, are true and correct; and
 - that are not so qualified, are true and correct in all material respects, as at the date of the Scheme Implementation Agreement and as at 8:00am on the Second Judicial Advice Date as though made on and as of that time.
- › **Director's recommendation:** all of the Directors of MFML have, in this Explanatory Memorandum, stated that they recommend that MIX Unitholders vote in favour of the Scheme Resolutions, in the absence of a Superior Proposal, and no Director of MFML has withdrawn, qualified or varied those recommendations before the Scheme Resolutions are approved by the requisite majorities of MIX Unitholders;
- › **Second Judicial Advice:** the Court provides the Second Judicial Advice;
- › **Deed of Retirement and Appointment:** before the Second Judicial Advice Date, MFML signs and delivers the Deed of Retirement and Appointment to the Acquirer, together with all the documents contemplated to be delivered to the Acquirer under the Deed of Retirement and Appointment;
- › **Independent Expert's Report:** the Independent Expert provides the Independent Expert's Report to MFML, stating that in its opinion the Scheme is fair and reasonable, and is in the best interests of MIX Unitholders before the date on which this Explanatory Memorandum is lodged with ASIC, and the Independent Expert does not change its conclusion or withdraw the Independent Expert's Report by notice in writing to MFML prior to the Meeting;
- › **Execution of Deed Poll:** between the date of the Scheme Implementation Agreement and the date of sending this Explanatory Memorandum to MIX Unitholders, the Acquirer has signed and delivered the Deed Poll; and
- › **Acquirer representations and warranties:** the representations and warranties of the Acquirer set out in the Scheme Implementation Agreement:
 - that are qualified as to materiality, are true and correct; and
 - that are not so qualified, are true and correct in all material respects, as at the date of the Scheme Implementation Agreement and as at 8:00am on the Second Judicial Advice date as though made on and as of that time.

ADDITIONAL INFORMATION

If a Condition Precedent is not satisfied or waived by the date specified for its satisfaction, then the parties will consult in good faith to determine whether the Proposal may proceed by way of alternative means or methods or may agree (but shall not be obliged to) extend the relevant dates for satisfaction of the Conditions Precedent.

Exclusivity

The Scheme Implementation Agreement provides that MFML must not and must ensure that its Representatives do not (except with the prior written consent of the Acquirer), within a defined period of exclusivity, do any of the following:

- **(No shop restriction)** directly or indirectly solicit, invite, encourage or initiate any Competing Proposal or any enquiries, negotiations, communications or discussions with any third party in relation to, or that may reasonably be expected to lead to, a Competing Proposal, or communicate any intention to do any of those things with a view to obtaining any expression of interest, offer or proposal from any person in relation to a Competing Proposal;
- **(No talk restriction)** enter into, continue or participate in negotiations and discussions with, or enter into any agreement, arrangement or understanding with any third party in relation to, or that may reasonably be expected to lead to, a Competing Proposal, even if:
 - the competing proposal was not solicited, invited, encouraged or initiated by MFML or its representatives, or
 - the Competing Proposal has been publicly announced; or
- **(No due diligence)** make available to, or continue to make available to, any third party (other than the Acquirer or its representatives) or permit such third party to receive any non-public information relating to MIX or any subsidiaries or other entities it controls, in connection with such third party formulating, developing or finalising, or assisting in the formulation, development or finalisation of or otherwise in connection with a Competing Proposal.

The 'no talk restriction' and 'no due diligence' provisions are subject to a carve out that allows MFML to take action, or to refuse to take action, with respect to a Competing Proposal (which was not encouraged, invited or initiated by MFML or its representatives in breach of the exclusivity restrictions under the Scheme Implementation Agreement), if the MFML Board, acting reasonably and in good faith forms the view that:

- the Competing Proposal is a Superior Proposal or is reasonably capable of becoming a Superior Proposal; and
- failing to respond to such bona fide Competing Proposal would be likely to constitute a breach of MFML's fiduciary or statutory duties, after receiving written advice from reputable legal counsel in relation to such a matter.

MFML, subject to certain exceptions, must promptly notify the Acquirer if it receives any approach with respect to any actual or potential Competing Proposal and must disclose the identity of the relevant persons involved and material details of the terms of the Competing Proposal.

If MFML receives a Superior Proposal and proposes to publicly change or withdraw its recommendation that MIX Unitholders vote in favour of the Scheme Resolutions, MFML must give the Acquirer 5 Business Days' notice in writing, during which time the Acquirer has a right to offer to amend the terms of the Scheme to form a counterproposal equal or superior for MIX Unitholders to the Competing Proposal.

Termination

Either MFML or the Acquirer may terminate the Scheme Implementation Agreement by notice to the other if:

- at any time before 8:00am on the Second Judicial Advice Date and with certain exceptions, the other party is in material breach of any clause of the Scheme Implementation Agreement, provided that notice setting out the relevant circumstances and intention to terminate is given and the relevant circumstances have continued to exist for five Business Days (or any shorter period ending at 5:00pm on the last Business Day before the Second Judicial Advice Date) from the time such notice is given; or
- any of the Conditions Precedent are not satisfied or waived on an alternative means of proceeding or by the requisite date and the parties cannot agree in accordance with the terms of the Scheme Implementation Agreement to extend that date.

In addition, the Acquirer may terminate the Scheme Implementation Agreement at any time before 8:00am on the Second Judicial Advice date by notice in writing to MFML if:

- a majority of Directors on the MFML Board publicly change (including by attaching qualifications to) or withdraw their recommendation that MIX Unitholders approve the Scheme, or publicly recommend, promote, or otherwise endorse a Competing Proposal;
- a majority of the Directors of the MFML Board fail to make a public recommendation for counter proposal by the Acquirer in circumstances of a Competing Proposal; or
- if a Competing Proposal is announced, made or becomes open for acceptance and the third party announcing it acquires a Relevant Interest in more than 20% of all MIX Units and that Competing Proposal is (or has become) free from any defeating conditions.

MFML may terminate at any time before 8:00am on the Second Judicial Advice Date, by notice in writing to the Acquirer, if the majority of the MFML Board publicly changes (including by attaching qualifications to) or withdraws its recommendation that MIX Unitholders approve the Scheme or publicly recommends, promotes or otherwise endorses a Superior Proposal.

8.2 DEED POLL

On 13 October 2014, the Acquirer executed the Deed Poll in favour of each MIX Unitholder pursuant to which the Acquirer undertakes, subject to the Scheme becoming effective (by the Supplemental Deed taking effect pursuant to section 601GC(2) of the Corporations Act):

- that each will observe and perform all other obligations contemplated of it under the Scheme; and
- it will pay (or procure the payment) of the Scheme Payment in accordance with the Scheme Implementation Agreement.

The Deed Poll automatically terminates if the Scheme Implementation Agreement is terminated in accordance with its terms. A copy of the Deed Poll is included in this Explanatory Memorandum, as Annexure D.

8.3 SUPPLEMENTAL DEED

If the Proposal is approved, MFML in its capacity as responsible entity of MIX will enter into the Supplemental Deed. The Supplemental Deed will amend the MIX Constitution in order to facilitate the Scheme and contains specific provisions which are necessary to implement the Scheme.

Under the MIX Constitution as amended by the Supplemental Deed, MFML will have power to do all things that it considers necessary, desirable or reasonably incidental to give effect to the Scheme and the Scheme Implementation Agreement and the transactions contemplated by them.

The Supplemental Deed will bind MIX and all MIX Unitholders from time to time (including those who do not attend the Meeting, those who do not vote at that Meeting and those who vote against the Scheme Resolutions).

A copy of the Supplemental Deed is set out in Annexure C.

8.4 BREAK FEES

MFML will pay the Acquirer a break fee equal to one per cent of the Scheme Payment (exclusive of any GST) in certain circumstances, and subject to certain exceptions, as set out in the table below:

BREAK FEE PAYABLE IF:	UNLESS:
<p>A Competing Proposal:</p> <ul style="list-style-type: none"> > is announced or made prior to 31 March 2015 (or such later date as the Acquirer and MFML may agree in writing); > is completed at any time prior to 30 June 2015; and > as a result a third party acquires control of MIX or the MIX Group within the meaning of Section 50AA of the Corporation Act. 	<p>The break fee will not be payable to the Acquirer if:</p> <ul style="list-style-type: none"> > the Scheme becomes effective notwithstanding the occurrence of these events; or > as at the earlier of the date of termination of the Scheme Implementation Agreement and 31 March 2015, MFML was entitled to terminate the Scheme Implementation Agreement under clause 13.1(b) of that agreement.
<p>The Acquirer validly terminates the Scheme Implementation Agreement because of a material, unremedied breach of the Scheme Implementation Agreement.</p>	<p>The break fee will not be payable to the Acquirer if:</p> <ul style="list-style-type: none"> > the Scheme becomes effective notwithstanding the occurrence of these events; or > as at the earlier of the date of termination of the Scheme Implementation Agreement and 31 March 2015, MFML was entitled to terminate the Scheme Implementation Agreement under clause 13.1(b) of that agreement.
<p>The Acquirer validly terminates the Scheme Implementation Agreement because a majority of Directors publicly change or withdraw their recommendation that MIX Unitholders approve the Scheme, or publicly recommend, promote or otherwise endorse a Competing Proposal.</p>	<p>The Independent Expert concludes in the final Independent Expert's Report that the Scheme is not fair, not reasonable, or not in the best interests of MIX Unitholders.</p>
<p>The Acquirer validly terminates the Scheme Implementation Agreement as a result of a MIX Prescribed Occurrence or MIX Material Adverse Change occurring, where MFML caused or contributed to the MIX Prescribed Occurrence or MIX Material Adverse Change and fails to rectify it within 5 Business Days after the Acquirer gives MFML notice requiring it to do so.</p>	<p>The break fee will not be payable to the Acquirer if:</p> <ul style="list-style-type: none"> > the Scheme becomes effective notwithstanding the occurrence of these events; or > as at the earlier of the date of termination of the Scheme Implementation Agreement and 31 March 2015, MFML was entitled to terminate the Scheme Implementation Agreement under clause 13.1(b) of that agreement.

The break fee is only payable once and upon payment the break fee is the sole remedy available to the Acquirer to the exclusion of any other right, power or remedy provided by law or equity or by any agreement.

ADDITIONAL INFORMATION

8.5 INTERESTS OF DIRECTORS

The number of MIX Units held by or on behalf of MFML Directors as at the date of this Explanatory Memorandum is set out in the table below:

DIRECTOR	NUMBER OF MIX UNITS
Paul Barker	Nil
Vicki Allen	Nil
Rob Morrison	Nil
Elana Rubin	Nil
Andrew Butler	Nil

8.6 SUBSTANTIAL MIX UNITHOLDERS

The disclosed substantial holders of MIX Units are:

SUBSTANTIAL MIX UNITHOLDER	NUMBER OF MIX UNITS ¹	% OF MIX UNITS ²
Mirvac Funds Limited as responsible entity for Mirvac Property Trust	50,742,790	14.0%
Greig & Harrison Pty Limited	35,214,077	9.7%
Phoenix Portfolios Pty Limited	34,665,839	9.6%
Forager Funds Management Pty Ltd	30,850,528	8.4%

8.7 INFORMATION DISCLOSED TO ASX AND DOCUMENTS LODGED WITH ASIC

MIX is a disclosing entity for the purposes of the Corporations Act and as such is subject to periodic reporting and continuous disclosure obligations. Publicly disclosed information about all listed entities, including MIX, is available on the ASX website at www.asx.com.au.

MIX is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC by MIX may be obtained from, or inspected at, ASIC offices.

MIX will provide, free of charge to any MIX Unitholder who requests, it before the Effective Date, a copy of:

- > the audited financial report of MIX and its controlled entities for the year ended 30 June 2014 being the annual financial report most recently lodged with ASIC before this Explanatory Memorandum was lodged with ASIC;
- > the Scheme Implementation Agreement; and
- > each announcement to the ASX made by MIX after lodgement with ASIC of the annual report referred to above and before the Meeting.

8.8 ASX CONFIRMATIONS

ASX has confirmed the following:

- > that the proposed amendments to the MIX Constitution are appropriate and equitable under ASX Listing Rule 6.12.3;
- > pursuant to ASX Listing Rule 15.1.1, that the ASX does not object to the proposed amendments to the MIX Constitution;
- > that the proposed timetable for implementation of the Proposal is acceptable to the ASX; and
- > that the ASX does not intend to object to this Explanatory Memorandum for the purposes of Listing Rule 15.1.7.

8.9 ASIC RELIEF

MFML has sought ASIC relief for the following exemptions and modifications in connection with this Explanatory Memorandum and the Proposal:

- > a modification of section 611 item 7 of the Corporations Act allowing each MIX Unitholder (other than those excluded from voting) to vote on the Proposal;
- > an exemption from Division 5A of Part 7.9 of the Corporations Act relating to unsolicited offers in respect of the offer by the Acquirer under the Proposal to acquire all the Scheme Units;
- > an exemption from the requirement for MFML to provide a financial services guide in connection with this Explanatory Memorandum and implementation of the Proposal;
- > an exemption from Part 7.6 of the Corporations Act in relation to any general financial product advice contained in this Explanatory Memorandum; and
- > a modification of section 601FL(2) of the Corporations Act to expand the period for lodging a notice with ASIC in relation to the change of responsible entity of MIX until the Effective Date.

As at the date of this Explanatory Memorandum, ASIC has provided in principle decisions regarding the above exemptions and modifications. Drafting and settlement of appropriate relief instruments is still to occur.

¹ Based on the substantial holder notices provided to MFML up to 9 October 2014.

² Based on the current number of MIX Units on issue being 362,457,269 (Source: IRESS).

8.10 UNDERTAKINGS BY THE ACQUIRER

The Acquirer will observe and perform all obligations contemplated of it under the Proposal and the Scheme Implementation Agreement including, without limitation, the obligation to provide the Scheme Payment in accordance with the terms of the Proposal.

8.11 CONSENTS

The following parties have given, and have not withdrawn, their written consent to be named in this Explanatory Memorandum in the form and context in which they are named:

- › The Goldman Sachs Group, Inc.
- › GS Diversified Funding LLC
- › AustFunding Pty Ltd, as the Acquirer
- › Allens as legal advisers to MFML
- › Macquarie Capital (Australia) Limited as financial advisers to MFML
- › CBRE Group, Inc. as financial advisers to MFML
- › Deloitte Corporate Finance Pty Limited as the Independent Expert
- › PricewaterhouseCoopers as the author of the Tax Report in Section 7
- › Link Market Services Limited, as registry for MIX
- › One Managed Investment Funds Limited, engaged by the Acquirer to act as the new responsible entity of MIX after implementation of the Scheme.

PricewaterhouseCoopers has given, and has not withdrawn, its written consent to the inclusion of the Tax Report in Section 7 of this Explanatory Memorandum and the references to that report in the form and context in which they are included in this Explanatory Memorandum.

Deloitte Corporate Finance Pty Limited has given, and has not withdrawn, its written consent to the inclusion of the Independent Expert's Report and the references to that report in the form and context in which they are included in this Explanatory Memorandum.

Each party referred to in this Section 8.11:

- › does not make, or purport to make, any statement in this Explanatory Memorandum or any statement on which this Explanatory Memorandum is based other than statements and references included in this Explanatory Memorandum with the consent of that party (as set out above); and
- › to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Explanatory Memorandum, other than with respect to the statements and references included in this Explanatory Memorandum with the consent of that party (as set out above).

8.12 COSTS

The costs of the Proposal include advisory costs, accounting fees, legal fees, Independent Expert's fees, costs to schedule and hold the Meeting and costs to delist MIX, consisting of both US and Australian dollar transaction costs.

If the Proposal is implemented, the costs for MIX will be approximately US\$3.9 million. If the Proposal is not implemented, the costs for MIX will be approximately US\$1.8 million.

8.13 SUPPLEMENTARY INFORMATION

MFML will issue a supplementary document to this Explanatory Memorandum if, between the date of this Explanatory Memorandum and the Effective Date, MFML becomes aware of any of the following:

- › a material statement in this Explanatory Memorandum is misleading or deceptive;
- › a material omission from this Explanatory Memorandum;
- › a material new circumstance has arisen and disclosure about it would have been required to be included in this Explanatory Memorandum if known at the date of this Explanatory Memorandum; or
- › the Acquirer becomes aware, between the date of this Explanatory Memorandum and the Effective Date, that its Acquirer information, in the form and context in which it appears in this Explanatory Memorandum, is or has become misleading or deceptive in any material respect (whether by omission or otherwise) and the Acquirer has undertaken to promptly inform MFML of such matters and to provide MFML with such new or further information as is required to remedy the matter.

A copy of the supplementary document will be provided to the ASX and ASIC.

Depending on the nature of the timing of the changed circumstances and subject to obtaining any relevant approvals, MFML may circulate and publish any supplementary document by:

- › placing an advertisement in a prominent place in a newspaper which is circulated generally throughout Australia;
- › posting the supplementary document on MIX's website www.mirvac.com/MIX; or
- › posting the supplementary document to all MIX Unitholders.

8.14 OTHER MATERIAL INFORMATION

MFML is not aware of any material information about MIX that is material to a decision by a MIX Unitholder on how to vote in relation to the Scheme and which:

- › has not been available to the Independent Expert in the manner referred to above for the purpose of preparing the Independent Expert's Report;
- › is not set out or referred to in this Explanatory Memorandum; or
- › has not otherwise been made available publicly by MIX.

A\$ and US\$	Australian Dollars and United States Dollars respectively	First Judicial Advice	The opinion, advice and direction of the Court under section 63 of the <i>Trustee Act 1925</i> (NSW) that MFML would be justified in: <ul style="list-style-type: none"> > convening the Meeting for the purposes of considering, and if thought fit, agreeing to the Scheme Resolutions; > distributing this Explanatory Memorandum to MIX Unitholders; and > subject to MIX Unitholders passing the Scheme Resolutions, proceeding on the basis that amending the MIX Constitution as set out in the Supplemental Deed would be within the powers of alteration conferred by the MIX Constitution and section 601GC of the Corporations Act
Acquirer	AustFunding Pty Ltd (ACN 601 686 999) of Level 17, 101 Collins Street, Melbourne, Victoria, 3000	First Judicial Advice Date	First day of hearing before the Court of MFML's application for the First Judicial Advice, or if the hearing of that application is adjourned for any reason, means the first day of the adjourned meeting
AFSL	Australian Financial Services Licence	GFC	Global financial crisis
A-REIT	Australian Real Estate Investment Trust	Goldman Sachs	The Goldman Sachs Group, Inc.
ASIC	Australian Securities and Investments Commission	Goldman Sachs Group	Goldman Sachs and its controlled entities
ASX	ASX Limited (ABN 98 008 624 691), and where applicable the market it operates	GSDF	Goldman Sachs Diversified Funding LLC
AUM	Assets under management	ING Facilities	Two ING facilities with a combined balance of US\$104.3 million as at 30 June 2014 with a maturity date of 1 March 2016
Business Day	A Business Day within the meaning given in the ASX Listing Rules; and a day on which banks are open business in Sydney	Implementation Date	The date on which the Proposal is to be implemented (expected to be 3 December 2014)
Chairman of the Meeting	Paul Barker, who will act as chair of the Meeting or any replacement appointed by MFML to chair the Meeting	Independent Expert	Deloitte Corporate Finance Pty Limited (ABN 19 003 833 127)
Competing Proposal	Any bona fide expression of interest, proposal, offer, transaction or arrangement other than the Scheme or any other transaction in favour of the Acquirer that may be made and implemented in accordance with the Scheme Implementation Agreement	Independent Expert's Report	The report prepared by the Independent Expert, a copy of which is set out in Annexure B of this Explanatory Memorandum
Conditions Precedent	The conditions precedent set out in clause 3.1 of the Scheme Implementation Agreement	Judicial Advice	The First Judicial Advice and the Second Judicial Advice
Corporations Act	Corporations Act 2001 (Cth)	Meeting	The meeting to be held at Allens, Level 28, Deutsche Bank Place, Corner of Hunter and Phillip Streets, Sydney NSW 2000, on Wednesday, 19 November 2014 commencing at 10:00am (Sydney Time), in order to vote on the Proposal
Court	The Supreme Court of New South Wales or such other court of competent jurisdiction as the Acquirer and MFML may agree in writing	MFML	Mirvac Funds Management Limited (ABN 78 067 417 663) (AFSL 220718) in its capacity as responsible entity of Mirvac Industrial Trust (ARSN 113 489 624)
Deed of Retirement and Appointment	The deed executed by MFML as retiring responsible entity, the new responsible entity of MIX and the Acquirer as sole member of MIX, substantially in the form of Schedule 6 of the Scheme Implementation Agreement	MFML Board	The board of directors of MFML as at the date of this Explanatory Memorandum
Deed Poll	A deed poll to be executed by the Acquirer in favour of the Scheme Unitholders substantially in the form of Schedule 4 of the Scheme Implementation Agreement (or in such other form as the Acquirer and MFML may agree in writing)	Mirvac Board	The board of directors of Mirvac Group as at the date of this Explanatory Memorandum
Directors	Paul Barker, Vicki Allen, Rob Morrison, Elana Rubin, Andrew Butler	Mirvac Group	The Mirvac Group, comprising Mirvac Limited (ABN 92 003 280 699) and its controlled entities (including Mirvac Property Trust (ARSN 086 780 645) and its controlled entities)
Effective Date	The date on which the amendments to the MIX Constitution come into effect in order to give effect to the Proposal	MIX or Trust	The Mirvac Industrial Trust (ARSN 113 489 624)
Explanatory Memorandum	This Explanatory Memorandum, including the Proxy Form for the Meeting		
EOI	Expression of interest		

MIX Constitution	The trust deed that established MIX dated 21 March 2005 (as amended)	Scheme Unit	The MIX Units on issue as at the Record Date
MIX Material Adverse Change	The events listed under the definition of 'MIX Material Adverse Change' in clause 1.1 of the Scheme Implementation Agreement	Scheme Unitholders	Each person who holds Scheme Units as at the Record Date
MIX Prescribed Occurrence	The occurrences listed under the definition of 'MIX Prescribed Occurrence' in clause 1.1 of the Scheme Implementation Agreement	Second Judicial Advice	The opinion, advice and direction of the Court under section 63 of the <i>Trustee Act 1925</i> (NSW) that MFML would be justified in giving effect to the amendments to the MIX Constitution set out in the Supplemental Deed, and in doing all things necessary to effect the Scheme
MIX Register	The security register of MIX	Second Judicial Advice Date	The first day of hearing before the Court of MFML's application for the Second Judicial Advice or, if the hearing of that application is adjourned for any reason, the first day of the adjourned hearing
MIX Unit	A fully paid ordinary unit in MIX	Special Resolution	The resolution referred to in the definition of Scheme Resolution
MIX Unitholder	Each person who holds MIX Units on issue up to the Record Date	Superior Proposal	A proposal considered to be superior to the Acquirer's proposal as determined by the Directors
Notice of Meeting	The Notice of Meeting included as Annexure A of this Explanatory Memorandum	Supplemental Deed	The deed poll pursuant to which MFML will amend the MIX Constitution, to be executed by MFML in the form of Schedule 3 of the Scheme Implementation Agreement (or in such other form as the Acquirer and MFML agree in writing)
NTA	Net tangible assets	Sydney Time	Australian Eastern Daylight Time
Ordinary Resolution	The resolution referred to in the definition of Scheme Resolution	Touhy	The property located at 5990 W. Touhy Avenue, Niles
Portfolio	The MIX portfolio as outlined in Section 5.2	Tax Report	The Tax Report prepared by PricewaterhouseCoopers set out in Section 7
Proposal	The arrangement by which, upon implementation, all of the Scheme Units will be transferred to the Acquirer in exchange for the payment of the Scheme Consideration to Scheme Unitholders in respect of each Scheme Unit	Transaction Costs	The transaction costs of MFML associated with the Proposal including, but not limited to, advisory costs, accounting fees, legal fees, Independent Expert's fees, costs to schedule and hold the Meeting
Proxy Form	The form used by MIX Unitholders that accompanied this Explanatory Memorandum to vote on the Proposal in relation to their MIX Units	Transaction Costs Adjustment	An amount calculated with respect to the difference between the estimated and final Transaction Costs amounts, less a cash balance adjustment
Record Date	That date used by MIX to determine MIX Unitholders who are eligible to participate in the Scheme and receive Scheme Consideration	VWAP	Volume weighted average price
Registry	Link Market Services Limited	WALE	Weighted average lease expiry
Relevant Interest	Has the meaning given in sections 608 and 609 of the Corporations Act		
Scheme	The trust scheme under which, upon implementation, the Acquirer will acquire 100% of MIX Units		
Scheme Consideration	The consideration being offered by the Acquirer set out in Section 4.5		
Scheme Implementation Agreement	The Scheme Implementation Agreement in relation to a trust scheme under which the Acquirer will acquire 100% of MIX Units		
Scheme Payment	The payment of US\$69,453,766 in US dollars plus the Transaction Costs Adjustment, made by the Acquirer to fund the Scheme Consideration		
Scheme Resolution	<p>The following Scheme Resolutions to be put to MIX Unitholders to approve the Scheme:</p> <ul style="list-style-type: none"> > a special resolution to approve amendments to the MIX Constitution as set out in the Supplemental Deed and to authorise MFML to execute and lodge with ASIC the Supplemental Deed to give effect to those amendments; and > an ordinary resolution for the purpose of item 7 of section 611 of the Corporations Act to approve the acquisition of all of the Scheme Units by the Acquirer 		

ANNEXURE NOTICE OF MEETING



Notice is given by Mirvac Funds Management Limited (ABN 78 067 417 663) (AFSL No 220 718) (**MFML**) as responsible entity of Mirvac Industrial Trust (ARSN 113 489 624) (**MIX**) that a meeting (**Meeting**) of MIX Unitholders will be held at:

Location: Allens, Level 28, Deutsche Bank Place, Corner of Hunter and Phillip Streets, Sydney NSW 2000

Date: 19 November 2014

Time: 10:00am (Sydney Time)

SPECIAL BUSINESS

The business of the Meeting will consist of the following:

Resolution 1 - Approval of amendments to the MIX Constitution to effect the Proposal

To consider and, if thought fit, to pass a Special Resolution of Mirvac Industrial Trust:

"That, subject to and conditional on Resolution 2 being passed:

- > the constitution of Mirvac Industrial Trust is amended in accordance with the provisions of the Supplemental Deed contained in Annexure C of the Explanatory Memorandum accompanying the Notice of Meeting convening this Meeting and initialled by the Chairman of the Meeting for the purposes of identification; and
- > Mirvac Funds Management Limited as responsible entity of Mirvac Industrial Trust be authorised to execute and lodge the Supplemental Deed with the Australian Securities and Investments Commission."

