aventus property

AVENTUS RETAIL PROPERTY FUND

//PRODUCT DISCLOSURE STATEMENT

MACQUARIE

aventus property

IMPORTANT INFORMATION

It is important that you read this document carefully and in its entirety prior to making your investment decision with respect to the Offer. In particular, you should pay careful consideration to the risk factors outlined in Section 11 and the tax implications in Section 10 of this document as they relate to your personal investment objectives, financial circumstances and needs.

Responsible Entity

One Managed Investment Funds Limited (ABN 47 117 400 987 AFSL 297042) ("OMIFL") is the responsible entity of Aventus Retail Property Fund (ARSN 608 000 764). This document is a product disclosure statement ("PDS") for the purposes of Part 7.9 of the Corporations Act and has been issued by the Responsible Entity in respect of the Offer.

Lodgement and listing

This PDS is dated 30 September 2015 and was lodged with the Australian Securities and Investments Commission ("ASIC") on that date. The Responsible Entity will apply for the admission of the Fund to the Official List of ASX and the quotation of the Units on ASX within seven days of lodgement of this PDS. Neither ASIC nor the ASX takes any responsibility for the contents of this PDS.

Note to Applicants

The information contained in this PDS is not financial product advice and has been prepared as general information only without consideration of the particular investment objectives, financial circumstances or particular needs (including financial and taxation issues) of you or any other prospective investor.

It is important that you read this PDS carefully and in full before deciding whether to invest in the Fund. In considering the prospects of the Fund, you should consider the risk factors that could affect the financial performance of the Fund. You should carefully consider these factors in light of your investment objectives, financial situation and particular needs (including financial and taxation issues) and seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest. Some of the risk factors that should be considered by prospective investors are set out in Section 11. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

Similarly, the tax implications of your investment will vary depending on your personal financial circumstances and investment objectives and needs. You should consider the tax implications outlined in Section 10 of this PDS and obtain your own professional taxation advice prior to deciding whether to invest in Units.

No person named in this PDS, nor any other person, guarantees the performance of the Fund, the repayment of capital by the Fund or the payment of a return on the Units.

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this PDS. Any information or representation not so contained may not be relied on as having been authorised by the Responsible Entity or the Lead Manager or any other person in connection with the Offer. You should rely only on information in this PDS.

Exposure period

The Corporations Act prohibits the Responsible Entity from processing Applications in the seven day period after the date of lodgement of this PDS ("Exposure Period"). This period may be extended by ASIC by up to a further seven days. The Exposure Period is to enable this PDS to be examined by market participants prior to the raising of funds. Applications received during the Exposure Period will not be processed until after the expiry of that period. No preference will be conferred on Applications received during the Exposure Period.

No cooling-off rights

Cooling-off rights do not apply to an investment in the Units pursuant to the Offer. This means that you will be unable to withdraw your Application once it has been accepted.

Electronic PDS

An electronic copy of this PDS may be viewed online at www.aventusproperty.com.au by Australian investors during the Offer Period. If you access the PDS electronically please ensure that you download and read the PDS in its entirety. The Offer to which this PDS relates is only available to persons receiving this PDS (electronically or otherwise) in Australia and to Institutional Investors located in certain other jurisdictions. A paper form of this PDS can be obtained, free of charge, during the Offer Period by contacting the Offer Information Line on 1300 868 464 (within Australia) or +61 1300 868 464 (outside Australia) between 8.30am and 5.30pm (AEST) Monday to Friday during the Offer Period.

Applications for Units in the Fund will only be considered if applied for using an Application Form attached to this PDS (refer to Section 9 for further information).

The Corporations Act prohibits any person from passing the Application Form on to another person unless it is accompanied by this PDS in its paper form or the complete and unaltered electronic form.

Foreign jurisdictions

This PDS has been prepared to comply with the requirements of Australian law and is only being made to Retail Investors and Institutional Investors located in Australia and certain other jurisdictions.

This PDS does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

Distribution of this PDS outside Australia (whether electronically or otherwise) may be restricted by law. Persons who receive this PDS outside of Australia are required to observe any such restrictions. Failure to comply with such restrictions may find you in violation of applicable securities laws.

Unless otherwise agreed with the Responsible Entity, any person applying for Units in the Offer shall by virtue of such subscription be deemed to represent that they are not in a jurisdiction which does not permit the making of an offer or invitation as detailed in this PDS, and are not acting for the account or benefit of a person within such jurisdiction.

None of the Responsible Entity, the Lead Manager, nor any of their respective directors, officers, employees, consultants, agents, partners or advisers accepts any liability or responsibility to determine whether a person is able to participate in the Offer.

This PDS does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. No action has been taken to register or qualify the Units or the Offer, or to otherwise permit a public Offering of Units in any jurisdiction outside Australia. Any securities described in this PDS have not been, and will not be registered under the United States Securities Act of 1933 ("US Securities Act") and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and application US State securities laws. See Section 14 for further details.

Updated information

Information regarding the Offer may need to be updated from time to time. Any updated information about the Offer that is considered not materially adverse to investors will be made available on the Offer website at www.aventusproperty.com.au, and the Responsible Entity will provide a copy of the updated information free of charge to any investor who requests a copy by contacting the Offer Information Line on 1300 868 464 (within Australia) or +1300 868 464 (outside Australia) between 8.30am and 5.30pm (AEST) Monday to Friday during the Offer Period.

Statements of past performance

This PDS includes information regarding the past performance of the BBRC Property team (which will be transitioned to Aventus Property Group) in respect of certain assets to be comprised in the Fund. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

Financial information

Unless otherwise specified, all information contained in this PDS is believed to be current as at the date of this PDS. Unless noted otherwise, all Portfolio statistics are as 30 June 2015. All currency amounts are in Australian dollars unless otherwise specified.

This PDS includes forecast financial information based on the best estimate assumptions of the Directors. See "Forward-looking statements" below.

Independent valuations

This PDS contains information regarding the independent valuations of the Portfolio by independent valuers CBRE, Colliers, Knight Frank and Jones Lang LaSalle as at 30 June 2015. Valuations are an opinion of a fair price payable by a willing buyer at a point in time, not a guarantee of current or future market value. By necessity, valuations require the valuer to make subjective judgements that, even if logical and appropriate, may differ from those made by a purchaser or another valuer.

Independent valuations are subject to a number of assumptions and conditions, including but not limited to:

- that all properties are held with good and marketable title, free and clear of any or all liens, encumbrances, restrictions or other impediments of an onerous nature and that utilisation of the land is within the boundaries of the property lines with no trespass or encroachment;
- responsible ownership and competent property management;
- absence of any defects in engineering or presence of any hazardous waste and/or toxic material;
- compliance with all applicable federal, state and local environmental regulations and laws, and all applicable zoning and use regulations and restrictions; and
- absence of any latent or unhidden conditions or defects on the property, subsoil or structures.

Property values can change substantially, even over short periods of time, and an independent valuer's opinion of value could differ significantly if the date of valuations were to change. A high degree of volatility in the market may lead to fluctuations in values over a short period of time.

Forward-looking statements

Certain "forward-looking statements" have been provided in this PDS. These statements can be identified by the use of words such as "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "predict", "guidance", "plan" and other similar expressions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements.

Preparation of these forward-looking statements as undertaken with due care and attention; however, forward-looking statements remain subject to known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Responsible Entity and its officers, employees, agents and advisers. Consequently, such factors may impact the performance of the Fund such that actual performance differs materially to any performance indicated in the forward-looking statements.

Some of the risk factors that impact on forward-looking statements in this PDS are set out in Section 11. No assurance can be provided that actual performance will match the guidance provided. Other than as required by Australian law, none of the Responsible Entity, its respective Directors, officers, employees or advisers or any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this PDS will actually occur. You are cautioned not to place undue reliance on those statements.

The forward-looking statements in this PDS reflect the view held immediately before the date of this PDS, unless otherwise stated. Subject to the Corporations Act and any other applicable laws, each of the Responsible Entity, its respective Directors, officers, employees and advisers disclaims any duty to provide after the date of this PDS any updates or revisions to any such statements to reflect any change in expectations in relation to such statements or any change in events, conditions or circumstances on which any such statement is based.

Photographs, diagrams and artist's renderings

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

Diagrams used in this PDS are also intended for illustrative purposes and may not be drawn to scale.

Definitions, abbreviations and other information

In this PDS, unless a contrary intention is clearly indicated or the context requires, defined terms have the meaning attributed to them in the Glossary.

Unless otherwise stated or implied, references to times in this PDS are references to Australian Eastern Standard Time. Similarly, references to dates or years in this PDS are financial years unless otherwise stated or implied.

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

Privacy

By filling out an Application Form to apply for Units, you are providing personal information to the Responsible Entity through the Registry that may be personal information for the purposes of the Privacy Act 1988 (Cwth) (as amended). The Responsible Entity and the Registry on its behalf, collect, hold and use that personal information in order to process your Application. The Responsible Entity may also collect, hold and use that personal information in order to service your needs as a Unitholder, provide facilities and services that you request and carry out appropriate administration.

If you do not provide the information requested in the Application Form, the Responsible Entity and/or the Registry may not be able to process or accept your Application. Your personal information may also be used from time to time to inform you about other products and services offered by the Responsible Entity, or entities within Aventus Property Group which it considers may be of interest to you.

Your personal information may also be provided to the Responsible Entity's agents and service providers on the basis that they deal with such information in accordance with their respective privacy policies. These agents and service providers may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Lead Manager in order to assess your Application;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- market research companies for the purpose of analysing the Funds' Unitholder base and for product development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Units and for associated actions.

Under the Privacy Act 1988 (Cwth) (as amended), you may request access to your personal information held by (or on behalf of) the Responsible Entity. You may be required to pay a reasonable charge to the Registry in order to access your personal information. You can request access to your personal information by telephoning the Registry on 1300 554 747. If any of your information is not correct or has changed, you may request it to be corrected.

Disclaimer

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

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

Macquarie Capital (Australia) Limited has acted as Lead Manager of the Offer. Macquarie Capital (Australia) Limited has not authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this PDS and there is no statement in this PDS which is based on any statement made by it or by any of its affiliates, officers or employees. To the maximum extent permitted by law, Macquarie Capital (Australia) Limited and each of its respective affiliates, officers, employees and advisers expressly disclaim all liabilities in respect of, and make no representations regarding, and take no responsibility for, any part of this PDS other than references to their name and make no representation or warranty as to the currency, accuracy, reliability or completeness of this PDS.

Further questions

If you have any queries relating to aspects of this PDS please call the Offer Information Line on 1300 868 464 (within Australia) or +61 1300 868 464 (outside Australia) between 8.30am and 5.30pm (AEST) Monday to Friday during the Offer Period.

TABLE OF CONTENTS

Key Offer Statistics	3
Key Portfolio Statistics	3
Important Dates	4
Letter to Investors	5
1 // Investment Overview	8
2 // Overview of the Fund	24
3 // Property Portfolio	38
4 // Independent Market Report	96
5 // Board and Management	102
6 // Financial Information	112
7 // Independent Limited Assurance Report	124
8 // Summary of Independent Property Valuations	134
9 // Details of the Offer	216
10 // Taxation Information	226
11 // Risk Factors	234
12 // Fees and Other Costs	242
13 // Summary of Important Documents	248
14 // Additional Information	266
15 // Glossary	270
16 // Corporate Directory	ibc

KEY OFFER INFORMATION

KEY OFFER STATISTICS

Offer Price per Unit	$2.00
Number of Units to be issued under the Offer	151.7 million
Number of Units to be issued under the Proposed Transaction	191.6 million
Total number of Units on issue following Completion	343.2 million
Market capitalisation at the Offer Price[1]	$686.5 million
Forecast FY16 annualised FFO Yield per Unit[2]	8.05%
Forecast FY16 annualised Distribution Yield per Unit[2,3]	7.25%
Forecast 1H17 annualised FFO Yield per Unit[2]	8.32%
Forecast 1H17 annualised Distribution Yield per Unit[2,3]	7.50%
NTA value per Unit	$1.83
Offer Price premium to NTA value per Unit	9.5%
Gearing	29.9%

KEY PORTFOLIO STATISTICS

Independent valuation[4]	$905.7 million
Number of properties[5]	14
Number of tenancies	372
Gross lettable area ("GLA")[6]	360,048 sqm
Site area	866,740 sqm
Weighted Average Capitalisation Rate ("WACR")[4]	8.01%
Occupancy[7]	97.1%
Weighted Average Lease Expiry ("WALE")[8]	4.2 years

1. Calculated as the total number of Units on issue following Completion multiplied by the Offer Price.
2. The forecast financial information is based on the assumptions and accounting policies set out in Section 6, and is subject to the risks set out in Section 11. There is no guarantee that the forecasts will be achieved. Annualised yield has been calculated by grossing up to 12 months the pro forma yield for the period from 20 October 2015 to 30 June 2016 (FY16) and the six months yield for the period from 1 July 2016 to 31 December 2016 (1H17).
3. Actual Distribution received by non-resident Unitholders may vary to the extent the Fund qualifies as a MIT. Refer to Section 10 for further information.
4. Based on independent valuations as at 30 June 2015. Valuations are on an 'as if complete' basis. Refer to Section 8 for further detail.
5. Includes 13 assets to be acquired as part of the acquisitions of Participating Assets and 3 assets to be acquired as part of the acquisitions of Acquired Assets. Mile End Home is described in this PDS as one property and comprises two asset acquisitions (including Mile End Stage 3) as part of the Portfolio Acquisitions. Cranbourne Home is described in this PDS as one property and comprises two asset acquisitions (including Cranbourne Expansion) as part of the Portfolio Acquisitions.
6. 'As if complete' basis. Refer to Section 8 for further detail.
7. By GLA as at 30 June 2015.
8. By gross income as at 30 June 2015 (including Rental Guarantees). WALE excluding Rental Guarantees is 4.2 years. WALE is 4.6 years based on GLA.

IMPORTANT DATES

PDS lodgement date with ASIC	**30 September 2015**
Retail (Broker Firm and Priority Offer) opens	**8 October 2015**
Retail (Broker Firm and Priority Offer) closes	**13 October 2015**
ASX trading commences on a conditional and deferred settlement basis	**16 October 2015**
Settlement	**19 October 2015**
Issue and allotment of Units	**20 October 2015**
Unconditional and deferred settlement basis trading	**20 October 2015**
Dispatch of holding statements	**21 October 2015**
ASX trading commences on a normal settlement basis	**22 October 2015**

The dates above are indicative only and may change without notice. The Responsible Entity reserves the right, with consent from the Lead Manager and the Manager to vary the times and dates of the Offer including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, extend the Offer or to accept late Applications, either generally or in particular cases, without notification.

HOW TO INVEST

Applications for Units can only be made by completing and lodging the Application Form attached to or accompanying this PDS.

Instructions on how to apply for Units are set out in Section 9 and on the back of the Application Form.

If you require a replacement Application Form, please contact the Offer Information Line on 1300 868 464 (within Australia) or +61 1300 868 464 (outside Australia) between 8.30am and 5.30pm (AEST) Monday to Friday during the Offer Period.

LETTER TO INVESTORS

Dear Investor,

I am pleased to introduce you to Aventus Retail Property Fund (the **"Fund"**), a newly established Australian real estate investment trust which, following Completion, will offer investors access to a quality Portfolio of 14 large format retail (**"LFR"**) centres located across Australia. The LFR property sector is a substantial component of the retail property sector and accounts for approximately 30% of total occupied retail floor space in Australia[1]. The Portfolio is geographically diversified across New South Wales, Victoria, Queensland, South Australia and Western Australia (with 86% by value on the Eastern seaboard of Australia) and has been independently valued at $905.7 million.

The Fund's objective is to provide investors with stable, secure and growing income returns and potential for capital growth by investing in the Portfolio and other properties that may be acquired in the future. To achieve this objective, the Fund's strategy is to:

- invest predominantly in LFR centres in Australia, diversified by geography and tenant mix;
- own properties that have a stable earnings profile from the collection of tenant rents, with rental income underpinned by leases to national retailers and a substantial proportion of income growth derived from fixed annual rental increases;
- pursue future acquisition, growth and value enhancement opportunities, utilising Aventus Property Group's management expertise;
- explore the development and repositioning potential in the Portfolio and other properties that may be acquired in the future; and
- maintain a conservative capital structure with a target Gearing range of 30% to 40%.

Following Completion, the Fund will have Gearing of approximately 30%.

One Managed Investment Funds Limited is the responsible entity of the Fund. OMIFL acts as responsible entity to a number of registered managed investment schemes and has substantial expertise and experience in acting as a responsible entity.

Investment management services will be provided by members of Aventus Property Group, including but not limited to property management, leasing, marketing, acquisitions, developments and day-to-day management of the Fund's assets. Aventus Property Group is a specialist fund and property manager of LFR assets founded by Brett Blundy and myself. We share over 57 years of retail and property experience, and have significant insight into operations, asset and property management, leasing, development and enhancement of retail and LFR centres across Australia. Both Brett and I will maintain our existing investments in the Portfolio through our combined interest of approximately 34%[2] of Units in the Fund.

The Manager (being a member of Aventus Property Group) will seek to identify acquisition opportunities with the potential to enhance the value of the Fund's Portfolio. This will include a right of first refusal for the Fund to acquire assets identified by the Manager that meet the Fund's investment objectives and strategy. The Manager will focus on investments in LFR centres and will assess other acquisition opportunities in the retail property sector, to the extent these complement the Portfolio and meet the Fund's investment objectives.

The Fund is forecast to generate an annualised pro forma FFO Yield for the period from 20 October 2015 to 30 June 2016 of 8.05%, increasing to 8.32% for the six months ending 31 December 2016[3]. The Fund's FFO will be underpinned by the Portfolio's staggered lease expiry profile with a weighted average lease expiry of 4.2 years[4], with a substantial proportion of income growth derived from leases to national retailers and leases with fixed annual rental increases.

The Fund intends to make Distributions on a quarterly basis with the first Distribution to be made for the period from 20 October 2015 to 31 December 2015, and quarterly thereafter. The Fund will aim to distribute between 90% and 100% of its FFO each year. Based on the assumptions in this PDS, the forecast annualised proforma Distribution Yield for the period ending 30 June 2016 is 7.25%, growing to 7.50% for the six months to 31 December 2016[3,5]. Approximately 58% of Distributions for the period from 20 October 2015 to 30 June 2016 and 31% of Distributions for the six months ending 31 December 2016 are expected to be tax deferred.

The Responsible Entity is seeking to raise $303.3 million through the issue of 151.7 million Units at an Offer Price of $2.00 per Unit. The Fund is estimated to have an NTA of $1.83 per Unit following Completion.

The Offer comprises an Institutional Offer, a Broker Firm Offer and a Priority Offer. An application will be made by the Responsible Entity for the Fund to be admitted to the Official List, and for its Units to be quoted on the ASX.

This PDS contains important information regarding the Offer. I urge you to read it carefully and in its entirety, including Section 11, which sets out certain risks associated with an investment in the Fund, and Section 12, which sets out fees and other costs associated with investing in the Fund. If you have any questions you should seek relevant professional advice before making an investment decision.

I look forward to welcoming you as an investor in the Fund.

Yours Sincerely,

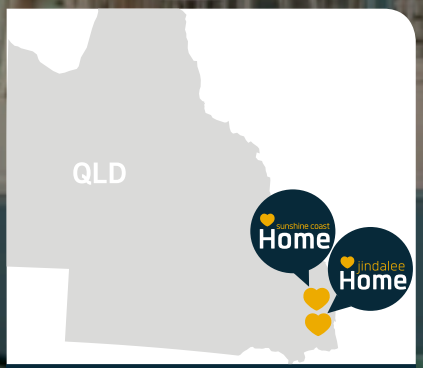
Darren Holland
Chief Executive Officer of Aventus Property Group

1. Source: Large Format Retail Association.
2. Including up to 12.5 million Units to be subscribed for by entities associated with Brett Blundy under the Offer.
3. The forecast FFO Yield and Distribution Yield are based on assumptions set out in Section 6 and may not be achieved. If the actual outcomes differ from the assumptions, the actual FFO Yield and Distribution Yield may not be as forecast. The forecast FFO Yield and Distribution Yield are not indicative of the FFO Yield and Distribution Yield beyond the Forecast Period.
4. By gross income (including Rental Guarantees). WALE excluding Rental Guarantees is 4.2 years. WALE is 4.6 years based on GLA.
5. Actual Distribution received by non-resident Unitholders may vary to the extent the Fund qualifies as a MIT. Refer to Section 10 for further information.

OUR PORTFOLIO

The Portfolio is diversified with 14 large format retail properties across New South Wales, Victoria, Queensland, South Australia and Western Australia with 86% by value on the Eastern seaboard of Australia.

The properties encompass a total site area of 866,740 square metres, GLA of 360,048 square metres and have been independently valued at $905.7 million.



NSW

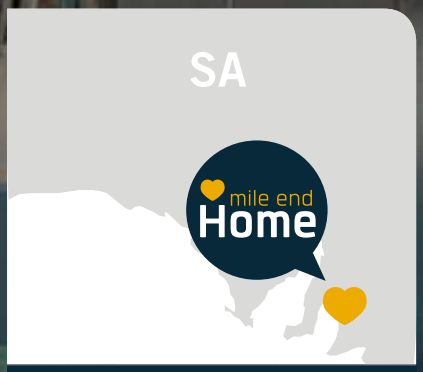
		Independent valuation
1	Belrose Super Center	$105.0m
2	Caringbah Home	$82.5m
3	Highlands Hub	$28.5m
4	Kotara Home (South)	$95.5m
5	Tuggerah Super Centre	$41.3m
6	Tweed Hub	$29.5m
7	Warners Bay Home	$32.5m

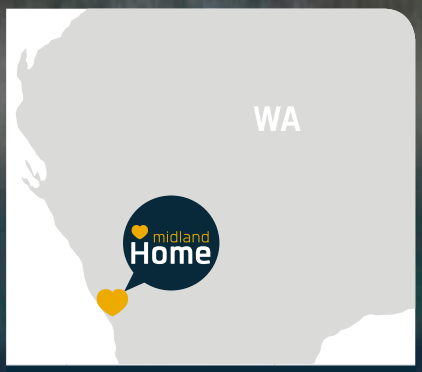
VIC

		Independent valuation
8	Ballarat Home	$30.6m
9	Cranbourne Home	$114.1m
10	Peninsula Home	$62.7m

QLD

		Independent valuation
11	Jindalee Home	$93.5m
12	Sunshine Coast Home	$64.5m





SA		Independent valuation
13	Mile End Home	$77.2m

WA		Independent valuation
14	Midland Home	$48.5m

1

// INVESTMENT OVERVIEW

1.1 INTRODUCTION

Topic	Summary	Reference
What is Aventus Retail Property Fund?	The Fund has been established to invest in Australian retail property, focusing predominantly on large format retail centres. The Fund will acquire an initial Portfolio of 14 assets, geographically diversified across Australia and, following Completion will be one of the largest owners of LFR centres in Australia.	Section 2.1
What is the large format retail property sector?	The LFR property sector is a substantial component of the retail property sector and accounts for approximately 30% of total occupied retail floor space in Australia[1]. LFR centres are traditionally retail properties where a number of retailers have showrooms for the sale of a range of furnishings, electrical, bedding, hardware and other household items. The centres were commonly referred to as 'bulky goods' or 'homemaker' centres to reflect their more traditional tenant types. LFR centre retailers often sell items of a bulky nature that require a large area for handling, display or storage. However, the sector has evolved to a broader offering and can include fitness centres, baby supplies, pet supplies, auto supplies, office supplies, leisure and sports equipment, medical services, big box pharmacies, supermarkets, cafés and restaurants.	Section 2.1
What are the key drivers of the large format retail sector?	Key drivers of the LFR sector include demand for household goods and other products sold by the Portfolio's tenants. Increased demand for those products can lead to increased foot traffic in the Portfolio's centres and greater spending on household goods, which can improve retailer performance and potentially drive tenant demand for additional space. This can contribute to favourable leasing outcomes for the Fund and potentially drive rental growth. Demand for household goods sales is linked to factors, including but not limited to, residential housing sales, dwelling construction, renovation activity and general economic outlook and fiscal policy.	Section 2.2.5 and Section 4
How is the Fund structured?	The Fund is a managed investment scheme which was registered with ASIC on 14 September 2015. Currently, the Fund has 19.7 million units on issue, all of which are owned by an entity associated with Brett Blundy. The Fund currently owns all of the units in BB Retail Property Unit Trust No.2 (which owns Kotara Home (South)), Aventus Sunshine Coast Unit Trust and Aventus Tuggerah Unit Trust, which have entered into binding contracts to acquire Sunshine Coast Home and Tuggerah Super Centre, respectively. The Fund does not yet own any of the other properties to be included in the Portfolio. In connection with the Offer, the following transaction will be effected in accordance with the Implementation Pack and Acquisition Agreements: • investors in the trusts which form part of Participating Assets and Acquired Assets will transfer all of their units in those trusts to the Fund; and • the Fund, via newly established sub trusts will settle the acquisitions of the Cranbourne Home, Sunshine Coast Home and Tuggerah Super Centre[2] assets. In each case, the relevant vendors will receive Units and/or cash as consideration in accordance with the terms of the Implementation Pack, elections made and applicable Acquisition Agreements. Following Completion, the Fund will own a Portfolio of 14 LFR centres valued at $905.7 million. The responsible entity of the Fund is One Managed Investment Funds Limited. Investment management services will be provided by members of Aventus Property Group, including but not limited to property management, leasing, marketing, acquisitions, developments and day-to-day management of the Fund's assets.	Section 2.4

1. Source: Large Format Retail Association.
2. Acquisition of Tuggerah Super Centre excludes $3.75 million of vacant land for which the Fund has a call option with delayed settlement on 1 July 2016.