Resolution 2 - Approval of the Proposal

To consider and, if thought fit, to pass an Ordinary Resolution of Mirvac Industrial Trust:

"That, subject to and conditional on Resolution 1 being passed, the Proposal as described in the Explanatory Memorandum accompanying the Notice of Meeting convening this Meeting be approved and, in particular, that the acquisition by AustFunding Pty Ltd of all the Scheme Units, on the terms and subject to the conditions of the Proposal, be approved for the purposes of item 7 of section 611 of the Corporations Act 2001."

Voting information

This Notice of Meeting should be read in conjunction with the Explanatory Memorandum that accompanies this Notice. Section 4.8 of the Explanatory Memorandum provides an explanation of Scheme Resolutions 1 and 2 above.

The Explanatory Memorandum provides a summary of the Proposal and sets out the reasons why you should vote in favour of the Proposal and the reasons why you might vote against the Proposal to enable you to make an informed decision as to how to vote on Scheme Resolutions 1 and 2 above.

Unless otherwise defined in this Notice of Meeting, terms used in this Notice of Meeting have the same meaning as set out in Section 9 of this Explanatory Memorandum.

Voting entitlement

MIX Unitholders registered as holders of MIX Units as at 7:00pm (Sydney Time) on 17 November 2014 will be entitled to attend and vote at the Meeting.

Voting exclusion statement

In accordance with section 253E of the Corporations Act, MFML and its associates (including Mirvac Group) will not vote on the Scheme Resolutions if they have an interest in those Resolutions, other than as a member of MIX.

In accordance with Takeovers Panel Guidance Note 15, any votes in favour of Resolution 1 or 2 cast by the Acquirer or its associates must be disregarded. In addition, in accordance with section 611 item 7 of the Corporations Act, none of the Acquirer or its associates will vote at the Meeting on Scheme Resolution 2.

MFML will disregard any votes cast on either of the Scheme Resolutions by an excluded MIX Unitholder. However, MFML need not disregard such a vote if it is cast by a person as proxy for a MIX Unitholder who is entitled to vote, in accordance with directions on the Proxy Form, or if it is cast by a person chairing the Meeting as proxy for a MIX Unitholder who is entitled to vote, in accordance with directions on the Proxy Form.

Voting in person, by attorney or by corporate representative

If you wish to vote in person, you must attend the Meeting.

If you cannot attend the Meeting, you may vote by proxy, attorney or, if you are a body corporate, by appointing a corporate representative.

Attorneys who plan to attend the Meeting should bring with them the original or certified copy of the power of attorney under which they have been authorised to attend and vote at the Meeting.

A body corporate which is a MIX Unitholder may appoint an individual to act as its corporate representative. The appointment must comply with the requirements of section 253B of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

Voting by proxy

If you cannot attend the Meeting in person, you can lodge your proxy:

- > online via the Trust's website at www.mirvac.com/mix following the prompts and instructions given there;
- > by post: using the reply paid envelope or mailing your Proxy Form to Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235;
- > by facsimile: +61 2 9287 0309; or
- > by hand delivery: Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138.

Please ensure your proxy instructions are received no later than 10:00am (Sydney Time) on 17 November 2014 by one of the methods detailed above and on the Proxy Form. Any Proxy Forms received after this deadline will be ineffective for the Meeting.

You may complete the Proxy Form in favour of the Chairman of the Meeting or appoint up to two proxies to attend and vote on your behalf at the Meeting. If two proxies are appointed, and the appointment does not specify the proportion or number of the MIX Unitholder's vote each proxy may exercise, each proxy may exercise half of the votes. If a proxy appointment is signed by or validly authenticated by the MIX Unitholder but does not name the proxy or proxies in whose favour it is given, the Chairman of the Meeting will act as proxy.

To be valid, Proxy Forms must be received by no later than 10:00am (Sydney Time) on 17 November 2014.

Voting intentions of the Chairman

MFML has appointed Paul Barker, Chairman of MFML, to chair the Meeting. If the Chairman of the Meeting is your proxy and you do not specifically direct how your proxy is to vote on a Scheme Resolution, you will be taken to have directed the Chairman of the Meeting to vote in favour of the Proposal and the Chairman of the Meeting will exercise your votes in favour of the Scheme Resolutions.

By order of the Board of Mirvac Funds Management Limited as responsible entity of Mirvac Industrial Trust

Varunika De Silva
Company Secretary

14 October 2014



Mirvac Industrial Trust

Independent expert's report and Financial Services Guide

14 October 2014



Financial Services Guide

What is a Financial Services Guide?

This Financial Services Guide (FSG) provides important information to assist you in deciding whether to use our services. This FSG includes details of how we are remunerated and deal with complaints.

Where you have engaged us, we act on your behalf when providing financial services. Where you have not engaged us, we act on behalf of our client when providing these financial services, and are required to give you an FSG because you have received a report or other financial services from us.

What financial services are we licensed to provide?

We are authorised to provide financial product advice and to arrange for another person to deal in financial products in relation to securities, interests in managed investment schemes, government debentures, stocks or bonds and related regulated emissions units (i.e., carbon) to retail and wholesale clients. We are also authorised to provide general financial product advice relating to derivatives to retail clients and personal financial product advice relating to derivatives to wholesale clients.

Our general financial product advice

Where we have issued a report, our report contains only general advice. This advice does not take into account your personal objectives, financial situation or needs. You should consider whether our advice is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If our advice is provided to you in connection with the acquisition of a financial product you should read the relevant offer document carefully before making any decision about whether to acquire that product.

How are we and all employees remunerated?

We will receive a fee of approximately A\$145,000 exclusive of GST in relation to the preparation of this report. This fee is not contingent upon the success or otherwise of the proposed transaction.

Other than our fees, we, our directors and officers, any related bodies corporate, affiliates or associates and their directors and officers, do not receive any commissions or other benefits.

All employees receive a salary and while eligible for annual salary increases and bonuses based on overall performance they do not receive any commissions or other benefits as a result of the services provided to you. The remuneration paid to our directors reflects their individual contribution to the organisation and covers all aspects of performance.

We do not pay commissions or provide other benefits to anyone who refers prospective clients to us.

Associations and relationships

We are ultimately controlled by the Deloitte member firm in Australia (Deloitte Touche Tohmatsu). Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu.

Other than this report, Deloitte Touche Tohmatsu has not performed any work for MFML or MIX in relation to the Proposal.

What should you do if you have a complaint?

If you have any concerns regarding our report or service, please contact us. Our complaint handling process is designed to respond to your concerns promptly and equitably. All complaints must be in writing to the address below.

If you are not satisfied with how we respond to your complaint, you may contact the Financial Ombudsman Service (FOS). FOS provides free advice and assistance to consumers to help them resolve complaints relating to the financial services industry. FOS' contact details are also set out below.

The Complaints Officer
Services
PO Box N250
Grosvenor Place
Sydney NSW 1220
complaints@deloitte.com.au
Fax: +61 2 9255 8434

Financial Ombudsman
Services
GPO Box 3
Melbourne VIC 3001
info@fos.org.au
www.fos.org.au
Tel: 1300 780 808
Fax: +61 3 9613 6399

What compensation arrangements do we have?

Deloitte Australia holds professional indemnity insurance that covers the financial services provided by us. This insurance satisfies the compensation requirements of the Corporations Act 2001 (Cth).

1 February 2013

Deloitte Corporate Finance Pty Limited, ABN 19 003 833 127, AFSL 241457 of Level 1 Grosvenor Place, 225 George Street, Sydney NSW 2000

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Member of Deloitte Touche Tohmatsu Limited



The Directors
Mirvac Funds Management Limited as responsible entity for
Mirvac Industrial Trust
Level 26, 60 Margaret Street
Sydney NSW 2000

Deloitte Corporate Finance Pty Limited
A.B.N. 19 003 833 127
AFSL 241457

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1220 Australia

DX 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

14 October 2014

Dear Directors

Independent expert's report

Introduction

Mirvac Industrial Trust (**MIX** or the **Trust**) is an industrial property trust listed on the Australian Securities Exchange (**ASX**) which, through controlled equity investments domiciled in the United States (**US**), owns a portfolio of B-grade industrial properties in the greater Chicago region in the US (the **Portfolio**¹).

The responsible entity (**RE**) of MIX is Mirvac Funds Management Limited (**MFML**). MFML is a wholly owned subsidiary of Mirvac Limited, which, together with Mirvac Property Trust (**MPT**) forms the Mirvac Group (**Mirvac**).

On 28 May 2014, MFML announced it had appointed advisers to undertake a process to seek formal expressions of interest (**EOI**) towards the realisation of 100 per cent of MIX units listed on the ASX (**EOI Campaign**).

On 19 September 2014 (**Announcement Date**), MFML announced that it had agreed to a transaction whereby AustFunding Pty Limited (the **Acquirer**), a subsidiary of the Goldman Sachs Group, Inc. (**GS Group**) would acquire all of the units of MIX via a trust scheme (the **Proposal**). If the Proposal is approved, and other conditions of the Proposal are satisfied, holders of MIX units (**Unitholders**) on the MIX register on 28 November 2014 (the **Record Date**) will receive cash consideration of A\$0.214 per unit² (the **Consideration**) following implementation, which is expected to occur on 3 December 2014 (the **Implementation Date**).

Upon implementation of the Proposal, the Acquirer will become the sole unitholder of MIX, MFML will retire as RE, and MIX will be delisted from the ASX. The board of directors of MFML, in its capacity as the RE of MIX, (the **Directors**) have prepared an explanatory memorandum containing the detailed terms of the Proposal (the **Explanatory Memorandum**) and an overview of the Proposal is provided in Section 2 of our detailed report.

Purpose of the report

According to Guidance Note 15 issued by the Takeover Panel (**Guidance Note 15**) in relation to trust schemes, the recommended procedure for a trust scheme, such as the Proposal, involves the preparation of an independent expert's report (**IER**) to be included in the explanatory memorandum accompanying the scheme notice of meeting that states whether, in the expert's opinion, the terms of the trust scheme are fair and reasonable.

¹ The Portfolio consisted of 24 properties as at 30 June 2014. The property at 5990 West Touhy Avenue, Niles (**Touhy**), was subsequently sold, hence the Portfolio consisted of 23 properties at the date of this report

² Based on the A\$/US\$ exchange rate of 0.8973 as at 18 September 2014. The amount ultimately received by Unitholders will depend in part on the A\$/US\$ exchange rate applied to the gross US\$ proceeds received and the amount of transaction costs currently estimated to be US\$3.9 million

Guidance Note 15 also states that it is not uncommon for the expert to opine on whether the transaction is in the best interests of unitholders.

Whilst an IER in respect of the Proposal is not required to meet any statutory obligations, the Directors have requested that Deloitte Corporate Finance Pty Limited (**Deloitte Corporate Finance**) provide an IER advising whether, in our opinion, the Proposal is fair and reasonable to, and in the best interests of, Unitholders.

This report is to be included in the Explanatory Memorandum to be sent to Unitholders and has been prepared for the exclusive purpose of assisting Unitholders in their consideration of the Proposal. Neither Deloitte Corporate Finance, Deloitte Touche Tohmatsu, nor any member or employee thereof, undertakes responsibility to any person, other than the Unitholders, in respect of this report, including any errors or omissions however caused.

Basis of evaluation

In undertaking the work associated with this report, we have had regard to Guidance Note 15, Australian Securities and Investments Commission (**ASIC**) Regulatory Guide 111 (**RG 111**) in relation to the content of expert's reports and ASIC Regulatory Guide 112 (**RG 112**) in respect of the independence of experts, and common market practice in respect of transactions broadly similar to the Proposal.

RG 111 refers to a 'control transaction' as being the acquisition (or increase) of a controlling stake in a company that could be achieved, for example, by way of a takeover offer, scheme of arrangement, approval of an issue of shares using item 7 of section 611, a selective capital reduction or selective buy back under Chapter 2J. In respect of control transactions, under ASIC Regulatory Guide 111 an offer is:

- fair, when the value of the consideration is equal to or greater than the value of the securities subject to the takeover offer. The comparison must be made assuming 100% ownership of the target company (i.e. including a control premium) irrespective of whether control is being attained through the transaction
- reasonable, if it is fair, or, despite not being fair, after considering other significant factors, securityholders should accept the takeover offer, in the absence of any higher bids before the close of the offer.

To assess whether the Proposal is fair and reasonable to, and in the best interests of Unitholders we have adopted the tests of whether the Proposal is either fair and reasonable, not fair but reasonable, or neither fair nor reasonable, as set out in ASIC Regulatory Guide 111.

Definition of value

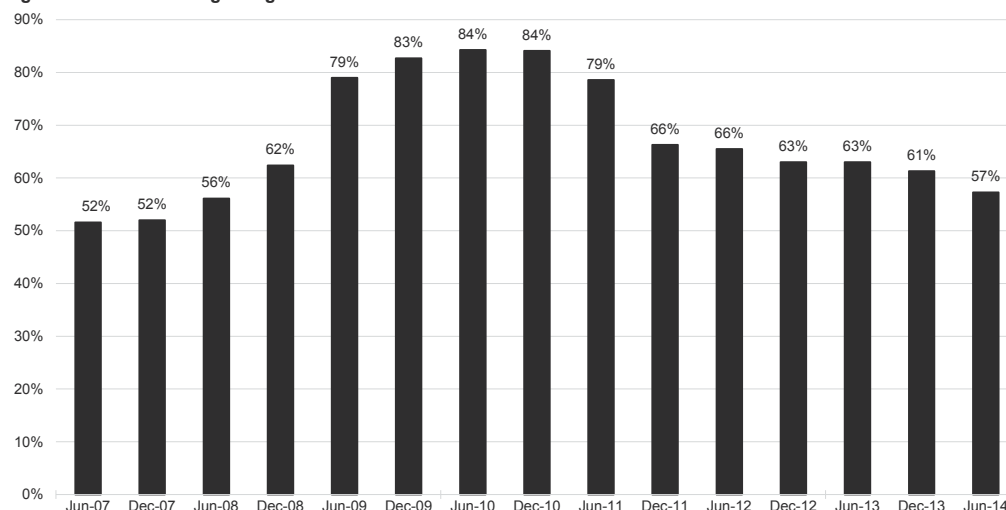
Our valuation analysis is based on the concept of fair market value, which we have defined as the amount at which the units in MIX would be expected to change hands between a knowledgeable willing buyer and a knowledgeable willing seller, neither of whom is under any compulsion to buy or sell. Special purchasers may be willing to pay higher prices to reduce or eliminate competition, to ensure a source of material supply or sales, or to achieve cost savings or other synergies arising on business combinations, which could only be enjoyed by the special purchaser. Our valuation has not been premised on the existence of a special purchaser.

Background to the Proposal

MIX listed on the ASX in 2005 with the objective of acquiring a US based industrial real estate portfolio in or adjacent to Chicago, which it acquired over the course of 2005 and 2006 via four special purpose vehicles (**SPVs**), CJF1 LLC (**CJF1**), CJF2 LLC (**CJF2**), CJF3 LLC (**CJF3**) and CJF4 LLC (**CJF4**). As at 30 June 2006, MIX had gross assets of A\$995 million.

The global financial crisis (**GFC**) had a number of adverse consequences for MIX including declining property values as a result of the economic downturn in the US and reduced liquidity in debt and equity markets. As a result of the decline in the value of its property portfolio the Trust's gearing significantly increased as set out below.

Figure 1: MIX historical gearing levels



Source: S&P Capital IQ, MIX ASX Announcements, Deloitte Corporate Finance analysis

In addition, MIX defaulted on its debt facility relating to the CJF1 SPV in August 2010 and its CJF4 SPV in July 2011 which, together with its existing level of gearing, created significant uncertainty as to whether the Trust would be able to successfully refinance its debt facilities and continue as a going concern.

In order to stabilise the capital structure of the trust, MIX undertook a number of initiatives including:

- the suspension of distributions in May 2009
- undertaking asset sales amounting to US\$54.1 million in July 2011
- obtaining short term financing from Mirvac (which was repaid and cancelled in March 2013)
- refinancing two debt facilities (relating to the CJF2 and CJF3 SPVs) in February 2011 and another debt facility (relating to the CJF1 SPV) in July 2011
- disposing of the CJF4 properties (which held gross assets of US\$159.1 million and had a loan to value ratio of 97.8%) for net proceeds of US\$5 million and eliminating CJF4's obligation to repay US\$144.1 million in August 2011.

Whilst the financial position of the Trust improved significantly as a result of these initiatives, MIX emerged as a much smaller, highly geared vehicle (relative to other property trusts listed on the ASX) with limited capacity to reduce leverage or achieve growth. Furthermore, MIX continued to trade at a significant, albeit reduced, discount to net tangible assets (NTA) and at low levels of unit trading liquidity.

Taking into account the factors set out above, from August 2011 the Directors undertook an ongoing strategic review of MIX to identify alternatives available to increase value for Unitholders. To facilitate this review, the Directors engaged external advisors to investigate the options available including maintaining the status quo, recapitalising, portfolio acquisitions, transferring to a US listing, non-core asset sales, an orderly wind up and undertaking a sales process. The Directors concluded that it was in the best interests of Unitholders to pursue the two stage exit strategy announced to the market in February 2013 (**Repositioning Strategy**) whereby MIX would:

- reposition its portfolio to establish a core B-grade Chicago-centric industrial portfolio through the sale of certain assets considered non-core
- consider a more fulsome strategy to maximise value for Unitholders including the possibility of a portfolio wide sales campaign once the repositioning of the portfolio had been substantially completed.

Pursuant to the Repositioning Strategy, MIX announced that it was undertaking the EOI Campaign in May 2014. The Proposal represents the outcome of the EOI Campaign and is, in the opinion of the Directors, the most attractive option that will enable Unitholders to realise full value for their investment in MIX.

Summary and conclusion

In our opinion the Proposal is fair and reasonable to, and in the best interests of, Unitholders, in the absence of a superior proposal. In arriving at this opinion, we have had regard to the following factors.

The Proposal is fair

According to ASIC Regulatory Guide 111, in order to assess whether the proposal is fair, the independent expert is required to compare the fair market value of a unit in MIX on a control basis with the fair market value of the consideration offered. The Proposal is fair if the value of the consideration is equal to or greater than the value of the units subject to the offer.

Set out below is a comparison of our assessment of the fair market value of a MIX unit on a control basis with the Consideration.

Table 1: Assessment of fairness

		Low	High
Estimated fair market value of a MIX unit (Section 4.2)	A\$ / unit	0.180	0.189
Consideration	A\$ / unit	0.214	0.214

Source: Deloitte Corporate Finance analysis

1. Note: All amounts stated in this report are in Australian Dollars (A\$) unless otherwise stated and may be subject to rounding.

The Consideration is above the range of our estimate of the fair market value of a MIX unit. Accordingly it is our opinion that the Proposal is fair.

Valuation of MIX

For the purpose of assessing the fair market value of a unit in MIX on a control basis, we have estimated the fair market value of MIX with reference to a net asset approach since real estate investment trusts (**REITs**) such as MIX carry investment properties on their balance sheet at fair value (which is consistent with the definition of fair market value) and the investment properties are revalued at every balance sheet date either by the directors or by independent real estate appraisers. In doing so, we have estimated the current fair market value of the underlying net assets of MIX by aggregating the current fair market value of the Portfolio and any other related assets and liabilities, including an estimate of the undistributed income of MIX and the ongoing costs of managing MIX attributable to a potential acquirer of 100% of its units.

We have used the balance sheet of MIX as at 30 June 2014 and made adjustments to reflect changes to the value of MIX's assets and liabilities between 30 June 2014 and the Implementation Date.

We have estimated the fair market value of a MIX unit to be in the range of A\$0.180 to A\$0.189 as set out below, based on the A\$/US\$ exchange rate as at 18 September 2014.

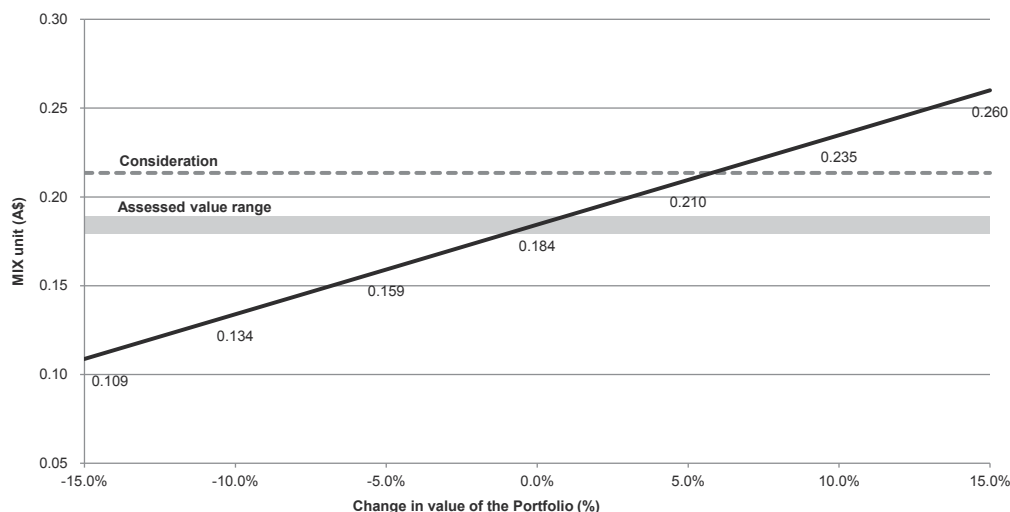
Table 2: Fair market value of a MIX unit as assessed by Deloitte Corporate Finance

	Unit	Low value	High value
Net assets of MIX as at 30 June 2014	US\$ 000	67,109	67,109
Adjustments to net assets			
Touhy Sale	US\$ 000	213	213
Undistributed earnings	US\$ 000	1,226	1,226
Ongoing costs	US\$ 000	(8,388)	(5,243)
Transaction costs	US\$ 000	(1,771)	(1,771)
Fair market value	US\$ 000	58,389	61,535
Exchange rate	US\$/A\$	0.8973	0.8973
Fair market value of MIX	A\$ 000	65,072	68,578
Number of MIX units on issue	000	362,457	362,457
Fair market value	A\$ / unit	0.180	0.189

Source: Deloitte Corporate Finance analysis

Given the high level of gearing within MIX, our valuation is sensitive to relatively small movements in the underlying value of the Portfolio. Our estimate of the impact of movements in the underlying valuation of the Portfolio on the fair market value of a MIX unit is set out below.

Figure 2: Valuation of a unit in MIX – sensitivity to movements in the value of the Portfolio



Source: Deloitte Corporate Finance analysis

Broadly speaking, a +/- 5% movement in the value of the Portfolio would equate to an approximate impact of +/-14% on the value of a unit in MIX on average, after taking into account the impact of the existing leverage of the fund.

We have adopted the book value of the Portfolio as at 30 June 2014 of US\$164 million for the purposes of assessing the fair market value of a unit in MIX and made adjustments to reflect changes in fair market value between 30 June 2014 and Implementation Date. All other things being equal, the value attributable to the Portfolio would need to be higher than the US\$170 million attributed to it by the Acquirer, in order for the assessed value of MIX to be higher than the Consideration, primarily as a result of the relatively high ongoing costs of MIX. Specifically, for the low end of our assessed valuation range to exceed the Consideration, the value attributable to the Portfolio would need to be US\$175 million or higher. This equates to a 6.7% premium relative to the book value of the Portfolio as at 30 June 2014 and a 3.0% premium relative to the value attributed to the Portfolio by the Acquirer.

The Proposal is reasonable

In accordance with ASIC Regulatory Guide 111, an offer is reasonable if it is fair. An offer might also be reasonable if, despite being 'not fair', the expert believes that there are sufficient reasons for securityholders to accept the offer in the absence of any higher bid before the close of the offer.

As the Proposal is fair it is therefore reasonable. We have also considered the following factors in assessing the reasonableness of the Proposal.

There do not appear to be any alternatives available to Unitholders in the short to medium term that are likely to result in a superior financial outcome

As discussed, prior to proceeding with the Repositioning Strategy and EOI Campaign, MIX undertook a strategic review that considered a variety of options to address the valuation gap existing between the NTA and the unit price of MIX as well as creating long term value for Unitholders. In particular, the following key alternatives were considered:

- maintain the status quo
- delay the sales process
- recapitalise
- orderly wind up.

It was concluded that these alternatives were unlikely to result in a superior outcome to the Proposal.

Maintaining the status quo

Whilst maintaining the status quo would allow Unitholders to realise any upside from improvements in the Chicago industrial property market beyond that already factored into the current property valuations and/or to re-initiate a sales process at a later date, it entails risks. In particular, Unitholders would also be exposed to any future downside movements in the market value of the Portfolio and any unfavourable movements in interest rates.

Moreover, regardless of the performance of the Portfolio in the future there are a number of structural disadvantages to investing in MIX over the long term that are likely to limit returns including:

- **limited exit options:** in the absence of re-initiating a sales process at a later date, the ability of Unitholders to sell their investment in MIX at or close to NTA or in a timely manner is constrained. In particular:
 - MIX units have historically traded at a significant discount to NTA. Whilst this discount has narrowed recently it is still unlikely MIX will trade at or above NTA in the future given its limited liquidity, high leverage and the relatively low quality of its investments
 - given the low liquidity in the trading of units in MIX, it is unlikely larger Unitholders will be able to exit their investment in a timely manner without significantly impacting the unit price
 - a buy-back is not a likely option given MIX's gearing structure.

Moreover, should a sale process be re-initiated in the future there is no guarantee that it would achieve an outcome at or close to the Consideration of NTA

- **high overhead costs:** as a consequence of property sales undertaken by the Trust the scale of MIX has significantly reduced in recent years, and as such the overhead costs (i.e. listing and governance costs) are higher as a proportion of the net assets of the Trust than they were previously. For the financial year ended 30 June 2014 (FY14), these amounted to A\$1.3 million (excluding RE fees) or approximately 1.8% of net assets as at 30 June 2014. Whilst de-listing MIX could reduce the level of overhead costs, this would result in further reduced liquidity for Unitholders
- **limited growth prospects:** in the absence of an equity recapitalisation (discussed further below) future growth can only realistically be achieved through appreciation in the value of MIX's existing property portfolio. However, any such appreciation will result in larger uplift in MIX's NTA in percentage terms given its level of financial leverage as discussed in our sensitivity analysis
- **uncertain income returns:** MIX has not made an income distribution since 2009. Distributions were initially suspended in order to stabilise MIX's capital position and reduce gearing. This was continued in order to retain sufficient capital to adequately fund the potential costs associated with the EOI Campaign and to maintain the Portfolio during this period. Whilst MIX may re-initiate distributions if the Proposal does not proceed, the quantum of distributions is likely to be constrained by the following:
 - relatively high overhead costs and capital expenditure requirements
 - repayment of principal on existing loan facilities (i.e. debt amortisation)
 - the need to retain capital for upcoming debt maturities
- **refinancing risks:** as at 30 June 2014, MIX had total debt outstanding of US\$104.3 million across two facilities (gearing of 57.3%) with a first call date in favour of the lender on 1 March 2016. Debt markets are currently relatively favourable for those wishing to raise debt or refinance existing debt. However, given MIX's level of gearing, it may be exposed to refinancing risk should conditions in debt markets deteriorate in the future.

Delay sale process

Unitholders might ultimately realise greater value by deferring the sale of the Portfolio to take advantage of short to medium term improvements in the Chicago industrial property market in excess of those factored into current property valuations and /or improved conditions in financial markets. However, there are a number of risks and impediments to successfully implementing this strategy including:

- **structural disadvantages:** associated with maintaining the status quo (discussed above) would persist and be likely to limit returns until a future sales process is completed

- **costs involved with re-initiating a sale process:** given MIX's scale, the costs of running a sales process are substantial and are estimated to be US\$1.8 million if the Proposal does not proceed (approximately 2.8% of NTA as at 30 June 2014). Similar costs would likely be incurred again if a sales process was re-initiated in the future
- **uncertainty:** regarding the ultimate timing and quantum of consideration to be received and whether a delayed sales process would achieve a superior financial outcome.

Recapitalisation

Whilst a recapitalisation such as through a rights issue or the introduction of a strategic investor would enable MIX to achieve greater scale, it is unlikely to be value accretive for Unitholders given:

- **dilution:** any equity raising would likely occur at a discount to the prevailing unit price and NTA and would therefore be dilutive to non-participating Unitholders
- **limited opportunities to deploy capital in a value accretive manner:** MIX's size and lower grade portfolio together with the expense of raising additional equity is likely to result in MIX's effective cost of capital exceeding the yield implied on most acquisition opportunities in its target market. This differential means MIX is unlikely to be capable of undertaking future acquisitions that are accretive until there is a significant re-rating of its existing portfolio relative to the broader industrial property market in the Chicago region.

In any event, this option entails significant execution risk given uncertainty regarding the appetite for an equity raising from MIX's investors.

Orderly wind up

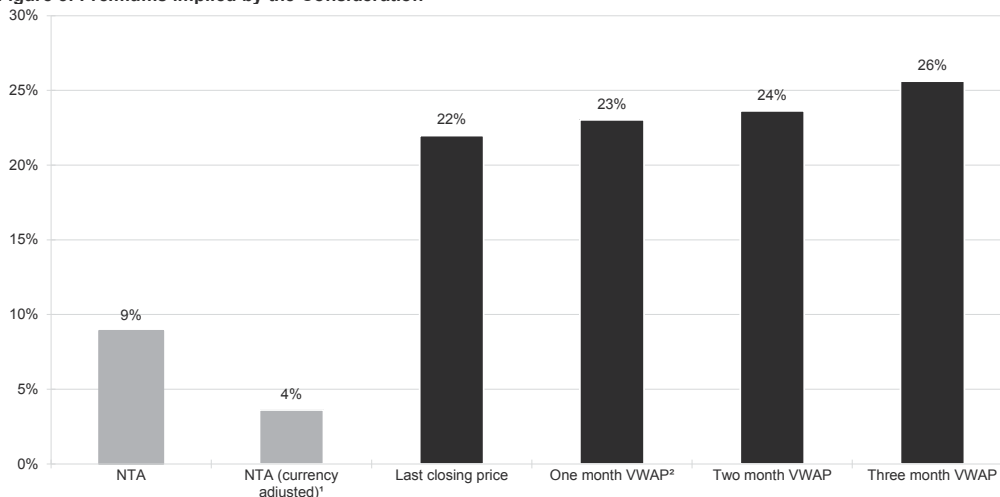
An orderly wind up is unlikely to realise a return to Unitholders in excess of the Consideration as it would involve additional costs and some risks. In particular:

- the sale of the Portfolio is likely to take a considerable amount of time given its size (23 properties excluding Touhy), nature (B grade Chicago-centric industrial assets) and current market conditions
- selling assets on a piecemeal basis is likely to result in attractive properties selling relatively easily but risks MIX being left with a lower quality, less desirable residual portfolio. In such a scenario, achieving fair value on remaining properties may be problematic as MIX could be seen as a committed seller with a weakened negotiating position
- prepayment penalties apply in respect of MIX's debt facilities until March 2016 which reduce the attractiveness of repaying debt before this date. As at 30 June 2014, these penalties were estimated to be approximately US\$6.7 million.

The Consideration represents a premium to recent trading in MIX units and to NTA

The Consideration represents a premium to the most recently reported NTA of MIX as well as to recent trading in MIX units as set out below:

Figure 3: Premiums implied by the Consideration



Source: Deloitte Corporate Finance analysis

Notes:

- Adjusted for currency movements since 30 June 2014 and reflects an AS/US\$ exchange rate of 0.8973 as at 18 September 2014
- VWAP = volume weighted average price.

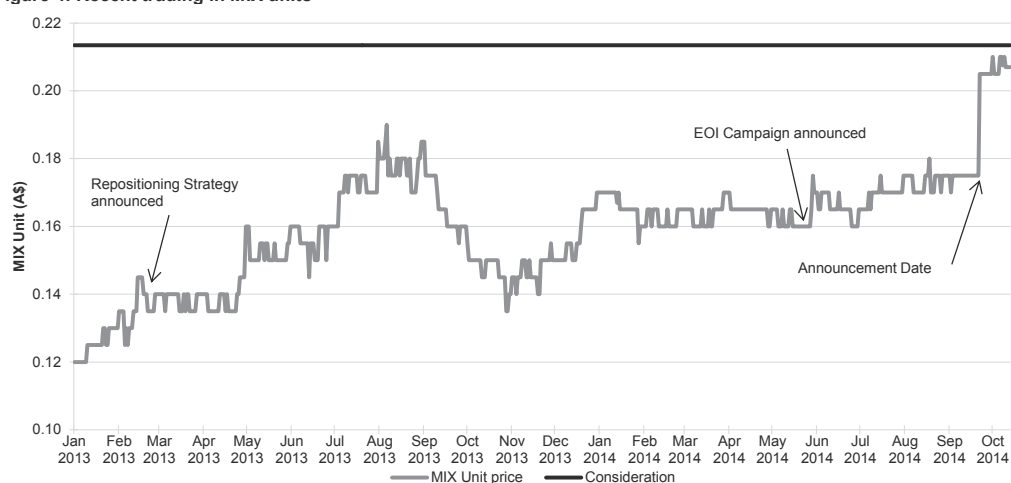
These premia are not insignificant, given MIX is a passive trust that is externally managed with no near term expectations of significant NTA accretion.

MIX units would likely trade below the Consideration in the absence of the Proposal

As set out below, the MIX unit price has appreciated by:

- 53.3% since the Repositioning Strategy was announced on 14 February 2013
- 29.4% since the EOI Campaign was announced on 28 May 2014
- 18.3% since the Announcement Date.

Figure 4: Recent trading in MIX units



Source: Deloitte Corporate Finance analysis

It is likely that in the absence of the Proposal the MIX unit price would decline, potentially to a level more in line with prices observed prior to the Announcement Date in the absence of any specific re-rating of MIX or the A-REIT sector.

The prospects of a superior offer appear to be remote

Since announcing the EOI Campaign, MIX and its advisers have conducted an extensive and public sales process for all of MIX's assets. MIX's advisers directly approached over 50 parties and were sought out by several other non-targeted parties. The EOI Campaign resulted in over 20 parties entering the first stage of due diligence and 10 indicative offers with the Proposal representing the highest and best offer for MIX.

In light of this, it is likely that any potential acquirer of MIX was either aware of, or invited to participate directly in, the EOI Campaign. Whilst it remains possible a superior offer is made prior to the Unitholder vote on the Proposal, it seems unlikely that such an offer will be made, particularly in light of the process that has taken place since announcing the EOI Campaign.

Unitholders will forego the opportunity to participate in any further specific appreciation of MIX's properties

Whilst there is no certainty that the value of MIX's properties will appreciate, general market sentiment indicates that the lower grade industrial property sector in the Chicago region has passed the low point in the economic cycle and that property valuations may improve from this point in time. Any appreciation in the value of the portfolio over time would be likely to translate to an improvement in the NTA value of MIX. Unitholders will forego this exposure to any short to medium term upside in the values of the Portfolio beyond that already factored into the current valuations of the properties.

Due to the relatively high financial leverage of MIX, any appreciation in the Portfolio over time would be likely to translate to a more significant improvement in the NTA value of MIX. Unitholders will forego the opportunity to participate in this leveraged exposure to any medium term upside in the value of the Portfolio.

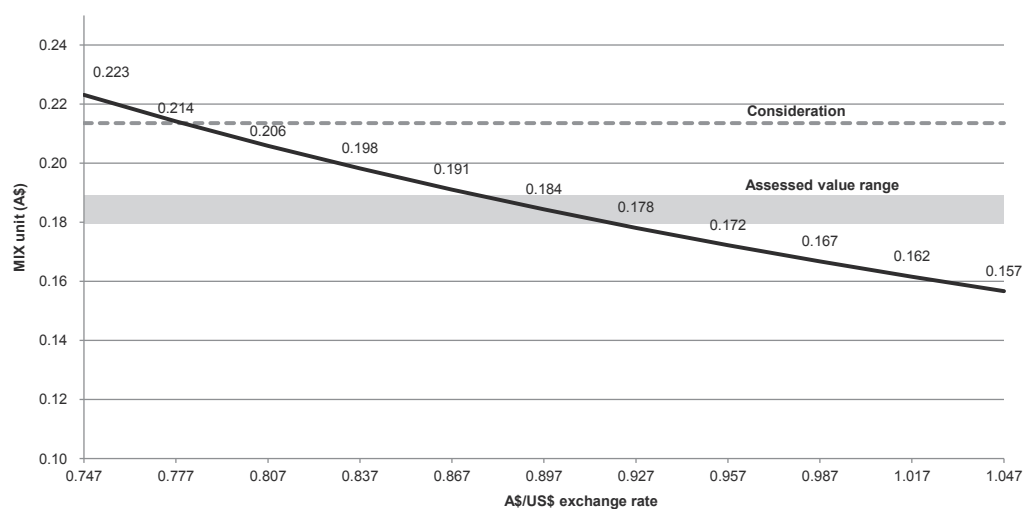
The Proposal allows Unitholders to immediately realise their investment in MIX for cash

The Proposal will allow Unitholders to immediately realise their investment in MIX in exchange for cash which represents a premium both to NTA and to the price at which MIX units traded prior to the Announcement Date without incurring selling costs such as brokerage and stamp duty. The uncertainty in relation to the timing and quantum of the proceeds to be received in the event the sales process for MIX was delayed or that MIX assets were realised on a piecemeal basis is therefore removed.

A\$/US\$ exchange rate

The assets and liabilities of MIX are denominated in US\$ and as a result the fair market value of a MIX unit expressed in A\$ is sensitive to the prevailing A\$/US\$ exchange rate as set out below.

Figure 5: Valuation of a unit in MIX – sensitivity to movements in the A\$/US\$ exchange rate

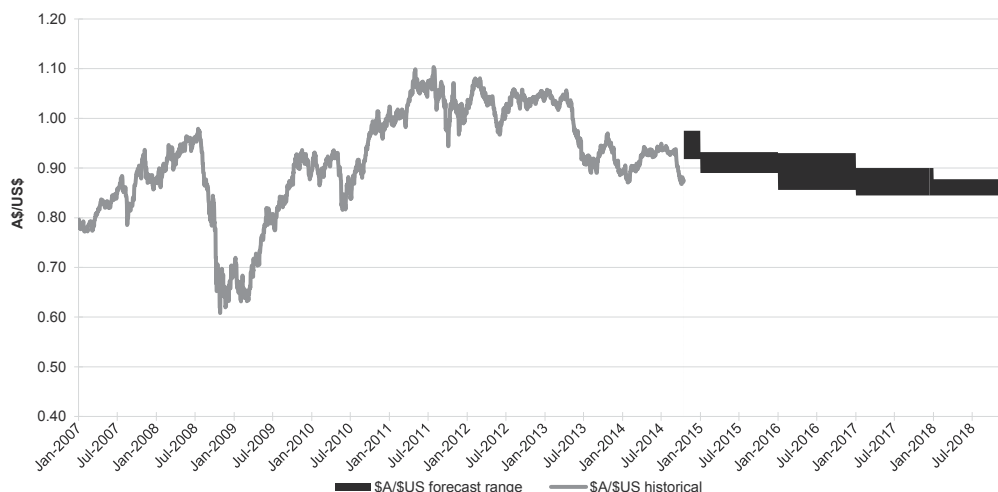


Source: Deloitte Corporate Finance analysis

Movements in the exchange rate would cause changes to the fair market value of a MIX unit expressed in A\$ with any variation being relatively linear. Broadly speaking, a +/- 5% movement in the A\$/US\$ exchange rate would equate to an approximate impact of +/-5% on the value of a unit in MIX.

The Australian dollar has significantly appreciated against the US dollar in recent times and is currently trading around or above the levels generally observed prior to 2011. Although the Australian dollar has depreciated since April 2013, it remains high by historical standards and some market commentators have forecast that it may depreciate over the medium term, as set out below.

Figure 6: The historical and forecast A\$/US\$ exchange rate



Source: Economist Intelligence Unit, broker reports, Deloitte Access Economics, Deloitte Corporate Finance analysis

If Unitholders have an expectation that the Australian dollar will depreciate significantly subsequent to the Implementation Date, their assessment of the Proposal may differ from that set out above. We note that Unitholders would be able to attain a similar exposure to US\$ at minimal cost through a variety of alternate financial instruments should they wish to do so.

MIX capital losses

Based on values as at 30 June 2014, MIX may have significant unrealised capital losses which are not recognised as a deferred tax asset on its balance sheet. In determining its taxable income, MIX may be able to recoup realised capital losses against future capital gains.

In undertaking our fairness assessment we have not attributed any value to the capital losses of MIX (or any of its subsidiaries) given the uncertainty regarding the timing and rate at which capital losses may be utilised against future capital gains (if at all).

If Unitholders form a different view regarding the value of unrealised capital losses, their assessment of the Proposal may differ from that set out above.

Management rights

Mirvac is not receiving any payment or other form of consideration under the Proposal in relation to MFML's management rights in respect of MIX. If the Proposal does not proceed, Mirvac may be eligible to receive some form of compensation should these rights be terminated in the future.

Tax consequences for Unitholders

Approval of the Proposal may result in adverse tax consequences for some Unitholders through tax becoming payable in the short-term, which would otherwise have been deferred until such time the units were subsequently disposed.

Unitholders should evaluate any capital gains or other tax consequences in assessing whether to approve the Proposal.

Further details of the tax consequences to Unitholders is set out in Section 7 of the Explanatory Memorandum.

Opinion

In our opinion the Proposal is fair and reasonable to Unitholders. It is therefore in the best interests of Unitholders, in the absence of a superior proposal.

An individual Unitholder's decision in relation to the Proposal may be influenced by his or her particular circumstances. If in doubt the Unitholder should consult an independent adviser, who should have regard to their individual circumstances.

This opinion should be read in conjunction with our detailed report which sets out our scope and findings.

Yours faithfully

DELOITTE CORPORATE FINANCE PTY LIMITED



Rachel Foley-Lewis

Authorised Representative

AR 461000



Tapan Parekh

Authorised Representative

AR 491009

Glossary

Reference	Definition
30 June 2014 Valuations	Valuation of the Portfolio for financial reporting purposes as at 30 June 2014
A\$	Australian dollars
AFSL	Australian Financial Services Licence
Announcement Date	19 September 2014, being the date the Proposal was announced
A-REIT	Australian Real Estate Investment Trust
ASIC	Australian Securities and Investments Commission
Acquirer, the	AustFunding Pty Ltd, a subsidiary of the GS Group
ASX	Australian Securities Exchange Limited
AUASB	Auditing and Assurance Standards Board
A\$	Australian dollars
bps	Basis points
CenterPoint	CenterPoint Properties Trust
CJF1	CJF1 LLC
CJF2	CJF2 LLC
CJF3	CJF3 LLC
CJF4	CJF4 LLC
Consideration	Cash consideration of A\$0.214 per MIX unit based on an A\$/US\$ exchange rate of \$0.8973 as at 18 September 2014. The amount ultimately received by Unitholders will depend in part on the A\$/US\$ exchange rate applied to the gross US\$ proceeds received and the amount of transaction costs currently estimated to be US\$3.9 million
Constitution	The constitution of MIX as amended
Deloitte	Deloitte Touche Tohmatsu
Deloitte Corporate Finance	Deloitte Corporate Finance Pty Limited
Directors	Directors of MFML
EBITDA	Earnings before interest, tax, depreciation and amortisation
EOI	Expressions of interest
EOI Campaign	Expressions of interest campaign regarding the realisation of 100 per cent of MIX announced in May 2014
Explanatory Memorandum	Explanatory memorandum containing the detailed terms of the Proposal
Facilities	MIX's loan facilities, held through the Trust's 100% ownership of CJF1 and CJF2
FOS	Financial Ombudsman Service
FSG	Financial Services Guide
FY[xx]	Financial year ended 30 June 20[xx]
GFC	Global financial crisis
GS Group	The Goldman Sachs Group, Inc.
Guidance Note 15	Guidance Note 15 issued by the Takeovers Panel
ICR	Interest coverage ratio
IER	Independent expert's report
Implementation Date	3 December 2014, being the anticipated date the Proposal will be implemented
LVR	Loan to value ratio
MFL	Mirvac Funds Limited
MFML	Mirvac Funds Management Limited
MGFL	Mirvac Group Finance Limited
Mirvac	Mirvac Group
MIX	Mirvac Industrial Trust
MPT	Mirvac Property Trust
MTM	Month to month
NAI Hiffman	NAI Hiffman Asset Management LLC
NA-REIT	North American Real Estate Investment Trust
NPAT	Net profit after tax
NTA	Net tangible assets
Portfolio (the)	Property investments owned by MIX. The Portfolio consisted of 24 properties as at 30 June 2014. Touhy was subsequently sold, hence the Portfolio consisted of 23 properties at the date of this report
Property Management Agreement	The operational management of MIX's property portfolio
Proposal	The Acquirer's offer to acquire all of the outstanding units in MIX via a trust scheme
RBA	Reserve Bank of Australia
RE	Responsible Entity
Record Date	28 November 2014, being the date which Unitholders on the Mix Register will be entitled to the Consideration
REIT	Real Estate Investment Trust
Repositioning Strategy	Strategy announcement in February 2013 whereby MIX would dispose of non-core assets and consider a more fulsome strategy to maximise value for Unitholders
RG 111	ASIC Regulatory Guide 111 in relation to the content of independent expert's report
RG112	ASIC Regulatory Guide 112 in respect of the independence of experts

Section 640	Section 640 of the Corporations Act 2001
SIA	Scheme Implementation Agreement
SPV	Special purpose vehicle
the Facilities	MIX's loan facilities
Touhy	5990 West Touhy Avenue, Niles
Touhy Sale	The sale of Touhy for gross proceeds of US\$9.025 million in September 2014, with settlement occurring on 2 October 2014 (US time)
Trust, the	Mirvac Industrial Trust (MIX)
Unitholders	Holders of MIX units
Units	MIX units
US	United States
US\$	United States dollars
VWAP	Volume weighted average price
WALE	Weighted average lease expiry

Deloitte.

Contents

1 Overview of the Proposal	17
2 Basis of evaluation	19
3 Profile of MIX	22
4 Valuation of MIX	38
Appendix A: Context to the Report	48
Appendix B: Valuation methodologies	49
Appendix C: Comparable trading entities	50
Appendix D: Comparable transactions	51
Appendix E: The Portfolio	52
Appendix F: Sources of information	53

1 Overview of the Proposal

1.1 Background

In February 2013, the Directors announced that MIX would pursue a two stage exit strategy whereby it would:

- reposition its portfolio to establish a core B-grade Chicago-centric industrial portfolio through the sale of certain assets considered non-core
- consider a more fulsome strategy to maximise value for Unitholders including the possibility of a portfolio wide sales campaign once the repositioning of the portfolio had been substantially completed and/or market conditions returned closer to their historical peak.

Pursuant to the Repositioning Strategy, MIX disposed of non-core assets in May 2014 and also announced that it was undertaking a formal EOI campaign to realise all of the MIX Units.

Under the EOI Campaign, the Directors, with the assistance of their advisors, approached over 50 institutional investors, including the GS Group. The campaign included a period of negotiation with the GS Group and other interested parties to realise the highest price possible and consideration of alternative options available to maximise Unitholder value.

The Proposal represents the outcome of the EOI Campaign and is, in the opinion of the Directors, the most attractive option that will enable Unitholders to realise full value for their investment in MIX.

1.2 Summary

On 19 September 2014, MFML announced that it had agreed to a transaction whereby the Acquirer, a subsidiary of GS Group would acquire all of the units of MIX via a trust scheme. If the Proposal is approved, and other conditions of the Proposal are also satisfied, Unitholders on the MIX register on the Record Date will receive the Consideration shortly after the Implementation Date.

1.3 Key Conditions

The Proposal is subject to a number of conditions precedent, including the following key conditions:

- Unitholder approval
- the continuing recommendation of the Directors to Unitholders to vote in favour of the Proposal
- the independent expert concluding that the Proposal is fair and reasonable and in the best interests of Unitholders
- no prescribed occurrences, material adverse changes occurring or becoming known to the Acquirer prior to 21 November 2014 as well as certain representations and warranties of MFML and the Acquirer remaining true and correct at given times as set out in greater detail in the scheme implementation agreement (SIA)
- all consents, approvals and other action required to permit the Proposal to proceed being obtained.

The SIA contains exclusivity provisions that prevent representatives of MIX from actions that may reasonably be expected to lead to a competing proposal without the written consent of AustFunding.

MFML may become liable to pay the Acquirer a break fee of US\$0.7 million where:

- a competing proposal is announced or made prior to 31 March 2015 (or such later date as agreed between the Acquirer and MFML) and is completed at any time prior to 30 June 2015 and as a result, a third party acquires control of MIX
- the Acquirer validly terminates the SIA (as set out in the SIA).

1.4 Background to and intentions of the Acquirer

The Acquirer

The Acquirer is an Australian proprietary company and is a wholly owned subsidiary of GS Group.



GS Group

GS Group is a global financial services firm. Founded in 1869, the firm is headquartered in New York and maintains offices in all major financial centres around the world. GS Group had total assets of US\$860 billion as at 30 June 2014.

Intentions

If the Proposal is implemented:

- MFML will retire and a new RE will be appointed as RE of MIX
- it is proposed that MIX be removed from the official list of the ASX
- applications will be made for MIX to be deregistered as a managed investment scheme.

After implementation of the Proposal, the Acquirer intends to undertake a strategic review of MIX and the Portfolio to evaluate the long-term potential, profitability and prospects of MIX and its assets before making any final decisions. Decisions regarding potential asset acquisitions or disposals will be made on a case by case basis, including the transfer of those assets to other entities within GS Group.