Topic	Summary	Reference
What is the Fund's objective?	The Fund's objective is to provide investors with stable, secure and growing income returns and potential for capital growth by investing in the Portfolio and other properties that may be acquired in the future.	Section 2.1
What is the strategy of the Fund?	The Fund's strategy is to: • invest in predominantly LFR centres in Australia, diversified by geography and tenant mix; • own properties that have a stable earnings profile from the collection of tenant rents, with rental income underpinned by leases to national retailers and a substantial proportion of income growth derived from fixed annual rental increases; • pursue future acquisition, growth and value enhancement opportunities, utilising Aventus Property Group's management expertise; • explore the development and repositioning potential in the Portfolio and other properties that may be acquired in the future; and • maintain conservative capital structure with a target Gearing range of 30% to 40%.	Section 2.1
What is the Fund's investment policy for acquiring additional properties?	Potential acquisition opportunities will be assessed against the following investment criteria (subject to the Fund's investment objectives): • generating stable income returns predominately backed by quality national retailers; • potential for capital gains and positive rental growth; • opportunity to add value through active asset management such as optimising tenant mix, development or expansion; • flexible zoning and repositioning potential; • located in strategic geographies including growth corridors, large catchment areas and areas with high propensity towards household goods spending (such as areas with a high proportion of young families), with proximity to main roads; • prominent centres within their respective catchment areas with limited competition and high barriers to entry in the area; • enhancing the geographic and tenant diversification across the Portfolio; • ability to leverage existing tenant relationships; and • potential to enhance risk-adjusted returns to Unitholders.	Section 2.3.3
Will the Fund undertake material developments?	The Fund will seek to expand or refurbish existing properties in order to enhance asset quality and will apply a disciplined approach and take reasonable steps to seek to mitigate development and delivery risk, including but not limited to obtaining leasing pre-commitments and entering into fixed price contracts with builders and other service providers. The Fund will limit development activities to no more than 15% of gross asset value of the Fund.	Section 2.2.4

1.2 BENEFITS AND RISKS

Topic	Summary	Reference
What are the main benefits associated with an investment in the Fund?	The main benefits of investing in the Fund are as follows: **Diversified Portfolio** The Portfolio is diversified across 14 LFR properties, valued at $905.7 million with a WACR of 8.01%[3]. The portfolio is 97.1%[4] occupied and comprises 360,048 square metres of GLA. **Stable income and structured rental growth backed by national tenants** The Portfolio is diversified by tenant base, with national retailers representing 86% of the total Portfolio by GLA. The Portfolio WALE is 4.2 years[5] with a staggered profile where no more than 18% of GLA expires in a single year. Approximately 85% of gross rental income within the Portfolio is subject to annual fixed or CPI-linked rent reviews. The Portfolio has minimal exposure to turnover-based leases which mitigates against the risk of a downturn in retail sales. **Experienced specialist manager with an integrated approach** Aventus Property Group is a specialist fund and asset manager of LFR centres. Aventus Property Group's specialist team will span key investment management functions including property management, leasing, marketing, acquisitions and development. It is anticipated that the Fund will benefit from this integrated approach, providing an end-to-end service to manage and identify value-add opportunities across the investment cycle, from asset identification to acquisition, development, leasing and realising the value of the property through potential divestment. **Additional growth opportunities** In addition to the income generated from existing tenancies, the Fund has the potential for additional earnings and capital growth from: • optimising the tenancy mix through proactive management and leasing leverage across the Portfolio; • executing on future development projects in the Portfolio; • participating in sector consolidation through acquisition of operating LFR centres; and • potential regulatory changes in the LFR sector which could enable a broader range of LFR tenants to occupy centres within the Portfolio. **Exposure to positive industry dynamics driving LFR spending in LFR centres** The performance of the Portfolio is linked to the underlying performance of its tenants. Increased demand for household goods and other products sold by the Portfolio's tenants can lead to increased foot traffic in the Portfolio's centres and greater spend on household goods, which can improve retailer performance and potentially drive tenant demand for additional space. This can contribute to favourable leasing outcomes for the Fund and potentially drive rental growth. Household goods retailing is expected to continue to perform strongly in the near future, relative to the broader retail sector with positive implications for the LFR property sector. **Attractive financial metrics** The forecast annualised FFO Yield[6] of the Fund is: • 8.05% pro forma for the period from 20 October 2015 until 30 June 2016; and • 8.32% for the six months ending 31 December 2016.	Section 2.2

3. Based on independent valuations as at 30 June 2015. Valuations are on "as if complete" basis. Refer to Section 8 for further details.
4. By GLA as at 30 June 2015.
5. By gross income (including Rental Guarantees). WALE excluding Rental Guarantees is 4.2 years. WALE is 4.6 years based on GLA.
6. The forecast financial information is based on the assumptions and accounting policies set out in Section 6, and is subject to the risks set out in Section 11. There is no guarantee that the forecasts will be achieved. Annualised yield has been calculated by grossing up to 12 months the yield for the period from 20 October 2015 to 30 June 2016 (FY16) and the 6 months yield for the period from 1 July 2016 to 31 December 2016 (1H17).

Topic	Summary	Reference
What are the main benefits associated with an investment in the Fund? continued	The forecast annualised Distribution Yield[7,8] of the Fund is: • 7.25% pro forma for the period from 20 October 2015 until 30 June 2016 and represents a forecast payout ratio of 90% of FFO; and • 7.50% for the six months ending 31 December 2016 and represents a forecast payout ratio of 90% of FFO. **Conservative capital structure** The Fund's target Gearing range will be between 30% and 40%. Following Completion, the Fund will have Gearing of approximately 30%, providing it with capacity to fund potential future acquisitions.	Section 2.2
What are the key risks of an investment in the Fund?	There are a number of risks associated with the Fund's business, which may impact the Fund's financial performance. Some of the key risks are summarised below and are further described in Section 11 of this PDS. **Rental income** The Fund's income is largely generated through leasing arrangements across its Portfolio. Rental income may be materially adversely affected by a number of factors, including overall economic conditions, the financial condition of tenants (including tenant arrears or default), ability to extend leases or replace outgoing tenants with new tenants, increase in rental arrears and vacancy periods, reliance on a tenant which leases a material portion of the Portfolio, competition from other LFR landlords, an increase in unrecoverable outgoings and supply and demand in the property market. Any negative impact on rental income (including a failure of existing tenants to perform existing leases in accordance with their terms) could materially adversely affect the Fund's financial performance and Distributions. **Re-leasing and vacancy** The Portfolio's leases come up for renewal on a periodic basis, and there is a risk that the Fund may not be able to negotiate suitable lease renewals with existing tenants, maintain existing lease terms, or replace outgoing tenants with new tenants. Should the Fund be unable to secure a replacement tenant for a period of time or if replacement tenants lease the property on less favourable terms than existing lease terms, this will result in a lower rental return to the Fund, which could materially adversely affect the financial performance of the Fund and Distributions. **Development** There are a number of risks faced by the Fund in relation to existing or future development projects. There is a risk that a contractor engaged on any given project is unable to complete the specified works on time or could default on other obligations under its contract. Completion of construction may be delayed for a number of reasons, including industrial disputes, inclement weather, permitted variations to the works, changes to legislative requirements, delays in authority inspections or regulatory approvals or a builder experiencing financial difficulties. Even where a development is under a fixed price contract, there is a risk of that the Fund may bear some or all of the additional costs where actual development costs are materially greater than expected. Any of these factors could materially adversely affect the financial performance of the Fund and Distributions. The Fund may also be exposed to liability for residual defects in respect of existing development works under way at certain properties that will form part of the Portfolio in the event that a claim is made and such liabilities are not covered by warranties from contractors or such contractors default on their obligations.	Section 11

7. The forecast financial information is based on the assumptions and accounting policies set out in Section 6, and is subject to the risks set out in Section 11. There is no guarantee that the forecasts will be achieved. Annualised yield has been calculated by grossing up to 12 months the yield for the period from 20 October 2015 to 30 June 2016 and the six months yield for the period from 1 July 2016 to 31 December 2016.
8. Actual Distribution received by non-resident Unitholders may vary to the extent the Fund qualifies as a MIT. Refer to Section 10 for further information.

Topic	Summary	Reference
What are the key risks of an investment in the Fund? continued	**Acquisitions** There is a risk that the Fund will be unable to identify future properties that meet the Fund's investment objectives, or if such properties are identified, that they can be acquired on appropriate terms, thereby potentially limiting the growth of the Fund. Any failure to identify appropriate properties or successfully acquire such properties could materially adversely affect the growth prospects and the financial performance of the Fund and Distributions. There is a risk that acquired properties do not perform as expected or that potential issues are uncovered that cannot be fully mitigated by warranties and indemnities in the sale and purchase agreements. Also, where the vendors under the Acquisition Agreements are trusts or other holding vehicles, there is a risk that funds may not be available to meet future warranty or indemnity claims. If an unforeseen liability arises in respect of which the Fund is not able to be indemnified or compensated or the performance of the acquired properties differs from expectations, this may materially adversely affect the financial performance of the Fund and Distributions. **Sector concentration** It is intended that the Fund will predominantly invest in LFR centres in the Australian market. Accordingly, the Fund's performance will depend, in part, on the general performance of the Australian LFR property sector as well as the performance of individual geographical segments within a particular catchment area. The performance of the LFR sector is correlated with the performance of the Australian residential housing market, and any contraction in the residential housing market or the level of renovation activity could materially adversely affect the performance of Portfolio's key tenants and the LFR property market generally. **Tenant concentration** In aggregate, approximately 46% of gross income of the Fund is generated from the top ten tenants. There is a risk that if one or more of the major tenants ceases to be a tenant, the Fund may not be able to find a suitable replacement tenant or may not be able to secure lease terms that are as favourable as current terms. Should the Fund be unable to secure a replacement tenant for a major tenant or if replacement tenants lease the property on less favourable terms, this will result in a lower rental return to the Fund, which could materially adversely affect the financial performance of the Fund and Distributions. **Funding** The Responsible Entity may fund future refinancing, capital expenditure and acquisitions from either debt or equity markets. Its ability to do so on favourable terms will depend on a number of factors including general economic conditions, the state of debt and equity markets, as well as on the reputation, performance and financial strength of the Fund. Changes to any of these underlying factors could lead to an increase in the cost of funding, limit the availability of funding, as well as increase the Fund's refinancing risk for maturing debt facilities. If the Fund's financial performance deteriorates, including due to a decline in rental income or the value of the Portfolio, the Fund may be unable to meet the covenants under the Debt Facilities. This may require the Responsible Entity to seek amendments, waivers of covenant compliance or alternative borrowing arrangements, to reduce debt or raise additional equity. If the Fund is unable to repay or refinance the Debt Facilities upon maturity or in the event of a breach of covenant, the Responsible Entity may have to seek further equity, dispose of assets or enter into new debt facilities on less favourable terms. These factors could materially adversely affect the Fund's ability to operate its business, acquire new properties and to fund capital expenditure and could materially adversely affect the financial performance of the Fund and Distributions.	Section 11

Topic	Summary	Reference
What are the key risks of an investment in the Fund? continued	**Rental Guarantees** Under the sale contracts for Highlands Hub, Tweed Hub, Warners Bay Home, Wendouree (Ballarat Home), Sunshine Coast Home and Mile End Stage 3, vendors have provided or, in the case of Mile End Stage 3 and Sunshine Coast Home, will provide Rental Guarantees covering nominated vacancies supported by cash held on trust. If the period to secure a new tenant for any nominated vacancies in these properties is longer than anticipated, the rental under a new lease is less than anticipated or the leasing commissions and incentives are higher than anticipated, the cash held on trust may not be sufficient to fully recompense the Fund. In these circumstances, rental income could be negatively impacted which could materially adversely affect the Fund's financial performance and Distributions. **Capital expenditure** The forecast capital expenditure represents the Responsible Entity's current best estimate of the associated costs in maintaining the Portfolio over the Forecast Period. There is a risk that the required capital expenditure exceeds the current forecasts which could lead to increased funding costs. Any requirement for unforeseen material capital expenditure on the properties could materially adversely affect the financial performance of the Fund and Distributions. **Property market valuations** The ongoing value of the properties held by the Fund may fluctuate due to a number of factors including rental, occupancy levels and Capitalisation Rates. Valuations represent only the analysis and opinion of qualified experts at a certain point in time. There is no guarantee that a property will achieve a capital gain on its sale or that the value of the property will not fall as a result of the assumptions on which the relevant valuations are based proving to be incorrect. **Reliance on Aventus Property Group** The Fund will be reliant on the management expertise, experience, support and strategies of Aventus Property Group. The Responsible Entity is also reliant on Aventus Property Group's data collection systems, leasing database and information systems which are proprietary in nature. As a result, the Fund's performance depends largely on the performance of the Manager and the Property Manager. Any failure of the Manager or the Property Manager to discharge its responsibilities in relation to the management of the Portfolio could materially adversely affect the financial performance of the Fund and Distributions. **Environmental issues** The value of the properties in the Portfolio may be affected by unforeseen environmental issues. The Fund may be liable to remedy sites affected by environmental issues even in circumstances where the Fund is not responsible for causing the environmental liability. The cost of remediation of sites could be substantial. Further, new or more stringent environmental laws or regulations could be introduced in the future, for example in relation to climate change, which may require the Fund to incur additional material expenditure to ensure that the required compliance is maintained. Any such expenditure on environmental issues could materially adversely affect the financial performance of the Fund and Distributions. **Property market fluctuations** As the Fund is a real estate investment trust, the value of, and returns from, its property assets may fluctuate depending on property market conditions. Rental and occupancy levels may change as a result of changes in the property market and this may affect the Distributions paid by the Fund and the market price of Units. **Other** A number of other key risks relating specifically to an investment in the Fund and generally to an investment in the Units are included in Section 11, including risks associated with the impact of interest rates and hedging, the significant stake retained by Existing Management, the need for FIRB approval for property acquisitions, operational risks (such as illiquidity of property assets, insurance, occupational health and safety), law, regulatory and policy changes and the Fund's MIT status as well as general risks.	Section 11

1.3 PORTFOLIO

Topic	Summary	Reference
What are the key metrics of the Fund's Portfolio?		Section 3.1

Key Portfolio statistics

Independent valuation[1]	$905.7 million
Number of properties[2]	14
Number of tenancies	372
Gross lettable area ("GLA")	360,048 sqm
Site area	866,740 sqm
Weighted Average Capitalisation Rate ("WACR")	8.01%
Occupancy[3]	97.1%
Weighted Average Lease Expiry ("WALE")[4]	4.2 years

1. Based on independent valuations as at 30 June 2015. Valuations are on an 'as if complete' basis. Refer to Section 8 for further detail.
2. Includes 13 assets to be acquired as part of the acquisitions of Participating Assets and 3 assets to be acquired as part of the acquisitions of Acquired Assets. Mile End Home is described in this PDS as one property and comprises two asset acquisitions (including Mile End Stage 3) as part of the Portfolio Acquisitions. Cranbourne Home is described in this PDS as one property and comprises two asset acquisitions (including Cranbourne Expansion) as part of the Portfolio Acquisitions.
3. By GLA as at 30 June 2015.
4. By gross income as at 30 June 2015 (including Rental Guarantees). WALE excluding Rental Guarantees is 4.2 years. WALE is 4.6 years based on GLA.

What assets will comprise the Portfolio? — Section 3.1

Property	State	Independent value ($m)	Cap rate[1]	GLA (sqm)	WALE (years)[2]
Ballarat Home	VIC	30.6	8.75%	20,098	5.5
Belrose Super Centre	NSW	105.0	7.50%	32,091	2.9
Caringbah Home	NSW	82.5	8.00%	19,377	2.4
Cranbourne Home[3]	VIC	114.1	7.83%	54,337	7.0
Highlands Hub	NSW	28.5	8.25%	11,404	4.8
Jindalee Home	QLD	93.5	8.06%	26,467	3.1
Kotara Home (South)	NSW	95.5	7.50%	29,148	4.9
Midland Home	WA	48.5	8.75%	23,411	4.5
Mile End Home[4]	SA	77.2	8.50%	33,463	3.6
Peninsula Home	VIC	62.7	8.50%	32,134	3.8
Sunshine Coast Home	QLD	64.5	8.00%	27,577	3.5
Tuggerah Super Centre[5]	NSW	41.3	7.25%	28,441	8.3
Tweed Hub	NSW	29.5	8.25%	9,763	3.4
Warners Bay Home	NSW	32.5	8.25%	12,337	2.9
Total Portfolio		**905.7**	**8.01%**	**360,048**	**4.2**

1. Based on independent valuations as at 30 June 2015. Valuations are on an 'as if complete' basis. Refer to Section 8 for further detail.
2. By gross income as at 30 June 2015 (including Rental Guarantees). WALE excluding Rental Guarantees is 4.3 years. WALE is 4.6 years based on GLA.
3. Metrics are calculated on a weighted average basis (by value) including Cranbourne Home and an adjacent expansion site.
4. Metrics are calculated on a weighted average basis (by value) including Mile End Home and an adjacent expansion site (Mile End Stage 3).
5. Excludes $3.75 million of vacant land for which the Fund has a call option with delayed settlement on 1 July 2016.

Who are the major tenants? — Section 2.2.2

The Portfolio is diversified by tenant base, with national retailers representing 86% of the total Portfolio by GLA. The Portfolio is leased to a broad range of tenants including ASX-listed companies (or their related entities) and national retailers such as Wesfarmers, Steinhoff Asia Pacific, Super Retail Group, Harvey Norman, Spotlight Group, The Muir Electrical Company, JB Hi-Fi and Nick Scali.

Topic	Summary	Reference
Who is the Fund acquiring assets from?	The following properties are being acquired from Existing Investors in trusts forming part of the Participating Assets: • Ballarat Home; • Belrose Super Centre; • Caringbah Home; • Highlands Hub; • Jindalee Home; • Peninsula Home; • Cranbourne Expansion; • Mile End Home; • Midland Home; • Tweed Hub; and • Warners Bay Home. Cranbourne Home will be acquired from entities associated with Mr Brett Blundy and Ms Tracey Blundy. The following properties are being acquired from third party vendors: • Mile End Stage 3; • Sunshine Coast Home; and • Tuggerah Super Centre.	Section 2.4, Section 13.4 and Section 13.5

1.4 RESPONSIBLE ENTITY, GOVERNANCE AND BOARD

Topic	Summary	Reference
Who is the responsible entity of the Fund?	The responsible entity is One Managed Investment Funds Limited. OMIFL holds an Australian Financial Services Licence ("AFSL") number 297042, and is a professional trustee services provider. The Responsible Entity is a member of One Investment Group which acts as responsible entity to a number of registered managed investment schemes.	Section 5.1.1
Who is Aventus Property Group?	Aventus Property Group is a specialist fund and asset manager of LFR centres in Australia. Aventus Property Group has been established to provide management services to the Fund and is jointly owned by entities associated with its CEO, Darren Holland and Brett Blundy who share over 57 years of retail and property experience and have developed significant insight into operations, property management, leasing, development and enhancement of retail and LFR centres across Australia.	Section 5.1.2
Who is Aventus Capital?	Aventus Capital Limited is a wholly owned subsidiary of Aventus Property Group Pty Limited. Aventus Capital has submitted an application for an AFSL to enable it to act as responsible entity of the Fund. Aventus Capital expects to be granted the AFSL shortly. It is proposed that once it obtains an appropriate AFSL and Completion has occurred, it will seek to be appointed as the new responsible entity of the Fund and OMIFL will retire. Aventus Capital Limited has appointed a majority independent board to assist with a smooth and timely transition upon its appointment as responsible entity. The board's role prior this transition will be to act in a consultative capacity to the management of Aventus Funds Management Limited Pty Limited and Aventus Property Management Pty Limited in the execution of the Fund's objectives and strategy.	Section 5.1.2

Topic	Summary	Reference
What are the management arrangements of the Fund?	From Completion of the Offer, Aventus Property Group will assume the provision of fund and property management services in respect of the Portfolio. Under the Management Services Agreement, the Manager will provide investment management services, including marketing, acquisitions, developments and day-to-day management of the Fund's assets. Under the Property and Development Management Agreement, the Property Manager will manage each property in the Portfolio from time to time, including marketing, leasing, tenant liaison, development and capital expenditure management and other usual services provided by a property and development manager.	Section 5.1, Section 13.1 and Section 13.2
Who are the directors of OMIFL?	• Frank Tearle (Executive Director) • Elizabeth Reddy (Non-Executive Director) • Justin Epstein (Executive Director)	Section 5.2
Who are the directors of Aventus Capital Limited?	• Bruce Carter (Independent Non-Executive Chairman) • Tracey Blundy (Non-Executive Director) • Darren Holland (Chief Executive Officer) • Kieran Pryke (Independent Non-Executive Director) • Robyn Stubbs (Independent Non-Executive Director)	Section 5.3
Who are the senior management team of Aventus Property Group?	The key executives that will be responsible for the management and operation of the Fund will be: • Darren Holland (Chief Executive Officer) • Lawrence Wong (Chief Financial Officer and Fund Manager) • Gary Jones (Chief Operating Officer) • Michael Winnem (Head of Development and Acquisitions)	Section 5.4
What fees will the Responsible Entity receive?	From Completion, OMIFL will be entitled to a fee of 0.02% per annum on the first $250 million of GAV and 0.01% per annum thereafter, subject to a minimum monthly fee of $2,000, in connection with the provision of custody services to the Fund and paid out of the Fund's assets. OMIFL will also be entitled to a responsible entity fee which will be paid by the Manager and not by the Fund directly.	Section 12.4.1
What fees will Aventus Property Group receive?	From Completion, the Manager will be entitled to a Base Fee equal to 0.6% per annum of GAV on GAV up to (and including) $2.0 billion, and 0.5% per annum of GAV on GAV in excess of $2.0 billion. The Manager may also be entitled to a Performance Fee of 20% of the percentage by which the total return of the Fund exceeds a hurdle of 12% on a rolling three year basis. Certain fees and expenses will also be payable from assets of the Fund to members of Aventus Property Group, pursuant to the Property and Development Management Agreement.	Section 12.1, Section 13.1 and Section 13.2

Topic	Summary	Reference
What will be the relationship between the Fund and Aventus Property Group going forward?	Aventus Property Group will maintain an ongoing relationship with the Fund with regard to the following: • Aventus Funds Management Pty Limited is the Manager of the Fund; • Aventus Property Management Pty Limited is the Property and Development Manager of the Portfolio. Both of these agreements are for terms of 10 years and cannot be terminated by the Responsible Entity in the first 10 years other than for cause and then (in some circumstances) on a required period of notice or payment in lieu of that notice. From Completion, Aventus Property Group will provide property management, leasing, marketing, acquisitions, developments and day-to-day management of the Fund's assets. It is proposed that once Aventus Capital Limited, a wholly owned subsidiary of Aventus Property Group Pty Limited obtains an appropriate AFSL and Completion has occurred, it will seek to be appointed as the new responsible entity of the Fund and OMIFL will retire as responsible entity.	Section 5.1, Section 13.1 and Section 13.2
What are the key governance arrangements for the Fund?	The Board has established governance arrangements to ensure that the Fund is effectively managed in a manner that is properly focused on its investment objectives and the interests of Unitholders as well as conforming to regulatory and ethical requirements.	Section 5.6
What are the key responsibilities of the Directors of the Responsible Entity?	The key responsibilities of the Directors in relation to the Fund include: • financial management and administration; • governance and regulatory compliance; and • investment evaluation and implementation.	Section 5.6.3
Who appoints the Directors of the Responsible Entity?	As OMIFL is a member of One Investment Group, the Directors are appointed by One Investment Group.	Section 5.2
Will annual and half-yearly financial reports be provided to Unitholders?	For both tax and reporting purposes, the Fund will report on a 30 June financial year end basis. Formal reporting will be provided to Unitholders as at 30 June (full year) and 31 December (interim) each year.	Section 2.11
Will the Fund hold annual general meetings?	The Responsible Entity may convene and arrange to hold a general meeting of the Fund whenever it thinks fit and must do so if required under the Corporations Act. Each Unitholder will receive notice of general meetings and be entitled to attend and vote at any general meeting in accordance with the Corporations Act.	Section 13.7.2
Can the Responsible Entity be changed?	Yes, by a majority vote of Unitholders. It is proposed that OMIFL will act as responsible entity of the Fund until Aventus Capital Limited obtains an AFSL that will permit it to act as the responsible entity. Aventus Capital Limited cannot act as the responsible entity until it obtains an AFSL.	Section 14.9

1.5 FINANCIAL INFORMATION

Topic	Summary	Reference
What is the pro forma NTA per Unit?	The Fund is expected to have an NTA of $1.83 per Unit following Completion.	Section 6.4.1
What will be the Gearing of the Fund?	The Fund's target Gearing range will be between 30% and 40%, with Gearing of approximately 30% following Completion.	Section 2.8
What is the Fund's hedging Policy?	The Responsible Entity will target a range for fixed interest rate exposure of at least 30% of drawn borrowings. It is intended that at least 30% of drawn debt will be hedged following Completion. All hedging arrangements are expected to be in place within three months of Completion.	Section 2.8.2

1.6 FFO AND DISTRIBUTIONS

Topic	Summary	Reference
What is the Fund's forecast FFO Yield and forecast Distribution Yield?	The forecast annualised FFO Yield[9] of the Fund is: • 8.05% pro forma for the period from 20 October 2015 until 30 June 2016; and • 8.32% for the six months ending 31 December 2016. The forecast annualised Distribution Yield[9,10] of the Fund is: • 7.25% pro forma for the period from 20 October 2015 until 30 June 2016 and represents a forecast payout ratio of 90% of FFO; and • 7.50% for the six months ending 31 December 2016 and represents a forecast payout ratio of 90% of FFO.	Section 6.3.2
What is FFO?	FFO is a proxy for cash available for distribution, being net profit adjusted for non-cash items, and one-off and non-recurring items.	Section 2.9
What is the Fund's distribution policy?	The Fund's distribution policy will be to pay out 90% to 100% of FFO on a quarterly basis. It is anticipated that quarterly Distributions will be paid in November, February, May, and final Distribution in August following the relevant financial period.	Section 2.9
Are Distributions guaranteed?	There is no guarantee that the Fund will pay any Distribution during any particular period. The Board, in consultation with the Manager, will review and assess the appropriateness of the Fund's distribution policy on a quarterly basis.	Section 2.9
What portion of the Distributions will be tax deferred for Australian tax purposes?	Approximately 58% and 31% of the Distributions for the period from 20 October 2015 to 30 June 2016 and for the six months ending 31 December 2016 , respectively, is anticipated to be tax deferred.	Section 6.3.2
What does 'tax deferred' mean in relation to Distributions?	Tax deferred Distributions are Distributions that are generally not included in your assessable income primarily due to the effect of depreciation benefits and building allowances relating to the underlying property investments, and other taxation adjustments relating to the Fund. Tax deferred Distributions will, however, reduce the CGT cost base of your investment (where you hold your investment on capital account) and may result in an increased capital gains tax liability if you sell your Units. Tax deferred Distributions will be included in your assessable income as a capital gain if your cost base is reduced to nil. Applicants should seek and only rely upon their own tax advice prior to applying for Units.	Section 10

9. The forecast financial information is based on the assumptions and accounting policies set out in Section 6, and is subject to the risks set out in Section 11. There is no guarantee that the forecasts will be achieved. Annualised yield has been calculated by grossing up to 12 months the yield for the period from 20 October 2015 to 30 June 2016 (FY16) and the six months yield for the period from 1 July 2016 to 31 December 2016 (1H17).
10. Actual Distribution received by non-resident Unitholders may vary to the extent the Fund qualifies as a MIT. Refer to Section 10 for further information.