As part of the strategic review, the Acquirer may also assess the optimal financing strategy for MIX and the Portfolio, which may include the injection of further capital, maintaining the current debt against the Portfolio, seeking to refinance the existing debt, or holding the Portfolio on an unlevered basis.

2 Basis of evaluation

2.1 Purpose of the report

According to Guidance Note 15, the recommended procedure for a trust scheme such as the Proposal involves the preparation of an IER to be included in the scheme notice that states whether, in the expert's opinion, the terms of the trust scheme are fair and reasonable. Guidance Note 15 also states that it is not uncommon for the expert to opine on whether the transaction is in the best interests of unitholders.

Whilst an IER in respect of the Proposal is not required to meet any statutory obligations, the Directors have requested that Deloitte Corporate Finance provide an IER advising whether, in our opinion, the Proposal is fair and reasonable to, and in the best interests of, Unitholders.

This report is to be included in the Explanatory Memorandum to be sent to Unitholders and has been prepared for the exclusive purpose of assisting the Unitholders in their consideration of the Proposal. Neither Deloitte Corporate Finance, Deloitte Touche Tohmatsu, nor any member or employee thereof, undertakes responsibility to any person, other than the Unitholders, in respect of this report, including any errors or omissions however caused.

2.2 Basis of evaluation

Guidance

In evaluating the Proposal we have considered Guidance Note 15, RG 111 in relation to the content of expert's reports, RG 112 in respect of the independence of experts, and common market practice in respect of transactions broadly similar to the Proposal.

Guidance Note 15

Guidance Note 15 does not indicate any specific framework under which an independent expert should assess the fairness and reasonableness of a trust scheme, such as the Proposal, or the basis on which a 'best interests' opinion should be given by the independent expert.

In contrast, there is extensive guidance as well as evidence of consistent market practice in respect of independent experts' opinions to be provided in relation to broadly similar, although relatively more common, types of transactions, such as schemes of arrangement.

RG 111

RG 111 provides guidance in relation to the content of IERs prepared for transactions under Chapters 5, 6 and 6A of the Corporations Act, in relation to a number of transactions including takeover bids, schemes of arrangement and acquisitions approved by securityholders under item 7 of Section 611 and related party transactions amongst others including standards of best practice in the preparation of IERs pursuant to Section 640.

RG 111 refers to a 'control transaction' as being the acquisition (or increase) of a controlling stake in an entity that could be achieved, for example, by way of a takeover offer, scheme of arrangement, approval of an issue of securities using item 7 of Section 611, a selective capital reduction or selective buy back under Chapter 2J. RG 111 provides detailed guidance on the interpretation of the phrase 'fair and reasonable' in the context of control transactions. Specifically, under RG 111 an offer is:

- fair, when the value of the consideration is equal to or greater than the value of the securities subject to the takeover offer. The comparison must be made assuming 100% ownership of the target (i.e. including a control premium)
- reasonable, if it is fair, or, despite not being fair, after considering other significant factors, that the expert believes that there are sufficient reasons for securityholders to accept the takeover offer, in the absence of any higher bids before the close of the offer.

RG 111 does not provide guidance on the interpretation of the phrase 'in the best interests' other than to state that ASIC would expect the form of analysis to be substantially the same as for a takeover bid, even though the wording of the opinion will also be whether the Proposal is 'in the best interests of the members of the



company'. This reflects that the legislative test for schemes of arrangement differs from that applicable to a takeover bid.

Market practice

There is extensive guidance as well as evidence of consistent market practice in respect of IERs to be provided in relation to transactions broadly similar to trust schemes, which are relatively more common, such as schemes of arrangement.

Schemes of arrangement frequently have the same effect as a takeover offer and are commonly evaluated as such. In these circumstances, the expression 'in the best interests' is commonly treated as being equivalent to 'fair and reasonable' as defined in RG 111.

Basis of evaluation

To assess whether the Proposal is fair and reasonable to, and in the best interests of Unitholders, we have adopted the tests of whether the Proposal is either fair and reasonable, not fair but reasonable, or neither fair nor reasonable, as set out in RG 111.

Fairness

We have assessed whether the Proposal is fair by estimating the fair market value of a MIX unit (assuming 100% control) and comparing that to the value of the Consideration.

Reasonableness

To assess the reasonableness of the Proposal we considered the following significant factors in addition to determining whether the Proposal is fair:

- the current status and future prospects of MIX on a stand-alone basis and the alternatives considered
- significant unitholding blocks in MIX
- the impact on MIX if the Proposal does not proceed
- the likely market price and liquidity of MIX units in the absence of the Proposal
- other implications associated with Unitholders rejecting the Proposal
- other advantages and disadvantages of the Proposal.

Definition of value

The units in MIX have been valued at fair market value, which we have defined as the amount at which the units would be expected to change hands between a knowledgeable willing buyer and a knowledgeable willing seller, neither of whom is under any compulsion to buy or sell. Special purchasers may be willing to pay higher prices to reduce or eliminate competition, to ensure a source of material supply or sales, or to achieve cost savings or other synergies arising on business combinations, which could only be enjoyed by the special purchaser. Our valuation of MIX has not been premised on the existence of a special purchaser.

Individual circumstances

We have evaluated the Proposal for Unitholders as a whole and have not considered the effect of the Proposal on the particular circumstances of individual investors. Due to their particular circumstances, individual investors may place a different emphasis on various aspects of the Proposal from the one adopted in this report. Accordingly, individuals may reach different conclusions to ours on whether the Proposal is fair and reasonable. If in doubt investors should consult an independent adviser, who should have regard to their individual circumstances.

Limitations and reliance on information

The opinion of Deloitte Corporate Finance is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time. This report should be read in conjunction with the declarations outlined in Appendix A.

This engagement has been conducted in accordance with professional standard APES 225 Valuation Services issued by the Accounting Professional and Ethical Standards Board Limited.

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Our procedures and enquiries did not include verification work nor constitute an audit or a review engagement in accordance with standards issued by the Auditing and Assurance Standards Board (**AUASB**) or equivalent body and therefore the information used in undertaking our work may not be entirely reliable.

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3 Profile of MIX

3.1 Overview

MIX is an industrial property trust listed on the ASX, the principal activity of which is the ownership of an industrial property portfolio in the greater Chicago metropolitan region in the US. MIX listed on the ASX in 2005 and acquired a portfolio of industrial real estate in and around Chicago over the course of 2005 and 2006 via four SPVs: CJF1, CJF2, CJF3 and CJF4.

MIX originally had a 95% equity interest in its underlying property portfolio, with the remaining 5% owned by its joint venture partner, CenterPoint Properties Trust (**CenterPoint**), who was also initially responsible for managing the property portfolio. In 2009 MIX acquired CenterPoint's 5% joint venture interest and appointed NAI Hiffman Asset Management LLC (**NAI Hiffman**) as manager of the property portfolio.

The GFC had a number of adverse consequences for MIX including declining property values following the economic downturn in the US and reduced liquidity in debt and equity markets. As a result, MIX undertook a number of initiatives in order to stabilise its capital structure, including asset sales and paying down debt. As a result of these initiatives and the decline in the value of MIX's property portfolio, the value of assets held by MIX has decreased substantially, with the gross assets of the Trust reducing from A\$995 million as at 30 June 2006 to A\$192 million as at 30 June 2014.

3.2 History

An overview of the history of MIX is set out below.

Table 3: MIX history

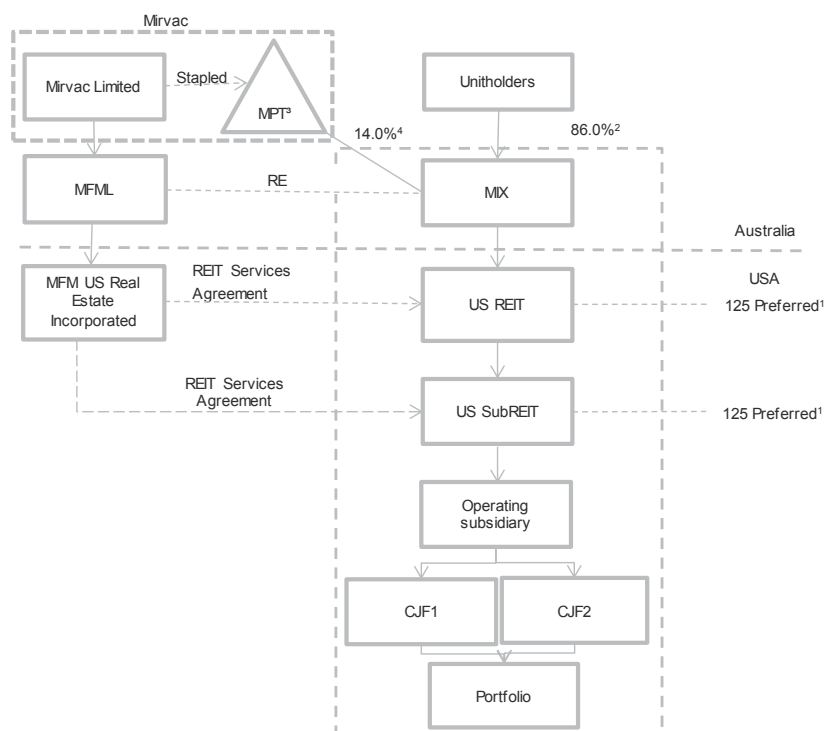
2005	<ul style="list-style-type: none"> May: lists on the ASX
2006	<ul style="list-style-type: none"> June: gross assets of MIX's portfolio valued at A\$995 million
2007-08	<ul style="list-style-type: none"> onset of the GFC and associated volatility in financial markets, decline in US industrial property prices and tightening of credit conditions
2009	<ul style="list-style-type: none"> February: <ul style="list-style-type: none"> acquires 5% joint venture interest from CenterPoint NAI Hiffman replaces CenterPoint as property manager announces an EOI campaign for potential sale of MIX's entire portfolio May: suspends distributions December: abandons previously announced EOI campaign
2010	<ul style="list-style-type: none"> August: MIX auditor raises going concern issues in June 2010 accounts August: CJF1 debt facility enters default
2011	<ul style="list-style-type: none"> February: successfully refinances CJF2 and CJF3 debt facilities July: successfully refinances CJF1 debt facility with funds from asset sales and a loan from Mirvac Group Finance Limited (MGFL) August: MIX transfers ownership of CJF4 properties to KTR WIM LLC and KTR WIM II LLC for US\$5 million in satisfaction of CJF4's obligation to repay debt of US\$144.1 million owed by CJF4 August: MIX releases financials for period ended 30 June 2011, highlighting the commencement of a strategic review of the Trust's operations
2013	<ul style="list-style-type: none"> February: announces Repositioning Strategy March: MGFL loan terminated post the sale of one of the non-core assets sold in February 2013 June: uses the proceeds of an asset sale to pay a capital distribution of 0.5 cents per unit
2014	<ul style="list-style-type: none"> May: sells four non-core properties and appoints financial advisors to run EOI Campaign towards the realisation of 100% of MIX units listed on the ASX June: completes sale of four non-core properties September: Proposal announced October: sells Touhy

Source: MIX ASX Announcements, Deloitte Corporate Finance analysis

3.3 Trust structure

A simplified legal structure of MIX is set out below.

Figure 7: MIX legal structure



Source: Management, Deloitte Corporate Finance analysis

Notes:

1. 125 people hold non-voting minority interests via preference shares in each of the US REITs
2. Excluding Mirvac's holding in MIX
3. The RE for MPT is Mirvac Funds Limited (MFL)
4. MFL in its capacity as RE for MPT holds a 14.0% interest in MIX.

A brief description of the key entities related to MIX is provided below.

- **MFML:** the RE for MIX and a wholly owned subsidiary of Mirvac Limited. Its key responsibilities in relation to MIX include financial management and administration, governance, investments evaluation and implementation, and ASX listing management and compliance
- **MFM US Real Estate Incorporated:** the entity responsible for providing management services via a REIT services agreement to US REIT and US SubREIT
- **US REIT & US SubREIT:** MIX owns substantially all of the equity in US REIT which in turn owns substantially all of the equity in US SubREIT. US REIT and US SubREIT do not conduct any operating activities but indirectly own 100% of the interests in both CJF1 and CJF2, the underlying entities that own the Portfolio. US REIT and US SubREIT also indirectly owned 100% of the interests in both CJF3 and CJF4. However, the properties held by CJF3 and CJF4 have been disposed and both entities were dissolved in September 2014. Consequently, MIX's properties are now held solely by each of CJF1 and CJF2, respectively.

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Key agreements and fees

MIX's key contractual arrangements include the following:

- MFML's entitlement to management and other fees as RE, pursuant to the constitution dated 21 March 2005 of MIX (as amended) (the **Constitution**)
- a property management agreement between each of CJF1 and CJF2 and NAI Hiffman respectively regarding the operational management of MIX's property portfolio (**Property Management Agreement**). The Property Management Agreement may be terminated on 60 days written notice.

The key fees payable directly or indirectly by MIX are as follows:

Table 4: Summary of key fees payable by MIX

Document	Key fees payable
Constitution	<ul style="list-style-type: none"> • 0.5% per annum of the Australian dollar denominated value of MIX's direct or indirect proportionate interest in its property portfolio, as calculated monthly and paid quarterly • Capital raising fee: 5% of value of applications for additional units • Acquisition fee: 1.0% of the gross value of assets acquired • Debt arrangement fee: 0.5% of amount borrowed • Due diligence fee: 0.25% of the purchase price of the proportionate share of assets acquired • Reimbursement of expenses incurred on behalf of MIX
Property Management Agreement	<ul style="list-style-type: none"> • 2.85% of gross revenues of properties with more than one tenant • 1.15% of gross revenues of properties with one tenant

Source: MIX management, Deloitte Corporate Finance analysis

3.4 Chicago industrial property market

Overview

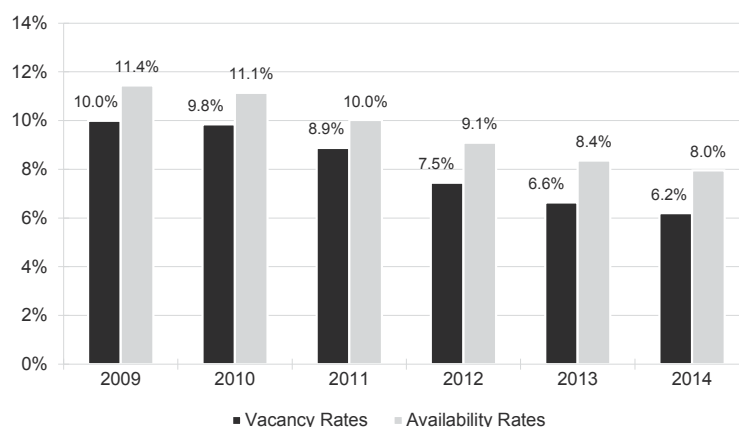
Chicago is a primary distribution hub of the US with an extensive transportation system including the O'Hare International Airport, rail lines and national and regional roadways. O'Hare International Airport is one of the busiest airports in the world, especially in terms of container shipments, which underpins the significant demand for transport infrastructure in the area and the industrial properties required to support this demand.

The Chicago industrial market, which includes Southern Wisconsin and Northwest Indiana, has an inventory of nearly 1.2 billion square feet, which is made up of approximately 65% warehouse, 32% manufacturing and the remainder workspace/service facilities.

Recent performance

The Chicago industrial property market was significantly impacted by the downturn in the US economy during 2007-08 which saw vacancy rates climb significantly whilst availability rates declined. However, the market has rebounded since then with vacancy rates in Chicago declining significantly as set out below.

Figure 8: Chicago industrial property vacancy rates



Source: MIX ASX Announcements, Deloitte Corporate Finance analysis



Low vacancy, limited speculative construction and high leasing activity have resulted in a significant increase in market rents in recent years. However, these increases have been partially offset by increases in property taxes.

Favourable market conditions and limited new supply in recent years are reportedly driving improved investor demand. To date, the recovery in demand has been strongest for A grade properties, although B grade properties are also recovering from 2009 lows. The market for C and D grade properties is still significantly below its prior peak and has not experienced a similar recovery relative to A and B grade properties.

Construction has recently picked up as a result of low vacancy rates and a reduced supply of A-grade space. There were 7.5 million square feet of construction starts in the first half of 2014, which is the highest first half total since 2000.

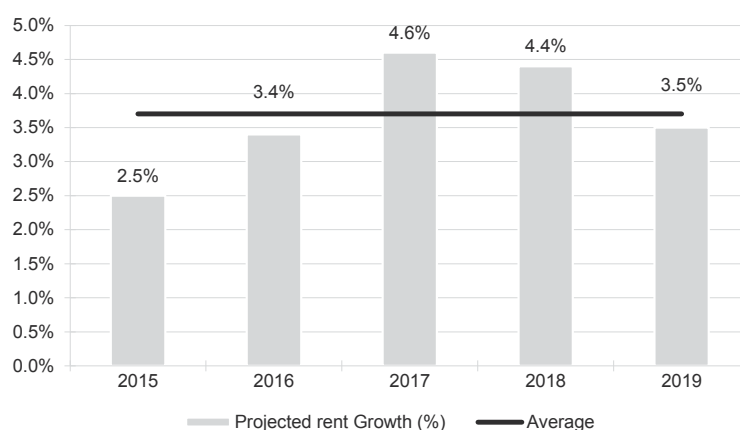
Industrial property experts in the Chicago region have also noted that some investors are pricing portfolio acquisitions at a premium (from 25 basis points (bps) to 50 bps in some cases) as long as the assets are A-grade, comparatively homogeneous, effectively fully occupied and offer up-side rent growth. When assets are lower grade or have mixed classifications, no premiums are being considered.

Outlook

The key factors expected to influence the Chicago industrial property in the near term include:

- **demand and supply dynamics:** the forecast continuation of economic growth in the region and more broadly across the US is expected to underpin growth in demand for industrial property. Furthermore, low levels of industrial property construction in recent years is limiting near term supply and contributing to low vacancy rates and availability. Whilst the recent pick up in construction is likely to moderate rental growth over the longer term, as a result of this favourable demand/supply dynamic, rental growth is expected to be robust over the next five years as set out below:

Figure 9: Projected growth rate for Chicago industrial property rents



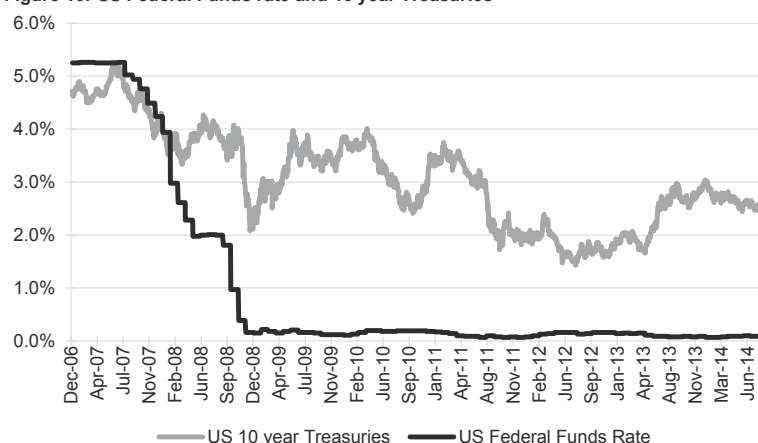
Source: MIX ASX Announcements, Deloitte Corporate Finance analysis

- **owner-occupier demand:** there appears to be increasing demand for industrial property by owner-occupiers who are acquiring properties as opposed to leasing due to lower financing costs and rental growth expectations. These factors are making purchasing a more compelling option for many users of industrial real estate
- **investor appetite for lower grade industrial property:** there has been significant investor demand for A-grade industrial property assets in the Chicago region recently which has resulted in a tightening in capitalisation rates in that sector. Demand from investors now appears to be flowing on to B-grade property which may result in a compression of capitalisation rates in that sector

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- **financial market conditions:** as set out below, both short term and long term interest rates in the US continue to remain at or near historical lows.

Figure 10: US Federal Funds rate and 10 year Treasuries



Source: St Louis Federal Reserve, Deloitte Corporate Finance analysis

In addition capitalisation rates in the property sector have compressed recently which is likely to have been driven by both lower interest rates and greater risk appetite by market participants. Whilst a continuation of these favourable conditions is likely to be supportive of industrial property values, the sector is nonetheless vulnerable to an increase in interest rates or capitalisation rates given that interest rates are at historical lows and capitalisation rates appear to be nearing cyclical lows.

3.5 Overview of operations

Overview of the Portfolio

As at 30 June 2014, MIX owned 24 predominantly B grade industrial properties located throughout metropolitan Chicago and Wisconsin with a total asset value of US\$164.0 million.³ The following table summarises the key statistics of the Portfolio.

Table 5: Summary of the Portfolio as at 30 June 2014

Key metric	Units	Details
Number of properties	Properties	24
Book Value	US\$ millions	164
Average area per property	Square metres	19,279
Average age of property	Years	35
Occupancy ¹	%	89.4
Number of tenants	Tenants	37
Number single tenant properties	Properties	14
WALE ¹	Years	3.91
Weighted capitalisation rate ¹	%	8.12

Source: MIX ASX announcements, Deloitte Corporate Finance analysis

Note:

1. By book value.

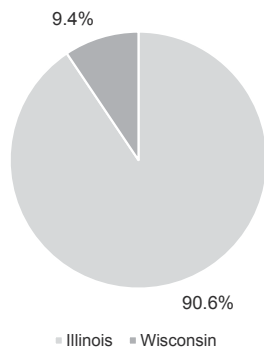
Refer to Appendix E for a detailed summary of the Portfolio.

³ As a result of the sale of Touhy, the number of properties in the Portfolio at the date of this report was 23.

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The portfolio value by region and industry as at 30 June 2014 is set out in the figures below.

Figure 11: Geographic diversification¹

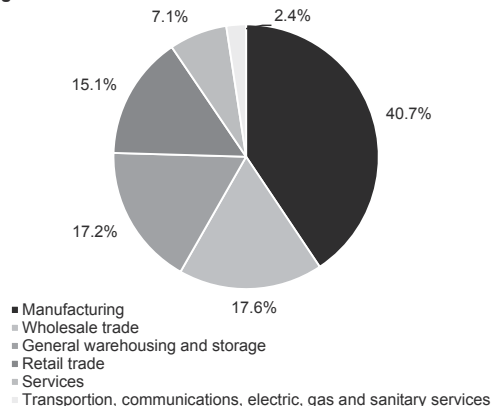


Source: MIX ASX Announcements, Deloitte Corporate Finance analysis

Note:

1. By book value.

Figure 12: Tenant diversification¹



Source: MIX ASX Announcements, Deloitte Corporate Finance analysis

Note:

1. By gross income.

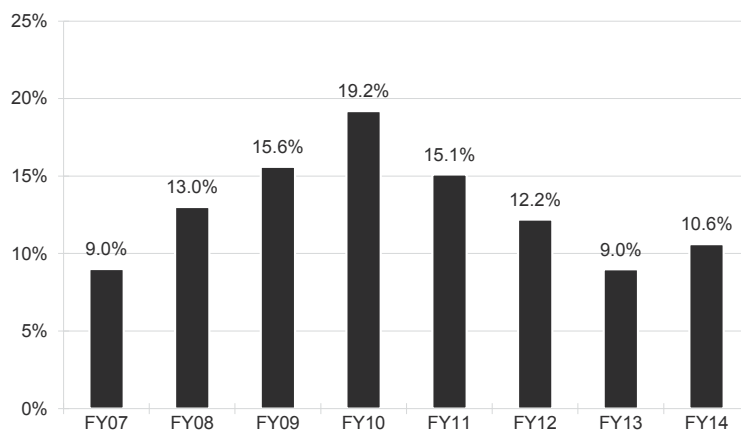
MIX's portfolio is concentrated in the metropolitan Chicago region with 4 properties located in Wisconsin. The largest sector exposure of the portfolio is manufacturing with other significant sector exposures including wholesale trade, warehousing and storage and retail trade.

MIX's tenant base is relatively concentrated with the top ten tenants comprising 66% of gross income as at 30 June 2014. The tenant profile of the portfolio primarily comprises large industrial companies seeking access to transport infrastructure, container storage and delivery solutions. As at 30 June 2014, the top five tenants (APL Logistics, Newell Rubbermaid, Factory Card Outlet, Pactiv and Nexus) accounted for 43% of portfolio floor space and carried an average remaining lease term exceeding four years.

Vacancy rates

The vacancy rate for MIX's portfolio is set out below.

Figure 13: Vacancy rates for the Portfolio¹



Source: MIX ASX Announcements, Deloitte Corporate Finance analysis

Note:

1. Weighted by area.

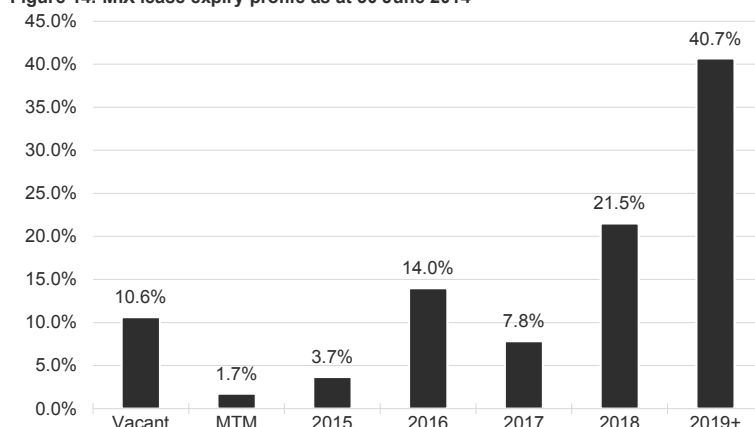
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The vacancy rate of MIX's portfolio has declined in recent years as a result of the improvement in economic conditions in the Chicago region and limited new developments. However, it is still higher than the broader Chicago vacancy rate which is attributable to the lower quality of the assets held in the portfolio as lower quality assets tend to have higher vacancy rates. Between December 2013 and June 2014 the vacancy rates increased slightly as a result of the expiry of leases at Touhy and 1020 Frontenac Road Naperville, in July 2013.

Lease expiry profile

In most instances, tenants seek to match lease terms with other contractual commitments and therefore the leases are usually short to medium term in duration. As set out below, 59.3% of properties (by area) are either vacant, on month to month (MTM) arrangements or have leases that will expire by FY19.

Figure 14: MIX lease expiry profile as at 30 June 2014¹



Source: MIX FY14 financials, Deloitte Corporate Finance analysis

Note:

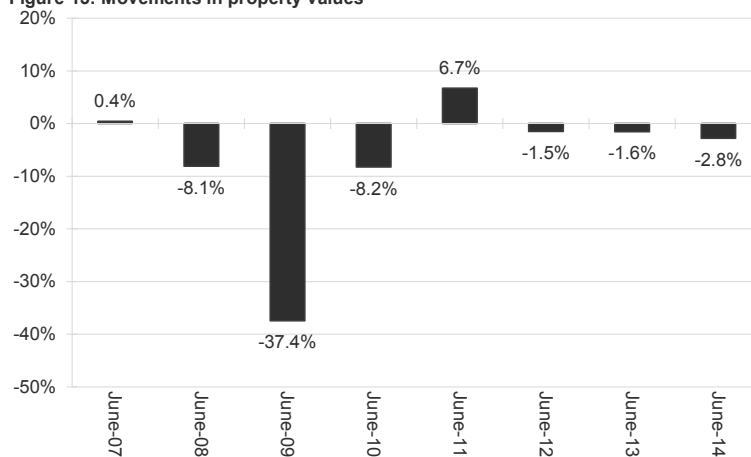
1. Weighted by area.

MIX's property portfolio maintained a weighted average lease expiry (WALE) of 3.9 years as at 30 June 2014.

Property values

The value of MIX's property portfolio declined significantly (excluding the impact of asset sales) between FY07 and FY10 as a result of the impact of the GFC and the economic downturn in the US. However, property values have been relatively stable in recent years as set out below.

Figure 15: Movements in property values¹



Source: MIX ASX Announcements, Deloitte Corporate Finance analysis

Note:

1. Changes exclude the impact of asset sales, foreign currency translation gains, additions, and other adjustments relating to lease incentives, amortisation of lease incentives and lease revenue.



The valuation policy of MIX requires an independent valuation of each property every two years (or whenever the manager of MIX believes a material change (+/-5.0%) in value has occurred), and a directors' valuation in years where no external valuation is undertaken. These valuations are used as the basis for measuring the carrying amount of MIX's interests in these properties.

During the six months ended 30 June 2014, eight assets, or 29.8 per cent of the portfolio by book value, were independently valued with the remaining 16 assets being subject to directors' valuations.

Recent transactions

MIX has undertaken a number of asset sales in recent years. These were initially undertaken in order to stabilise MIX's capital position but more recently in order to dispose of non-core assets to realign and establish a core B-grade Chicago-centric industrial portfolio.

Table 6: MIX recent asset sales

Announcement date	Assets sold	Gross proceeds (US\$'million)	Most recent valuation (US\$'million)	Premium/ (discount) to most recent valuation
3-Sep-14	Touhy	9.0	8.4	7%
28-Feb-14	308 South Division Street, 900 East 103rd Street and 4527 and 4531 Columbia Avenue	30.5	31.6	-3%
21-Nov-13	W165 N5830 Ridgewood Drive, Menomonee Falls	15.2	15.1	1%
21-Aug-12	3145 Central Avenue in Waukegan	2.6	2.6	0%
15-Jul-11	9700 Harlem Avenue in Bridgeview	2.0	1.6	25%
2-Aug-11	CJF4 properties	149.1 ¹	159.1	-6%
23-Mar-11	21705 – 21707 West Mississippi Street and 27413 South	54.1	44.2	22%
Total		262.5	262.6	
Weighted average				1%
Weighted average (excluding CJF4 disposal)				11%

Source: MIX ASX Announcements, Deloitte Corporate Finance analysis

Note:

1. Comprising US\$5 million cash and the elimination of \$144.1 million of debt owed by CJF4.

As set out above, the weighted average of gross proceeds achieved in recent asset sales has been in line with the weighted average of the most recent valuations in MIX's accounts although this is impacted by the disposal of CJF4's property portfolio which was effectively a distressed asset sale given the level of gearing of CJF4 at the time of disposal.

The gross proceeds do not include transaction costs although an estimate of these costs are included in the most recent valuations. As a result, the net proceeds of some sales are likely to be closer to and, in some cases, lower than the most recent valuations.

3.6 Tax structure

Income tax

Under current Australian tax legislation, MIX should not be liable to pay Australian income tax provided Unitholders are presently entitled to all distributable income. In addition, MIX's US REIT subsidiaries generally do not pay US federal income tax provided they meet various REIT requirements and distribute annually 100% of their taxable income.

MIX receives returns of capital and, in certain income years, dividend income from the US REIT. We note the following:

- returns of capital are not taxable in the US and should not be included in the calculation of MIX's Australian taxable income, but reduce the tax cost base of MIX's investment in the US REIT
- dividend income is generally subject to withholding tax in the US and is then included in MIX's Australian taxable income to the extent that it is assessable income. The withholding tax ranges between 15% and 35%



depending on whether reduced treaty rates apply. Australian Unitholders may be entitled to receive a foreign income tax offset for US tax paid, subject to various conditions being met.

MIX is also able to deduct certain expenditure it incurs against its taxable income for Australian tax purposes.

Capital gains tax

Based on values as at 30 June 2014, MIX may have significant unrealised capital losses which are not recognised as a deferred tax asset on its balance sheet. In determining its taxable income, MIX may be able to recoup realised capital losses against future capital gains.

3.7 Capital structure and Unitholders

The following table summarises the top ten Unitholders in MIX as at 31 July 2014.

Table 7: Top ten Unitholders as at 31 July 2014

Unitholders	Units Held	Percentage held
MFL <Mirvac Property A/C>	50,742,790	14.0%
JP Morgan Nominees Australia Limited	41,016,938	11.3%
National Nominees Limited	20,162,034	5.6%
Melic Pty Limited <The Melic A/C>	13,597,477	3.8%
Bond Street Custodians Limited <Intelligent Inv. Wholesale>	11,011,826	3.0%
Horrie Pty Limited	9,000,000	2.5%
ABN Amro Clearing Sydney Nominees Pty Limited <Custodian A/C>	8,694,427	2.4%
Rudie Pty Limited <Mattani Super Fund A/C>	6,963,090	1.9%
HSBC Custody Nominees (Australia) Limited	5,368,430	1.5%
Mr Andre David Malko	5,260,301	1.5%
Top 10 Unitholders	171,817,313	47.4%
Other Unitholders	190,639,956	52.6%
Total Unitholders	362,457,269	100.0%

Source: S&P Capital IQ, Deloitte Corporate Finance analysis

Notably:

- Unitholders comprise a combination of institutional and retail investors
- unitholdings are relatively concentrated with the top ten Unitholders representing 47.4% of total units issued
- MFL, in its capacity as RE of MPT, is the largest Unitholder.



3.8 Liquidity analysis

A summary of MIX's recent unit price performance and volumes traded is provided below.

Table 8: Price performance and volumes traded since 31 December 2011

Quarter end	High ¹ (A\$)	Low ¹ (A\$)	Last trade ² (A\$)	Cumulative volume ³ (million)	Cumulative volume (% of units outstanding ³)
31-Dec-11	0.084	0.071	0.080	23.55	6.5%
31-Mar-12	0.093	0.078	0.093	21.45	5.9%
30-Jun-12	0.115	0.088	0.110	36.39	10.0%
30-Sep-12	0.125	0.100	0.125	54.77	15.1%
31-Dec-12	0.125	0.115	0.120	28.18	7.8%
31-Mar-13	0.145	0.120	0.140	20.34	5.6%
30-Jun-13	0.160	0.135	0.160	29.51	8.1%
30-Sep-13	0.190	0.155	0.160	26.62	7.3%
31-Dec-13	0.170	0.135	0.170	44.49	12.3%
31-Mar-14	0.170	0.155	0.170	12.50	3.4%
30-Jun-14	0.175	0.160	0.165	17.93	4.9%
22-Sep-14 ⁴	0.205	0.165	0.205	18.80	5.2%

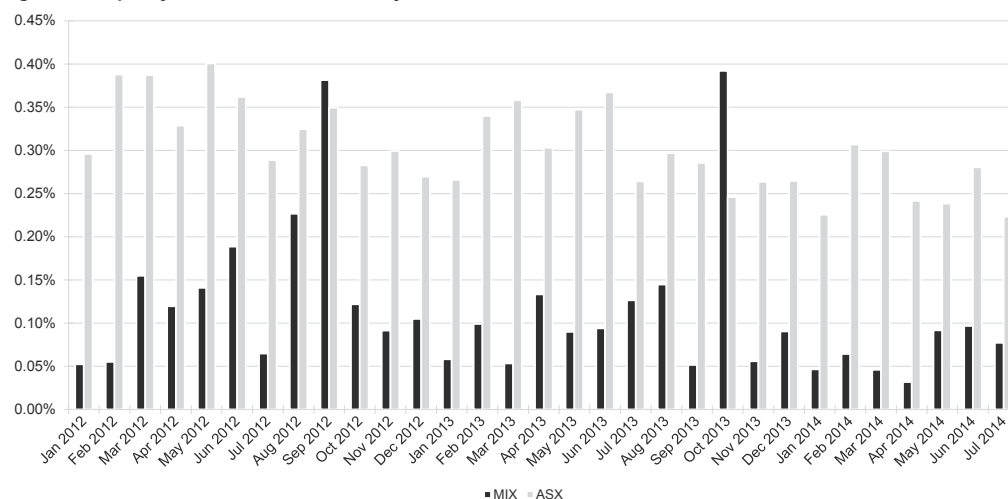
Source: S&P Capital IQ, Deloitte Corporate Finance analysis

Notes:

1. Lowest and highest unit price values during the corresponding quarter
2. Closing unit price as at the last day of the corresponding quarter
3. As at each quarter end
4. Volume for the quarter to date to 22 September 2014.

In the six month period to 31 July 2014 approximately 33.1 million units were traded. This equates to an average daily trading volume of approximately 0.08% of issued units, which indicates that the market for units in MIX is generally less liquid relative to broader trading on the ASX, as set out below.

Figure 16: Liquidity movements since January 2012



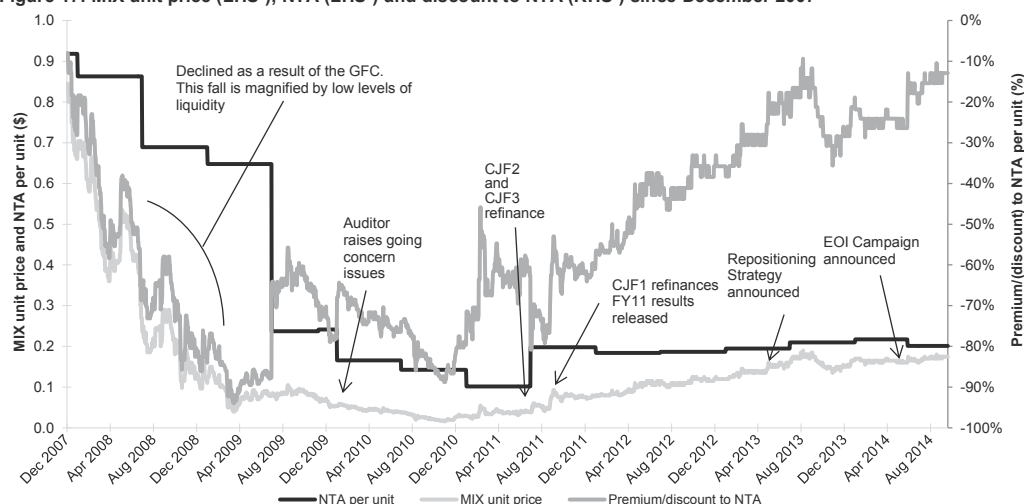
Source: S&P Capital IQ, Deloitte Corporate Finance analysis

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3.9 Unit price performance

The unit price, NTA movements and NTA per unit for the last four years are presented in the figure below.

Figure 17: MIX unit price (LHS²), NTA (LHS²) and discount to NTA (RHS³) since December 2007



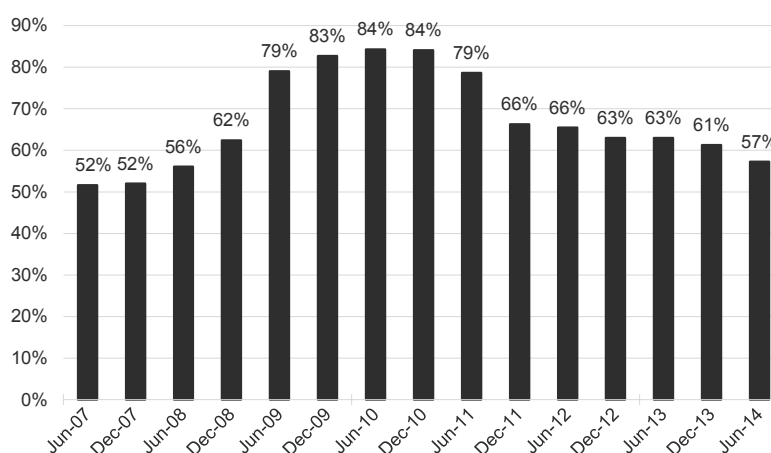
Source: MIX management, S&P Capital IQ, Deloitte Corporate Finance analysis

Notes:

1. NTA has not been adjusted for fluctuations in A\$/US\$ exchange rate
2. LHS: left hand side
3. RHS: right hand side.

MIX units have traded at a discount to NTA since the onset of the GFC. The substantial discount to NTA per unit at which MIX traded (up to 94% at its peak) reflected the difficult market conditions faced by all Australian Real Estate Investment Trusts (A-REITs) as a result of the GFC, including limited access to debt and equity funding, declining property values and tenants under pressure. However, as MIX's sustained high levels of gearing raised concerns regarding its solvency, the gap between MIX's unit price and NTA per unit was exacerbated and continued into 2011.

Figure 18: Historical gearing levels of MIX



Source: S&P Capital IQ, Deloitte Corporate Finance analysis

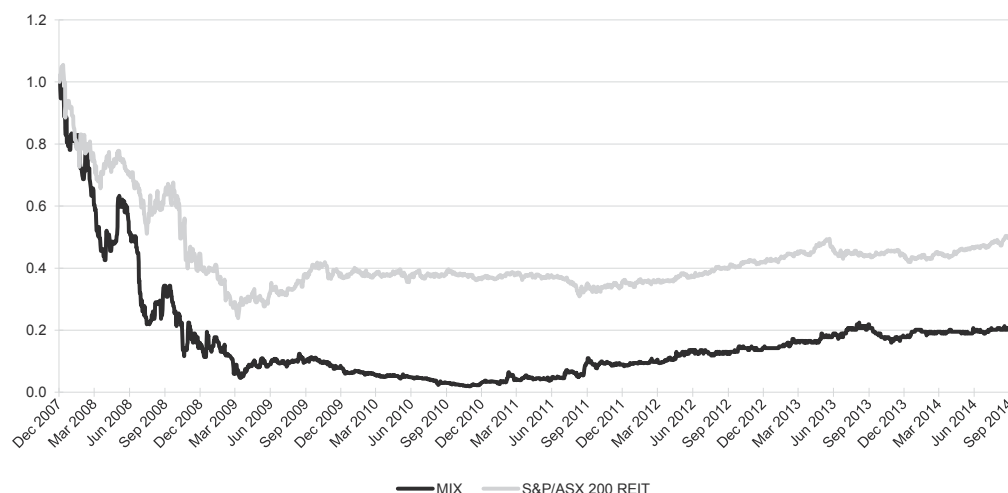
The gap between unit price and NTA per unit did not begin to diminish until the successful refinancing of debt facilities in late 2011 and disposal of the interest in CJF4, which significantly reduced gearing and abated concerns regarding the solvency of MIX. Whilst MIX's unit price has since increased significantly, narrowing the discount to NTA, MIX continues to trade at a discount to NTA which may reflect its:

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- relatively high level of gearing
- relatively low liquidity in unit trading
- less attractive portfolio of assets relative to many other A-REITs
- externally managed structure
- distribution policy, which is currently suspended.

The performance of MIX's unit price since December 2007 relative to the S&P/ASX200 A-REIT Index is set out below.

Figure 19: Relative performance of MIX



Source: S&P Capital IQ, Deloitte Corporate Finance analysis

MIX significantly underperformed the S&P/ASX200 A-REIT Index between December 2007 and August 2011, reflecting its exposure to the weaker US industrial property market relative to many A-REITs, as well as concerns about MIX's ability to refinance its debt facilities, particularly given the size and nature of some of its debt (which included commercial mortgage backed securities) and solvency concerns following the default on two of its facilities in August 2010 (CJF1) and July 2011 (CJF4). In addition, the appreciation of the A\$/US\$ between October 2008 and July 2011 is also likely to have weighed on MIX's performance.

Since August 2011 MIX has outperformed the S&P/ASX200 AREIT Index. This may reflect:

- a re-rating of MIX by investors following the successful refinancing of its debt facilities
- the depreciation of the A\$/US\$ over this period
- MIX's strategy of disposing non-core assets at close to book value and the announcement of the EOI Campaign which may have resulted in market participants anticipating the sale of MIX's portfolio at a price closer to NTA.



3.10 Debt

As at 30 June 2014, MIX had a gearing ratio of 57.3%. A summary of MIX's loan facilities (the **Facilities**), held through the Trust's 100% ownership of CJF1 and CJF2, is presented below.

Table 9: Debt overview as at 30 June 2014

	Unit	CJF1	CJF2	TOTAL
Principal balance	US\$ million	34.7	69.6	104.3
Portfolio value	US\$ million	58.1	105.9	164.0
Loan to value ratio (LVR) ¹	%	59.7%	65.7%	63.6%
Interest rate (100% fixed)	%	4.30%	4.50%	4.43%
Yearly repayments	US\$ million	1.1	1.4	2.5
Interest payments	US\$ million	1.5	3.1	4.6
Transfer fee	%	0.75%	0.75%	
Prepayment penalty	Yield Maintenance	Yield Maintenance		
First call date ²		1 March 2016	1 March 2016	
Maturity date		1 March 2031	1 March 2041	

Source: MIX management

Notes:

1. LVR for the Facilities is higher than MIX's overall gearing as a result of cash held by MIX
2. By lender to require repayment of the Facilities at this time. Each loan is callable on 1 March 2016, 1 March 2021 and 1 March 2026.

Key terms of the Facilities include:

- **security:** secured by first mortgages over the assets owned by each respective entity and cross-collateralised. The Facilities are non-recourse towards MIX
- **covenants:** no financial (LVR or interest coverage ratio (**ICR**)) covenants are applicable
- **prepayment:** until the first call date this is only available with payment of yield maintenance for the duration of the remaining period to the call date (US Treasuries yield to next call date of loan +30 bps or 1% of the principal outstanding whichever is greater). No penalties apply in respect of any prepayment which is made within 60 days prior to the maturity date or a call date
- **release** (i.e. partial repayment): available if:
 - release amounts (specified in the loan agreements) and prepayment fees are paid
 - minimum LVR and ICRs are met at the time of release unless otherwise approved by the lender
 - the number and value of properties held by both CJF1 and CJF2 is at least:
 - 16 and US\$79 million in respect of CJF1's and CJF2's loan
 - 9 and US\$43 million in respect of CJF2's loan
- **transfer:** available upon payment of a transfer fee of 0.75% of the outstanding loan balance for each facility
- **reserve balance:** a combined monthly deposit of US\$0.1 million is required to be contributed to a reserve balance to be exclusively used for capital expenditure. As at 30 June 2014, the reserve balance amounted to US\$6.5 million.

3.11 Financial performance

The audited income statements for MIX for FY11, FY12, FY13 and FY14 are summarised below.

Table 10: Summary of MIX's historical financial performance

\$'000 unless otherwise stated	FY11 Audited (12 months)	FY12 Audited (12 months)	FY13 Audited (12 months)	FY14 Audited (12 months)
Investment properties rental revenue	52,528	30,669	28,756	29,644
Interest revenue	101	37	18	10
Revenue from continuing operations	52,629	30,706	28,774	29,654
Other Income	43	-	143	2,129
Net gain on fair value of investment property	28,259	-	-	-
Gain on foreign exchange	817	-	-	-
Total revenue from continuing operations and other income	81,748	30,706	28,917	31,783
Investment property expense	(20,836)	(11,907)	(11,887)	(12,385)
Net gain/ (loss) on disposed properties	(55)	(11,117)	(154)	(5,012)
Fair value adjustment	-	(2,938)	(3,316)	(5,012)
Finance costs – borrowings	(23,321)	(7,806)	(6,441)	(6,500)
Finance costs – debt prepayment premium	-	-	-	(2,607)
Management fees	(2,152)	(1,199)	(1,117)	(1,174)
Other expenses	(4,411)	(3,430)	(2,772)	(2,791)
Total operating expenses	(50,775)	(38,397)	(25,687)	(35,481)
Net profit/ (loss) before tax	30,973	(7,691)	3,230	(3,698)
Income tax credit/(expense)	(132)	(89)	(192)	142
Net profit/(loss) after tax	30,841	(7,780)	3,038	(3,556)
Currency translation effects	(10,735)	3,812	7,039	(1,246)
Comprehensive income/(loss)	20,106	(3,968)	10,077	(4,802)
Distributions payable to Unitholders				
Earnings per unit (cents)	8.51	(2.15)	0.84	(0.98)
Distribution per unit (cents)	-	-	0.50	-
A\$/US\$ as at 30 June	1.07	1.02	0.92	0.94

Source: MIX ASX Announcements, Reserve Bank of Australia (RBA), Deloitte Corporate Finance analysis

Note:

- As MIX's properties are based in the US, changes in its revenues and expenses are impacted by fluctuations in the A\$/US\$ exchange rate throughout each reporting period.
- as a passive vehicle, MIX's operating revenue and expenses are generally not exposed to any significant volatility, other than due to rent reviews and fair value adjustments. However, asset acquisitions and disposals affect rental income and as such MIX's profitability. Notably:
 - in FY12 there was a significant decline in investment properties primarily as a result of asset sales and a similar decline in property revenue
 - notwithstanding further asset sales, property revenue has remained relatively stable in FY13 and FY14 with A\$/US\$ depreciation offsetting lower US\$ denominated revenue
 - property expenses relate to property outgoings including rates, taxes and other property outgoings such as repairs and maintenance incurred over the period
 - fair value adjustments relate to the movement in the appraised value of MIX's investment properties
 - tax represents US withholding tax deducted from distributions made by US entities to fund MIX's operating costs and to fund distributions to Unitholders and also includes US withholding tax on certain interest payments

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- net profit after tax (NPAT) decreased from a profit of A\$3.0 million in FY13 to a loss of A\$3.5 million in FY14 mainly due to the negative impact of the fair value adjustments for properties and losses on the sale of a non-core property
- other considerations in respect of the above include:
 - **distributions:** MIX paid a capital distribution of 0.5 cents per unit in August 2013 which was the first distribution since FY09. MIX is yet to reinstate income distributions and has retained cash from recent divestments to fund expected costs associated with the EOI campaign and to continue to maintain the Portfolio throughout this period
 - **currency translation effects:** relates to differences in MIX's asset base between periods as a result of fluctuations in the A\$/US\$ exchange rate
 - **currency hedging:** as the Portfolio is located in the US, the income earned from it is derived in US dollars. Whilst MIX has undertaken hedging in the past to minimise volatility to income distributions, as MIX does not currently pay income distributions there are currently no hedging arrangements in place.

The earnings are subject to non-cash and significant items. In order to illustrate a measure of earnings closer to core earnings, MIX also calculates operating profit. The operating profit of MIX for FY11, FY12, FY13 and FY14 as well as key reconciling items to NPAT is set out below.

Table 11: Summary of MIX's operating profit

\$'000 unless otherwise stated	FY11	FY12	FY13	FY14
Net profit/ (loss) after tax	30,841	(7,780)	3,038	(3,556)
Specific non-cash items				
Straight lining of lease revenue	(823)	(596)	(165)	303
Net (gain)/loss on fair value of investment properties	(28,259)	2,938	3,316	5,012
Net (gain)/loss on fair value of derivative financial instrument and associated foreign exchange movements	(43)	-	-	-
Amortisation expense	1,368	1,057	1,049	1,154
Total specific non-cash items	(27,757)	3,399	4,200	6,469
Significant items				
Deposit from terminated sale of investment property	-	-	(143)	-
Net loss from sale of investment property	-	11,117	154	5,012
Proceeds from lease buy-out	-	-	-	(2,129)
Finance costs – debt prepayment premium	-	-	-	2,607
Provisions for default	3,306	-	-	-
Total significant items	3,306	11,117	11	5,490
Operating profit	6,390	6,736	7,429	8,403

Source: MIX ASX Announcements, Deloitte Corporate Finance analysis

- operating profit has increased from FY11 to FY14 largely as a consequence of:
 - reduced financing costs due to asset sales and refinancing at a lower cost of debt
 - the depreciation of the A\$/US\$ exchange rate
- operating profit is likely to be lower in future years as a result of asset sales reducing the income of the Trust which are not fully reflected in FY14 figures given these sales occurred towards the end of the financial year
- factors which may reduce the profit available for distribution compared to operating profit in the near term include:
 - capital expenditure required in order to maintain the Portfolio which is not reflected in MIX's income statement (A\$3.0 million in FY14 and approximately A\$0.8 million in FY15)
 - the amortisation payments required under the Facilities (US\$3.3 million in FY14 and US\$2.5 million in FY15).