1.7 OVERVIEW OF THE OFFER

Topic	Summary	Reference
What is the Offer?	The Offer is an invitation to subscribe for 151.7 million new Units in the Fund at an Offer Price of $2.00 per Unit. The total number of Units on issue at Completion and after the issue of 191.6 million Units pursuant to the Proposed Transaction will be 343.2 million. All Units will, once issued, rank equally with each other.	Section 9.1
What are the terms of the Offer?	• The Offer Price is $2.00 per Unit • Raising approximately $303.3 million (151.7 million Units) • Minimum Application amount of $2,000 (1,000 Units) under the Broker Firm Offer and Priority Offer • Broker Firm Offer opens at 9.00am AEST on 8 October 2015 • Broker Firm Offer closes at 5.00pm AEST on 13 October 2015 • Units are expected to commence trading on ASX by 16 October 2015 on a conditional and deferred settlement basis	Section 9.5
What is the purpose of the Offer?	The purpose of this Offer is to: • provide Existing Investors with an opportunity to realise their investment; • enable the Fund to acquire the Portfolio (as contemplated by the Proposed Transaction) and meet the associated transaction costs; and • provide the Fund with access to capital markets.	Section 9.2
How is the Offer structured?	The Offer comprises: • the Institutional Offer, which is an invitation to certain Institutional Investors in Australia and certain other jurisdictions to bid for Units under this PDS; • the Priority Offer, which is an offer to investors who have received an invitation to participate in the Offer from the Manager and who have a registered address in Australia; and • the Broker Firm Offer, which is an offer to Australian and New Zealand resident Retail Investors who receive an allocation from their Broker. No general public offer will be made.	Section 9.1
How will the proceeds of the Offer be used?	The Offer proceeds will be used to: • provide cash consideration in connection with the acquisition of the Portfolio, expected to be $131.4 million; • repay the existing debt relating to the Participating Assets and Acquired Assets of $105.3 million; • provide sufficient capital for payment of costs of the Offer, expected to be $16.9 million; • provide sufficient capital for payment of stamp duty expected to be $44.8 million; and • provide the Fund with working capital of approximately $5.0 million.	Section 9.2
What will the Fund's Unitholder structure be on Completion?		Section 9.3

	Units held on Completion (m)[1]	$m	%
Existing Investors (excluding entities associated with Existing Management)	87.2	174.4	25.4%
Entities associated with Existing Management[2]	116.8	233.7	34.0%
New investors	139.2	278.3	40.5%
Total	**343.2**	**686.5**	**100%**

1. Subject to final completion adjustments for the Portfolio Acquisitions.

2. Including up to 12.5 million Units to be subscribed for by entities associated with Brett Blundy under the Offer.

Topic	Summary	Reference
What are the escrow arrangements?	Entities associated with Brett Blundy and Darren Holland have entered into a voluntary escrow deed in relation to all of the Units issued to those entities in connection with the implementation of the Proposed Transaction (and, in the case of the entities associated with Brett Blundy, any Units acquired under the Offer). Entities associated with Bruce Carter have entered into a voluntary escrow deed in relation to any Units acquired under the Offer.	Section 13.10
Can the Offer be withdrawn?	The Manager and the Responsible Entity in consultation with the Lead Manager may withdraw the Offer at any time before the issue of Units to successful Applicants or bidders in the Broker Firm Offer, Priority Offer and Institutional Offer. If the Offer or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest), in accordance with the Corporations Act. The Responsible Entity, with the consent of the Manager and the Lead Manager, also reserves the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications or bid either generally or in particular cases, reject any Application or bid, or allocate to any Applicant or bidder fewer Units than applied or bid for.	Section 9.11
Who can participate in the Offer?	The Broker Firm Offer is open to persons who have received a firm allocation from their Broker and who have a registered address in Australia or New Zealand. The Priority Offer is open to investors who have received an invitation to participate in the Priority Offer from the Manager and the Responsible Entity and who have a registered address in Australia. The Manager and the Lead Manager will invite certain Institutional Investors to bid for Units in the Institutional Offer. The Institutional Offer will comprise an invitation to Australian resident Institutional Investors and other eligible Institutional Investors in eligible jurisdictions outside the United States (excluding Eligible United States Fund Managers) to bid for Units, made under the PDS. The Lead Manager will separately advise Institutional Investors of the application procedure for the Institutional Offer.	Section 9.6.1, Section 9.7.1 and Section 9.10.1
What are the minimum and maximum Application amounts?	The minimum Application amount for Applicants applying under the Broker Firm Offer and Priority Offer is $2,000 worth of Units. There is no maximum number of Units that may be applied for under the Broker Firm Offer or Priority Offer.	Section 9.5
What is the allocation policy?	The Manager, in consultation with the Lead Manager, will determine the allocation of Units to applicants under the Institutional Offer and the Priority Offer. Units, which will be allocated to Brokers for allocation to their Australian and New Zealand resident clients, will be issued to the Applicants nominated by those Brokers (subject to the right of the Manager and the Lead Manager to reject or scale back Applications). It will be a matter for the Brokers how they allocate firm stock among their eligible clients, and they will be responsible for ensuring that clients who have received a firm allocation from them receive the relevant Units.	Section 9.6.3, Section 9.7.4 and Section 9.10.2
Will the Units be listed?	The Fund will apply for admission to the Official List of ASX and the quotation of Units within seven days of lodgement of the PDS. Completion of the Offer is conditional on the ASX approving this application. If approval is not given within three months after such an application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest in compliance with the Corporations Act.	Section 9.12.1

Topic	Summary	Reference
When can I sell my Units on ASX?	Following completion of the Offer, Unitholders will be sent a holding statement that sets out the number of Units that have been allocated to them. This statement will also provide details of a Unitholder's Holder Identification Number (or HIN) for CHESS holders or, where applicable, the Securityholder Reference Number (or SRN) of issuer sponsored holders. Unitholders will subsequently receive statements showing any changes in their Unit holding. It is the responsibility of each person who trades in Units to confirm their holding before trading in Units. If you sell Units before receiving a holding statement, you do so at your own risk. The Manager, the Responsible Entity, the Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, if you sell Units before receiving your holding statement, even if you obtained details of your holding from the Offer Information Line or confirmed your firm allocation through a Broker.	Section 9.12.3
Is the Offer underwritten?	No. The Offer is not underwritten..	Section 9.5 and Section 13.8
How can I apply?	If you are an investor investing under the Broker Firm Offer, you should complete and lodge your Application Form with the Broker from whom you received your firm allocation. Applications for Units may only be made on an Application Form attached to or accompanying this PDS. If you have received an invitation to participate in the Priority Offer, you may apply for Units before the Priority Offer closes by applying online at www.aventusproperty.com.au and by paying Application Monies via BPAY® (unless instructed otherwise by the Manager and the Responsible Entity). No physical Application Form is needed when paying in this manner. The Manager and the Lead Manager will invite certain Institutional Investors to bid for Units in the Institutional Offer. The Institutional Offer will comprise an invitation to Australian resident Institutional Investors and other eligible Institutional Investors in eligible jurisdictions outside the United States (excluding Eligible United States Fund Managers) to bid for Units, made under the PDS. The Lead Manager will separately advise Institutional Investors of the application procedure for the Institutional Offer.	Section 9.6.2, Section 9.7.2 and Section 9.10.1
When do I apply?	The Broker Firm Offer and the Priority Offer open at 9.00am (AEST) on 8 October 2015 and are expected to close at 5.00pm (AEST) on 13 October 2015. The Responsible Entity with the consent of the Manager and the Lead Manager, may elect to close the Offer or any part of it early, extend the Offer or any part of it, or accept late applications either generally or in particular cases. The Offer or any part of it may be closed at any earlier date and time, without further notice. Your Broker may also impose an earlier closing date. Applicants are therefore encouraged to submit their applications as early as possible.	Section 9.6.2 and Section 9.7.2
Is there a cooling-off period?	Cooling-off rights do not apply to an investment in the Units pursuant to the Offer. This means that you will be unable to withdraw your Application once it has been accepted.	Section 9.5

1.8 TAXATION

Topic	Summary	Reference
What are the tax implications?	There may be tax implications arising from Applications for Units. These implications will differ depending on the individual circumstances of the Applicant. Applicants should obtain professional taxation advice about the consequences of investing from a taxation perspective in the Fund in light of their particular circumstances.	Section 10

1.9 FEES AND COSTS

Topic	Summary	Reference
What are the fees and other costs associated with the Offer?	Total fees and costs of $61.6 million are expected to be incurred in connection with the Offer and the Proposed Transaction. The Fund will be responsible for these fees and costs.	Section 12.3
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commissions or stamp duty is payable by Applicants who apply for Units using an Application Form. Various fees in relation to the Offer may be payable by the Fund to the Lead Manager. The Lead Manager will pay a handling fee of 1.5% of the gross proceeds of the Units allocated to each Broker under the Broker Firm Offer. These fees are payable by the Lead Manager and will not be payable by investors or directly by the Fund.	Section 9.5 and Section 12.3

1.10 IMPORTANT DOCUMENTS

Topic	Summary	Reference
What are the key agreements relevant to the Fund or the Offer?	The key agreements relevant to the Fund or the Offer are as follows: • Management Services Agreement • Property and Development Management Agreement • Fund Constitution • Debt Facilities agreement • Offer Management Agreement • Acquisition Agreements • Implementation Pack • Voluntary Escrow Deed • Reimbursement Agreement • Rental Guarantees • Kotara Call Option and Pre-emptive Deed • Cranbourne Home Purchase Agreement • BBJ Thompsons Road Unit Sale Agreements	Section 13

1.11 FURTHER INFORMATION

Topic	Summary	Reference
Where can I find out more information about the Offer?	If you have further enquiries regarding the Offer, please contact the Offer Information Line on 1300 868 464 (within Australia) or +61 1300 868 464 (outside Australia) between 8.30am and 5.30pm (AEST) Monday to Friday during the Broker Firm Offer and the Priority Offer, Offer Period. Alternatively please visit the website: www.aventusproperty.com.au	Section 9

2

// OVERVIEW OF THE FUND

2.1 INTRODUCTION

The Fund has been established to invest in Australian retail property, focusing predominantly on large format retail centres. The Fund will acquire an initial Portfolio of 14 assets, geographically diversified across Australia and following Completion will be one of the largest owners of LFR centres in Australia.

The LFR property sector is a substantial component of the retail property sector and accounts for approximately 30% of total occupied retail floor space in Australia[1]. LFR centres are traditionally retail properties where a number of retailers have showrooms for the sale of a range of furnishings, electrical, bedding, hardware and other household items. The centres were commonly referred to as 'bulky goods' or 'homemaker' centres to reflect their more traditional tenant types. LFR centre retailers often sell items of a bulky nature that require a large area for handling, display or storage. However, the sector has evolved to a broader offering and can include fitness centres, baby supplies, pet supplies, auto supplies, office supplies, leisure and sports equipment, medical services, big box pharmacies, supermarkets, cafes and restaurants.

The Fund's objective is to provide investors with stable, secure and growing income returns and potential for capital growth by investing in the Portfolio and other properties that may be acquired in the future. To achieve this objective, the Fund's strategy is to:

- invest predominantly in LFR centres in Australia, diversified by geography and tenant mix;
- own properties that have a stable earnings profile from the collection of tenant rents, with rental income underpinned by leases to national retailers and a substantial proportion of income growth derived from fixed annual rental increases;
- pursue future acquisition, growth and value enhancement opportunities, utilising Aventus Property Group's management expertise;
- explore the development and repositioning potential in the Portfolio and other properties that may be acquired in the future; and
- maintain a conservative capital structure with a target Gearing range of 30% to 40%.

OMIFL is currently the responsible entity of the Fund. OMIFL acts as responsible entity to a number of registered managed investment schemes and has substantial expertise and experience in acting as a responsible entity. Investment management services will be provided by members of Aventus Property Group, including but not limited to property management, leasing, marketing, acquisitions, developments and day-to-day management of the Fund's assets.

In conjunction with the Proposed Transaction, the BBRC Property team comprising approximately 35 employees will be transitioned to Aventus Property Group. BBRC Property has been acquiring, operating, developing and managing LFR assets in the Australian market for over 10 years, including managing 13 of the 14 centres within the Portfolio. The Fund will benefit from the management team's knowledge and specialist expertise of managing LFR centres.

For further detail on the management arrangements refer to Sections 2.5 and 5.

A summary of the Portfolio is below, with further detail of each property provided in Section 3.

Key Portfolio statistics

Independent valuation[1]	$905.7 million
Number of properties[2]	14
Number of tenancies	372
Gross lettable area ("GLA")	360,048 sqm
Site area	866,740 sqm
Weighted average capitalisation rate ("WACR")[1]	8.01%
Occupancy[3]	97.1%
Weighted average lease expiry ("WALE")[4]	4.2 years

1. Independent valuations as at 30 June 2015. Valuations are on an 'as if complete' basis. Refer to Section 8 for further detail.
2. Includes 13 assets to be acquired as part of the acquisitions of Participating Assets and 3 assets to be acquired as part of the acquisitions of Acquired Assets. Mile End Home is described in this PDS as one property and comprises two asset acquisitions (including Mile End Stage 3) as part of the Portfolio Acquisitions. Cranbourne Home is described in this PDS as one property and comprises two asset acquisitions (including Cranbourne Expansion) as part of the Portfolio Acquisitions.
3. By GLA as at 30 June 2015.
4. By gross income (including Rental Guarantees). WALE excluding Rental Guarantees is 4.2 years. WALE is 4.6 years based on GLA.

1. Source: Large Format Retail Association.

2.2 BENEFITS OF AN INVESTMENT IN THE FUND

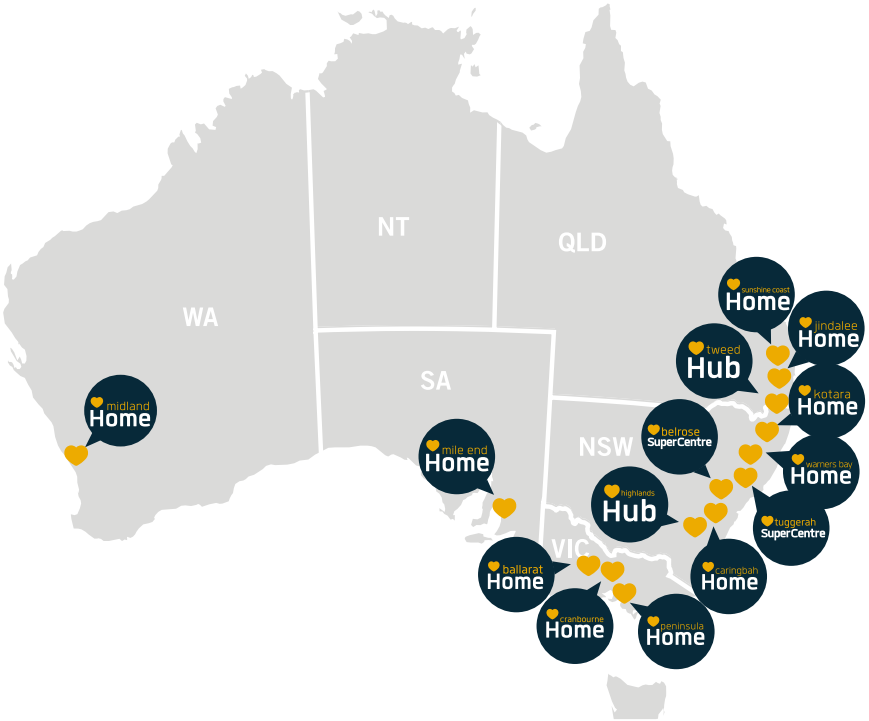
2.2.1 Diversified portfolio

The Portfolio to be acquired is diversified across 14 LFR properties, valued at $905.7 million with a WACR of 8.01%[2]. The portfolio is 97.1%[3] occupied and comprises 360,048 square metres of GLA.

Summary of the Portfolio

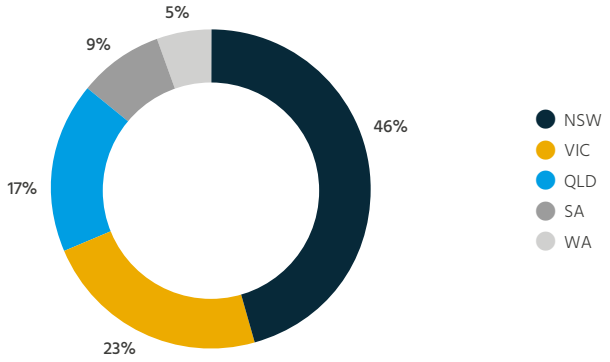
Property	State	Independent value ($m)	Cap rate[1]	GLA (sqm)	Site Area (sqm)	Occupancy[2]	WALE (years)[3]	# of tenancies
Ballarat Home	VIC	30.6	8.75%	20,098	52,084	92.7%	5.5	16
Belrose Super Centre	NSW	105.0	7.50%	32,091	40,230	100.0%	2.9	40
Caringbah Home	NSW	82.5	8.00%	19,377	22,818	100.0%	2.4	26
Cranbourne Home[4]	VIC	114.1	7.83%	54,337	193,900	95.9%	7.0	32
Highlands Hub	NSW	28.5	8.25%	11,404	31,890	98.9%	4.8	15
Jindalee Home	QLD	93.5	8.06%	26,467	72,030	97.7%	3.1	59
Kotara Home	NSW	95.5	7.50%	29,148	53,390	100.0%	4.9	22
Midland Home	WA	48.5	8.75%	23,411	42,640	98.7%	4.5	18
Mile End Home[5]	SA	77.2	8.50%	33,463	71,320	96.5%	3.6	31
Peninsula Home	VIC	62.7	8.50%	32,134	84,651	100.0%	3.8	28
Sunshine Coast Home	QLD	64.5	8.00%	27,577	68,877	96.7%	3.5	32
Tuggerah Super Centre[6]	NSW	41.3	7.25%	28,441	71,570	90.5%	8.3	24
Tweed Hub	NSW	29.5	8.25%	9,763	26,200	97.1%	3.4	17
Warners Bay Home	NSW	32.5	8.25%	12,337	35,140	94.7%	2.9	12
Total Portfolio		**905.7**	**8.01%**	**360,048**	**866,740**	**97.1%**	**4.2**	**372**

1. Based on independent valuations as at 30 June 2015. Valuations are on an 'as if complete' basis. Refer to Section 8 for further detail.
2. By GLA as at 30 June 2015.
3. By gross income (including Rental Guarantees). WALE excluding Rental Guarantees is 4.2 years. WALE is 4.6 years based on GLA.
4. Metrics are calculated on a weighted average basis (by value) including Cranbourne Home and an adjacent expansion site.
5. Metrics are calculated on a weighted average basis (by value) including Mile End Home and an adjacent expansion site (Mile End Stage 3).
6. Excludes $3.75 million of vacant land for which the Fund has a call option with delayed settlement on 1 July 2016.



2. Based on independent valuations as at 30 June 2015. Valuations are on an 'as if complete' basis. Refer to Section 8 for further detail.
3. By GLA as at 30 June 2015.

Portfolio geographic diversification – by book value



2.2.2 Stable income and structured rental growth backed by national tenants

The Portfolio is diversified by tenant base, with national retailers representing 86% of the total Portfolio by GLA. The Portfolio is leased to a broad range of tenants including ASX-listed companies (or their related entities) and national retailers such as Wesfarmers, Steinhoff Asia Pacific, Super Retail Group, Harvey Norman, Spotlight Group, The Muir Electrical Company, JB Hi-Fi and Nick Scali.

As outlined in the table below, the top 10 tenants represent 54% and 46% of the Portfolio by GLA and income, respectively.

Top 10 tenants – by income

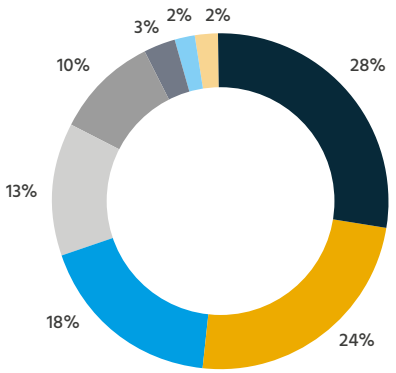
Retailer	Public company	Stores	Area (sqm)	% by GLA	% by income
Wesfarmers[1]	✓	11	57,130	16%	10%
Steinhoff Asia Pacific[2]	✓	14	21,744	6%	6%
Super Retail Group[3]	✓	15	17,900	5%	5%
Harvey Norman[4]	✓	3	17,943	5%	4%
Spotlight Group[5]		7	19,360	5%	4%
The Muir Electrical Company[6]		8	17,649	5%	4%
JB Hi-Fi	✓	6	8,922	2%	3%
Fantastic Holdings[7]	✓	8	9,782	3%	3%
Woolworths[8]	✓	2	15,411	4%	3%
Nick Scali	✓	5	9,205	3%	3%
Total		**79**	**195,046**	**54%**	**46%**

1. Includes Bunnings, Officeworks, Coles and 1st Choice Liquor.
2. Includes Freedom, Snooze, Bay Leather Republic, Best & Less, Store and Order and Harris Scarfe.
3. Includes Supercheap Auto, BCF, Amart Sports, Rebel and Workout World.
4. Includes Harvey Norman and Domayne.
5. Includes Spotlight and Anaconda.
6. Includes The Good Guys and Best Friends.
7. Includes Fantastic Furniture, Plush and Original Mattress Factory.
8. Includes Masters Home Improvement and Dan Murphy's Liquor.

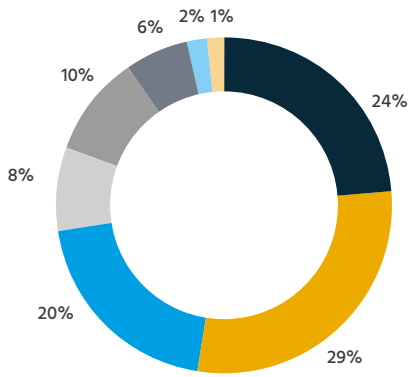
The Portfolio's tenant mix is diversified with other LFR (which includes pet supplies, baby supplies, sporting, camping and leisure) and non large format retail (which includes cafés, restaurants, supermarkets, liquor, fitness centres, medical centres and big box pharmacies) together comprising 28% of the Portfolio's total GLA, furniture retailers comprising 24% of GLA, with hardware and garden, homewares and electrical representing 18%, 13% and 10%, respectively.

Retail categories – by GLA[4]

Aventus Retail Property Fund



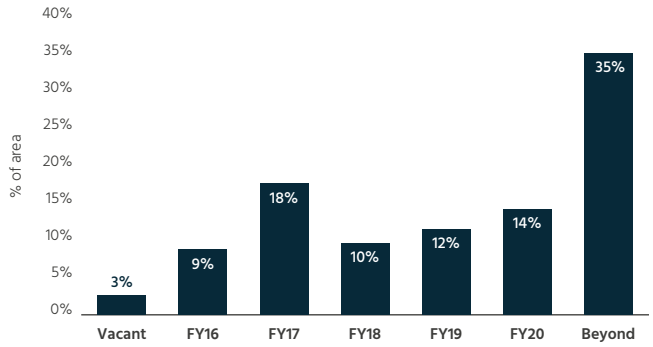
Other LFR centres in Australia



- Other LFR and non LFR
- Furniture
- Hardware & Garden
- Homewares
- Electrical
- Vacant
- Coverings
- Automotive Parts & Accessories

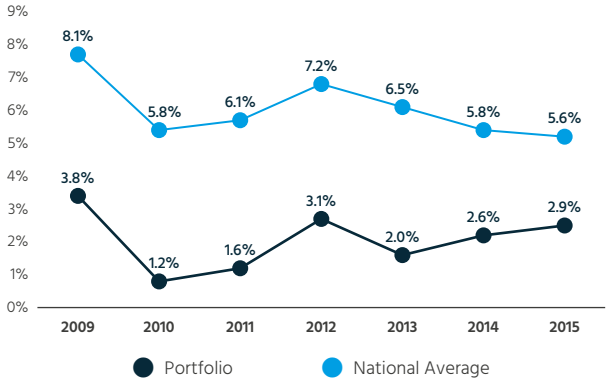
The Portfolio WALE is 4.2 years[5] with a staggered profile where no more than 18% of GLA expires in a single year. During the entire Forecast Period, leases representing 22% of GLA are due for renewal. The Property Manager will adopt a proactive approach to managing lease expiries to enhance Portfolio performance. The Fund will predominately enter into medium term leases as it seeks to optimise the current tenant mix and negotiate favourable lease terms.

Portfolio lease expiry profile – by GLA[6]



As shown in the charts below, the Portfolio has maintained high occupancy over the last several years while keeping leasing incentives low. The Portfolio vacancy (by GLA) as at 30 June 2015 was 3%[6] while the average vacancy across the LFR sector was 6% as at 30 June 2015[7].

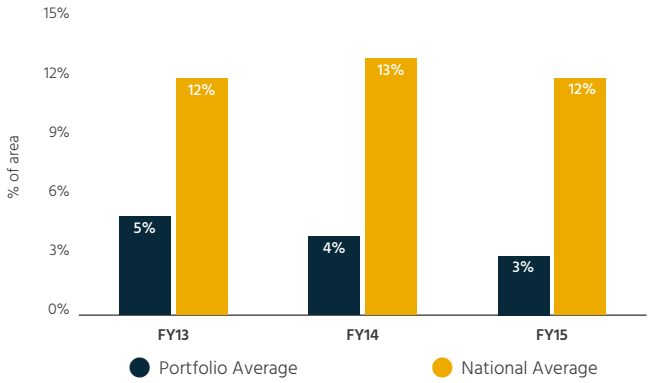
Portfolio vacancy – by GLA[7,8]



4. Source: Deep End Services as at 16 July 2015. Centres larger than 10,000 square metres
5. By gross income (including Rental Guarantees). WALE excluding Rental Guarantees is 4.2 years. WALE is 4.6 years based on GLA.
6. Holdover tenancies as at 30 June 2015 treated as FY16 expiries.
7. Source: Deep End Services. Centres larger than 10,000 square metres. Vacancy metrics exclude holdover tenancies.
8. Historical metrics exclude centres where these were not yet acquired.