3.12 Financial position

The audited statements of financial position for MIX as at 30 June 2011, 30 June 2012, 30 June 2013 and 30 June 2014 are summarised below.

Table 12: Summary of MIX's historical financial position

\$'000	30-Jun-11 Audited	30-Jun-12 Audited	30-Jun-13 Audited	30-Jun-14 Audited
Current assets				
Cash and cash equivalents	21,134	11,817	13,296	15,465
Receivables	2,508	1,228	1,631	991
Prepayments and other assets	2,826	1,772	299	917
Assets held for sale	52,239	2,502	-	-
Total current assets	78,707	17,319	15,226	17,373
Non-current assets				
Investment properties	354,222	210,118	229,111	173,875
Other financial assets	-	-	-	1,060
Total non-current assets	354,222	210,118	229,111	174,935
Total assets	432,929	227,437	244,337	192,308
Current liabilities				
Payables	21,034	10,763	12,613	11,029
Borrowings	252,048	7,795	3,100	2,228
Provisions for distribution	-	-	1,813	-
Total current liabilities	273,082	18,558	17,526	13,257
Non-current liabilities				
Long-term debt	88,191	141,191	150,859	107,901
Total non-current liabilities	88,191	141,191	150,859	107,901
Total liabilities	361,273	159,749	168,385	121,158
Net assets	71,656	67,688	75,952	71,150
A\$/US\$	1.07	1.02	0.92	0.94

Source: MIX, RBA, Deloitte Corporate Finance analysis

Note:

1. As MIX's operations are based in the US, changes in its assets and liabilities are impacted by fluctuations in the A\$/US\$ exchange rate between each reporting period.

- under its current lending facilities MIX is required to retain cash in a reserve fund for capital expenditure purposes. As at 30 June 2014, the amount of cash that was held in reserve for this purpose was A\$6.9 million
- whilst the majority of cash generated from recent asset sales has been used to pay down debt, at 30 June 2014 MIX was also retaining additional cash to provide adequate funding for both the expected costs associated with the EOI Campaign and to continue to actively maintain its assets
- MIX's assets and liabilities have decreased significantly since FY11 as a result of the following:
 - the disposal of CJF4 properties in 2011 which significantly decreased both the value of investment properties and debt owing
 - a number of asset sales throughout FY13 with the proceeds largely used to pay down debt.
 Partially offsetting the above has been the depreciation of the A\$/US\$ exchange rate between FY11 and FY14
- other financial assets related to the promissory note resulting from the sale of the non-core properties. The note carries an annual interest rate of 8 percent and is repayable in June 2017
- based on values as at 30 June 2014 MIX may have significant unrealised capital losses for which no deferred tax asset has been recognised.



4 Valuation of MIX

4.1 Introduction

In order to assess the fairness of the Proposal, we have compared our estimate of the current fair market value of a unit in MIX on a control basis to the value of the Consideration.

For the purpose of our opinion fair market value is defined as the amount at which a unit in MIX would be expected to change hands between a knowledgeable willing buyer and a knowledgeable willing seller, neither being under a compulsion to buy or sell. We have not considered special value in this assessment.

4.2 Fair market value of a unit in MIX

In estimating the fair market value of a unit in MIX we have applied the net assets on a going concern basis given MIX is an asset-holding business and this is the most common approach utilised when valuing REITs such as MIX which are largely passive. In doing so, we have derived the current fair market value of the underlying net assets of MIX by aggregating the current fair market value of the Portfolio and any other assets and liabilities net of an estimate of the ongoing costs to a potential acquirer of a controlling interest in MIX and transaction costs associated with the Proposal. However, the Portfolio has been valued by external property valuers and MFML management using a number of methodologies including discounted cash flow, capitalisation of income and direct comparison.

In order to estimate the fair market value of MIX's net assets we have used the audited statement of financial position as at 30 June 2014 and considered any adjustments required to the book value of net assets to reflect changes to the value of MIX's assets and liabilities between 30 June 2014 and the Implementation Date.

We have estimated the fair market value of a unit in MIX to be in the range of A\$0.180 to A\$0.189 as set out in the table below.

Table 13: Fair market value of MIX unit

	Unit	Low value	High value
Net assets of MIX as at 30 June 2014	US\$ 000	67,109	67,109
Adjustments to net assets			
Touhy Sale	US\$ 000	213	213
Undistributed earnings	US\$ 000	1,226	1,226
Ongoing costs	US\$ 000	(8,388)	(5,243)
Transaction costs	US\$ 000	(1,771)	(1,771)
Fair market value	US\$ 000	58,389	61,535
Exchange rate ¹	US\$/A\$	0.8973	0.8973
Fair market value of MIX	A\$ 000	65,072	68,578
Number of MIX units on issue	000	362,457	362,457
Fair market value	A\$ / unit	0.180	0.189

Source: Deloitte Corporate Finance analysis

Note:

1. Based on the A\$/US\$ exchange rate as at 18 September 2014.

The value attributed to the Portfolio as at 30 June 2014 is based on estimates of the full underlying value of each property in the Portfolio. The underlying valuations of the Portfolio represent a "control" value (i.e. assume 100% ownership of the assets and the value of assets in which less than 100% is owned has been based on a pro-rata of the value derived assuming 100% ownership). It is therefore not appropriate to add any additional "premium for control", although premiums for other reasons may be appropriate.



Fair market value of the Portfolio

Approach and summary

The carrying value of the Portfolio as at 30 June 2014 was based on a combination of external appraisals (which are required to be undertaken for the entire Portfolio on a two year rolling basis) and directors' valuations. Eight of the properties within the Portfolio were valued by external property valuers as at 30 June 2014 for financial reporting purposes and the remainder were subject to directors' valuations (**30 June 2014 Valuations**).

For the purposes of this report, we have relied on the 30 June 2014 Valuations and have not undertaken any separate valuations of the Portfolio.

We have undertaken an analysis of the 30 June 2014 Valuations of the Portfolio and note that:

- the external property valuers are independent of MIX and MFML and, based upon the letter of instructions provided, and statements included in the valuation reports, there were no restrictions on their scope
- the external valuations and the directors' valuations were prepared by professionals who have sufficient qualifications and competence to provide an informed opinion of the fair market value of assets of this nature
- the valuation methods used are not inappropriate and appear to have been correctly applied to estimate the fair market values of the properties. This includes an allowance for selling costs but no other costs which would be incurred on the sale of the Portfolio such as capital gains tax, etc.
- the valuations assume that each of the properties are sold individually and have not considered any valuation consequence to the extent that they were sold as a portfolio
- the valuations have been prepared in accordance with the requirements of relevant valuation standards
- the assumptions and valuation metrics used do not appear unreasonable or inappropriate for the purpose of estimating the fair market value of these properties.

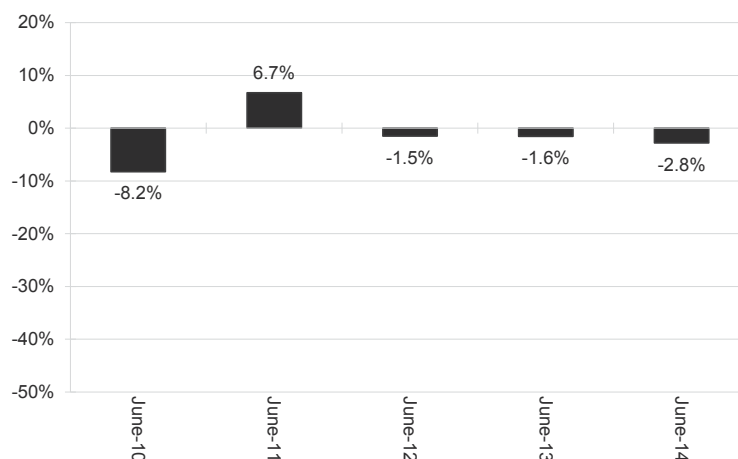
We have also considered available transaction data, held discussions with the external valuers and MFML management (in respect of the directors' valuations), considered anecdotal evidence of the property markets in the Chicago region, considered recent asset sales by MIX and trends in the carrying value of MIX's portfolio in order to assess the current fair market value of the Portfolio. In this regard:

- there is general agreement that current market conditions are favourable. However, there are mixed perspectives regarding the outlook for the industrial property market with the following common factors noted:
 - potential upside from:
 - robust outlook for rental growth
 - a likely supply/demand imbalance as a result of limited construction activity in recent years
 - institutional investor demand spilling over from higher grade to lower grade industrial properties
 - potential downside from any increase in US interest rates.
- there has been limited transactional data for lower grade industrial property in the Chicago region in recent years
- general compression of capitalisation rates has been observed across higher grade industrial property. However, this compression has not been observed to the same extent for lower grade industrial property
- whilst rents have increased in recent years these increases have been largely offset by other factors, such as higher real estate taxes. Further increases in real estate taxes are expected in FY15 which is likely to reduce the benefit of forecast increases in gross rental income in the near term
- excluding the disposal of the properties held by CJF4, the gross proceeds of recent asset sales by MIX have on average, occurred at a premium to book value. However, this premium is reduced by transaction costs
- the sale of Touhy, announced in September 2014 and which settled on 2 October 2014 (US time), occurred at a 7.4% gross premium to book value as at 30 June 2014 and a net premium (including transaction costs) of 6.1% (prior to yield maintenance penalties relating to the Facilities). However, MFML management has advised that Touhy was sold to an owner occupier who placed strategic value on the location of Touhy and that it is unlikely a similar price would be paid by other potential purchasers of the property

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- the carrying value of MIX's portfolio has been relatively stable in recent years with only small fluctuations in any 12 month period as set out below:

Figure 12: Changes to MIX's portfolio value



Source: MIX annual reports, Deloitte Corporate Finance analysis

Note:

- Changes exclude the impact of asset sales, foreign currency translation gains, additions, and other adjustments relating to lease incentives, amortisation of lease incentives and lease revenue.
- whilst some investors are pricing portfolio acquisitions at a premium to book value (from 25 bps to 50 bps in some cases), this is only occurring where the assets are A-grade, comparatively homogeneous, effectively fully occupied and offer up-side rent growth. When assets are lower grade or have mixed classifications, no premiums are being considered
 - there do not appear to be any property or market specific factors that have occurred since 30 June 2014 that would suggest a material upwards or downwards movement in the value of the Portfolio is warranted.

Based on the above factors, we have concluded that there is:

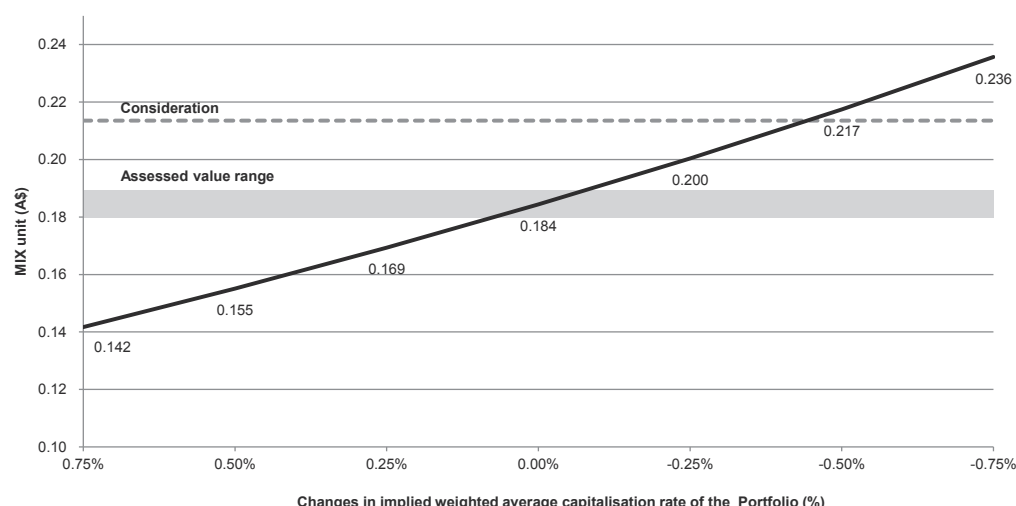
- no material latent upside or downside to the carrying value of the Portfolio other than Touhy (discussed below) as at 30 June 2014
- unlikely to have been any change to the market value of the Portfolio since the properties were valued at 30 June 2014.

Sensitivity analysis: Portfolio

As the fair market value of the Portfolio represents the core driver of value for MIX, our valuation of a MIX unit is sensitive to relatively small movements in the underlying value of the Portfolio.

The figure below sets out an indicative sensitivity analysis on the change in value of a unit in MIX on a going concern basis based on movements in the implied capitalisation rate of the underlying property valuations.

Figure 13: Sensitivity analysis



Source:

Deloitte Corporate Finance analysis

Whilst a +/- 25 bps movement in the implied capitalisation rate of the underlying property valuations would have an approximate +/-3% impact on the value of the Portfolio, due to its capital structure, the impact on the value of a unit in MIX is magnified. In this regard, it can be seen that a +/- 25 bps movement in the implied capitalisation rate of the underlying property valuations would have an approximate +/-8% impact on the value of a unit in MIX.

Adjustments to MIX net assets

Touhy sale

As at 30 June 2014, MIX held a 100% interest in Touhy which had a carrying value of US\$8.4 million.

MIX agreed to sell Touhy for gross proceeds of US\$9.025 million in September 2014, with settlement occurring on 2 October 2014 (US time) (**Touhy Sale**). The net proceeds are expected to be reduced by transaction costs and yield maintenance penalties payable under the Facilities. As a result, the increase in MIX's net assets as a result of the Touhy Sale is expected to be US\$213,000. We have therefore adjusted MIX's net assets by a corresponding amount.

Undistributed earnings

Unitholders are entitled to receive the benefit of earnings generated by the Portfolio from 30 June 2014 until the Implementation Date, where these funds are paid as a distribution to Unitholders or reinvested in the Trust. However, under the Proposal, no earnings from the Portfolio will be paid to Unitholders. Furthermore, the net assets of MIX as at 30 June 2014 do not include earnings expected to be generated between 30 June 2014 and the Implementation Date. We have therefore included US\$1.2 million of forecast earnings to be generated by MIX until the Implementation Date.

Overhead costs

Whilst property management fees are included in the property cash flows used by the directors and independent valuers in their valuations of the Portfolio, ongoing RE fees, management fees and other trust expenses are not otherwise factored into the property valuations or otherwise in the financial position of MIX. These costs equate to approximately US\$1.7 million annually as follows:

- management fees of 50 bps paid to MFML which equates to US\$0.9 million based on the net assets of MIX as at 30 June 2014

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- approximately US\$0.8 million in other costs incurred by MIX in respect of professional services (legal, accounting, audit, taxation and valuation), director fees, share registry and other costs.

RE fees and management fees would continue to be incurred to the extent MIX is externally managed. If MIX were internally managed, incremental costs would be incurred in order to procure similar functions and services for MIX as long as MIX and its investments are managed on a going concern basis. It is likely that these costs incurred would be less than the existing management fee payments as the manager would typically earn a profit margin on the fees paid by the trust.

Our estimate of the fair market value of MIX has been premised on the basis of full underlying value, that is, the value that could be realised through a sale of all the units in the trust.

A potential acquirer would likely expect to realise cost savings from managing MIX since investment property management is a highly scalable business model where a large portion of the cost structure tends to be relatively fixed. A third party buyer considering purchasing MIX would therefore likely expect to be able to achieve economies of scale in managing the Portfolio and therefore factor in only a portion of these costs when assessing the purchase price to pay in order to acquire the units in MIX.

For the purposes of assessing the fair market value of MIX, we have assumed ongoing overhead costs of US\$0.4 million to US\$0.7 million. In selecting this range, we have considered the following:

- the current annualised costs of MIX
- the level of synergies which are likely to be available to a potential acquirer and the risks and potential costs of removing the existing manager of MIX
- some costs (particularly RE costs) will be incurred for the purpose of improving the performance of a trust either by sourcing new investment opportunities or by optimising the existing portfolio thereby increasing its return. Accordingly, it can be argued that the ongoing costs associated with such services should produce a return equal to or higher than the cost of providing those services.

Based on the above considerations, this implies cost savings in the order of 60% to 75% relative to the existing direct costs and management fee costs incurred by MIX, which results in a relatively conservative (i.e. low) level of ongoing costs assumed in our analysis.

We have capitalised these costs using the weighted average capitalisation rate for MIX's portfolio as we consider the risk and growth prospects of these costs to be similar to those of the underlying property assets. This results in a capitalised value of these costs in the range of US\$5.2 million to US\$8.4 million.

Transaction costs

Transaction costs relating to the Proposal of US\$1.8 million are expected to be incurred from 30 June 2014 regardless of whether the Proposal proceeds. We have included these transaction costs in our assessment of the value of a unit in MIX.

Other considerations

Mix capital losses

Based on values as at 30 June 2014, MIX may have significant unrealised capital losses which are not recognised as a deferred tax asset on its balance sheet. In determining its taxable income, MIX may be able to recoup realised capital losses against future capital gains.

In undertaking our fairness assessment we have not attributed any value to the unrealised capital losses of MIX (or any of its subsidiaries) given the uncertainty regarding the timing and rate at which capital losses may be utilised against future capital gains (if at all).

Foreign exchange translation

We have calculated the fair value of MIX's assets and liabilities in US\$ and then converted this value into Australian dollars using the exchange rate as at 18 September 2014 of A\$/US\$0.8973.

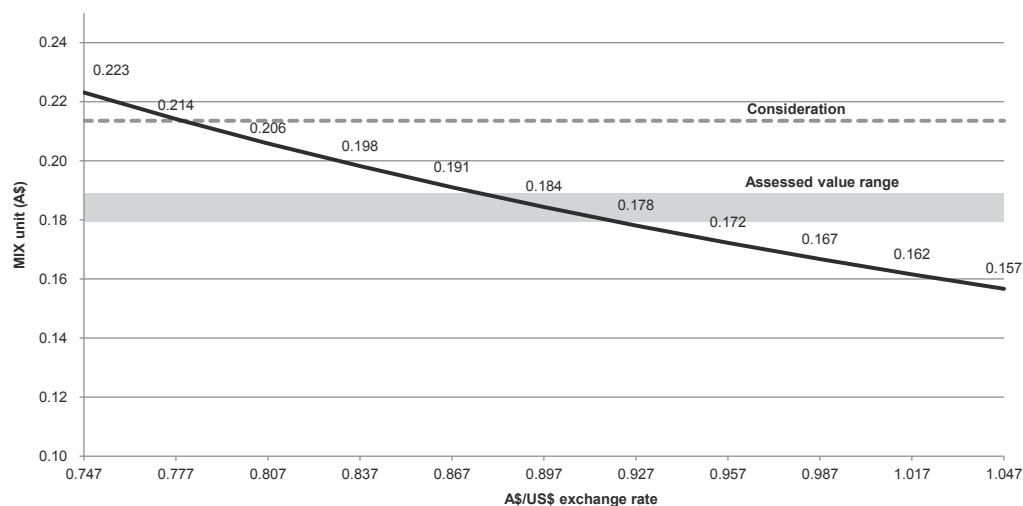
This is consistent with the exchange rate adopted to estimate the value of the Consideration.



Sensitivity analysis: exchange rate

Since the assets and liabilities of MIX are denominated in US\$, the fair market value of a MIX unit expressed in A\$ is sensitive to the A\$/US\$ exchange rate assumed as out below.

Figure 20: Valuation of a unit in MIX – sensitivity to movements in the A\$/US\$ exchange rate



Source: Deloitte Corporate Finance analysis

Movements in the exchange rate would cause changes to the fair market value of a MIX unit expressed in A\$ with any variation being relatively linear. Broadly speaking, a +/- 5% movement in the A\$/US\$ exchange rate would equate to an approximate impact of -/+5% on the value of a unit in MIX.



4.3 Cross-checks

Introduction

We considered valuation parameters observed from publicly available market data to derive a cross-check to our valuation of MIX under the net assets approach. In particular, we have considered:

- premiums/(discounts) to NTA and EBITDA⁴ yields observed in the trading of securities in listed entities, as well as earnings and asset based multiples implied by transactions comparable to the Proposal
- recent trading in MIX units.

Each of these is discussed in further detail below.

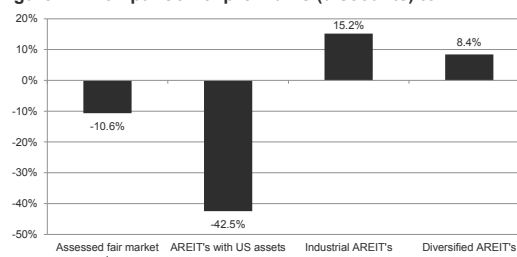
Market evidence

We have considered market evidence observable in respect of the trading and transactions in the AREIT sector. There are few entities or transactions which are directly comparable to MIX, given the location, grade, sector and size of its portfolio. Accordingly, we have considered a relatively broad set of comparable entities and transactions including:

- AREITs with US assets, noting there is only one entity observed to be comparable and which has assets in a different sector to MIX
- industrial AREIT's, noting the difference in the location of assets relative to MIX
- diversified AREITs, noting differences in the location of and sector of assets relative to MIX
- transactions in AREITs, some of which include relatively comparable entities but which have occurred in dissimilar market conditions.

The premiums/discounts to NTA and current EBITDA yields implied by our assessed fair market value range (at the mid-point) and those observed across the AREIT sector are set out below and detailed in Appendix C.

Figure 21: Comparison of premiums/(discounts) to NTA

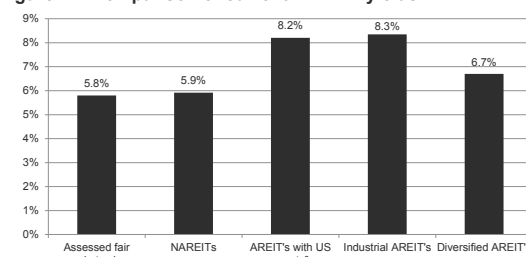


Source: S&P Capital IQ, Deloitte Corporate Finance analysis

Note:

1. MIX analysis based on NTA of A\$0.184 per unit (mid).

Figure 22: Comparison of current EBITDA yields



Source: S&P Capital IQ, Deloitte Corporate Finance analysis

Notes:

1. MIX analysis based on NTA of A\$0.184 per unit (mid)
2. Historical EBITDA yield

We do not consider premiums to NTA for North American Real Estate Investment Trusts (**NA-REITs**) comparable given these entities hold their properties at depreciated cost as opposed to fair value. Consequently, these entities are unlikely to give an accurate representation of the actual premium/(discount) of the market capitalisation of these entities to NTA.

We have also placed limited emphasis on A-REITs with US assets given there is only one comparable which is relatively small and has low levels of liquidity.

A-REITs on average are currently trading at a premium to NTA. This contrasts with our assessed valuation range for MIX which is at a discount to NTA. However, the premiums to NTA of many of the comparable entities are likely to reflect:

⁴ EBITDA = Earnings before interest, tax, depreciation and amortisation



- the quality of the portfolios held by many of the comparable entities
- the size and diversification of many of the comparable entities
- anticipated increases in the value of the portfolios since the latest valuations
- value inherent in development pipelines
- related operating businesses that contribute to earnings.

In contrast, MIX does not possess any of the above characteristics. In particular:

- MIX holds a relatively small, undiversified and lower quality portfolio
- MIX is a passive property investor with no operating businesses
- the value of MIX's portfolio has been relatively stable in recent years and our analysis suggests there is no material latent upside in the value of Portfolio.

In addition MIX is:

- an externally managed vehicle the overhead costs of which are relatively high as a proportion of NTA
- expected to incur transaction costs which are not reflected in, but are not insignificant as a proportion of, current NTA.

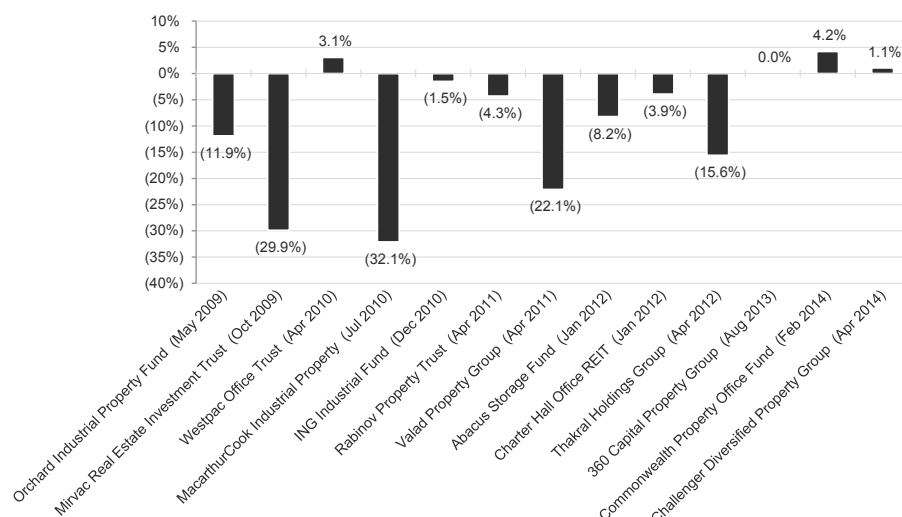
Accordingly, our assessed valuation appears reasonable given the above factors, notwithstanding the premium to NTA at which some A-REIT's are currently trading.

Whilst the historical EBITDA yield of MIX is relatively high compared to that of the observed comparable entities we have placed primary emphasis on MIX's current EBITDA yield as this takes into account the impact of recent asset sales and increases in real estate taxes on the profitability of the Portfolio.

The current EBITDA yield of MIX is at the low end of that observed for comparable entities in Australia and is similar to the average observed for comparable entities in the US. In our opinion, this is supportive of our assessed valuation range with interest rate differentials between the US and Australia likely to be a factor supporting lower yields for MIX and comparable NA-REITs relative to comparable A-REITs.

We have also considered the NTA metrics implied in recent transactions in the A-REIT sector as set in the figure below and detailed in Appendix D. We have not considered NA-REIT transactions given these entities hold their properties at depreciated cost as opposed to fair value. Consequently, transaction metrics are unlikely to give an accurate representation of the actual premium/(discount) to NTA.

Figure 23: Premiums/ (discounts) to NTA in recent transactions



Source: S&P Capital IQ, Deloitte Corporate Finance analysis

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Notably:

- we have not considered transactions prior to 2008 as these occurred in a vastly different market context and generally involved businesses with large funds management platforms and other active income which are therefore not comparable to MIX
- immediately following 2008, the transaction metrics reflect more challenging market conditions. In particular, a number of AREITs were in a deleveraging phase requiring capital injections and therefore the transaction metrics generally reflect an element of distress which resulted in a number of transactions occurring at significant discounts to NTA (e.g. Orchard Industrial Property Fund, Mirvac Real Estate Investment Trust, Macarthur Cook Industrial Property Fund and Valad Property Group)
- more recently, transaction evidence has indicated that most transactions are being conducted at or close to NTA reflecting a more favourable near term economic outlook and increased confidence in the underlying valuations
- smaller property funds have tended to be purchased at larger discounts to NTA.

Our assessed value range implies a discount of 8.3% to 13.0% to the most recently reported NTA of MIX. Whilst this is lower than recent transactional evidence, in our opinion a discount for MIX's portfolio is nonetheless appropriate given the quality of its portfolio, lack of scale and limited growth opportunities compared to many comparable transactions.

Accordingly, we consider this analysis to provide broad support for our assessment of fairness.

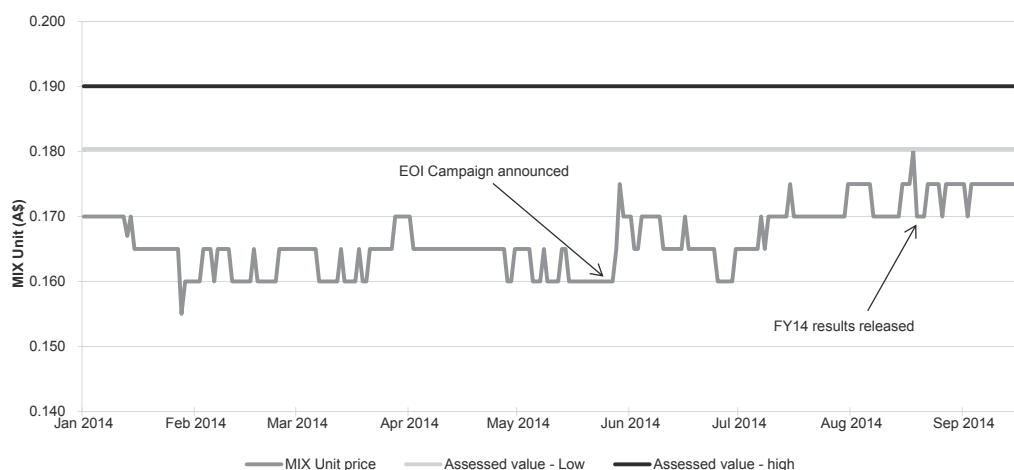
Analysis of recent MIX trading

The share market generally provides an objective measure of the market value of an entity's securities provided there is an active, well informed market for the securities and that there are no abnormal factors reflected in market prices, such as takeover speculation.

Whilst there is low liquidity in the trading of MIX units, we consider that trading prior to the announcement of the Proposal still provides a reasonable, albeit high-level cross-check to our assessment of the fair market value of a unit in MIX since:

- MIX has recently released FY14 results
- MIX has announced, and provided updates to, the EOI Campaign and it is therefore likely that the prospect of a control transaction in the near term had been priced into MIX's unit price.

Figure 24: MIX unit price comparison



Source: S&P Capital IQ, Deloitte Corporate Finance analysis

As set out above, trading in MIX units was generally below our assessed fair value range prior to announcing the EOI Campaign. This is likely to be driven by:

- the limited liquidity in MIX units



- uncertainty as to whether the underlying value of MIX would be realised via a transaction and if so uncertainty regarding:
 - timing and structure of such a transaction
 - the quantum of proceeds to be received
 - transaction costs.

Since the EOI Campaign has been announced, MIX units have traded closer to our assessed fair value range which is likely to be driven by increased certainty regarding:

- the likelihood of a whole of portfolio transaction in the near term
- the value of the Portfolio, with MIX's 2014 results released in August 2014.

Accordingly, we consider this analysis to provide broad support for our assessment of fairness.



Appendix A: Context to the Report

Individual circumstances

We have evaluated the Proposal for Unitholders as a whole and have not considered the effect of the Proposal on the particular circumstances of individual investors. Due to their particular circumstances, individual investors may place a different emphasis on various aspects of the Proposal from the one adopted in this report. Accordingly, individuals may reach different conclusions to ours on whether the Proposal is fair and reasonable to, and in the best interests of, Unitholders. If in doubt investors should consult an independent adviser, who should have regard to their individual circumstances.

Limitations, qualifications, declarations and consents

The report has been prepared at the request of the Directors of MFML and is to be included in the Explanatory Memorandum to be given to Unitholders for consideration of the Proposal. Accordingly, it has been prepared only for the benefit of the Directors and those persons entitled to receive the Explanatory Memorandum in their assessment of the Proposal outlined in the report and should not be used for any other purpose. Neither Deloitte Corporate Finance, Deloitte Touche Tohmatsu, nor any member or employee thereof, undertakes responsibility to any person, other than the Unitholders and MFML, in respect of this report, including any errors or omissions however caused. Further, recipients of this report should be aware that it has been prepared without taking account of their individual objectives, financial situation or needs. Accordingly, each recipient should consider these factors before acting on the Proposal. This engagement has been conducted in accordance with professional standard APES 225 Valuation Services issued by the Accounting Professional and Ethical Standards Board Limited.

Statements and opinions contained in this report are given in good faith but, in the preparation of this report, Deloitte Corporate Finance has relied upon the completeness of the information provided by MIX, MFML and their officers, employees, agents or advisors which Deloitte Corporate Finance believes, on reasonable grounds, to be reliable, complete and not misleading. Deloitte Corporate Finance does not imply, nor should it be construed, that it has carried out any form of audit or verification on the information and records supplied to us. Drafts of our report were issued to MIX and MFML management for confirmation of factual accuracy.

In recognition that Deloitte Corporate Finance may rely on information provided by MIX, MFML and their officers, employees, agents or advisors, MFML has agreed that it will not make any claim against Deloitte Corporate Finance to recover any loss or damage which MFML may suffer as a result of that reliance and that it will indemnify Deloitte Corporate Finance against any liability that arises out of either Deloitte Corporate Finance's reliance on the information provided by MIX, MFML and their officers, employees, agents or advisors or the failure by MIX, MFML and their officers, employees, agents or advisors to provide Deloitte Corporate Finance with any material information relating to the Proposal.

To the extent that this report refers to prospective financial information we have considered the prospective financial information and the basis of the underlying assumptions. The procedures involved in Deloitte Corporate Finance's consideration of this information consisted of enquiries of MIX and MFML personnel and analytical procedures applied to the financial data. These procedures and enquiries did not include verification work nor constitute an audit or a review engagement in accordance with standards issued by the AUASB or equivalent body and therefore the information used in undertaking our work may not be entirely reliable.

Based on these procedures and enquiries, Deloitte Corporate Finance considers that there are reasonable grounds to believe that the prospective financial information for MIX included in this report has been prepared on a reasonable basis in accordance with ASIC Regulatory Guide 111. In relation to the prospective financial information, actual results may be different from the prospective financial information of MIX referred to in this report since anticipated events frequently do not occur as expected and the variation may be material. The achievement of the prospective financial information is dependent on the outcome of the assumptions. Accordingly, we express no opinion as to whether the prospective financial information will be achieved.

Deloitte Corporate Finance holds the appropriate Australian Financial Services licence to issue this report and is owned by the Australian Partnership Deloitte Touche Tohmatsu. The employees of Deloitte Corporate Finance principally involved in the preparation of this report were Rachel Foley-Lewis, Authorised Representative, B.Com., CA, F.Fin; and Tapan Parekh, Authorised Representative, B.Bus, M.Com, CA, F.Fin. Each has many years' experience in the provision of corporate financial advice, including specific advice on valuations, mergers and acquisitions, as well as the preparation of expert reports.

Appendix B: Valuation methodologies

To estimate the fair market value of the units in MIX we have considered common market practice and the valuation methodologies recommended by ASIC Regulatory Guide 111, which provides guidance in respect of the content of independent expert's reports. These are discussed below.

Market based methods

Market based methods estimate a company's fair market value by considering the market price of transactions in its securities or the market value of comparable companies. Market based methods include:

- capitalisation of maintainable earnings
- analysis of a company's recent security trading history
- industry specific methods.

The capitalisation of maintainable earnings method estimates fair market value based on the company's future maintainable earnings and an appropriate earnings multiple. An appropriate earnings multiple is derived from market transactions involving comparable companies. The capitalisation of maintainable earnings method is appropriate where the company's earnings are relatively stable.

The most recent trading history provides evidence of the fair market value of the securities in a company where they are publicly traded in an informed and liquid market.

Industry specific methods estimate market value using rules of thumb for a particular industry. Generally rules of thumb provide less persuasive evidence of the market value of a company than other valuation methods because they may not account for company specific factors.

Discounted cash flow methods

Discounted cash flow methods estimate market value by discounting a company's future cash flows to a net present value. These methods are appropriate where a projection of future cash flows can be made with a reasonable degree of confidence. Discounted cash flow methods are commonly used to value early stage companies or projects with a finite life.

Asset based methods

Asset based methods estimate the market value of a company's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- orderly realisation of assets method
- liquidation of assets method
- net assets on a going concern basis.

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the company may not be contemplated, these methods in their strictest form may not necessarily be appropriate. The net assets on a going concern basis method estimates the market values of the net assets of a company but does not take account of realisation costs.

These asset based methods ignore the possibility that the company's value could exceed the realisable value of its assets as they ignore the value of intangible assets such as customer lists, management, supply arrangements and goodwill. Asset based methods are appropriate when companies are not profitable, a significant proportion of a company's assets are liquid, or for asset holding companies.



Appendix C: Comparable trading entities

Table 14: Comparable trading entities

Company	Market capitalisation (\$A'million) ¹	Premium/ (discount) to NTA	EBITDA yield historical (%)	EBITDA yield current (%)
Mirvac Industrial Trust	62	(13.4%)	9.7%	5.5%
NAREIT				
Prologis, Inc.	21,627	36.1%	3.9%	4.0%
Duke Realty Corporation	6,655	91.4%	5.1%	6.3%
Liberty Property Trust	5,776	71.4%	4.8%	6.4%
Lexington Realty Trust	2,702	69.0%	7.1%	7.9%
DCT Industrial Trust Inc.	2,840	50.5%	4.5%	5.5%
PS Business Parks Inc.	2,315	3.8%	7.1%	7.1%
First Industrial Realty Trust Inc.	2,137	85.4%	6.3%	6.5%
EastGroup Properties Inc.	2,131	279.4%	4.7%	5.2%
First Potomac Realty Trust	812	1.3%	4.9%	5.5%
Terreno Realty Corp.	717	22.8%	2.5%	4.8%
Average	4,771	71.1%	5.1%	5.9%
Median	2,509	59.7%	4.8%	5.9%
AREIT's with US assets				
RNY Property Trust	76	(42.5%)	8.2%	n/a
Average	76	(42.5%)	8.2%	n/a
Median	76	(42.5%)	8.2%	n/a
Industrial AREITS				
BWP Trust	1,574	20.0%	5.6%	6.2%
360 Capital Industrial Fund	261	29.3%	6.5%	8.2%
Australian Industrial REIT	204	11.5%	6.7%	n/a
Industria Reit	248	(0.1%)	9.2%	10.6%
Average	572	15.2%	7.0%	8.3%
Median	254	15.8%	6.6%	8.2%
Diversified AREITS				
Stockland Corp. Ltd.	9,314	13.5%	5.3%	5.7%
Charter Hall Retail REIT	1,417	15.7%	6.7%	7.1%
Dexus Property Group	6,139	6.6%	5.1%	6.7%
Mirvac Group	6,378	3.9%	6.9%	6.6%
CFS Retail Property Trust Group	6,040	5.3%	5.4%	6.4%
GPT Group	6,540	(10.9%)	4.6%	6.5%
Federation Centres	3,655	7.8%	7.0%	6.4%
Australand Holdings Limited	2,606	12.0%	3.8%	7.6%
Investa Office Fund	2,069	0.5%	0.8%	6.6%
Growthpoint Properties Australia	1,552	33.2%	6.0%	6.7%
Abacus Property Group	1,281	5.0%	8.3%	8.1%
Average	4,272	8.4%	5.4%	6.7%
Median	3,655	6.6%	5.4%	6.6%
Overall average	3,733	31.6%	5.7%	6.6%
Overall median	2,226	12.7%	5.5%	6.5%

Source: S&P Capital IQ, Deloitte Corporate Finance analysis

Notes:

1. Based on security prices as at 19 September 2014 and most recently published NTA
2. n/a: not available.

Appendix D: Comparable transactions

Table 15: Comparable transactions

Date	Target	Buyer	Consideration ¹ (A\$'million)	Premium/ (discount) to NTA ^{2,3}
Apr-14	Challenger Diversified Property Group	Challenger Australia Listed Property Holding Trust	848	1.1%
Feb-14	Commonwealth Property Office Fund	Dexus Property Group and Canada Pension Plan Investment Board	2,913	4.2%
Aug-13	360 Capital Property Group Limited	Trafalgar Corporate Group Limited	71	0.0%
Apr-12	Thakral Holdings Group	Brookfield Asset Management Incorporated	507	(15.6%)
Jan-12	Charter Hall Office REIT	Charter Hall Group	1,228	(3.9%)
Jan-12	Abacus Storage Fund	Abacus Property Group	132	(8.2%)
Apr-11	Valad Property Group	Blackstone Real Estate Advisors	209	(22.1%)
Apr-11	Rabinov Property Trust	Growthpoint Properties Australia Limited	50	(4.3%)
Dec-10	ING Industrial Fund	Goodman Group consortium	1,395	(1.5%)
Jul-10	MacarthurCook Industrial Property	CommonWealth REIT	43	(32.1%)
Apr-10	Westpac Office Trust	Mirvac	417	3.1%
Oct-09	Mirvac Real Estate Investment Trust	Mirvac	373	(29.9%)
May-09	Orchard Industrial Property Fund	Growthpoint Properties Australia Limited	255	(11.9%)
Average				(9.3%)
Median				(4.3%)

Source: S&P Capital IQ, Mergermarket, MIX ASX Announcements, company websites, Deloitte Corporate Finance analysis

Notes:

1. Implied value of 100% of the entity acquired
2. NTA is based on most recent publicly available data and includes provision for distribution.

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Appendix E: The Portfolio

Table 16: Summary of the Portfolio as at 30 June 2014

Property	State	Date of acquisition	Tenants	Occupancy (%)	Carrying value US\$'000 ²	Cap Rate (%)	WALE by Income
CJF1							
1445-1645 Greenleaf Avenue, Elk Grove Village	Illinois	May-05	7	84%	4,400	8.0%	3.3
2727 West Diehl Road, Naperville	Illinois	May-05	1	100%	23,800	7.5%	4.5
28160-70 North Keith Drive, Lake Forest	Illinois	Jul-05	1	100%	3,600	7.5%	5.2
3602 North Kennicott Avenue, Arlington Heights	Illinois	Jul-05	1	100%	5,800	8.0%	4.6
6510 West 73rd Street, Bedford Park	Illinois	May-05	1	100%	8,800	8.5%	3.4
7200 South Mason Avenue, Bedford Park	Illinois	Jul-05	1	100%	8,200	8.0%	4.0
800-850 Regency Drive, Glendale Heights	Illinois	May-05	1	36%	3,500	8.3%	4.3
CJF2							
1020 Frontenac Road, Naperville	Illinois	Nov-05	-	0%	3,400	7.5%	Vacant
11601 South Central Avenue, Alsip	Illinois	Feb-06	1	100%	6,800	7.5%	8.8
13040 South Pulaski Avenue, Alsip	Illinois	Nov-05	5	98%	8,500	8.5%	1.3
1750 South Lincoln Drive, Freeport	Illinois	Nov-05	1	100%	9,900	9.3%	4.5
1796 Sherwin Avenue, Des Plaines	Illinois	Nov-05	2	100%	4,300	8.0%	1.6
1850 Greenleaf Avenue, Elk Grove Village	Illinois	Nov-05	1	100%	2,700	8.0%	3.6
1880 Country Farm Drive, Naperville	Illinois	Jul-07	1	100%	7,700	8.0%	2.5
3849-3865 Swanson Court	Illinois	Feb-06	2	74%	3,500	8.0%	5.6
5110 South 6th Street, Milwaukee	Wisconsin	Nov-05	1	100%	2,400	8.5%	1.6
525 West Marquette Avenue, Oak Creek	Wisconsin	Nov-05	2	26%	4,000	8.0%	0.2
Touhy ³	Illinois	Feb-06	2	54%	8,400	9.0%	3.6
6000 West 73rd Street, Bedford Park	Illinois	Nov-05	1	100%	4,900	8.0%	4.0
6558 West 73rd Street, Bedford Park	Illinois	Feb-06	1	75%	8,300	8.0%	3.8
6600 River Road, Hodgkins	Illinois	Feb-06	2	93%	14,400	8.5%	2.5
6751-55 South Sayre Avenue, Bedford Park	Illinois	Nov-05	1	100%	7,700	8.0%	6.4
8100 100th Street, Pleasant Prairie	Wisconsin	Nov-05	1 ⁴	100%	2,100	8.0%	6.0
8200 100th Street, Pleasant Prairie	Wisconsin	Nov-05	1 ⁴	100%	6,900	8.0%	6.0
Total/ weighted average			37	89%	164,000	8.1%	3.9

Source: MIX; Deloitte Corporate Finance analysis

Notes:

1. Weighted by area

2. As at 30 June 2014

3. Sale announced in September 2014 with settlement occurring on 2 October 2014 (US time)

4. Buildings occupied by same tenant.



Appendix F: Sources of information

In preparing this report we have had access to the following principal sources of information:

- transaction documents including:
 - draft Explanatory Memorandum
 - draft SIA
- audited financial statements for MIX for the years ending 30 June 2011, 2012, 2013 and 30 June 2014
- internal and external valuations undertaken in respect of MIX's properties
- relevant lease documentation, management reports and trust model for MIX
- other corporate documents
- company websites for MIX and comparable companies
- publicly available information on comparable companies and market transactions published by ASX, Thompson Research, S&P Capital IQ and Mergermarket
- other publicly available information, media releases and brokers reports on MIX, comparable companies and the AREIT sector.

In addition, we have had discussions and correspondence with MIX's management team and MIX's external property valuers and representatives of the independent board the Directors in relation to the above information and to current operations and prospects.

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Mirvac Funds Management Limited

Supplemental Deed Poll

Amending the Constitution for Mirvac Industrial Trust

Deutsche Bank Place
Corner Hunter and Phillip Streets
Sydney NSW 2000 Australia
Tel +61 2 9230 4000
Fax +61 2 9230 5333
www.allens.com.au

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This Deed Poll is made on

2014

Parties

Mirvac Funds Management Limited (ACN 067 417 663) of Level 26, 60 Margaret Street, Sydney NSW 2000 (the **Responsible Entity**).

Recitals

- A The Responsible Entity is the responsible entity of the trust known as the Mirvac Industrial Trust (ARSN 113 489 624) (formerly known as the JF US Industrial Trust and the Lago Property Trust) (the **Trust**).
- B The Trust has been registered as a managed investment scheme pursuant to section 601EB of the Corporations Act.
- C The Units of the Trust are quoted and traded on ASX.
- D The Responsible Entity and the Acquirer have agreed, by executing the Scheme Implementation Agreement, to propose and implement the Scheme.
- E The Constitution must be amended to facilitate the Scheme.
- F Under clause 25 of the Constitution, subject to the Corporations Act, the Responsible Entity may amend the Constitution by executing a supplemental deed.
- G Section 601GC(1)(a) of the Corporations Act provides that the Constitution may be amended by special resolution of the Unit Holders of the Trust.
- H At a meeting held on [*] 2014 convened in accordance with the Corporations Act, the Unit Holders approved certain resolutions, including a special resolution to make the amendments to the Constitution contained in this Supplemental Deed Poll.
- I Pursuant to section 601GC(2) of the Corporations Act, the amendments to the Constitution set out in this Supplemental Deed Poll cannot take effect until a copy of this Supplemental Deed Poll has been lodged with ASIC.
- J The Acquirer has entered into a deed poll for the purpose of covenanting in favour of the Unit Holders that they will observe and perform the obligations contemplated of them under the Scheme and the Scheme Implementation Agreement.

It is declared as follows.

1 Definitions and Interpretation

1.1 Definitions

In this Supplemental Deed Poll including the Recitals, the following definitions apply unless the context otherwise requires.

Acquirer means AustFunding Pty Ltd (ACN 601 686 999).

Constitution means the trust deed constituting the Trust, dated 21 March 2005 (as amended by deeds dated 6 April 2005, 9 December 2005, 25 September 2006 and 25 October 2007).

Effective Time means the date and time on which a copy of this Supplemental Deed Poll is, or the modifications set out in it are, lodged with ASIC under section 601GC(2) of the Corporations Act.

Supplemental Deed Poll

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Scheme means the arrangement set out in the Scheme Implementation Agreement and facilitated by the amendments to the Constitution set out in this Supplemental Deed Poll.

Scheme Implementation Agreement means the agreement of that name between the Responsible Entity and the Acquirer dated on 19 September 2014, as amended from time to time.

1.2 Interpretation

- (a) Terms used but not defined in this Supplemental Deed Poll have the same meanings given to them in the Constitution.
- (b) Clauses 1.1 ('Definitions'), 1.2 ('Interpretation') and 36 ('Listing Rules and the Corporations Act') of the Constitution apply to this Supplemental Deed Poll as if set out in this Supplemental Deed Poll.

1.3 Benefit of this Supplemental Deed Poll

This Supplemental Deed Poll is made by the Responsible Entity with the intent that the benefit of this Supplemental Deed Poll shall enure to the benefit of Unit Holders jointly and severally.

2 Amendment of Constitution

The Responsible Entity amends the Constitution so that, on and from the Effective Time, the Constitution is amended as set out in the Schedule.

3 No Resettlement

The Responsible Entity confirms that it is not by this Supplemental Deed Poll intending to:

- (a) resettle or redeclare the Trust declared under the Constitution; or
- (b) cause the transfer, vesting or accruing of any property comprising the assets of the Trust in any person.

4 Governing Law and Jurisdiction

This Supplemental Deed Poll is governed by the laws of New South Wales. In relation to it and related non-contractual matters each party irrevocably submits to the non-exclusive jurisdiction of courts with jurisdiction there.

Supplemental Deed Poll

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Executed and delivered as a Deed Poll in Sydney

Executed as a deed in accordance with
section 127 of the *Corporations Act 2001* by
Mirvac Funds Management Limited:

Director Signature

Director/Secretary Signature

Print Name

Print Name

Supplemental Deed Poll

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Schedule

Amendments to the Constitution of Mirvac Industrial Trust

The Constitution is amended as follows:

1 Clause 1.1 - Definitions

- (a) In clause 1.1 of the Constitution, the following definitions are inserted in alphabetical order:

Acquirer means AustFunding Pty Ltd (ACN 601 686 999).

Aggregate Scheme Consideration means the amount determined in accordance with clause 41.3(b)(ii).

ASX Settlement means ASX Settlement Pty Limited (ABN 49 008 504 532).

ASX Settlement Operating Rules means the operating rules of the settlement facility of ASX Settlement for the purposes of the Corporations Act.

CHESS means the Clearing House Electronic Subregister System for the electronic transfer of securities and other financial products, operated by ASX Settlement.

Deed Poll means the deed poll dated [*] 2014 executed by the Acquirer in favour of each Scheme Unitholder in relation to the Trust Scheme.

Effective means, in relation to the Trust Scheme, the supplemental deed poll making amendments to this Constitution to facilitate the Trust Scheme, including the insertion of clause 41, taking effect pursuant to section 601GC(2) of the Corporations Act.

Effective Date means the date on which the Trust Scheme becomes Effective.

Estimated Transaction Costs Amount means US\$3,878,234.