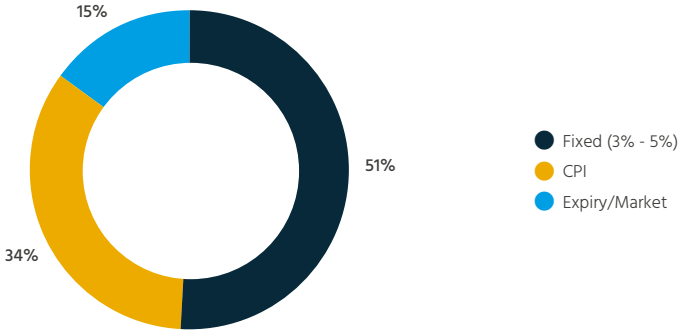
The average incentive level across the Portfolio for the 12 months ending 30 June 2015 was 3%, while the average incentive across the LFR sector was 12% for the same period[9,10]. As shown in the chart below, over the last 3 years, Portfolio incentives ranged between 3% and 5% and are expected to remain substantially within this band during the Forecast Period, assuming no material deterioration in leasing and broader market conditions.

Average portfolio incentives – by percentage of gross rent[10,11]



Approximately 85% of gross rental income within the Portfolio is subject to annual fixed or CPI-linked rent reviews. The Portfolio has minimal exposure to turnover-based leases which mitigates the risk of a downturn in retail sales.

Rent reviews by lease type – by gross rental income



2.2.3 Experienced specialist manager with an integrated approach

Aventus Property Group is a specialist fund and asset manager of LFR centres. Aventus Property Group's specialist team will span key investment management functions including property management, leasing, marketing, acquisitions and development. It is anticipated that the Fund will benefit from this integrated approach, providing an end-to-end service to manage and identify value-add opportunities across the investment cycle, from asset identification to acquisition, development, leasing and realising the value of the property through potential divestment. This includes:

- enhancing property management and leasing outcomes across the Portfolio by utilising Aventus Property Group's relationships with tenants, contractors, suppliers and service providers;
- effectively managing development projects throughout the development process from identifying assets with value-add development potential, obtaining council approvals to managing the construction and leasing of new tenancies; and
- ability to identify, undertake due diligence and incorporate potential future acquisitions for the Fund by utilising Aventus Property Group's experienced team.

Aventus Property Group's interests are strongly aligned with the Fund's performance including via the proposed performance fee structure and interests in the Fund of Existing Management whereby entities associated with Darren Holland and Brett Blundy will hold an aggregate interest of approximately 34%[12] of Units in the Fund following Completion. These holdings will be escrowed as outlined in Section 13.10.

2.2.4 Additional growth opportunities

In addition to the income generated from existing tenancies, the Fund has the potential for additional earnings and capital growth from:

- optimising the tenancy mix through proactive management and leasing leverage across the Portfolio;
- executing on future development projects in the Portfolio;
- participating in sector consolidation through acquisition of operating LFR centres; and
- potential regulatory changes in the LFR sector which could enable a broader range of LFR tenants to occupy centres within the portfolio.

9. Source: Deep End Services as at 16 July 2015. Centres larger than 10,000 square metres. Vacancy metrics exclude holdover tenancies.
10. Historical metrics exclude centres where these were not yet acquired.
11. Source: CBRE Research.
12. Including up to 12.5 million Units subscribed for the entities associated with Brett Blundy under the Offer.

Portfolio tenancy mix

The Fund has the potential to improve the Portfolio performance by optimising the tenancy mix in the Portfolio's centres.

By utilising opportunities created by lease expiries to remix the tenant composition, the Property Manager will seek to adapt the product offering at each centre that it manages towards the needs of a particular catchment area. The Fund may seek to tailor the tenancy mix to offer an enhanced range of goods and services, such as supermarkets, fitness centres, children's entertainment facilities, medical and allied health services, cafés and restaurants.

Tenancy remixing forms part of a broader asset repositioning strategy which includes refurbishing, relaunching and marketing of centres. Together, these can lead to improved foot traffic within the Portfolio's centres as customers visit more frequently and spend longer time in a centre, which has the potential to improve retail performance and tenant demand for floor space in the Portfolio's centres.

The Fund will seek to capitalise on this opportunity by entering into medium term leases to enable it to more effectively adapt to the changing needs of a particular catchment area or variations to the regulatory environment.

Development pipeline

A number of development opportunities have been identified within the existing site area of the Portfolio. The Portfolio comprises a total site area of 866,740 square metres including 360,048 square metres of GLA, which presents expansion opportunities within existing centres.

The Fund will seek to expand or refurbish existing properties in order to enhance asset quality and will apply a disciplined approach and take reasonable steps to seek to mitigate development and delivery risk, including but not limited to obtaining leasing pre-commitments and entering into fixed price contracts with builders and other service providers. The Fund will limit development activities to no more than 15% of gross asset value of the Fund.

The Fund has identified nine existing properties with potential development, major refurbishment and expansion opportunities, which subject to statutory approvals, tenant pre-commitments and financial viability, have the potential to provide the Fund with the capacity to expand GLA of the Portfolio and enhance the tenancy mix.

The Forecast Period includes approximately $36.1 million of developments, major refurbishments or expansions covering the area of approximately 31,500 square metres over five properties. Furthermore, there is a potential to create additional 16,000 square metres of GLA over four properties beyond the Forecast Period subject to statutory approvals, tenant pre-commitments and financial viability.

Flexible zoning is also available at some of the sites allowing for traditional retail and/or residential as long term potential.

Consolidation opportunities

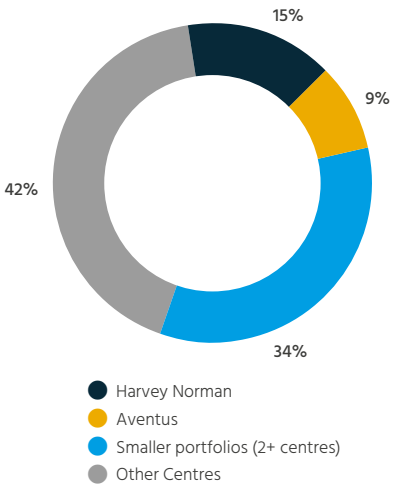
Aventus Property Group's specialist sector expertise and the scale of the management platform positions the Fund to take advantage of potential consolidation opportunities within the LFR property sector.

The below chart shows the concentration of ownership in the LFR property sector, with no single entity owning more than 15% (by GLA) of LFR assets in Australia[13]. Most assets are held in smaller portfolios or single-asset ownership, with limited listed ownership, which provides an opportunity for the Fund to grow in scale through consolidation.

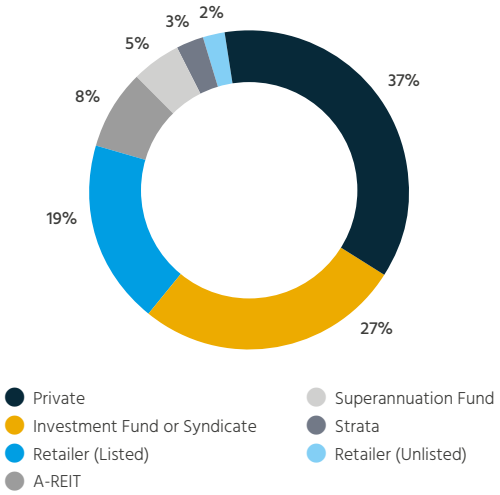
Larger scale could contribute to enhanced leasing outcomes through increased access to and deeper relationships and leverage with tenants as well as cost efficiencies with service providers (for example in seeking to negotiate insurance premiums). The Fund could also benefit from Aventus Property Group's enhanced tenant relationships across the Portfolio which could further drive leasing outcomes and Portfolio performance.

Australian LFR centre ownership[13] – by GLA

Ownership composition



Owner type



13. Source: Deep End Services as at 16 July 2015. Centres larger than 10,000 square metres.

The Manager will seek to identify acquisition opportunities with the potential to enhance the value of the Fund's Portfolio. This will include a right of first refusal for the Fund to acquire assets identified by the Manager that meet the Fund's investment objectives and strategy. For further detail relating to the Fund's acquisition strategy refer to Section 2.3.3.

Potential changes in regulatory environment

The LFR sector is regulated at State Government level and is generally viewed as a separate category of retailing, distinct from core retail (shopping centres).

Favourable regulatory reforms in the LFR sector, such as changes to zoning and planning policies affecting LFR centres could benefit the Fund to the extent these are implemented in the states where the Fund has exposure. In 2011, the Productivity Commission produced a report into the '*Economic Structure and Performance of the Australian Retail Industry*', highlighting the need to address planning and zoning regulations which it considered complex and excessively prescriptive. The report recommended a review of planning regulation and implementation of regulatory reforms to reduce restrictions that are in place within the existing legislation, although the implementation of these reforms is subject to the legislative process in each state.

One recent example of an implemented reform is in Victoria, introduced in July 2013, which consolidated five existing business zones into two, with the zone capturing large format retailing ("Commercial 2 Zone") allowing for supermarkets of up to 1,800 square metres without a permit within the Urban Growth Boundary and associated shops of up to 500 square metres where the site has access to a road in a Road Zone. This reform had direct impact on one of the assets in the Portfolio, allowing for a planning permit for a supermarket at Peninsula Home.

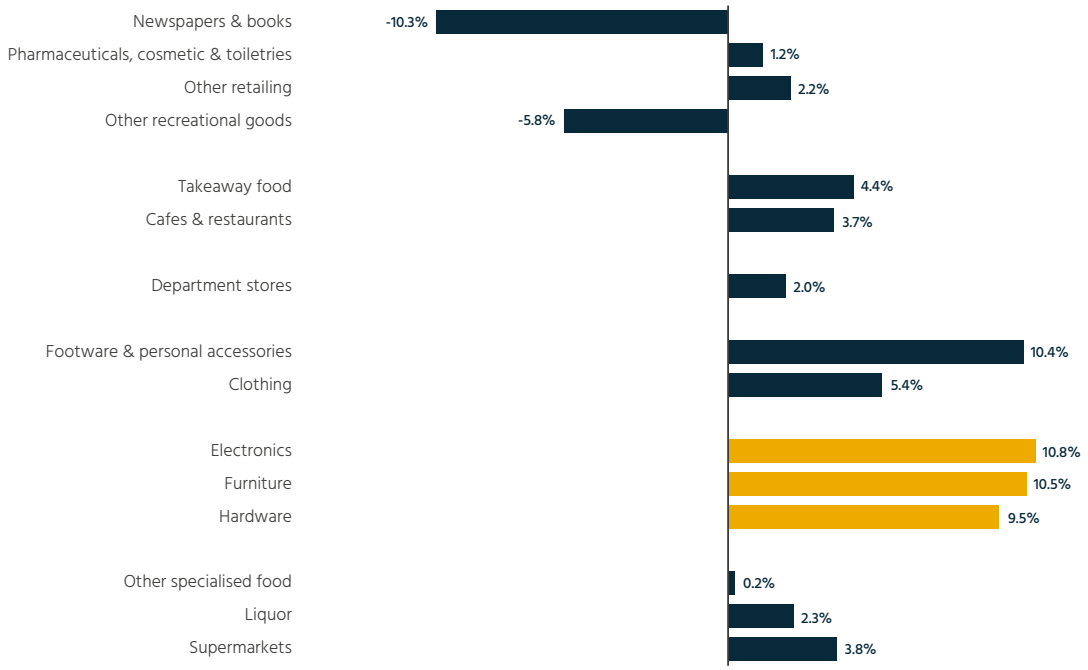
While there is no guarantee that other states will implement similar (or any) reforms to those implemented in Victoria, to the extent favourable legislation was passed in other states (and depending on the magnitude of such reforms), the Fund could benefit from a broader range of tenants available to occupy centres within the Portfolio. This could potentially increase foot traffic within centres, increasing tenant competition for floor space and driving favourable leasing outcomes for the Fund.

2.2.5 Exposure to positive industry dynamics driving LFR spending

The performance of the Portfolio is linked to the underlying performance of its tenants. Increased demand for household goods and other products sold by the Portfolio's tenants can lead to increased foot traffic in the Portfolio's centres and greater spending on household goods, which can improve retailer performance and potentially drive tenant demand for additional space. This can contribute to favourable leasing outcomes for the Fund and potentially drive rental growth.

Household goods retailing has performed strongly relative to other retail segments in the 12 months to 30 June 2015, as outlined in the chart below. In addition, takeaway food, cafes and restaurants, liquor and supermarkets have also performed strongly in this period, and the growth in these categories, with 45 outlets operating across the Portfolio, potentially enables the Portfolio to be positively exposed to future growth from these categories. Household goods retailing is expected to continue to perform strongly in the near future, relative to the broader retail sector with positive implications for the LFR property sector. For further detail around the industry dynamics and outlook, refer to Section 4.

Retail turnover growth 12 months to 30 June 2015 (on previous year)[14]



14. ABS 8501.0 Retail Trade, Australia (Trend).

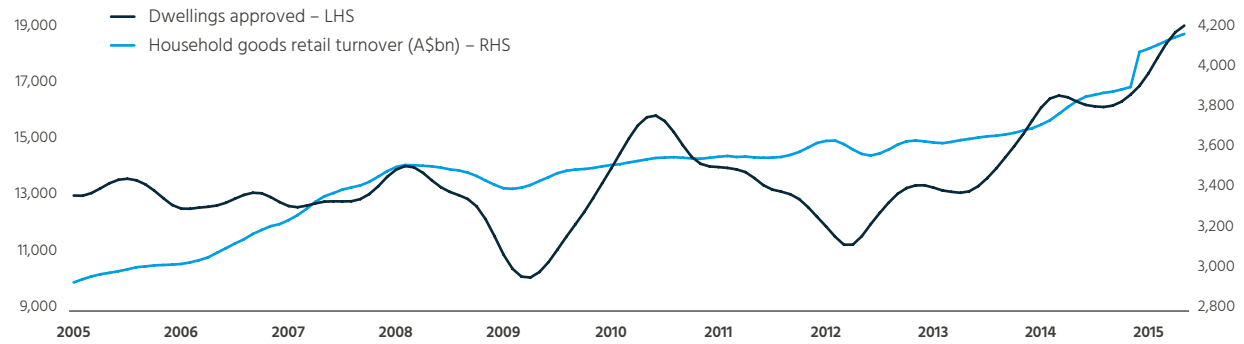
Drivers of demand for household goods

Demand for household goods is linked to factors including but not limited to residential housing sales, dwelling construction, renovation activity, general economic outlook and fiscal policy.

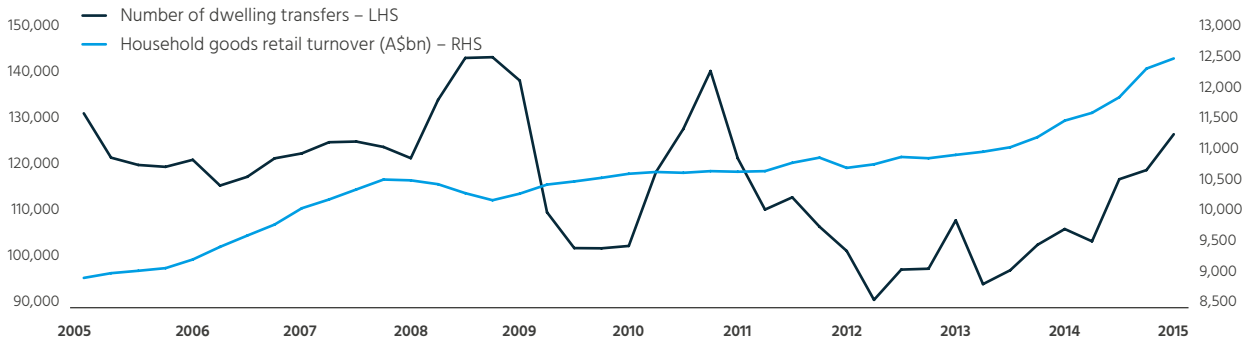
Growth in house prices has a wealth effect as it has the potential to stimulate retail consumption including household goods spending. Construction of new housing generates demand for household goods as homeowners furnish newly purchased homes. During the construction process, homebuilders purchase hardware, flooring and building materials, which further supports household goods spending. Turnover of existing dwellings also drives demand for household goods as new homeowners renovate, redecorate and purchase new furniture and household goods when moving home.

Household goods sales are also supported by monetary and fiscal policy with the RBA cash rate at historical lows and the Federal Budget aimed at stimulating retail spending. In addition, household goods sales traditionally benefit from strong population growth which, driven by both births and migration, is expected to increase from approximately 23.9[15] million people currently to 28.1[11] million people in 2025.

Australian household goods retailing and dwelling approvals (monthly)[16]



Dwelling transfers and Australian household goods retailing (quarterly)[17]



The LFR sector has also been less susceptible to customer attrition towards online retailing as household goods (such as furniture, bedding and flooring) are typically considered major purchases and have a 'touch and feel' element with the customers often wanting to examine the goods in person prior to purchase. By contrast, online transactions are often lower value electronic, consumer and fashion goods. In addition, the purchase of hardware goods often has an element of urgency where customers are not prepared to wait for the online delivery or the exchange of faulty/incorrect goods. LFR centres also provide the ability for customers to pick up large goods and take them home, avoiding an online delivery charge, which can be substantial given the heavy and large nature of the goods.

15. ABS 3222.0 Population Projections, Australia, Series B.
16. ABS 8501.0 Retail Trade, Australia; ABS 8731.0 Building Approvals, Australia.
17. ABS 6416.0 Residential Property Price Indexes, Australia; ABS 8501.0 Retail Trade, Australia.

2.2.6 Attractive financial metrics

The forecast annualised FFO Yield of the Fund is[14]:

- 8.05% pro forma for the period from 20 October 2015 until 30 June 2016; and
- 8.32% for the six months ending 31 December 2016.

The forecast annualised Distribution Yield of the Fund is[18, 19]:

- 7.25% pro forma for the period from 20 October 2015 until 30 June 2016; and
- 7.50% for the six months ending 31 December 2016.

The Fund intends to make Distributions on a quarterly basis with the first Distribution to be made for the period from 20 October 2015 to 31 December 2015. Distributions will be determined with reference to the Fund's FFO, with a target range for Distributions of between 90% and 100% of FFO.

2.2.7 Conservative capital structure

The Fund will have a conservative capital structure with a target Gearing range of between 30% and 40% and Gearing of approximately 30% following Completion. This will give the Fund capacity to fund potential future acquisitions. For further detail around the Fund's financing arrangements, refer to Section 2.8.

2.3 INVESTMENT AND GROWTH STRATEGY

The Fund's objective is to provide investors with stable, secure and growing income returns and potential for capital growth by investing in the Portfolio and other properties that may be acquired in the future. The Fund's strategy is outlined in Section 2.1. The Manager will focus on investments in LFR centres and will assess other acquisition opportunities in the retail property sector, to the extent these complement the Portfolio and meet the Fund's investment objectives.

In executing the investment objectives and strategy, the Manager and the Property Manager will take a proactive approach towards funds management, property management and acquisitions as described below. The Manager and the Property Manager make recommendations to the Responsible Entity to review these investment and growth strategies from time to time and may vary them.

2.3.1 Funds management

With respect to managing the Fund's Portfolio, the Manager will take a proactive approach by seeking to:

- undertake active management of the assets within the Portfolio to enhance income and capital returns which may include disposal and acquisition opportunities;
- utilise the management's proven expertise and industry relationships to source strategically and financially compelling transaction opportunities;
- explore value-add initiatives in relation to active asset management to enhance the quality of the Portfolio;
- actively manage the Fund's capital structure to maximise return on equity, having regard to cost of capital and appropriate liquidity levels to allow for capital expenditure and acquisition opportunities; and
- manage the Fund's debt maturity and hedging profile to minimise interest expense and refinancing risk.

2.3.2 Property management

With respect to managing the properties within the Portfolio, the Property Manager will look to maximise stable income returns and capital growth by seeking to:

- proactively manage leasing to improve cash flows and lease terms;
- utilise the Property Manager's retailing expertise to optimise tenant relationships and achieve favourable occupancy and leasing outcomes;
- enhance occupancy by letting up vacancies;
- manage existing and prospective tenancy mix to generate stable returns for the Fund and enhance shopper experience;
- invest in centre marketing to encourage in-centre activity and promote the centres in their trade areas;
- recommend refurbishment works that optimise a property's potential to attract quality tenants and achieve capital growth;
- pursue development opportunities to enhance income and capital returns of the Portfolio while having regard to the risk profile of the Fund; and
- manage operating capital expenditure requirements in a financially sustainable manner.

18. The forecast financial information is based on the assumptions and accounting policies set out in Section 6, and is subject to the risks set out in Section 11. There is no guarantee that the forecasts will be achieved. Annualised yield has been calculated by grossing up to 12 months the yield for the period from 20 October 2015 to 30 June 2016 (FY16) and the 6 months yield for the period from 1 July 2016 to 31 December 2016 (1H17).
19. Actual Distribution received by non-resident Unitholders may vary to the extent the Fund qualifies as a MIT. Refer to Section 10 for further information.

2.3.3 Acquisition strategy

The Fund's strategy will be to selectively acquire additional retail centres, focusing on LFR properties. The Fund will assess other acquisition opportunities in the retail property sector, to the extent these complement the Portfolio and are consistent with the Fund's investment objectives. The Manager will look to assess potential acquisitions against the following investment criteria (subject to the Fund's investment objectives):

- generating stable income returns predominantly backed by quality national retailers;
- potential for capital gains and positive rental growth;
- opportunity to add value through active asset management such as optimising tenant mix, development or expansion;
- flexible zoning and repositioning potential;
- located in strategic geographies including growth corridors, large catchment areas and areas with high propensity towards household goods spending (such as areas with a high proportion of young families), with proximity to main roads;
- prominent centres within their respective catchment areas with limited competition and high barriers to entry in the area;
- enhancing the geographic and tenant diversification across the Portfolio;
- ability to leverage existing tenant relationships; and
- potential to enhance risk-adjusted returns to Unitholders.

The Manager will seek to identify acquisition opportunities with the potential to enhance the value of the Fund's Portfolio. This will include a right of first refusal for the Fund to acquire assets identified by the Manager that meet the Fund's investment objectives and strategy. The Fund may acquire a property that does not meet some or all of the investment criteria, where this is considered to be in the best interests of Unitholders.

The Manager is currently exploring a number of potential acquisition opportunities which will be offered to the Fund in the event a compelling proposal materialises, that is consistent with the Fund's investment and acquisition strategies. No decision has been made as to whether any properties currently being evaluated by the Manager will be acquired by the Fund and any such decision will be subject to due diligence, the Fund's objectives and the relevant Manager and Board approvals.

2.4 ESTABLISHMENT AND STRUCTURE OF THE FUND

The Fund is a managed investment scheme which was registered with ASIC on 14 September 2015. Currently, the Fund has 19.7 units on issue, all of which are owned by an entity associated with Brett Blundy. The Fund currently owns all of the units in BB Retail Property Unit Trust No.2 (which owns Kotara Home (South)), Aventus Sunshine Coast Unit Trust and Aventus Tuggerah Unit Trust, which have entered into binding contracts to acquire Sunshine Coast Home and Tuggerah Super Centre, respectively. The Fund does not yet own any of the other properties to be included in the Portfolio.

In connection with the Offer, the following transaction will be effected in accordance with the Implementation Pack and Acquisition Agreements:

- investors in the trusts which form part of Participating Assets and Acquired Assets will transfer all of their units in those trusts to the Fund; and
- the Fund, via newly established sub trusts will settle the acquisitions of the Cranbourne Home, Sunshine Coast Home and Tuggerah Super Centre[20] assets.

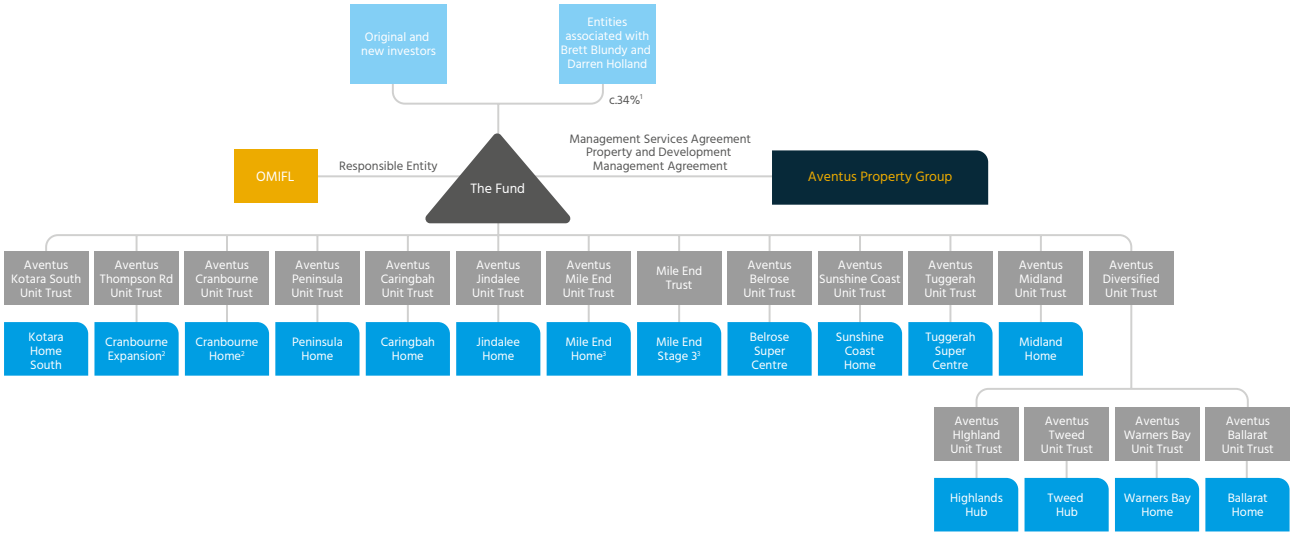
In each case, the relevant vendors will receive Units and/or cash as consideration in accordance with the terms of the Implementation Pack, elections made and applicable Acquisition Agreements. For further detail refer to Section 13.4. The settlement of the Sunshine Coast Home and Tuggerah Super Centre assets will be satisfied by cash payment only.

The Responsible Entity of the Fund is OMIFL. Investment management services will be provided by members of Aventus Property Group, including but not limited to property management, leasing, marketing, acquisitions, developments and day-to-day management of the Fund's assets. For further detail around the management arrangements refer to Section 5.

It is proposed that once Aventus Capital Limited, a wholly owned subsidiary of Aventus Property Group Pty Limited obtains an appropriate AFSL and Completion has occurred, it will seek to be appointed as the new responsible entity of the Fund and OMIFL will retire as responsible entity.

20. Acquisition of Tuggerah Super Centre excludes $3.75 million of vacant land for which the Fund has a call option with delayed settlement on 1 July 2016.

The following diagram shows the structure of the Fund and management arrangements following Completion:



1. Including up to 12.5 million Units subscribed for by entities associated with Brett Blundy under the Offer.
2. Cranbourne Home is described in this PDS as one property and comprises two asset acquisitions (including Cranbourne Expansion) as part the Portfolio Acquisitions.
3. Mile End Home is described in this PDS as one property and comprises two asset acquisitions (including Mile End Stage 3) as part of the Portfolio Acquisitions.

2.5 MANAGEMENT AGREEMENTS

2.5.1 Relationship

The intended relationship of the Fund with Aventus Property Group is set out in Sections 13.1 and 13.2. The principal agreements dealing with the relationship are the Management Services Agreement and the Property and Development Management Agreement.

Both of these agreements are for terms of 10 years and cannot be terminated by the Responsible Entity in the first 10 years other than for cause and then (in some circumstances) on substantial periods of notice or payment in lieu of that notice. Further details are contained in Sections 13.1.4 and 13.2.2.

Investors should note the entrenched position that Aventus Property Group will have with the Fund.

Each of the Management Services Agreement and the Property and Development Management Agreement contain similar provisions in relation to the term of the agreement and rights of termination. Each can only be terminated by the Responsible Entity without cause with effect from the last day of the initial 10 year term provided that notice of termination has been given at least six months prior to the expiration of that 10 year term.

If notice is not given by the Responsible Entity by that time, each agreement continues for a further term of five years on the same terms and again may only be terminated, without cause, at the expiration of that extended five year period by the Responsible Entity providing a notice at least six months prior to the expiration of that five year period. If the agreements are not terminated at the expiration of the extended five year period, the agreements automatically extend for further five year periods on the same basis.

Other termination rights of the Responsible Entity and Aventus Property Group are described in Sections 13.1.4 and 13.2.2 and investors should note the limited circumstances in which each of the Management Services Agreement and the Property and Development Management Agreement can be terminated or otherwise the period of notice or payment in lieu of notice that will be needed in certain circumstances.

Investors should also consider more generally the potential effects of the Fund's entrenched relationship with Aventus Property Group, as described, which closely aligns the Fund with the services of Aventus Property Group.

2.5.2 Management Services Agreement

The Responsible Entity has appointed Aventus Funds Management Pty Limited to act as the manager of the Fund under the Management Services Agreement which is summarised in Section 13.1. Aventus Funds Management Pty Limited is a wholly owned subsidiary of Aventus Property Group Pty Limited. From Completion, Aventus Funds Management Pty Limited will provide management services in respect of the Fund.

2.5.3 Property and Development Management Agreement

The Responsible Entity and each trustee of a property in the Portfolio have appointed Aventus Property Management Pty Limited to act as the property manager of the Portfolio under the Property and Development Management Agreement which is summarised in

Section 13.2. Aventus Property Management Pty Limited is a wholly owned subsidiary of Aventus Property Group Pty Limited. From Completion, Aventus Property Management Pty Limited will assume the provision of property management services in respect of all of the properties in the Portfolio.

2.6 RENTAL GUARANTEES

The Fund will have the benefit of Rental Guarantees for vacancies in respect of certain assets (comprising a total value of $1.0 million as at 30 June 2015). Further details are outlined in Section 13.3.

2.7 KOTARA CALL OPTION AND PRE-EMPTIVE RIGHT

The Kotara Home (South) property is adjacent to another property ("Kotara North") which is currently owned by an entity associated with Brett Blundy and does not comprise part of the Portfolio. The respective owners of each of the properties have entered into the Kotara Call Option and Pre-emptive Deed in relation to the properties under which:

- Call option – the owner of Kotara North has the right to acquire Kotara Home (South) if as a result of a vote of Unitholders in the Fund, the Responsible Entity of the Fund is replaced with an entity that is not a member of Aventus Property Group; and
- Pre-emption right – the respective owners of each of the properties have agreed to grant each other a reciprocal pre-emptive right to buy the other property in the event that either of them wishes to sell their respective property.

Refer to Section 13.6 for further detail.

2.8 FINANCING ARRANGEMENTS

The Fund will use a combination of debt and equity to finance its operations. The Fund's target Gearing range will be between 30% and 40% with Gearing of approximately 30% following Completion.

2.8.1 Debt Facilities

The Lenders and the Fund have entered into a secured facility agreement. The Debt Facilities have an aggregate facility limit of $400 million, comprising two tranches of $200 million. The first tranche will have a term of three years and the second tranche will have a term of five years. The weighted average expiry of the Debt Facilities is approximately four years.

On Completion, it is expected that $283.7 million of the Debt Facilities will be drawn in order to repay existing debt relating to the Participating Assets and Acquired Assets, leaving $116.3 million available to be drawn down in the future as part of the Fund's investment strategy.

The Debt Facilities may be drawn by the Fund in the future:

- for working capital, real estate investment and general corporate purposes from time to time, including for the purposes of funding capital expenditure, real estate investments and acquisitions; and
- to pay for related financing and transaction fees, costs and expenses.

The Debt Facilities will be secured by, among other things, registered real property mortgages over all of the properties in the Portfolio.

It is intended that all borrowing of the Fund will be denominated in Australian dollars. Further details on the terms of the Debt Facilities are included in Section 13.9.

2.8.2 Interest rate hedging policy

The Responsible Entity will use derivative financial instruments to hedge the risks to the Fund associated with interest rate fluctuations. It will manage this exposure by:

- targeting a range for fixed interest rate exposure of at least 30% of drawn borrowings;
- using derivative contracts and/or other agreements to fix interest payment obligations; and
- reducing the reset risk by seeking different maturity dates for the fixed rate hedging arrangements.

It is intended that at least 30% of drawn debt will be hedged following Completion. All hedging arrangements are expected to be in place within three months of Completion.

2.9 DISTRIBUTION POLICY

The payment of a Distribution by the Fund is at the discretion of the Board and will be a function of a number of factors such as FFO and the financial condition of the Fund, and any other factors the Directors may consider relevant.

The Fund's distribution payout ratio will be formulated with regard to a range of factors including:

- general business and financial conditions;
- the certainty of the Fund's cash flow and adequacy of forecast liquidity;
- capital expenditure requirements and acquisitions;
- covenants and undertakings under the Debt Facilities;
- taxation consideration;
- working capital requirements; and
- other factors that the Board considers relevant.

The Fund's distribution policy will be to pay out 90% to 100% of FFO on a quarterly basis. FFO is a proxy for cash available for distribution, being net profit adjusted for non-cash items, and one-off and non-recurring items. The level of distribution payout ratio is expected to vary between periods depending, amongst others, on the factors noted above. The Board, in consultation with the Manager will review and assess the appropriateness of the Fund's distribution policy on a quarterly basis. There is no guarantee that the Fund will pay any Distribution during any particular period.

It is anticipated that quarterly Distributions will be paid in November, February, May, and final Distribution in August following the relevant financial period. It is intended that the first Distribution paid will be the Distribution in respect of the period from 20 October 2015 to 31 December 2015.

Based on forecast FFO for the period from 20 October 2015 to 30 June 2016 and payout ratio of 90% of FFO as per the Fund's distribution policy, at the Offer Price the forecast annualised pro forma Distribution Yield for the corresponding period would be 7.25%[23].

2.10 VALUATION POLICY

The fair value of the properties held by the Fund will be reviewed by the Responsible Entity in consultation with the Manager at each reporting date.

The Responsible Entity's assessment of fair value will be periodically confirmed by engaging an independent expert valuer to assess the fair value of individual investment properties:

- the properties will be progressively valued by independent valuers over a two year period on a rotating basis in accordance with relevant industry standards; and
- if there is a reason to believe that the fair value of the investment property has materially changed from its book value (for example, as a result of changes in material leases).

The initial value of the Portfolio is based on the independent valuations as at 30 June 2015. For further information on the Portfolio refer to Section 3.

2.11 REPORTING

For both tax and reporting purposes, the Fund will report on a 30 June financial year end basis. Formal reporting will be provided to Unitholders as at 30 June (full year) and 31 December (interim) each year. These reports will include:

- a statement of comprehensive income, statement of financial position, statement of changes in equity and a statement of cash flow;
- a reconciliation of profit to FFO;
- the amount of Distributions for the period;
- significant activities undertaken for the period; and
- any portfolio updates the Responsible Entity deems relevant.

An annual financial report will be provided to Unitholders in accordance with the Corporations Act. The annual report will be audited whilst the interim financial report will be subject to review by the auditors.

The Responsible Entity will establish a website that will provide information on the Fund, including access to half-yearly and annual reports, and Distribution information.

23. Refer to Section 6 for further information. The forecast financial information is based on the assumptions and accounting policies set out in Section 6., and is subject to the risks set out in Section 11. There is no guarantee that the forecasts will be achieved. Annualised yield has been calculated by grossing up to 12 months the yield for the period from 20 October 2015 to 30 June 2016 (FY16). Actual Distribution received by non-resident Unitholders may vary to the extent the Fund qualifies as a MIT. Refer to Section 10 for more detail.

3

// PROPERTY PORTFOLIO

3.1 PORTFOLIO OVERVIEW

The Portfolio comprises 14 centres with an independent valuation of $905.7 million, reflecting a WACR of 8.01%[1]. The Portfolio is geographically diversified across New South Wales, Queensland, Victoria, South Australia and Western Australia. The Portfolio is 97.1% occupied, underpinned by a WALE of 4.2 years[2].

Summary of the Portfolio

Property	State	Independent value ($m)	Cap rate[1]	GLA (sqm)	Site area (sqm)	Occupancy[2]	WALE (years)[3]	# of tenancies
Ballarat Home	VIC	$30.6	8.75%	20,098	52,084	92.7%	5.5	16
Belrose Super Centre	NSW	$105.0	7.50%	32,091	40,230	100.0%	2.9	40
Caringbah Home	NSW	$82.5	8.00%	19,377	22,818	100.0%	2.4	26
Cranbourne Home[4]	VIC	$114.1	7.83%	54,337	193,900	95.9%	7.0	32
Highlands Hub	NSW	$28.5	8.25%	11,404	31,890	98.9%	4.8	15
Jindalee Home	QLD	$93.5	8.06%	26,467	72,030	97.7%	3.1	59
Kotara Home (South)	NSW	$95.5	7.50%	29,148	53,390	100.0%	4.9	22
Midland Home	WA	$48.5	8.75%	23,411	42,640	98.7%	4.5	18
Mile End Home[5]	SA	$77.2	8.50%	33,463	71,320	96.5%	3.6	31
Peninsula Home	VIC	$62.7	8.50%	32,134	84,651	100.0%	3.8	28
Sunshine Coast Home	QLD	$64.5	8.00%	27,577	68,877	96.7%	3.5	32
Tuggerah Super Centre[6]	NSW	$41.3	7.25%	28,441	71,570	90.5%	8.3	24
Tweed Hub	NSW	$29.5	8.25%	9,763	26,200	97.1%	3.4	17
Warners Bay Home	NSW	$32.5	8.25%	12,337	35,140	94.7%	2.9	12
Total Portfolio		**$905.7**	**8.01%**	**360,048**	**866,740**	**97.1%**	**4.2**	**372**

1. Based on independent valuations as at 30 June 2015. Valuations are on 'as if complete' basis. Refer to Section 8 for further detail.
2. By GLA as at 30 June 2015.
3. By gross income (including Rental Guarantees). WALE excluding Rental Guarantees is 4.2 years. WALE is 4.6 years based on GLA.
4. Metrics are calculated on a weighted average basis (by value) including Cranbourne Home and an adjacent expansion site (Cranbourne Expansion).
5. Metrics are calculated on a weighted average basis (by value) including Mile End Home and an adjacent expansion site (Mile End Stage 3).
6. Excludes $3.75 million of vacant land for which the Fund has a call option with delayed settlement on 1 July 2016.

1. Based on independent valuations as at 30 June 2015. Valuations are on 'as if complete' basis. Refer to Section 8 for further detail.
2. By gross income (including Rental Guarantees). WALE excluding Rental Guarantees is 4.2 years. WALE is 4.6 years based on GLA.

3.2 PORTFOLIO PROPERTIES

Use of property specific figures and statistics is based on the individual property valuation reports provided by the independent valuers and tenancy schedules as at 30 June 2015. Valuations are on 'as if complete' basis. Refer to Section 8 for further detail.

BALLARAT HOME

321–333 Gillies Street, Wendouree VIC 3355

Description

Located within Victoria's third largest city, Ballarat Home sits on a 5.2 hectare site with 300 metres of main road frontage and opposite the sub-regional shopping centre Stockland Wendouree.

The catchment area population has a growth rate of 1.7% per annum, close to double the average of regional Victoria. Ballarat Home has been established in the catchment for 12 years and remains the only dedicated LFR centre in Ballarat.

Asset strategy

- Lifting occupancy and completing centre facelift (landscaping, encouraging pedestrian circulation and centre presentation)
- Integration of a recently acquired adjoining property
- Explore the future potential of a pad site in the car park, and potential repositioning and disposal of the rear site (currently occupied by Telstra)
- Capitalise on the adjacent retail offering to position the centre as part of the Ballarat regional retail precinct

Property information	
Ownership interest	100%
Title	Freehold
Purchase price	$30.6m
Capitalisation rate	8.75%
WALE (by income)	5.5 years
Occupancy (by area)	92.7%
Number of tenancies	16
Percentage of national retailers	85%
Zoning	Commercial 2 Zone
Site area	52,084 sqm
Gross lettable area	20,098 sqm
Rate per square metre	$1,520
Car park spaces	571
Building age	12 years
Latest refurbishment/expansion	–
Total catchment size (number of people)	138,644

Independent valuation	
Valuer	CBRE
Valuation date	30 June 2015
Valuation	$30.6m
Capitalisation rate	8.75%
Terminal capitalisation rate	9.00%
Discount rate	9.75%

Location map

VALUATION
$30.6M

GLA
20,098 M^2

TENANCIES
16

WALE
5.5 YEARS

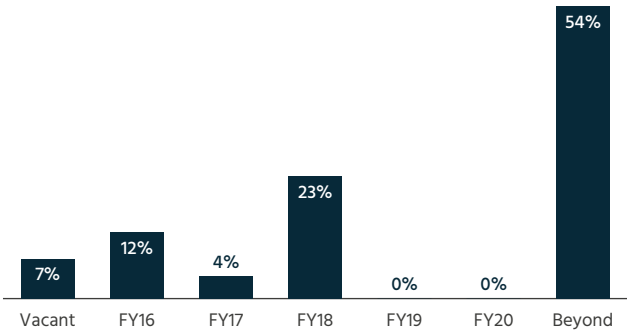
BALLARAT HOME

321-333 Gillies Street, Wendouree VIC 3355

Summary of major tenants

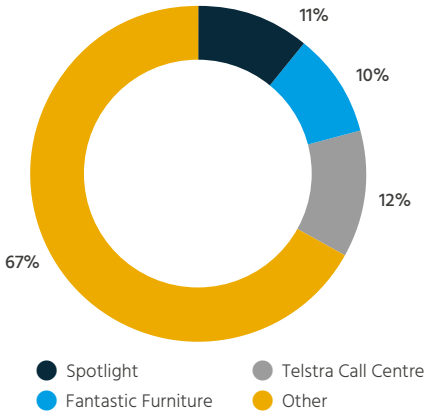
Tenant	Leased area (sqm)	Expiry	% of total gross income
Telstra Call Centre	1,800	April 2016	12%
Spotlight	2,982	February 2024	11%
Fantastic Furniture	1,806	August 2017	10%
Total	6,588		33%

Lease expiry profile by area[1]



1. Holdover tenancies as at 30 June 2015 treated as FY16 expiries.

Major tenant composition by gross income



Aerial view

ANACONDA
SPOTLIGHT

focus on furniture

BCF
CAMPING

BELROSE SUPER CENTRE

4-6 Niangala Close, Belrose NSW 2085

Description

Located 23 kilometres north of Sydney's CBD the centre offers 32,091 square metres of GLA across three main retail levels. The centre is the only integrated LFR centre on the Northern Beaches and Upper North Shore.

The centre is located on a high profile site with visibility to the main road, and has a balanced category mix with a number of national retailers occupying the centre. Household incomes in the catchment area are 22.5% above the Sydney average and LFR spending is forecasted to be $1,446 million which is 22.7% higher than the Sydney average.

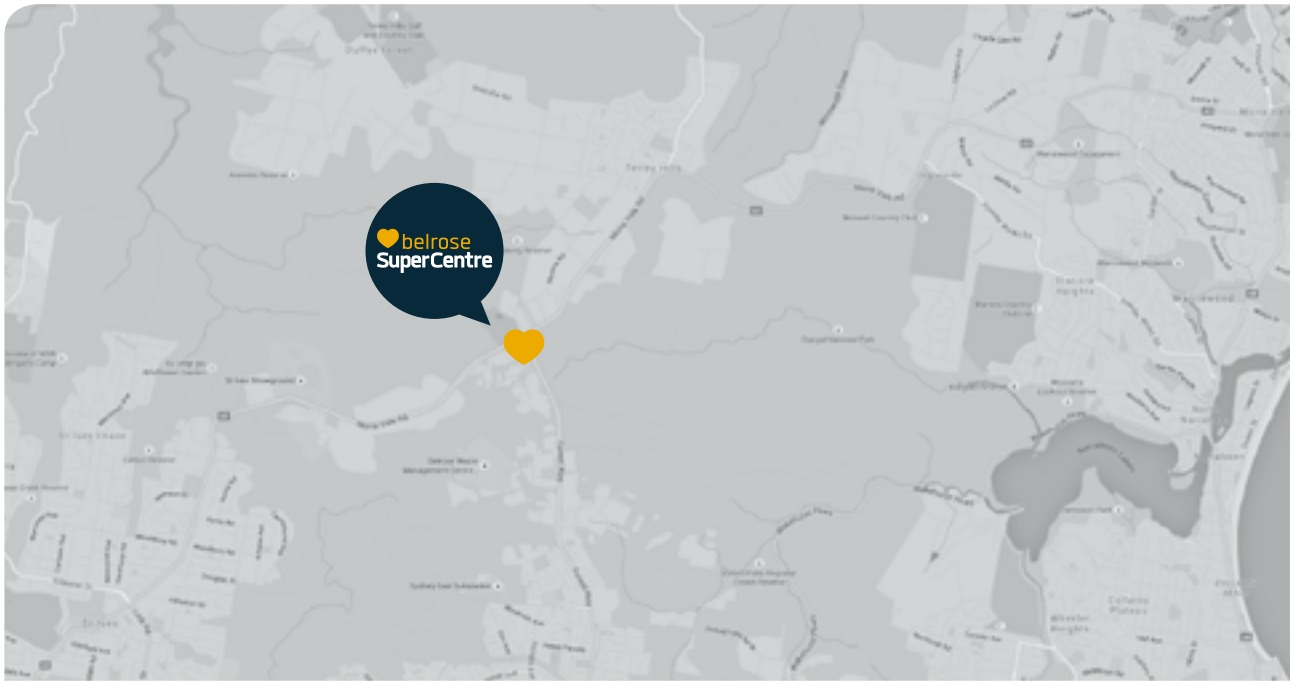
Asset strategy

- Confirming the feasibility for the recently approved 2,000 square metre rooftop expansion including pre-committed retailers to provide a compelling retail offer
- Ongoing remixing of the centre including new leases and major tenant renewals
- Continued enhancement of family-focused areas
- Utilise a range of food tenancies within centre to attract customers from surrounding business parks and the adjacent Bunnings Warehouse

Property information	
Ownership interest	100%
Title	Freehold
Purchase price	$105.0m
Capitalisation rate	7.50%
WALE (by income)	2.9 years
Occupancy (by area)	100.0%
Number of tenancies	40
Percentage of national retailers	87%
Zoning	B7 Business Park
Site area	40,230 sqm
Gross lettable area	32,091 sqm
Car park spaces	1,185
Rate per square metre	$3,272
Building age	9 years
Latest refurbishment/expansion	–
Total catchment area (number of people)	341,747

Independent valuation	
Valuer	Knight Frank
Valuation date	30 June 2015
Valuation	$105.0m
Capitalisation rate	7.50%
Terminal capitalisation rate	8.00%
Discount rate	8.75%

Location map



VALUATION
$105.0M

GLA
32,091 M²

TENANCIES
40

WALE
2.9 YEARS

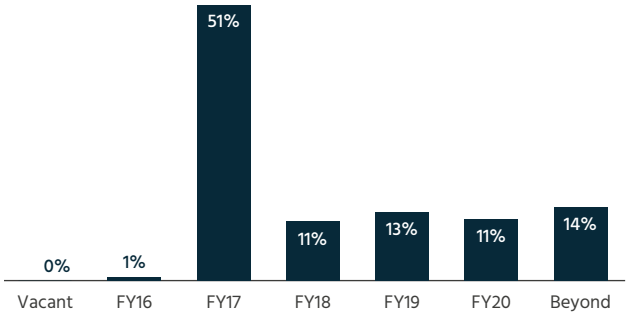
BELROSE SUPER CENTRE

4-6 Niangala Road, Belrose NSW 2085

Summary of major tenants

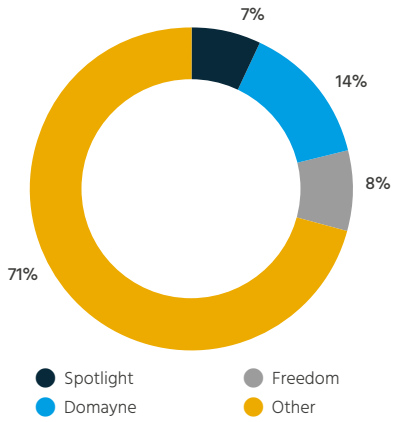
Tenant	Leased area (sqm)	Expiry	% of total gross income
Domayne	7,180	October 2016	14%
Freedom	3,010	October 2016	8%
Spotlight	2,815	January 2018	7%
Total	13,005		29%

Lease expiry profile by area[1]



1. Holdover tenancies as at 30 June 2015 treated as FY16 expiries.

Major tenant composition by gross income



Aerial view

SUBWAY

JB Hi-Fi
SPOTLIGHT
MOBILE PHONES

CARINGBAH HOME

220 Taren Point Road, Caringbah NSW 2229

Description

This well-established centre is located just 20 kilometres south of Sydney's CBD. The centre has exposure to approximately 55,000 cars per day to Taren Point Road.

A good representation of national LFR brands are based at the centre spanning over two retail levels and totalling 19,377 square metres of GLA. The centre benefits from the above average household income in the catchment and the strong LFR goods spending equating to 7.7% above the Sydney average per capita, for a total market share of $1,136 million. Caringbah Home is the only integrated LFR centre in Sydney's Sutherland Shire.