Final Transaction Costs Amount means the total aggregate amount of all Scheme Transaction Costs, denominated in US dollars.

Implementation Date means three Scheme Business Days following the Record Date, or such other date as may be agreed in writing between the Acquirer and the RE or as may be required by ASX.

Record Date means 7.00pm (Sydney time) on the date that is five Scheme Business Days after the Effective Date, or such other date (after the Effective Date) as may be agreed in writing between the Acquirer and the RE or as may be required by ASX.

Registered Address means, in relation to a Scheme Unitholder, the address of that Scheme Unitholder shown on the Register.

Registrar means such suitably qualified person that is from time to time appointed by the RE to operate the Register.

Scheme Business Day means any day that is each of the following:

- (i) a Business Day within the meaning given in the Listing Rules; and
- (ii) a day that banks are open for business in Sydney, New South Wales.

Scheme Consideration means the Aggregate Scheme Consideration divided by the number of Scheme Units on issue, being the consideration to which Scheme Unitholders are entitled under the terms of clause 41 for each Scheme Unit they hold.

Supplemental Deed Poll

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Scheme Implementation Agreement means the agreement of that name between the RE and the Acquirer dated on 19 September 2014, as amended from time to time.

Scheme Meeting means the meeting of Unit Holders held on [*] 2014 to consider the Scheme Resolutions, and includes any adjournment of that meeting.

Scheme Payment means US\$69,453,766 plus the Transaction Costs Adjustment.

Scheme Resolutions means the resolutions of Unit Holders to approve the Trust Scheme, being:

- (i) an ordinary resolution approving for the purpose of item 7 of section 611 of the Corporations Act the acquisition by the Acquirer of all of the Scheme Units; and
- (ii) a special resolution for the purpose of section 601GC(1) of the Corporations Act to approve amendments to this Constitution to facilitate the implementation of the Trust Scheme.

Scheme Transaction Costs means all costs incurred by the RE in connection with the Trust Scheme, including advisory costs, accounting fees, legal fees, independent expert fees, printing and costs associated with convening the Scheme Meeting.

Scheme Transfer means, for each Scheme Unitholder, a proper instrument of transfer of their Scheme Units for the purpose of section 1071B of the Corporations Act, which may be a master transfer of all or part of all of the Scheme Units.

Scheme Unit means a Unit on issue as at the Record Date.

Scheme Unitholder means a person registered in the Register as a holder of one or more Scheme Units as at the Record Date.

Transaction Costs Adjustment means the amount calculated as the Estimated Transaction Costs Amount minus the Final Transaction Costs Amount, such that:

- (i) if the Final Transaction Costs Amount is greater than the Estimated Transaction Costs Amount, the Transaction Costs Adjustment will be a negative number; and
- (ii) if the Final Transaction Costs Amount is less than the Estimated Transaction Costs Amount, the Transaction Costs Adjustment will be a positive number.

Transfer Taxes means state, county, municipal, village, local and other real estate transfer taxes, stamp duties or equivalent or similar taxes or duties.

Trust Scheme means the arrangement by which all of the Scheme Units will be transferred to the Acquirer for the Scheme Consideration, as set out in clause 41.

- (b) In clause 1.1 of the Constitution, the definition of 'ASX' is replaced by the following:

'ASX' means ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market known as the Australian Securities Exchange operated by it.'

2 Clause 1.3 – Rounding and Currency

Clause 1.3(b) of the Constitution is amended by replacing the words 'Subject to clauses 3.3, 5.6 and 16.8' at the beginning of paragraph (b) with the words 'Subject to clauses 3.3, 5.6, 16.8 and 41.3(d)'.

3 Clause 31.13 – Costs exclusive of GST

A new subclause 31.13 is inserted immediately after subclause 31.12 of the Constitution, as set out below:

31.13 Costs exclusive of GST

Except where clause 31.12 applies, a reference in this Constitution to a cost, expense or other similar amount (Cost) is a reference to that Cost exclusive of GST.

4 Clause 41 – Trust Scheme

A new clause 41 is inserted immediately after clause 40 of the Constitution, as set out below:

41 Trust Scheme

41.1 Implementation of Trust Scheme

- (a) Each Scheme Unitholder and the RE must do all things and execute all deeds, instruments, transfers or other documents as the RE considers are necessary or desirable to give full effect to the terms of the Trust Scheme and the transactions contemplated by it.
- (b) Without limiting the RE's other powers under this clause 41, the RE has power to do all things that it considers necessary, desirable or reasonably incidental to give effect to the Trust Scheme, the Scheme Implementation Agreement and the transactions contemplated by them.
- (c) Subject to the Corporations Act, the RE, the Acquirer or any of their directors, officers, employees or associates may do any act, matter or thing described in or contemplated by this clause 41 even if they have an interest (financial or otherwise) in the outcome of such exercise.
- (d) This clause 41:
 - (i) binds the RE and all of the Unit Holders from time to time (including those who do not attend the Scheme Meeting, those who do not vote at the Scheme Meeting and those who vote against the Scheme Resolutions); and
 - (ii) to the extent of any inconsistency, overrides the other provisions of this Constitution (excluding clause 36).

41.2 Entitlement to Scheme Consideration

Each Scheme Unitholder will be entitled to receive the Scheme Consideration for each Scheme Unit held by that Scheme Unitholder, which must be paid in the manner referred to in this clause 41.3.

41.3 Provision of Scheme Payment and Scheme Consideration

- (a) The RE acknowledges that the Acquirer has covenanted to pay, before 9:00 am on the Implementation Date, the Scheme Payment in immediately available funds into a US dollar denominated trust account nominated by the RE maintained by a third party on terms agreed with the Acquirer.
- (b) Subject to the Acquirer having provided the Scheme Payment in the manner contemplated by clause 41.3(a), the RE must procure that:
 - (i) the amount received from the Acquirer under clause 41.3(a) is held on trust for the Scheme Unitholders, except that any interest on the amount will be for the account of the Acquirer;
 - (ii) the amount received from the Acquirer under clause 41.3(a) is converted to Australian dollars at the prevailing exchange rate on the Implementation Date

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(and otherwise in such manner as the RE considers appropriate (acting reasonably), and such amount following conversion:

- (A) is held in an Australian dollar denominated trust account nominated by the RE on trust for the Scheme Unitholders, except that any interest on the amount will be for the account of the Acquirer; and
- (B) will be the Aggregate Scheme Consideration; and
- (iii) within three Scheme Business Days after the Implementation Date, the Aggregate Scheme Consideration is drawn to pay to each applicable Scheme Unitholder such amount in Australian currency as that Scheme Unitholder is entitled to receive as Scheme Consideration, either by:
 - (A) electronic funds transfer to an account nominated by the Scheme Unitholder for the purpose of payment of distributions or the Scheme Consideration; or
 - (B) cheque sent by pre-paid post:
 - (1) in the case of Scheme Unitholders who are registered as holding the Units jointly - to the Registered Address recorded in the Register at the Record Date of the person whose name appears first in the Register in respect of the joint holding; or
 - (2) otherwise – to the Registered Address recorded in the Register at the Record Date.
- (c) If a fractional entitlement to part of a cent in cash arises from the calculation of the total amount of cash to be paid to a Scheme Unitholder, then that fractional entitlement will be rounded down to the nearest whole cent, with any fractional entitlement being disregarded.
- (d) If the RE believes that a Scheme Unitholder is not known at the Registered Address recorded in the Register, and no account has been notified in accordance with clause 41.3(b)(iii)(A), or a deposit into such an account is rejected or refunded, the RE may credit the amount payable to the relevant Scheme Unitholder to a separate bank account of the RE to be held until the Scheme Unitholder claims the amount or the amount is dealt with in accordance with any applicable unclaimed money legislation. If the RE elects to proceed in this manner:
 - (i) the RE must hold the amount on trust, but any interest accruing on the amount will be for the account of the Acquirer;
 - (ii) an amount credited to the account is to be treated as having been paid to the Scheme Unitholder when credited to the account; and
 - (iii) the RE must maintain records of the amounts paid, the people who are entitled to the amounts and any transfers of the amounts.
- (e) If any amount is required under any Australian Law or by any Australian government or any Australian governmental, semi-governmental or judicial entity or authority to be:
 - (i) withheld from an amount payable under clause 41.3(b)(iii) and paid to that entity or authority; or
 - (ii) retained by the RE out of an amount payable under clause 41.3(b)(iii),
 its payment or retention by the RE will constitute the full discharge of the RE's obligations under clauses 41.3(b)(iii) or 41.3(d) with respect to the amount so paid or retained until, in the case of clause 41.3(e)(ii), it is no longer required to be retained.

41.4 Transfer of Scheme Units to the Acquirer

On the Implementation Date, subject to the Acquirer having provided the Scheme Payment in the manner contemplated by clause 41.3(a) and providing the RE with written confirmation of that having occurred, the following will occur:

- (a) all of the Scheme Units, together with all rights and entitlements attaching to the Scheme Units as at the Implementation Date, will be transferred to the Acquirer, without the need for any further act by any Scheme Unitholder (other than acts performed by the RE (or any of its directors and officers appointed as sub-attorneys and/or agents of the RE) as attorney and/or agent for Scheme Unitholders under the Trust Scheme);
- (b) the RE will procure:
 - (i) in the case of Scheme Units in a CHESS holding, a message to be transmitted to ASX Settlement in accordance with ASX Settlement Operating Rules so as to transfer the Scheme Units held by the Scheme Unitholder from the CHESS sub-register of the RE to the issuer sponsored sub-register operated by the RE; and
 - (ii) the delivery to the Acquirer for execution duly completed and, if necessary, stamped Scheme Transfers to transfer all of the Scheme Units to the Acquirer, duly executed by the RE (or any of its directors and officers appointed as sub-attorneys and/or agents of the RE) as the attorney and/or agent of each Scheme Unitholder as transferor under clause 41.7; and
- (c) the RE will, immediately after receipt of the executed Scheme Transfers in respect of the Scheme Units from the Acquirer, enter or procure the entry of, the name and address of the Acquirer in the Register in respect of all of the Scheme Units.

41.5 Dealings in Units

- (a) For the purpose of establishing the persons who are Scheme Unitholders and the number of Units held by them, the RE will only recognise dealings in Units if:
 - (i) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Register as the holder of the relevant Units by the Record Date; or
 - (ii) in all other cases, registrable transfers or transmission applications in respect of those dealings are received by the Registrar by the Scheme Business Day before the Record Date in which case the RE must register such transfers or transmission applications before the Record Date.
- (b) The RE will, until the name and address of the Acquirer has been entered in the Register as the holder of all of the Scheme Units, maintain, or procure the maintenance of, the Register in accordance with this clause 41.5. Immediately after registration of registrable transfers or transmission applications of the kind referred to in clause 41.5(a), the Registrar will solely determine the persons who are Scheme Unitholders and the number of Scheme Units held by them.
- (c) No Scheme Unitholder (or any person purporting to claim through them) may dispose of, purport or agree to dispose of, or otherwise deal with, Scheme Units or any interest in them in any way after the Record Date, and any attempt to do so will have no effect.
- (d) Other than in respect of the Acquirer (after registration of the Acquirer in respect of all Scheme Units under clause 41.4(c)), from the Record Date, all certificates and holding statements (as applicable) for Scheme Units as at the Record Date will cease to have

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any effect as evidence of title, and each entry on the Register as at the Record Date will cease to have any effect other than as evidence of the entitlements of Scheme Unitholders to the Scheme Consideration.

- (e) As soon as reasonably practicable after the Record Date, and in any event at least 2 Business Days before the Implementation Date, the RE must ensure details of the names, Registered Addresses and holdings of Scheme Units of every Scheme Unitholder as shown in the Register as at the Record Date are given to the Acquirer (or as it directs) in such form as the Acquirer may reasonably require.

41.6 Covenants by Scheme Unitholders

Each Scheme Unitholder:

- (a) irrevocably acknowledges that this clause 41 binds all of the Unit Holders from time to time (including those who do not attend the Scheme Meeting, do not vote at the Scheme Meeting or vote against the Scheme Resolutions) without the need for any further act by that Scheme Unitholder;
- (b) irrevocably agrees to the transfer of their Scheme Units, together with all rights, entitlements and obligations attaching to those Scheme Units, to the Acquirer in accordance with the terms of the Trust Scheme;
- (c) irrevocably agrees to the modification or variation (if any) of the rights attaching to their Scheme Units arising from this clause 41;
- (d) irrevocably consents to the RE and the Acquirer doing all things and executing all deeds, instruments, transfers or other documents (including the Scheme Transfers) as may be necessary or desirable to give full effect to the terms of the Trust Scheme and the transactions contemplated by it; and
- (e) irrevocably agrees to provide to the RE such information as the RE may reasonably require to comply with any law in respect of the Trust Scheme and the transactions contemplated in this clause 41, including information required to meet obligations under the *Anti-Money Laundering and Counter Terrorism Financing Act 2006* (Cth).

41.7 Appointment of the RE as attorney and as agent for implementation of the Trust Scheme

Each Scheme Unitholder, without the need for any further act by that Scheme Unitholder, irrevocably appoints the RE as that Scheme Unitholder's attorney and as that Scheme Unitholder's agent for the purpose of:

- (a) doing all things and executing all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the terms of the Trust Scheme and the transactions contemplated by it, including effecting a valid transfer or transfers of the Scheme Units to the Acquirer under clause 41.4(c), and including executing and delivering any Scheme Transfers; and
- (b) enforcing the Deed Poll against the Acquirer,

and the RE accepts such appointment. The RE, as attorney and as agent of each Scheme Unitholder, may sub-delegate its functions, authorities or powers under this clause 41.7 to all or any of its directors and officers (jointly, severally, or jointly and severally). Each Scheme Unitholder indemnifies the RE and each of its directors and officers against all losses, liabilities, charges, costs and expenses arising from the exercise of powers under this clause.

41.8 Status of Scheme Units

- (a) To the maximum extent permitted by law, the Scheme Units transferred to the Acquirer under this clause 41 will be transferred free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise.
- (b) Each Scheme Unitholder is deemed to have warranted to the RE in its own right and on behalf of the Acquirer, that all their Scheme Units (including any rights, entitlements and obligations attaching to those Scheme Units) which are transferred to the Acquirer under this clause 41 will, at the time of the transfer of them to the Acquirer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests and other interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind not referred to in this Constitution, and that they have full power and capacity to sell and to transfer their Scheme Units to the Acquirer pursuant to the Trust Scheme.
- (c) The Acquirer will be beneficially entitled to the Scheme Units transferred to it under this clause 41 pending registration by the RE of the name and Registered Address of the Acquirer in the Register as the holder of the relevant Scheme Units.

41.9 Suspension and termination of quotation of Units

- (a) The RE must apply to ASX for suspension of trading of the Units on the financial market known as the Australian Securities Exchange conducted by ASX with effect from the close of business on the Effective Date.
- (b) The RE must apply to ASX for termination of official quotation of Units on the financial market known as the Australian Securities Exchange conducted by ASX and the removal of the Trust from the Official List with effect from the Scheme Business Day immediately following the Implementation Date, or from such later date as may be agreed by the Acquirer and the RE.

41.10 Notices

Where a notice, transfer, transmission application, direction or other communication referred to in the Trust Scheme is sent by post to the RE, it will not be deemed to be received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at the RE's registered office or by the Registrar, as the case may be.

41.11 Costs and stamp duty

- (a) Without limiting clause 31, all expenses incurred by the RE in relation to the Trust Scheme and the Scheme Implementation Agreement are payable or reimbursable out of the Assets to the extent that such reimbursement is not prohibited by the Corporations Act.
- (b) The Acquirer will pay all stamp duty (including fines, penalties and interest) and Transfer Taxes (including the amount of such Transfer Taxes included in the Final Transaction Costs Amount) payable on or in connection with the transfer to it of Scheme Units pursuant to the Trust Scheme.

41.12 Limitation of liability

Without limiting clauses 21, 22 and 23, subject to the Corporations Act, the RE will not have any liability of any nature whatsoever to the Unit Holders, beyond the extent to which the RE is actually indemnified out of the Assets, arising, directly or indirectly, from the RE doing or refraining from doing any act (including the execution of a document), matter or thing pursuant to or in connection with the implementation of the Trust Scheme.

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AustFunding Pty Ltd (ACN 601 686 999)

Each MIX Scheme Unitholder

Deed Poll

Deutsche Bank Place
Corner Hunter and Phillip Streets
Sydney NSW 2000 Australia
T +61 2 9230 4000
F +61 2 9230 5333
www.allens.com.au

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Contents

1	Definitions and Interpretation	2
1.1	Definitions	2
1.2	Interpretation	2
2	Nature of Deed Poll	2
3	Conditions Precedent and Termination	3
3.1	Conditions precedent	3
3.2	Termination	3
3.3	Consequences of termination	3
4	Compliance with Scheme Obligations	3
4.1	Obligations of the Acquirer	3
5	Representations and Warranties	3
6	Continuing Obligations	4
7	Further Assurances	4
8	General	4
8.1	Notices	4
8.2	No waiver	4
8.3	Remedies cumulative	5
8.4	Amendment	5
8.5	Assignment	5
8.6	Costs and duty	5
8.7	Governing law and jurisdiction	5

Deed Poll

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This Deed Poll is made on **13 OCTOBER 2014**

Parties

- 1 **AustFunding Pty Ltd (ACN 601 686 999)** of Level 17, 101 Collins Street, Melbourne, Victoria, 3000 (**Acquirer**).

In favour of

Each MIX Scheme Unitholder

Recitals

- A The Acquirer and Mirvac Funds Management Limited (ABN 78 067 417 663, AFSL 220718) in its capacity as responsible entity of Mirvac Industrial Trust (ARSN 113 489 624) (the **MIX RE**) have entered into a scheme implementation agreement dated 19 September 2014 (the **Implementation Agreement**).
- B The MIX RE has agreed in the Implementation Agreement to propose the Scheme, pursuant to which, subject to the satisfaction or waiver of certain conditions precedent, the Acquirer will acquire all of the MIX Scheme Units from MIX Scheme Unitholders for the Scheme Consideration.
- C In accordance with the Implementation Agreement, the Acquirer is entering into this Deed Poll for the purpose of covenanting in favour of the MIX Scheme Unitholders that it will observe and perform the obligations contemplated of it under the Scheme.

It is agreed as follows.

1 Definitions and Interpretation**1.1 Definitions**

Terms defined in the Implementation Agreement have the same meaning in this Deed Poll, unless the context requires otherwise.

1.2 Interpretation

The provisions of clause 1.2 of the Implementation Agreement form part of this Deed Poll as if set out in full in this Deed Poll, and on the basis that references to 'this document' in that clause are references to 'this Deed Poll'.

2 Nature of Deed Poll

The Acquirer acknowledges that:

- (a) this Deed Poll may be relied on and enforced by any MIX Scheme Unitholder in accordance with its terms, even though the MIX Scheme Unitholders are not party to it; and
- (b) under the Scheme, each MIX Scheme Unitholder appoints the MIX RE as its agent and attorney to enforce this Deed Poll against the Acquirer on behalf of that MIX Scheme Unitholder.

3 Conditions Precedent and Termination**3.1 Conditions precedent**

The Acquirer's obligations (as relevant) under this Deed Poll are conditional on and subject to the Scheme becoming Effective.

3.2 Termination

If the Implementation Agreement is terminated before the Effective Date or the Scheme does not become Effective on or before the End Date, the obligations of the Acquirer under this Deed Poll will automatically terminate and the terms of this Deed Poll will be of no further force or effect, unless the MIX RE and the Acquirer otherwise agree in accordance with the Implementation Agreement.

3.3 Consequences of termination

If this Deed Poll is terminated under clause 3.2, then, in addition and without prejudice to any other rights, powers or remedies available to it:

- (a) the Acquirer is released from its obligations under this Deed Poll, except those obligations under clause 8.6; and
- (b) each MIX Scheme Unitholder retains any rights, powers or remedies that MIX Scheme Unitholder has against the Acquirer in respect of any breach of its obligations under this Deed Poll that occurred before termination of this Deed Poll.

4 Compliance with Scheme Obligations**4.1 Obligations of the Acquirer**

Subject to clause 3, in consideration for the transfer to the Acquirer of the MIX Scheme Units in accordance with the Scheme, the Acquirer covenants in favour of each MIX Scheme Unitholder that:

- (a) it will pay (or procure the payment) of the Scheme Payment in accordance with clause 4.2 of the Implementation Agreement; and
- (b) it will observe and perform all other obligations contemplated of it under the Scheme.

5 Representations and Warranties

The Acquirer makes the following representations and warranties.

- (a) **(Status)** It is a corporation validly existing under the laws of the place of its incorporation.
- (b) **(Power)** It has the power to enter into and perform its obligations under this Deed Poll and to carry out the transactions contemplated by this Deed Poll.
- (c) **(Corporate authorisations)** It has taken all necessary corporate action to authorise the entry into this Deed Poll and has taken or will take all necessary corporate action to authorise the performance of this Deed Poll and to carry out the transactions contemplated by this Deed Poll.
- (d) **(Document binding)** This Deed Poll is its valid and binding obligation enforceable in accordance with its terms, subject to any necessary stamping and registration.
- (e) **(Transactions permitted)** The execution and performance by it of this Deed Poll and each transaction contemplated by this Deed Poll did not and will not violate in any respect a provision of:
 - (i) a law, judgment, ruling, order or decree binding on it; or

Deed Poll

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- (ii) its constitution or other constituent documents.

6 Continuing Obligations

This Deed Poll is irrevocable and, subject to clause 3, remains in full force and effect until the earlier of:

- (a) the Acquirer has fully performed its obligations under this Deed Poll; and
- (b) termination of this Deed Poll under clause 3.

7 Further Assurances

The Acquirer will, on its own behalf and, to the extent authorised by the Scheme, on behalf of each MIX Scheme Unitholder, do all things and execute all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the provisions of this Deed Poll and the transactions contemplated by it.

8 General

8.1 Notices

Any notice, demand, consent or other communication (a **Notice**) given or made to the Acquirer under or in connection with this Deed Poll:

- (a) must be in writing and signed by the sender or a person duly authorised by the sender;
- (b) must be delivered to the intended recipient by prepaid post (if posted to an address in another country, by registered airmail) or by hand or fax to the address or fax number below or the address or fax number last notified by the intended recipient to the sender in writing:

AustFunding Pty Ltd

Attention: Jim Vais, Legal Counsel

Fax No: +61 3 9924 0130

Address: Level 17, 101 Collins Street, Melbourne
VIC 3000

- (c) will be conclusively taken to be duly given or made:
 - (i) in the case of delivery in person, when delivered;
 - (ii) in the case of delivery by post, two Business Days after the date of posting (if posted to an address in the same country) or seven Business Days after the date of posting (if posted to an address in another country); and
 - (iii) in the case of fax, on receipt by the sender of a transmission control report from the despatching machine showing the relevant number of pages and the correct destination fax number or name of recipient and indicating that the transmission has been made without error,

but if the result is that a Notice would be taken to be given or made on a day that is not a business day in the place to which the Notice is sent or is later than 5pm in the place to which the Notice is sent, it will be conclusively taken to have been duly given or made at the start of business on the next business day in that place.

8.2 No waiver

No failure to exercise nor any delay in exercising any right, power or remedy by the Acquirer or by any MIX Scheme Unitholder operates as a waiver. A single or partial exercise of any right, power

or remedy does not preclude any other or further exercise of that or any other right, power or remedy. A waiver of any right, power or remedy on one or more occasions does not operate as a waiver of that right, power or remedy on any other occasion, or of any other right, power or remedy. A waiver is not valid or binding on the person granting that waiver unless made in writing.

8.3 Remedies cumulative

The rights, powers and remedies of the Acquirer and of each MIX Scheme Unitholder under this Deed Poll are in addition to, and do not exclude or limit, any right, power or remedy provided by law or equity or by any agreement.

8.4 Amendment

No amendment or variation of this Deed Poll is valid or binding unless:

- (a) the amendment or variation is agreed to in writing by MIX RE and the Acquirer, which such agreement may be given or withheld without reference to or approval by any MIX Unitholder;
- (b) the Court indicates that the amendment or variation would not of itself preclude provision of the First Judicial Advice or the Second Judicial Advice; and
- (c) the Acquirer enters into a further deed poll in favour of the MIX Scheme Unitholders giving effect to that amendment or variation.

8.5 Assignment

The rights and obligations of the Acquirer and of each MIX Scheme Unitholder under this Deed Poll are personal. They cannot be assigned, encumbered or otherwise dealt with and no person may attempt, or purport, to do so without the prior consent of the Acquirer and the MIX RE.

8.6 Costs and duty

The Acquirer must bear their own costs arising out of the negotiation, preparation and execution of this Deed Poll. All duty (including stamp duty and any fines, penalties and interest) payable on or in connection with this Deed Poll and any instrument executed under or any transaction evidenced by this Deed Poll must be borne by the Acquirer. The Acquirer must indemnify each MIX Scheme Unitholder on demand against any liability for that duty (including any related fines, penalties and interest).

8.7 Governing law and jurisdiction


This Deed Poll is governed by the laws of New South Wales. The Acquirer submits to the non-exclusive jurisdiction of courts exercising jurisdiction there in connection with matters concerning this Deed Poll.

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Executed and delivered as a Deed in Sydney.

Executed in accordance with section 127 of
the *Corporations Act 2001* by **AustFunding
Pty Ltd** (ACN 601 686 999):



Director Signature
DAVID GRIBBLE

Print Name



Director/Secretary Signature
Simon ROTHERY

Print Name