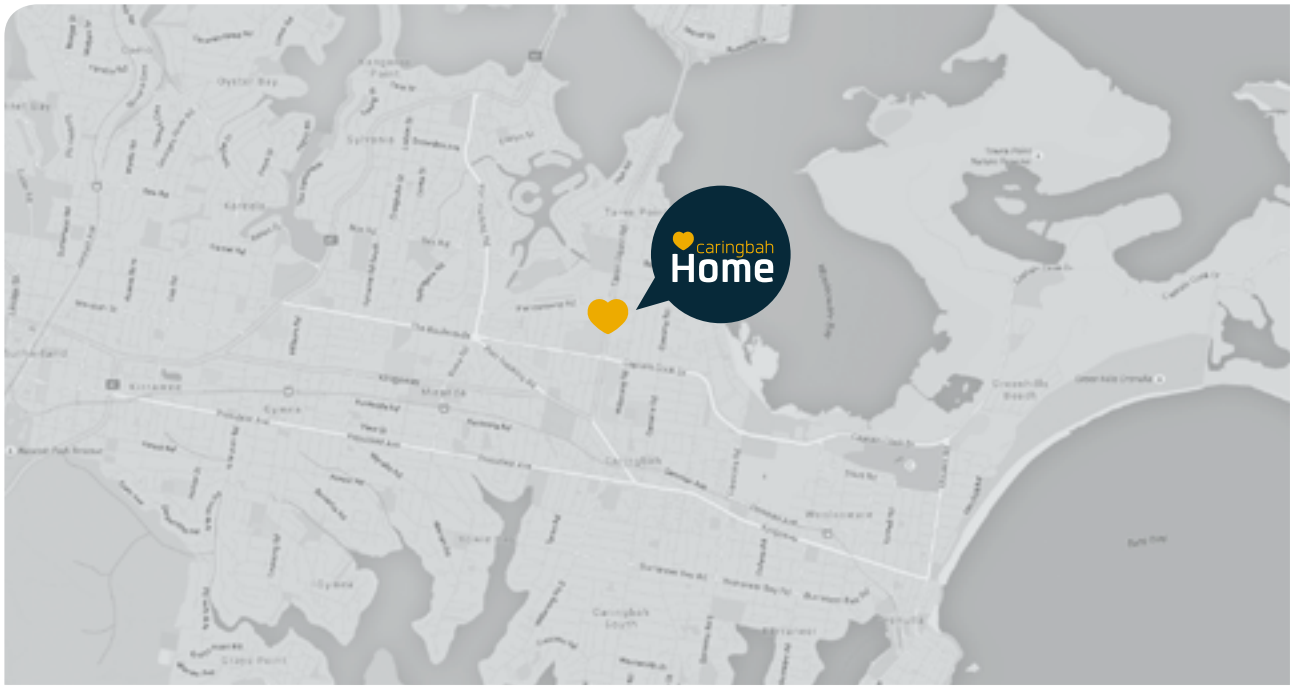
Asset strategy

- Achieve development approval to further expand and refurbish the centre by providing additional GLA and car parking through the consolidation of two recently acquired adjacent properties
- Continue to drive customer traffic by marketing the range and convenience provided by the centres retail offering and tenancy mix

Property information	
Ownership interest	100%
Title	Freehold
Purchase price	$82.5m
Capitalisation rate	8.00%
WALE (by income)	2.4 years
Occupancy (by area)	100.0%
Number of tenancies	26
Percentage of national retailers	82%
Zoning	B5 – Business Development
Site area	22,818 sqm
Gross lettable area	19,377 sqm
Rate per square metre	$4,255
Car park spaces	593
Building age	19 years
Latest refurbishment/expansion	–
Total catchment area (number of people)	299,676

Independent valuation	
Valuer	Knight Frank
Valuation date	30 June 2015
Valuation	$82.5m
Capitalisation rate	8.00%
Terminal capitalisation rate	8.25%
Discount rate	9.00%

Location map



VALUATION	GLA	RETAILERS	WALE
$82.5M	19,377 M^2	26	2.4 YEARS

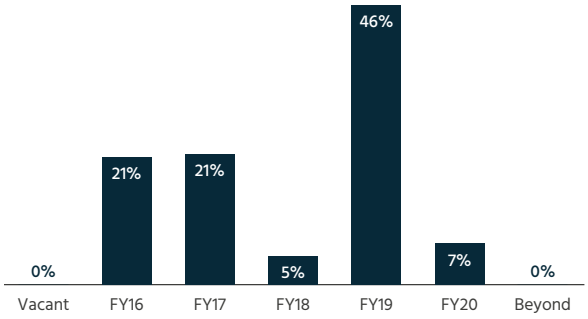
CARINGBAH HOME

220 Taren Point Road, Caringbah NSW 2229

Summary of major tenants

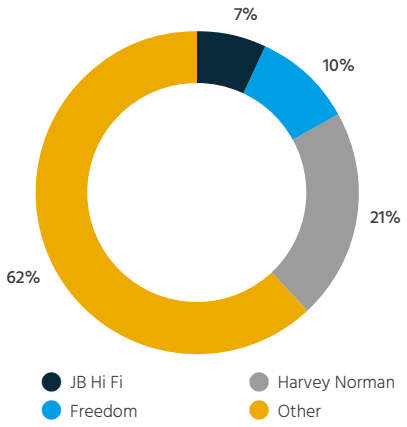
Tenant	Leased area (sqm)	Expiry	% of total gross income
Harvey Norman	7,560	May 2019	21%
Freedom	2,585	June 2016	10%
JB Hi-Fi	837	July 2016	7%
Total	**10,982**		**38%**

Lease expiry profile by area[1]



1. Holdover tenancies as at 30 June 2015 treated as FY16 expiries.

Major tenant composition by gross income



Aerial view

the little
cuppa

freedom

CRANBOURNE HOME

398 South Gippsland Highway, Cranbourne VIC 3977

Description

Located in one of Victoria's fastest growing regions, Cranbourne Home has been established for 15 years and is located 50 kilometres south-east of Melbourne's CBD.

The property includes an adjacent expansion site anchored by Masters Home Improvement ("Masters") and complemented by a pad site and vacant commercial land on which five new showrooms are proposed in the future, with approximately 7,000 square metres being council approved. On completion of the expansion, Cranbourne Home will be one of the largest LFR centres in Australia.

Asset strategy

- Successful delivery and opening of the Masters tenancy
- Integration of the expanded site with the existing centre
- Secure additional pre-commitments on new LFR showrooms and Thompsons Road pad site
- Completion of centre facelift and aesthetic enhancement works
- Explore the future "value-add' potential of the approximately 3,300 square metre pad site area in Bunnings' car park

1. Metrics are calculated on the blended basis including the Cranbourne expansion.

Property information[1]	
Ownership interest	100%
Title	Freehold
Purchase price	$114.1m
Capitalisation rate	7.83%
WALE (by income)	7.0 years
Occupancy (by area)	95.9%
Number of tenancies	32
Percentage of national retailers	91.4%
Zoning	Commercial 2 Zone
Site area	193,900 sqm
Gross lettable area	54,337 sqm
Rate per square metre	$2,087
Car park spaces	1,758
Building age	15 years
Latest refurbishment/expansion	2015
Total catchment area (number of people)	180,010

Independent valuation[1]	
Valuer	CBRE
Valuation date	30 June 2015
Valuation	$114.1m
Capitalisation rate	7.83%
Terminal capitalisation rate	8.08%
Discount rate	9.17%

Location map

VALUATION
$114.1M

GLA
54,337M²

RETAILERS
32

WALE
7.0 YEARS

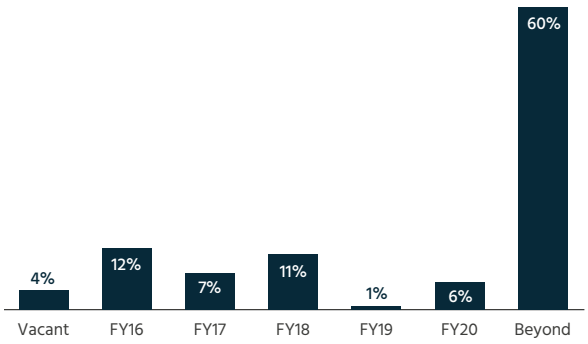
CRANBOURNE HOME

398 South Gippsland Highway, Cranbourne VIC 3977

Summary of major tenants

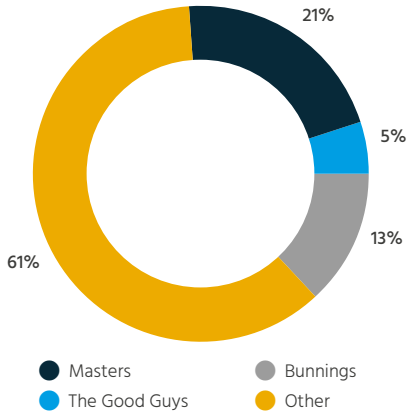
Tenant	Leased area (sqm)	Expiry	% of total gross income
Masters Home Improvement	13,567	October 2030	21%
Bunnings Warehouse	10,938	April 2027	13%
The Good Guys	2,597	June 2020	5%
Total	**27,102**		**40%**

Lease expiry profile by area[1]



1. Holdover tenancies as at 30 June 2015 treated as FY16 expiries.

Major tenant composition by gross income



Aerial view

SPOTLIGHT

Home
Linen Chest
pillow talk
Home
is where the heart is ...

Beacon LIGHTING
Officeworks
Officeworks
Best Friends

HIGHLANDS HUB

205 Old Hume Highway, Mittagong NSW 2575

Description

The centre is located on a 3.1 hectare site, 116 kilometres south-west of Sydney. This purpose built centre was developed in 2008 on a prominent corner site with a 150 metre highway frontage to Old Hume Highway and adjacent to Highlands Marketplace, Mittagong.

The population is forecast to grow at a rate slightly above the regional New South Wales average with a total growth of 9% forecast over the next 9 years. High income levels are reflected in LFR spending rates 11.4% above regional New South Wales. Highlands Hub is the only LFR centre located in the Southern Highlands region.

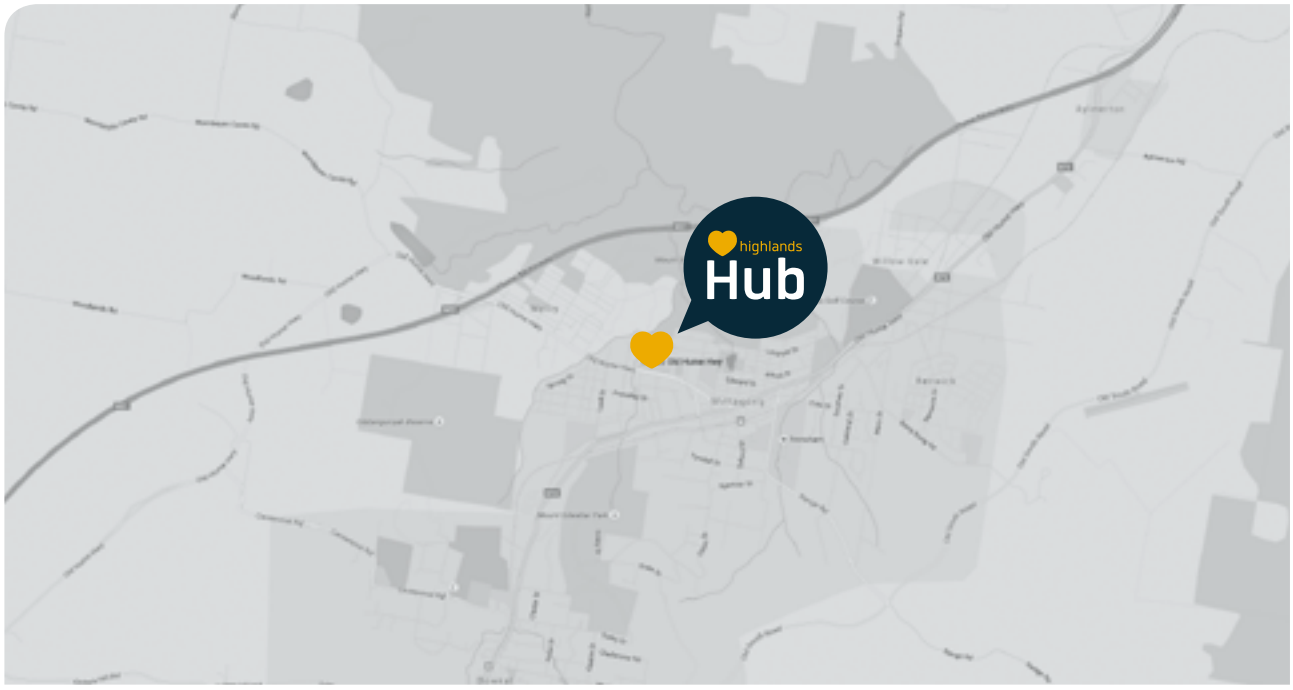
Asset strategy

- Improve occupancy and ongoing optimisation of tenancy mix to capitalise on flexible retail zoning
- Potential expansion to the rear of several existing tenancies
- Leverage the complementary retail offering of the adjoining Highlands Marketplace to position the centre as part of the Southern Highlands retail precinct

Property information	
Ownership interest	100%
Title	Freehold
Purchase price	$28.5m
Capitalisation rate	8.25%
WALE (by income)	4.8 years
Occupancy (by area)	98.9%
Number of tenancies	15
Percentage of national tenancies	84%
Zoning	B5 – Business Development
Site area	31,890 sqm
Gross lettable area	11,404 sqm
Rate per square metre	$2,499
Car park spaces	270
Building age	7 years
Latest refurbishment/expansion	2011
Total catchment area (number of people)	51,586

Independent valuation	
Valuer	Jones Lang LaSalle
Valuation date	30 June 2015
Valuation	$28.5m
Capitalisation rate	8.25%
Terminal capitalisation rate	8.50%
Discount rate	9.75%

Location map



VALUATION
$28.5M

GLA
11,404 M²

RETAILERS
15

WALE
4.8 YEARS

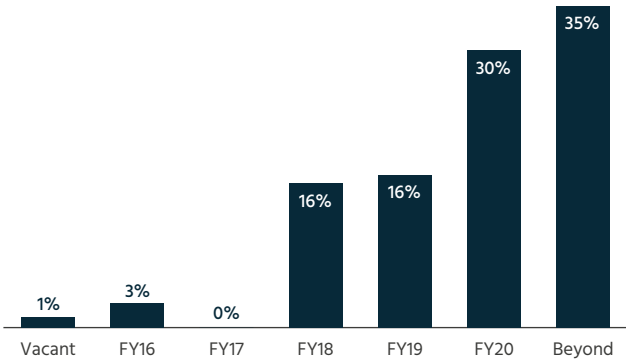
HIGHLANDS HUB

205 Old Hume Highway, Mittagong NSW 2575

Summary of major tenants

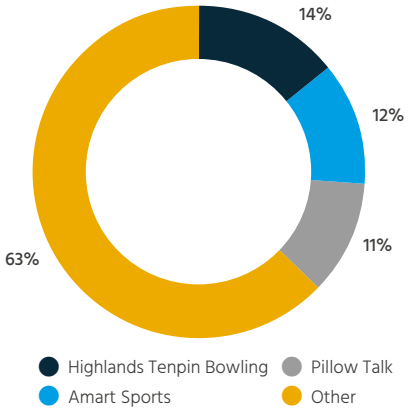
Tenant	Leased area (sqm)	Expiry	% of total gross income
Highlands Tenpin Bowling	1,518	April 2020	14%
Amart Sports	1,768	May 2024	12%
Pillow Talk	1,769	October 2017	11%
Total	5,055		37%

Lease expiry profile by area[1]



1. Holdover tenancies as at 30 June 2015 treated as FY16 expiries.

Major tenant composition by gross income



Aerial view

BEST & LESS
Officework

dick smith

Best&Less

JINDALEE HOME

34 Goggs Road, Jindalee QLD 4074

Description

This well-established centre sits on a prominent 7.2 hectare site with 325 metres of main road frontage and is located 13 kilometres south-west of Brisbane's CBD. The centre has flexible zoning allowing for a diverse mix of retailers including a Coles-anchored neighbourhood centre.

The catchment area of 302,935 is forecast to grow at a rate of 2.8% per annum. LFR spending within the area is also predicted to grow by $400 million over the next nine years. Jindalee Home is the largest and the most dominant LFR centre within its catchment.

Asset strategy

- Integrating recent expansion into the centre's retail mix including securing a retailer for the last new showroom as part of the expansion
- Completing centre facelift and refurbishment works including retailer signage upgrades and landscaping to improve circulation across and throughout the centre
- Continue to explore value enhancement opportunities including the potential redevelopment of the centre in the long term
- Explore family-focused projects such as play areas and improved amenities

1. The centre comprises two adjoining properties, Jindalee Village and Jindalee Home. Metrics are calculated on a blended basis.

Property information[1]	
Ownership interest	100%
Title	Freehold
Purchase price	$93.5m
Capitalisation rate	8.06%
WALE (by income)	3.1 years
Occupancy (by area)	97.7%
Number of tenancies	59
Percentage of national retailers	63%
Zoning	QPP – DC1 – District Centre
Site area	72,030 sqm
Gross lettable area	26,467 sqm
Rate per square metre	$3,531
Car park spaces	812
Building age	26 years
Latest refurbishment/expansion	2015
Total catchment area (number of people)	302,935

Independent valuation[1]	
Valuer	CBRE
Valuation date	30 June 2015
Valuation	$93.5m
Capitalisation rate	8.06%
Terminal capitalisation rate	8.31%
Discount rate	9.35%

Location map

VALUATION
$93.5M

GLA
26,467 M^2

RETAILERS
59

WALE
3.1 YEARS

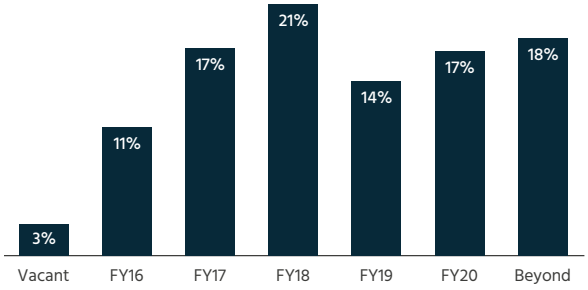
JINDALEE HOME

34 Goggs Road, Jindalee QLD 4074

Summary of major tenants

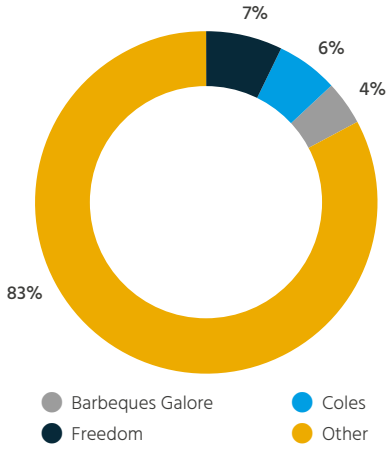
Tenant	Leased area (sqm)	Expiry	% of total gross income
Freedom	2,354	November 2017	7%
Coles	2,546	November 2019	6%
Barbeques Galore	1,312	August 2017	4%
Total	**6,212**		**17%**

Lease expiry profile by area[1]



1. Holdover tenancies as at 30 June 2015 treated as FY16 expiries.

Major tenant composition by gross income



Aerial view

OPEN 7 DAYS
Beacon

freedom

snap

KOTARA HOME (SOUTH)

30 Northcott Drive, Kotara NSW 2289

Description

Kotara Home (South) is located six kilometres west of Newcastle's CBD and positioned opposite the regional shopping centre Westfield Kotara. Including the adjoining Kotara Home (North) the centre is one of the largest LFR centres in Australia equating to a total GLA of 59,059 square metres.

The fully occupied centre benefits from a prominent location in the heart of Newcastle's urban mass totalling a catchment population of 296,019 people. LFR spending in the catchment area is 6.7% above the New South Wales regional average and average household incomes in the catchment area are approximately 17% higher than the New South Wales regional average.

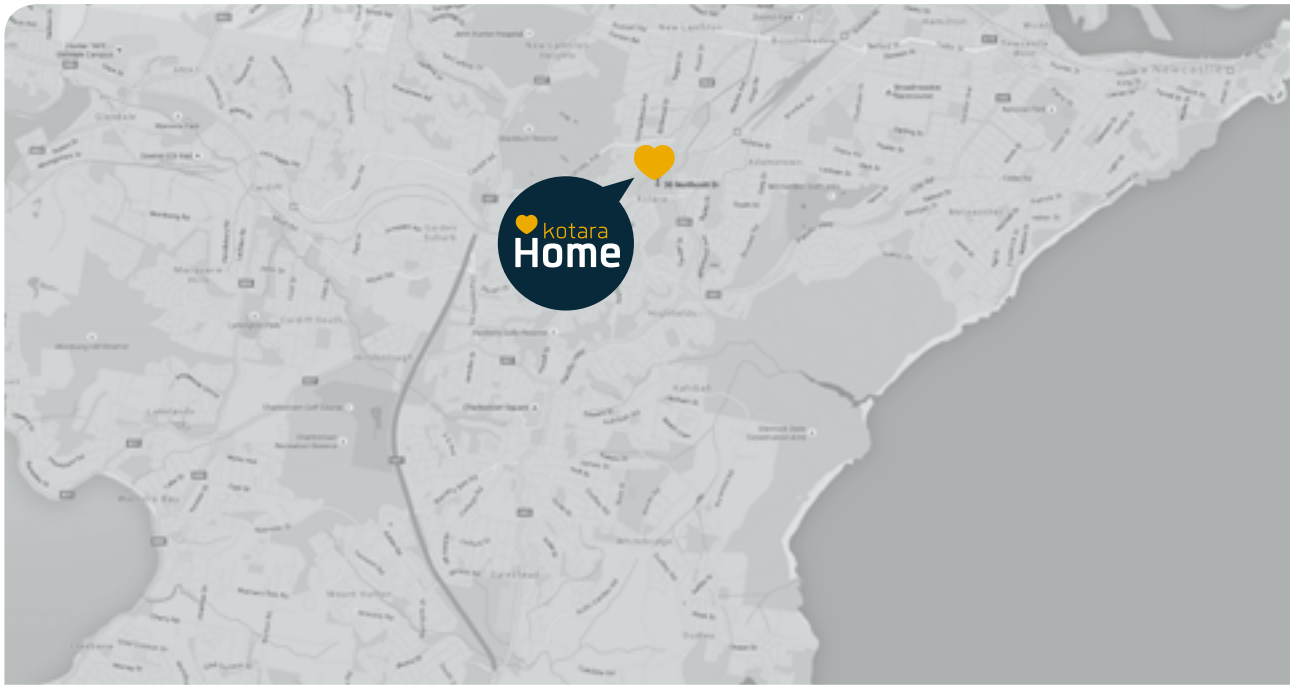
Asset strategy

- Continued optimisation of tenancy mix to capitalise on the flexible retail zoning
- Working closely with two major retailers to explore potential expansion opportunities
- Encourage customer traffic within and throughout the centre via the provision of rest stops and improved pedestrian walkways

Property information	
Ownership interest	100%
Title	Freehold
Purchase price	$95.5m
Capitalisation rate	7.50%
WALE (by income)	4.9 years
Occupancy (by area)	100.0%
Number of tenancies	22
Percentage of national retailers	96%
Zoning	B2 Local Centre
Site area	53,390 sqm
Gross lettable area	29,148 sqm
Rate per square metre	$3,276
Car park spaces	500
Building age	15 years
Latest refurbishment/expansion	–
Total catchment area (number of people)	296,019

Independent valuation	
Valuer	Knight Frank
Valuation date	30 June 2015
Valuation	$95.5m
Capitalisation rate	7.50%
Terminal capitalisation rate	8.00%
Discount rate	8.75%

Location map



VALUATION
$95.5M

GLA
29,148 M^2

RETAILERS
22

WALE
4.9 YEARS

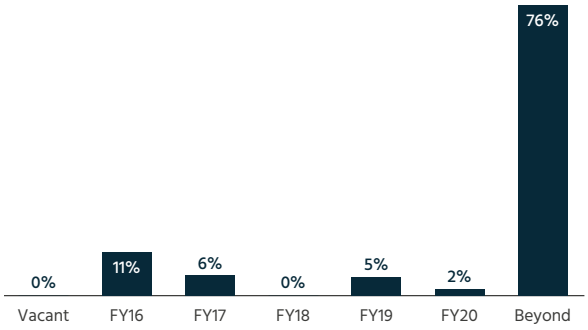
KOTARA HOME (SOUTH)

30 Northcott Drive, Kotara NSW 2289

Summary of major tenants

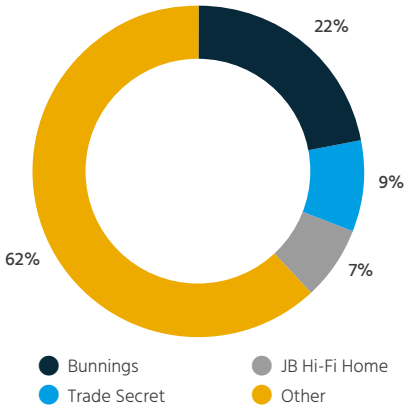
Tenant	Leased area (sqm)	Expiry	% of total gross income
Bunnings	12,863	July 2020	22%
Trade Secret	2,337	December 2020	9%
JB Hi-Fi Home	1,641	September 2024	7%
Total	**16,841**		**38%**

Lease expiry profile by area[1]



1. Holdover tenancies treated as FY16 expiries.

Major tenant composition by gross income



Aerial view

BUNNINGS
warehouse
LOWEST PRICES
ARE JUST THE
BEGINNING . . .

MIDLAND HOME

4 Clayton Street, Midland WA 6056

Description

Midland Home is located on a 4.2 hectare site, 20 kilometres from Perth's CBD and 6.3 kilometres north-east of Perth airport.

The centre has a 398 metre frontage to Clayton Street and sits opposite soon to be completed St John of God Hospital and Lloyd Street underpass. Midland Home is therefore well placed to benefit from the expected improved traffic flows and access. This growing urban corridor is forecast to grow at an annual rate of 2% per annum.

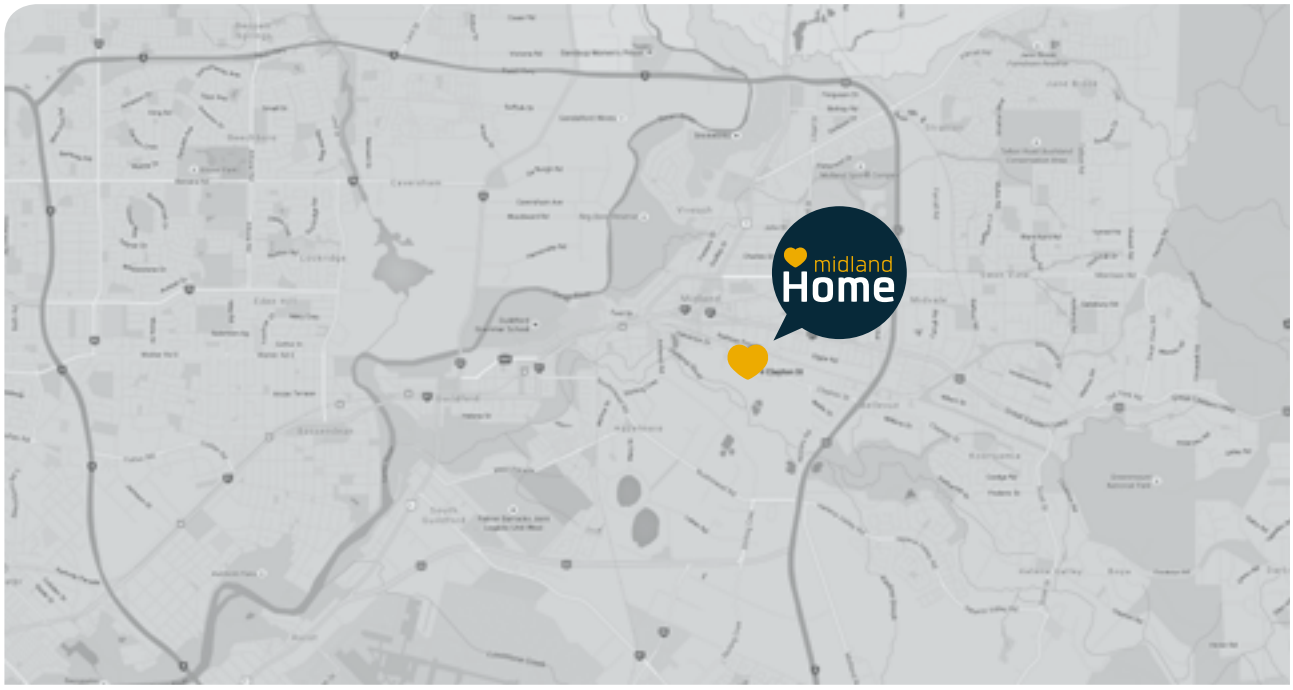
Asset strategy

- Opening of major retailer Nick Scali in the 2,101 square metre tenancy and successful leasing of the adjoining tenancy
- Seek to capitalise on increased customer traffic following completion of Lloyd Street underpass and opening of the new hospital in November 2015
- Explore value enhancing opportunities in the long term that capitalise on future changes within the precinct

Property information	
Ownership interest	100%
Title	Freehold
Purchase price	$48.5m
Capitalisation rate	8.75%
WALE (by income)	4.5 years
Occupancy (by area)	98.7%
Number of tenancies	18
Percentage of national retailers	93%
Zoning	Midland Redevelopment Area
Site area	42,640 sqm
Gross lettable area	23,411 sqm
Rate per square metre	$2,072
Car park spaces	350
Building age	9 years
Latest refurbishment/expansion	–
Total catchment area (number of people)	238,362

Independent valuation	
Valuer	Colliers
Valuation date	30 June 2015
Valuation	$48.5m
Capitalisation rate	8.75%
Terminal capitalisation rate	9.00%
Discount rate	9.25%

Location map



VALUATION
$48.5M

GLA
23,411 M^2

RETAILERS
18

WALE
4.5 YEARS

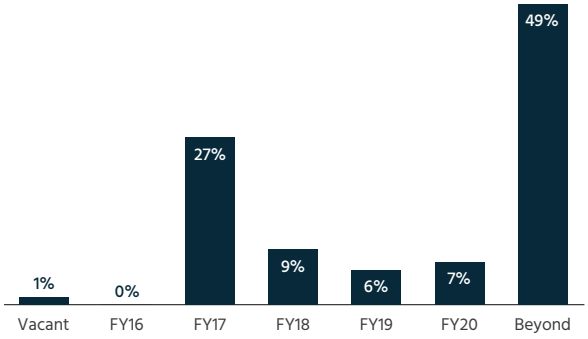
MIDLAND HOME

4 Clayton Street, Midland WA 6056

Summary of major tenants

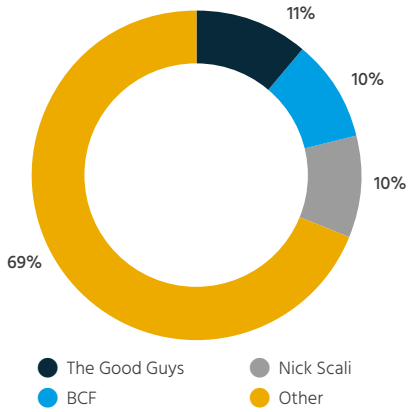
Tenant	Leased area (sqm)	Expiry	% of total gross income
The Good Guys	2,954	August 2023	11%
BCF	2,144	June 2018	10%
Nick Scali	2,101	August 2023	10%
Total	**7,199**		**31%**

Lease expiry profile by area[1]



1. Holdover tenancies treated as FY16 expiries.

Major tenant composition by gross income



Aerial view

THE GOOD GUYS

THE GOOD GUYS
officeworks
JB HI-FI

Baby Bunting
the one stop baby shop

MILE END HOME

140 Railway Terrace, Mile End South SA 5031

Description

Mile End Home is located between Railway Terrace and James Congdon Drive, two kilometres west of Adelaide's CBD. The centre comprises of 33,463 sqm of GLA and is based adjacent to a Bunnings Warehouse.

The catchment area of 473,321 people is forecast to grow at a rate of 7.0% over next 9 years fuelled by apartment growth within Adelaide's CBD. The centre is the largest LFR centre in central Adelaide and has benefited from the high average spend per capita on LFR goods, 6.4% above the Adelaide average.

Asset strategy

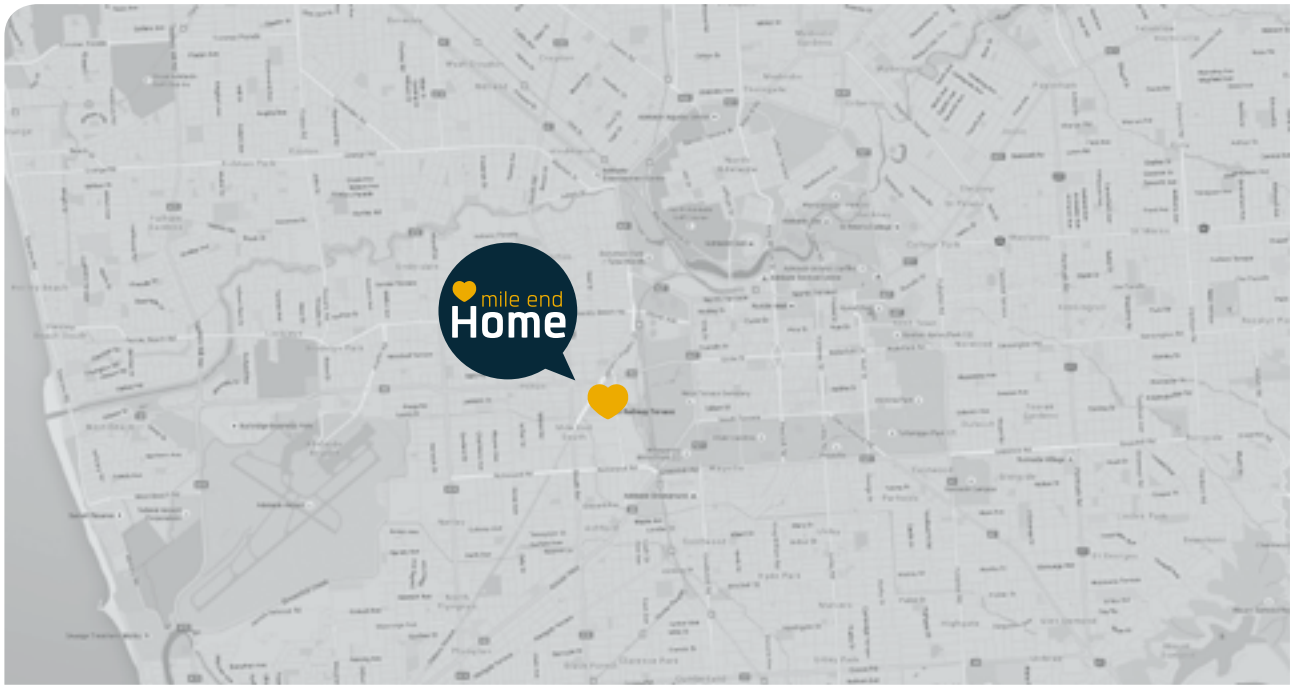
- Completion of centre expansion works and integration of operations into new adjoining property
- Continued refurbishment and aesthetic enhancement works, in particular landscaping of two centre entrances, creation of family-focused areas and encouraging customers to cross-shop within the centre walkways, rest stops and improved pedestrian walkways

Property information[1]	
Ownership interest	100%
Title	Freehold
Purchase price	$77.2m
Capitalisation rate	8.50%
WALE (by income)	3.6 years
Occupancy (by area)	96.5%
Number of tenancies	31
Percentage of national retailers	84%
Zoning	Bulky Goods Zone
Site area	71,320 sqm
Gross lettable area	33,463 sqm
Rate per square metre	$2,307
Car park spaces	744
Building age	11 years (Stage 1+2) 9 years (Stage 3
Latest refurbishment/expansion	2015
Total catchment area (number of people)	473,321

Independent valuation[1]	
Valuer	Jones Lang LaSalle
Valuation date	30 June 2015
Valuation	$77.2m
Capitalisation rate	8.50%
Terminal capitalisation rate	8.75%
Discount rate	9.50%

1. Metrics are calculated on the blended basis including the Stage 3 expansion acquired as part of the Acquisition Agreements.

Location map



VALUATION
$77.2M

GLA
33,463 M²

RETAILERS
31

WALE
3.6 YEARS

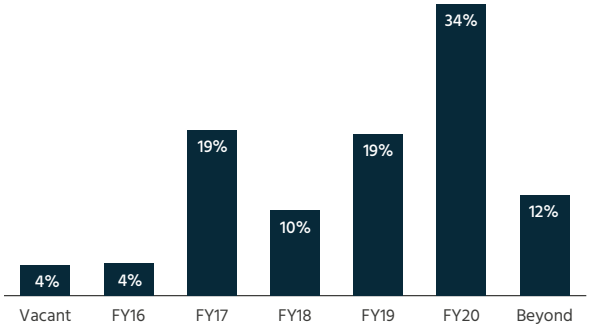
MILE END HOME

140 Railway Terrace, Mile End South SA 5031

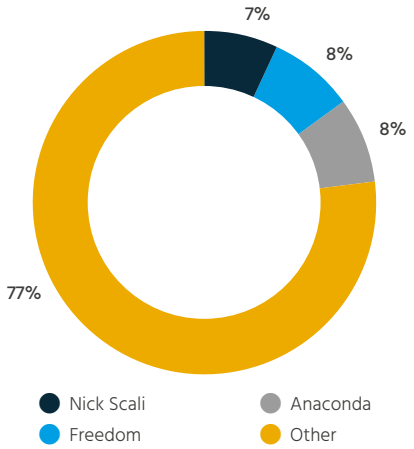
Summary of major tenants

Tenant	Leased area (sqm)	Expiry	% of total gross income
Anaconda	3,280	July 2017	8%
Freedom	2,574	November 2019	8%
Nick Scali	2,258	March 2020	7%
Total	**8,112**		**23%**

Lease expiry profile by area[1]



Major tenant composition by gross income



1. Holdover tenancies treated as FY16 expiries.

Aerial view

DISCOUNT
CITY
CARPETS
Beacon
LIGHTING
Forty
Winks

ANACONDA
the adventure starts here

freedom

PENINSULA HOME

1128 – 1132 Nepean Highway, Mornington VIC 3931

Description

Located 52 kilometres south of the Melbourne CBD, Peninsula Home occupies an 8.4 hectare site beside a Bunnings Warehouse

The 100% occupied site has a GLA of 32,134 square metres and a 400 metre frontage with a good representation of national retailers. LFR spending in the catchment area is 6.8% above the Melbourne per capita average, totalling $554.6 million.

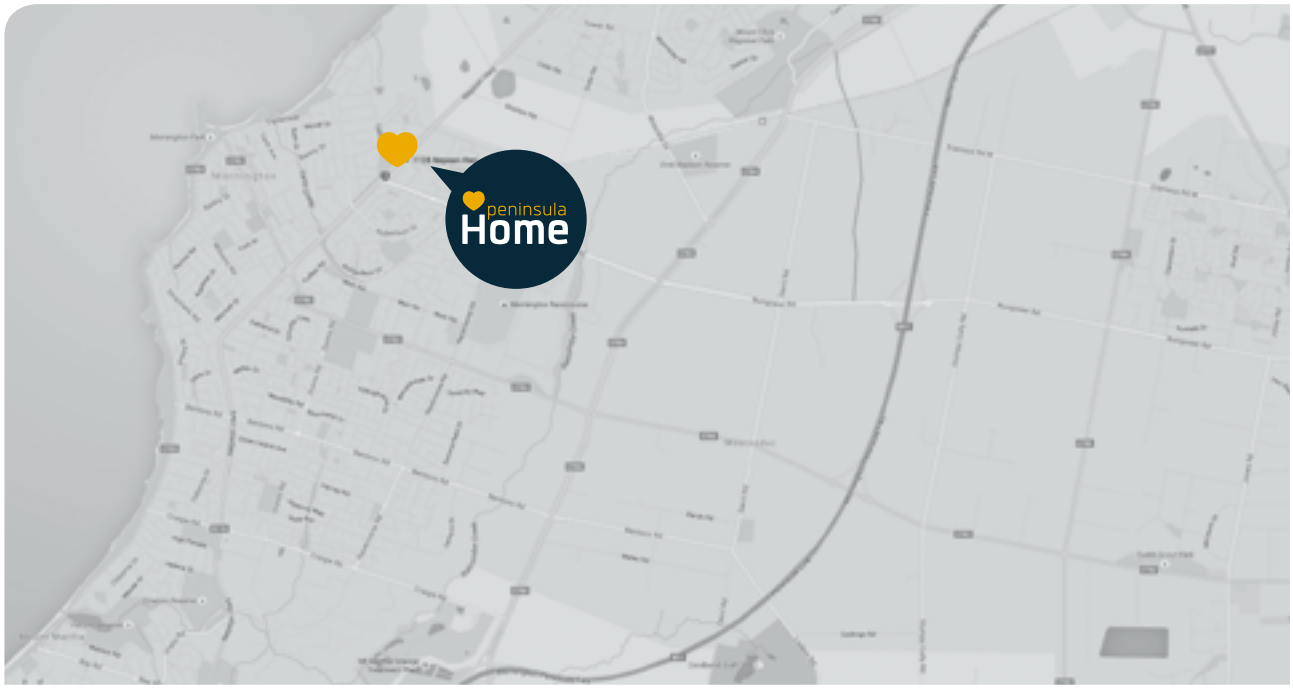
Asset strategy

- Expansion of the centre to allow a new supermarket, expanded café and additional retail tenancies which have recently received council approval
- Optimisation of retail mix post supermarket opening in 2016
- Capitalise on high profile location adjacent to Bunnings and extensive frontage to the Nepean Highway and main connecting road to the Peninsula Link motorway

Property information	
Ownership interest	100%
Title	Freehold
Purchase price	$62.7m
Capitalisation rate	8.50%
WALE (by income)	3.8 years
Occupancy (by area)	100.0%
Number of tenancies	28
Percentage of national retailers	87%
Zoning	Industrial 3
Site area	84,651 sqm
Gross lettable area	32,134 sqm
Rate per square metre	$1,951
Car park spaces	840
Building age	11 years
Latest refurbishment/expansion	2015
Total catchment area (number of people)	159,576

Independent valuation	
Valuer	CBRE
Valuation date	30 June 2015
Valuation	$62.7m
Capitalisation rate	8.50%
Terminal capitalisation rate	8.75%
Discount rate	9.75%

Location map



VALUATION	GLA	RETAILERS	WALE
$62.7M	32,134 M^2	28	3.8 YEARS

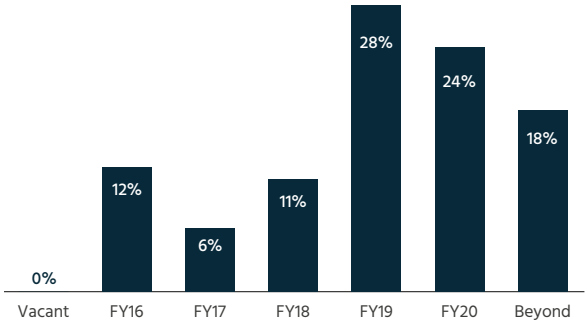
PENINSULA HOME

1128 – 1132 Nepean Highway, Mornington VIC 3931

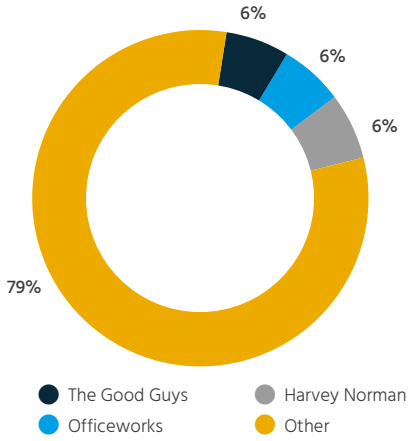
Summary of major tenants

Tenant	Leased area (sqm)	Expiry	% of total gross income
Officeworks	1,781	July 2020	6%
Harvey Norman	3,203	August 2017	7%
The Good Guys	1,879	November 2019	6%
Total	**6,863**		**19%**

Lease expiry profile by area[1]



Major tenant composition by gross income



1. Holdover tenancies treated as FY16 expiries.

Aerial view

BCF

Harvey
Norman

Harvey Norman
THE GOOD GUYS
BestFriends
GODFREYS
SHERIDAN
OUTLET

SUNSHINE COAST HOME

100 Maroochydore Road, Maroochydore QLD 4558

Description

This established centre sits on 6.8 hectares of land and has a 700 metre main road frontage. It is located close to Sunshine Plaza shopping centre on Queensland's Sunshine Coast, 100 kilometres north of Brisbane's CBD.

The catchment population of 313,574 people is forecast to grow at 2.2% per annum, with LFR spending 4.6% above the Queensland regional average. Sunshine Coast Home is the most established LFR centre in the catchment.

Asset strategy

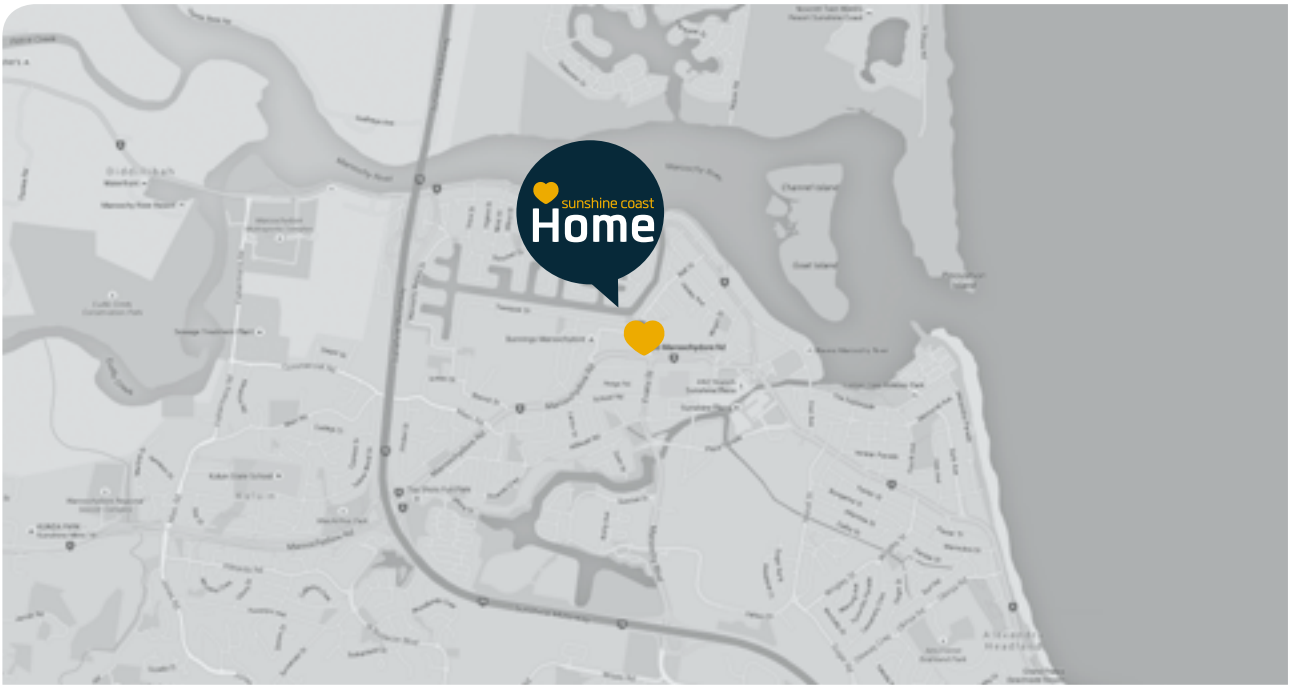
- Obtain approval for the expansion of the centre as well as subdivision of the Bunnings Warehouse tenancy
- Achieving pre-commitments for subdivision prior to Bunnings Warehouse lease expiry in December 2016
- Ongoing optimisation of tenancy mix post settlement
- Profile the diverse range of retail mix and broad range of usages in centre to maximise centre traffic

Property information	
Ownership interest	100%
Title	Freehold
Purchase price	$64.5m
Capitalisation rate	8.00%
WALE (by income)	3.5 years
Occupancy (by area)	96.7%
Number of tenancies	32
Percentage of national retailers	83%
Zoning	Specialised Centre Zoning
Site area	68,877 sqm
Gross lettable area	27,577 sqm
Rate per square metre	$2,339
Car park spaces	800
Building age	13 years
Latest refurbishment/expansion	2015
Total catchment area (number of people)	313,574

Independent valuation[1]	
Valuer	Knight Frank
Valuation date	30 June 2015
Valuation	$64.5m
Capitalisation rate	8.00%
Terminal capitalisation rate	8.50%
Discount rate	9.75%

1. Purchase price includes $1.4 million warehousing fee, $1.4 million development cost and excludes $0.4 million of vendor's contribution to development costs. Refer to Section 13.5.1 for further detail.

Location map



VALUATION
$64.5M

GLA
27,577 M^2

RETAILERS
32

WALE
3.5 YEARS

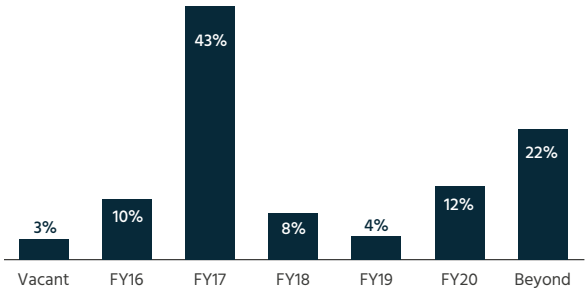
SUNSHINE COAST HOME

100 Maroochydore Road, Maroochydore QLD 4558

Summary of major tenants

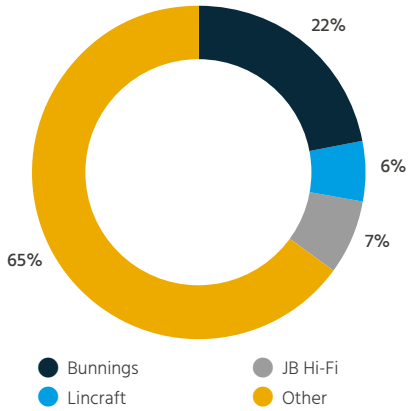
Tenant	Leased area (sqm)	Expiry	% of total gross income
Bunnings Warehouse	8,267	December 2016	22%
JB Hi-Fi	1,754	May 2025	7%
Lincraft	1,792	April 2018	6%
Total	**11,813**		**35%**

Lease expiry profile by area[1]



1. Holdover tenancies treated as FY16 expiries.

Major tenant composition by gross income



Aerial view

TRADE SECRET

AUSTRALIA'S LARGEST
HOME ENTERTAINMENT
RETAILER
JB HI-FI
GAMES

TUGGERAH SUPER CENTRE

2 Bryant Drive, Tuggerah NSW 2259

Description

This centre is located on the New South Wales Central Coast, approximately 90 kilometres north of Sydney's CBD. Anchored by a recently expanded and refurbished Bunnings Warehouse, the centre also includes national retailers The Good Guys, Spotlight and Fantastic Furniture, and is located opposite the Tuggerah train station and close to Tuggerah Westfield.

This centre comprises of 24 tenancies with the potential to span two levels based on occupancy and expansion plans. Tuggerah Super Centre also faces an additional 5.5 hectare vacant site not included in the centre.

The catchment is forecast to grow by 8% by 2024. The LFR market is expected to grow at an annual rate of 2.4%.

Asset strategy

- Commencement of a substantial centre refurbishment including rebranding and relaunching as Tuggerah Super Centre
- Increasing occupancy and enhancing tenancy mix
- Exploring medium term opportunities for the development of the vacant 5.5 hectare site opposite the centre
- Explore opportunities to lease and develop future first level area of approximately 9,000 square metres

1. Excludes $3.75 million of vacant land for which the Fund has a call option with delayed settlement on 1 July 2016.

Property information[1]	
Ownership interest	100%
Title	Freehold
Purchase price	$41.3m
Capitalisation rate	7.25%
WALE (by income)	8.3 years
Occupancy (by area)	90.5%
Number of tenancies	24
Percentage of national retailers	81%
Zoning	B5 – Business Development
Site area	71,570 sqm
Gross lettable area	28,441 sqm
Car park spaces	758
Rate per square metre	$1,450
Building age	19 years
Latest refurbishment/expansion	2014-2015
Total catchment area (number of people)	209,703

Independent valuation	
Valuer	Knight Frank
Valuation date	30 June 2015
Valuation	$41.3m
Capitalisation rate	7.25%
Terminal capitalisation rate	7.25%
Discount rate	9.00%

Location map

VALUATION
$41.3M

GLA
28,441 M^2

RETAILERS
24

WALE
8.3 YEARS

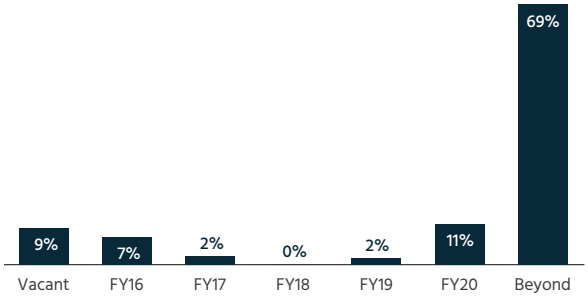
TUGGERAH SUPER CENTRE

2 Bryant Drive, Tuggerah NSW 2259

Summary of major tenants

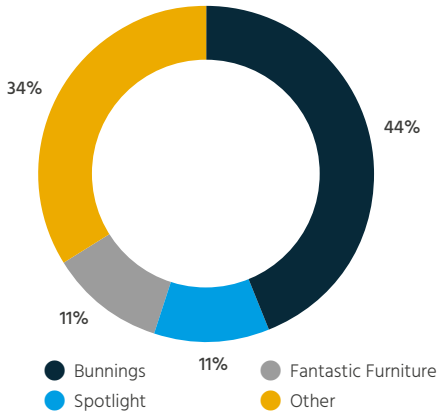
Tenant	Leased area (sqm)	Expiry	% of total gross income
Bunnings Warehouse	13,685	September 2027	44%
Spotlight	2,627	October 2019	11%
Fantastic Furniture	2,006	April 2021	11%
Total	**18,318**		**66%**

Lease expiry profile by area[1]



1. Holdover tenancies treated as FY16 expiries.

Major tenant composition by gross income



Aerial view

BUNNINGS
warehouse

TWEED HUB

112-140 Minjungbal Drive, Tweed Heads South NSW 2486

Description

Tweed Hub is an established mixed-use retail centre located on a prominent 2.6 hectare corner site, five kilometres south of the Queensland-New South Wales border and approximately 7 kilometres from Gold Coast Airport. The centre has a strong visibility due to its high profile location on Minjungbal Drive, a busy road connecting local traffic to the Pacific Motorway.

The centre has a diverse mix of tenants including First Choice Liquor, Primary Health Care and KFC.

The catchment area of the centre is anticipated to grow approximately 17% within the next 9 years.

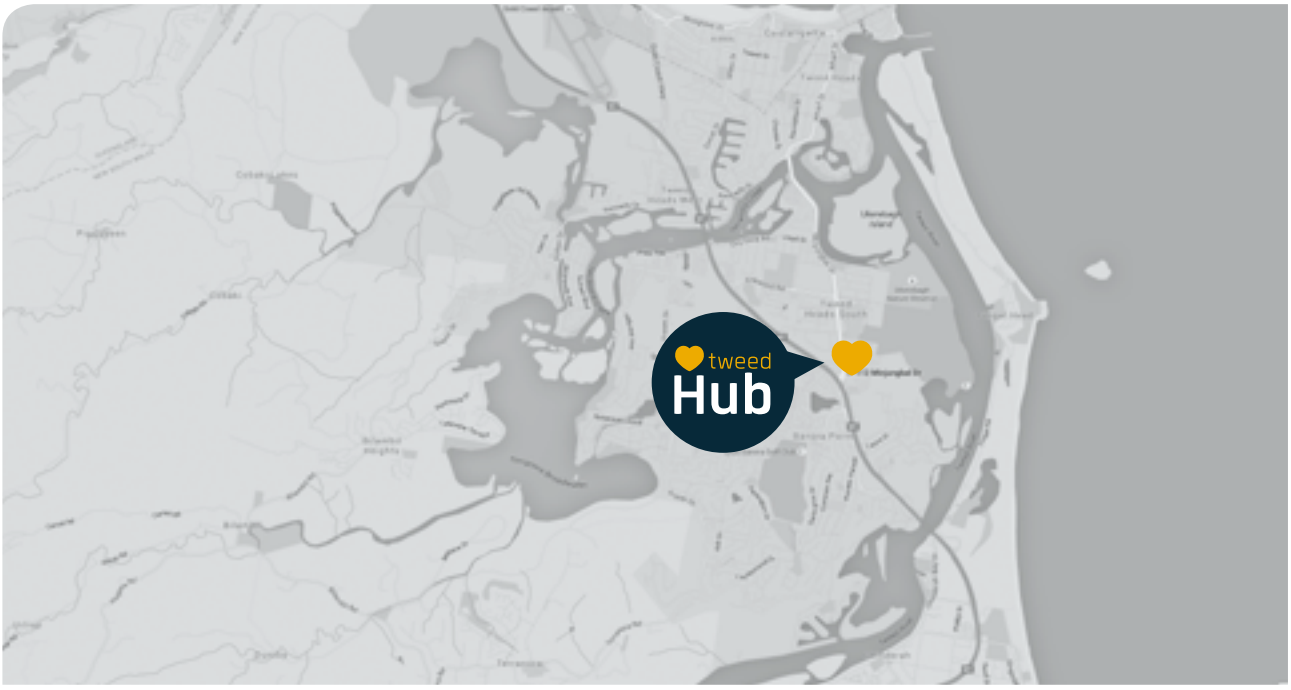
Asset strategy

- Ongoing remixing and proactive asset management of tenancies in order to capitalise on the flexible zoning of the centre
- Additional targeted local marketing and promotion of the range of retail and non retail uses to continue to drive customer traffic

Property information	
Ownership interest	100%
Title	Freehold
Purchase price	$29.5m
Capitalisation rate	8.25%
WALE (by income)	3.4 years
Occupancy (by area)	97.1%
Number of tenancies	17
Percentage of national retailers	71%
Zoning	B5 – Business Development
Site area	26,200 sqm
Gross lettable area	9,763 sqm
Rate per square metre	$3,022
Car park spaces	240
Building age	14 years
Latest refurbishment/expansion	–
Total catchment area (number of people)	166,225

Independent valuation	
Valuer	Jones Lang LaSalle
Valuation date	30 June 2015
Valuation	$29.5m
Capitalisation rate	8.25%
Terminal capitalisation rate	8.50%
Discount rate	9.75%

Location map



VALUATION
$29.5M

GLA
9,763 M^2

RETAILERS
17

WALE
3.4 YEARS

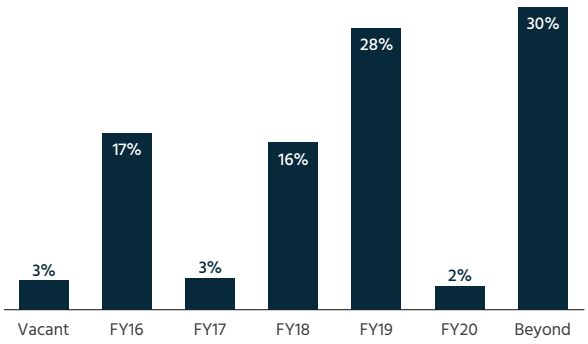
TWEED HUB

112-140 Minjungbal Drive, Tweed Heads South NSW 2486

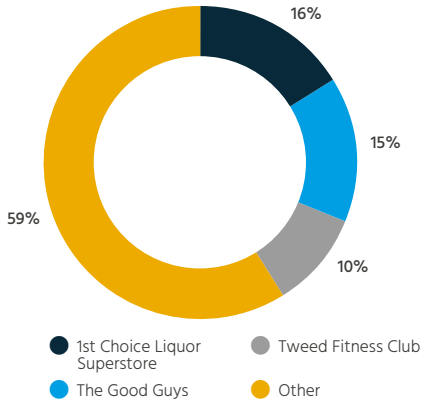
Summary of major tenants

Tenant	Leased area (sqm)	Expiry	% of total gross income
1st Choice Liquor	1,206	December 2020	16%
The Good Guys	2,010	October 2018	15%
Tweed Fitness Club	1,209	November 2020	10%
Total	4,425		41%

Lease expiry profile by area[1]



Major tenant composition by gross income



1. Holdover tenancies treated as FY16 expiries.

Aerial view

THE GOOD GUY
THE GO

TWEED BANORA
MEDICAL
CENTRE

WARNERS BAY HOME

240 Hillsborough Road, Warners Bay NSW 2289

Description

Warners Bay Home is a purpose built centre developed in 2009 on an elevated 3.5 hectare site. Located 12 kilometres south-west of Newcastle's CBD, the centre has good visibility due to its high profile location and 475 metre frontage to Hillsborough Road. Warners Bay is located within the expanding Lake Macquarie catchment area, forecast to grow 6% over the next 9 years, slightly above the regional New South Wales average. Income levels are also above average compared to regional New South Wales, which is reflected in the spending rate, 4.3% above regional New South Wales.

Asset strategy

- Lifting occupancy and completing retailer renewals
- Continue to optimise tenancy mix
- Profile the range of national retailers and convenience retailers within the one centre to differentiate the fragmented surrounding retail

Property information	
Ownership interest	100%
Title	Freehold
Purchase price	$32.5m
Capitalisation rate	8.25%
WALE (by income)	2.9 years
Occupancy (by area)	94.7%
Number of tenancies	12
Percentage of national retailers	93%
Zoning	B7 – Business Park
Site area	35,140 sqm
Gross lettable area	12,337 sqm
Rate per square metre	$2,634
Car park spaces	370
Building age	6 years
Latest refurbishment/expansion	–
Total catchment area (number of people)	226,463

Independent valuation	
Valuer	Jones Lang LaSalle
Valuation date	30 June 2015
Valuation	$32.5m
Capitalisation rate	8.25%
Terminal capitalisation rate	8.50%
Discount rate	9.75%

Location map

VALUATION
$32.5M

GLA
12,337 M²

RETAILERS
12

WALE
2.9 YEARS

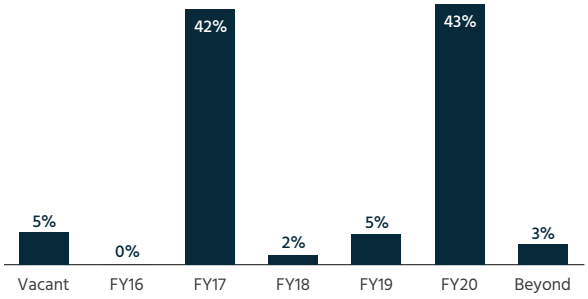
WARNERS BAY HOME

240 Hillsborough Road, Warners Bay NSW 2289

Summary of major tenants

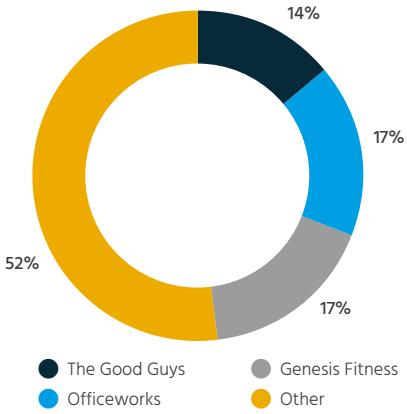
Tenant	Leased area (sqm)	Expiry	% of total gross income
Officeworks	2,088	October 2019	17%
Genesis Fitness	1,893	August 2018	17%
The Good Guys	2,396	October 2016	14%
Total	**6,378**		**48%**

Lease expiry profile by area[1]



1. Holdover tenancies treated as FY16 expiries.

Major tenant composition by gross income



Aerial view

Beacon
THE GOOD GUYS

SUPERCHEAP
officeworks
PETstock

4

// INDEPENDENT MARKET REPORT

BIS Shrapnel
BUSINESS RESEARCH AND FORECASTING

9 September 2015

The Directors
One Managed Investment Funds Limited
as Responsible Entity for Aventus Retail Property Fund
Level 11, 20 Hunter Street
Sydney NSW 2000

Dear Sirs and Mesdames,

Large format retail property—state of play and outlook

BIS Shrapnel has been asked to prepare a commentary on the Australian economic backdrop and the state of play and outlook for the large format retail property sector. We have based our commentary on our *Large Format Retail Property 2014 – 2019* report (released in December 2014), updated as necessary.

This commentary is for the inclusion in a product disclosure statement issued for the purpose of an initial public offering of units in Aventus Retail Property Fund and to be used by members of the due diligence committee established in connection with that initial public offering.

Key points

- Consumer spending on household goods items has surged and is expected to remain strong over the next couple of years, outpacing overall retail spending.
- New South Wales is particularly buoyant given the strength of residential building and household moves.
- Rents in large format retail sectors are expected to enjoy the strongest pace of growth over the next two years since before the GFC.
- Further firming of investment yields is forecast, leading to solid increases in capital values of large format retail centres.

Economic state of play and outlook

The Australian economy is going through a transition away from servicing the mining boom to more broadly based growth. The sharp fall in the $A over the last year—with more to come—is instrumental in facilitating this change. A lower $A will significantly improve the competitiveness and prospects of the tradeables sectors—such as tourism, agriculture, financial and business services, education services, and some parts of manufacturing—help to reduce the leakage of retail spending offshore, and boost economic growth. Indeed, some positive signs are already emerging.

Two other important positive factors are strong resources exports and the strength of residential market—both dwelling building (Chart 1) and household moves (Chart 2). With the expectation of low interest rates for an extended period, and a large deficiency of stock, residential commencements are at record levels. Dwelling completions are rising to an expected new peak level in 2016–17 (Chart 1). The recovery is not uniform between regions, with sizeable stock deficiencies driving the markets in parts of Queensland and New South Wales in particular.

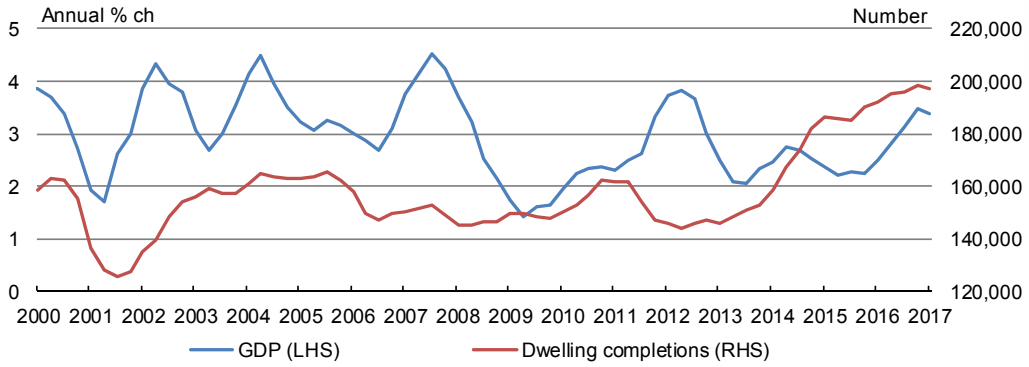
Meanwhile, household income growth has been weak, due to muted employment and wages growth. But employment has started to recover and households still have a healthy buffer of savings from which to

BIS Shrapnel Pty Limited ABN 20 060 358 689 | Level 8, 99 Walker Street North Sydney NSW 2060 Australia | T +61 2 8458 4200 F +61 2 9959 5795 | E shrapnel@bis.com.au www.bis.com.au

draw to maintain recent improvements in spending growth, and help offset weak income growth. Regarding public investment, asset sales will fund increased infrastructure investment going forward.

These positives will offset a decline in mining investment, sluggish non-mining business investment and constrained near term government spending. On balance, the Australian economy should sustain real GDP growth in 2015–16 at around the 2.5% per annum mark recorded over the past few years (Chart 1). We expect to see a notable improvement in the pace of growth in 2016–17, to 3.4%, as both private and public investment and spending strengthen. Household expenditure is set to strengthen more rapidly, with retail turnover growth—already stronger—sustaining real growth of around 3.5% per annum over the next two years.

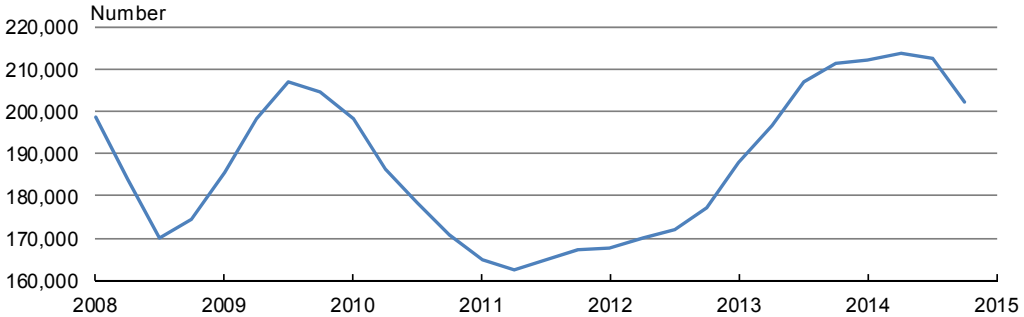
Chart 1: Australian real GDP growth and dwelling completions



Year ended June

Source: BIS Shrapnel, ABS

Chart 2: Established house transfers, Australia (capital cities)



Year ended June

Source: BIS Shrapnel, ABS

Large format retail property market

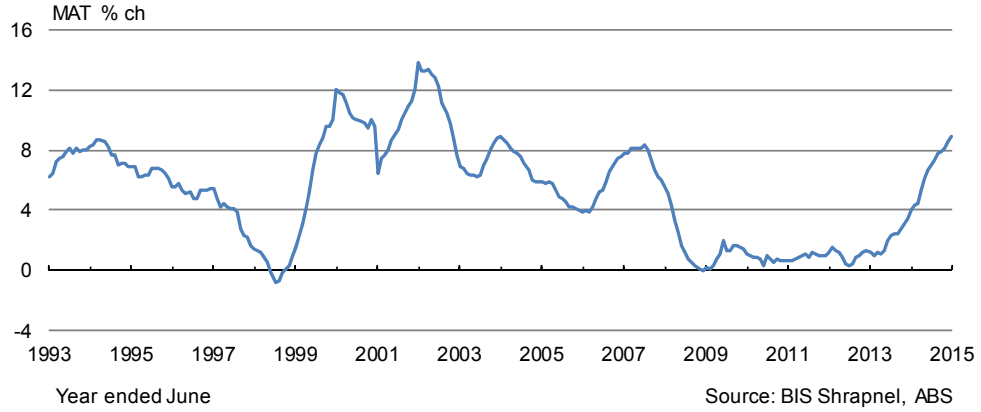
State of play

The large format retail property sector has undergone enormous growth over the last 15-plus years and is now a well-established part of the retail hierarchy. We estimate the December 2014 stock of large format retail property to be some 8.4 million square metres, comprising 4.6 million square metres in centres and 3.8 million square metres in freestanding superstores (mainly home improvement stores). To put this in context, total large format retail floorspace accounts for about half as much floorspace as super-regional, major regional, regional, sub-regional, neighbourhood and enclosed CBD centres combined.

The growth of the sector has been underpinned by strong consumer demand for large format goods and, in turn, strong demand from retailers—who have expanded their store networks accordingly. In current

price terms, retail turnover on 'household goods', which includes all the main categories of spending in large format retail centres and freestanding superstores, grew by an average of 8% per annum through the early to mid 2000s, compared with 6% growth for total retail turnover. Adjusting for sharp price falls in household goods items, the increase was 11% per annum compared with 5% overall. Growth was weaker for a few years post-GFC but has picked up again strongly over the last two years.

Chart 3: Household goods turnover, annual % change, Australia



In the year to June 2015, household goods turnover surged by 8.9%, well above the 4.8% recorded by total retailing. All three sub-sectors of household goods, namely 'furniture, floor coverings, houseware and textile goods', 'electrical and electronic goods' and 'hardware, building and garden supplies' are performing well. So too, in the main, are national listed retailers catering to these segments. The strength of the residential market upswing—in terms of new construction, a delayed recovery in alterations and additions, and household moves—has been a key driver of recent strength. The Eastern Seaboard states of New South Wales, Victoria and Queensland lead the way.

Development of new multi-tenanted large format retail centres has been severely constrained post GFC. Over calendar years 2012 to 2014, completions averaged just over 85,000 square metres per annum Australia-wide, compared with an average of over 255,000 square metres annually during the preceding 14 years. 2014's figure of less than 70,000 square metres was the lowest since before the large format retail sector started to develop in earnest in the late 1990s. By contrast, completions of freestanding superstores have been at record levels over the last three years as Masters and Bunnings roll out and expand their store networks—although the pace of growth by Masters has now been wound back.

The consequence of a pick-up in demand and constrained centre supply has seen vacancies reduce in large format retail centres. Indeed, prime centres are reported generally to have little or no vacancy. In turn, stated rents have strengthened and, after six years of initially falling and then minimal growth, are now more or less on a par with pre-GFC levels. We estimate that centre incomes have performed more strongly than stated rents due to the fact that most leases have annual built-in rental escalations and it is only at lease expiry that there is the potential for rents to revert to market. In addition, centre incomes have been boosted recently by the fall in vacancies.

Turning to the investment market, in common with other classes of retail property, average yields for large format retail centres softened substantially post GFC—by around 220 basis points. However, we suspect that prime centres saw less softening than secondary centres. Average yields did not start firming until late 2013, which is later than for other types of shopping centre. As a consequence, the yield differential between large format centres and regional centres widened to a record (since our data started in 1997) at December 2013, and against sub-regional centres continued to widen for a further 12 months.

More recently, investor demand for large format retail centres has been strong and yields are firming sharply. To date, some 80 bps of the post-GFC softening has been recouped, with average large format

centre yields Australia-wide at just under 8.9% at June 2015. However, this average figure covers both prime and secondary centres; yields applicable to leading centres are more in the range 7.5% to 8.0%.

Recent transactions in 2015 include Waurn Ponds Plaza in Geelong (a centre of some 6,800 square metres) on a reported initial yield of 8.5%, the much larger Domain Central in Townsville (almost 49,999 square metres) on an initial yield of 8.0% and Kessels Court Homemaker Centre (9,300 square metres) in Brisbane on a 7.6% initial yield.

The combination of centre income growth and firming yields has translated into a pick-up in total returns—we estimate the total return over the year to June 2015 to be around 16%.

Outlook

On the basis of continued strong levels of completions of new dwellings and housing turnover, as well as a slowly improving national economy, consumer spending on household goods is expected to continue to outpace overall retail spending over the next couple of years. Our forecasts (which we believe to be conservative) show household goods spending growth of 7.4% in 2015–16 and 5.9% in 2016–17, compared with total spending growth of 5.6% and 5.3% respectively. Because of low price inflation in the household goods category, the volume of goods sold is expected to outperform by a much greater margin. Leading the way is likely to be New South Wales, where the dwelling undersupply is most acute.

At the same time, development activity is limited mainly to freestanding superstores for the likes of Bunnings, Masters and IKEA. As at 30 October 2014, some 410,000 square metres of freestanding superstore floorspace was under construction with a scheduled completion date in 2015. In addition, approximately 120,000 square metres was planned but not yet underway. By contrast, new floorspace in large format retail centres remains severely constrained. Indeed, 2015 may well match 2014's near-20 year low figure. Further, the quantum of centre floorspace likely to be completed in 2016 is also muted.

With strong consumer spending, low vacancy rates, limited new supply and more large format retailers being listed (and expected to roll out new stores), the outlook for rental growth in large format retail centres over the next couple of years is solid. Another positive factor is the greater range of potential tenants taking up space in large format retail centres than was traditionally the case—especially where planning restrictions have been relaxed. Growth sectors include child play centres, pet stores, gyms, medical centres and supermarkets—Aldi has several stores open and more planned in large format centres in Victoria and Queensland, for example. Indeed, we forecast that financial years 2016 and 2017 will record the strongest pace of rental growth since before the GFC.

We expect investment yields to firm further over the next couple of years. Low interest rates and strong inflow of funds are key drivers. In addition, given the near-record yield differential, there is arguably greater potential for yield firming for large format retail centres than for other shopping centre types. Taking our recent forecasts of sub-regional centres as a guide, we expect to see large format centre yields firm by at least 75 to 100 bps over the next two years.

Rental growth combined with a marked firming in yields should translate into solid increases in capital values for large format retail centres over the next couple of years. In our view, those professionally managed centres that have a strong tenancy mix and dominate their catchments are best placed to capitalise on the strong upswing to come.

Yours sincerely,

Frank Gelber

Dr Frank Gelber
Director/Chief Economist

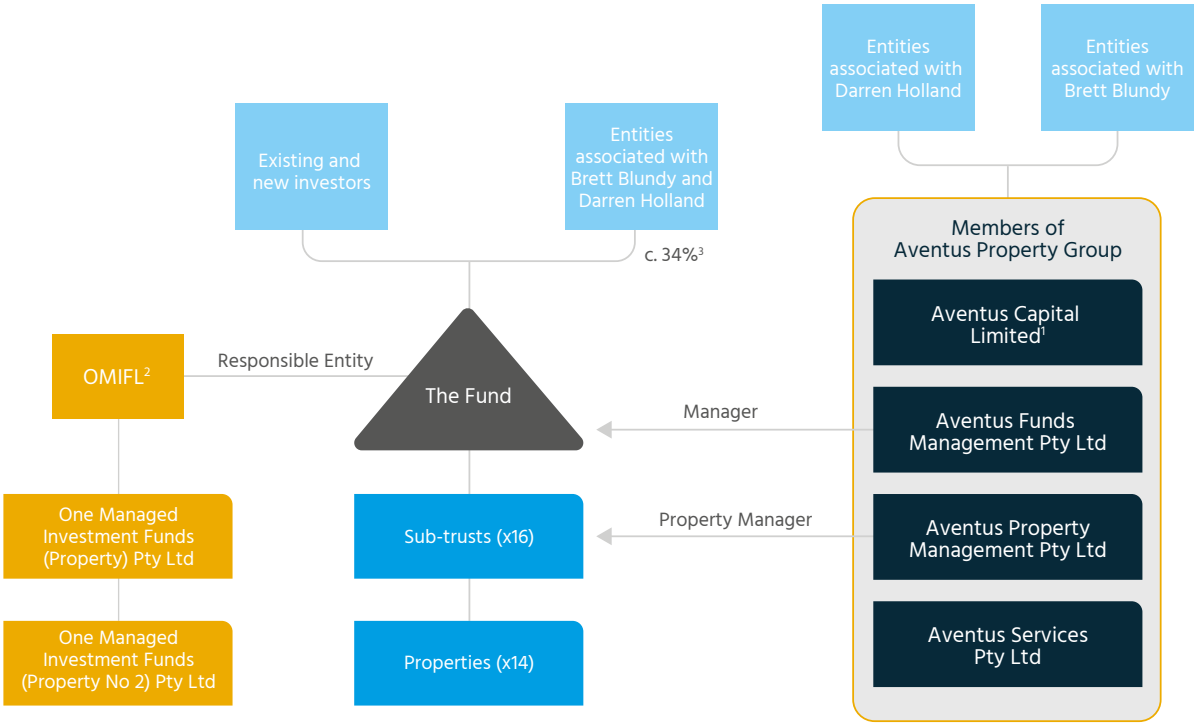
5

// BOARD AND MANAGEMENT

5.1 ABOUT THE RESPONSIBLE ENTITY AND AVENTUS PROPERTY GROUP

Investors will own Units in the Fund, a registered managed investment scheme that will be listed on the ASX. Unitholders will not own the Responsible Entity, One Managed Investment Funds Limited or the management entities (which will form part of Aventus Property Group). Investment management services will be provided by members of Aventus Property Group, including but not limited to property management, leasing, marketing, acquisitions, developments and day-to-day management of the Fund's assets. For further detail refer to Section 13.

The simplified ownership structure and property interest of the Fund following Completion is shown below:



Note: Unless otherwise indicated, the holdings above are 100%.

1. Currently in the process of obtaining an AFSL. Aventus Capital expects to be granted the AFSL shortly.
2. The primary business activity of One Managed Investment Funds (Property) Pty Ltd and One Managed Investment Funds (Property No 2) Pty Ltd is management of property assets.
3 Including up to 12.5 million Units subscribed for by entities associated with Brett Blundy under the Offer.

5.1.1 The Responsible Entity

OMIFL holds an Australian Financial Services Licence number 297042 and is a professional trustee services provider.

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

- financial management and administration;
- governance and all regulatory compliance; and
- investment evaluation and implementation.

The Responsible Entity's powers, rights and liabilities in relation to the Fund are governed by the Corporations Act and the Fund Constitution. Under the Corporations Act and the Fund Constitution, on its appointment as responsible entity of the Fund, the Responsible Entity will be required to act in the best interests of the Fund's Unitholders.

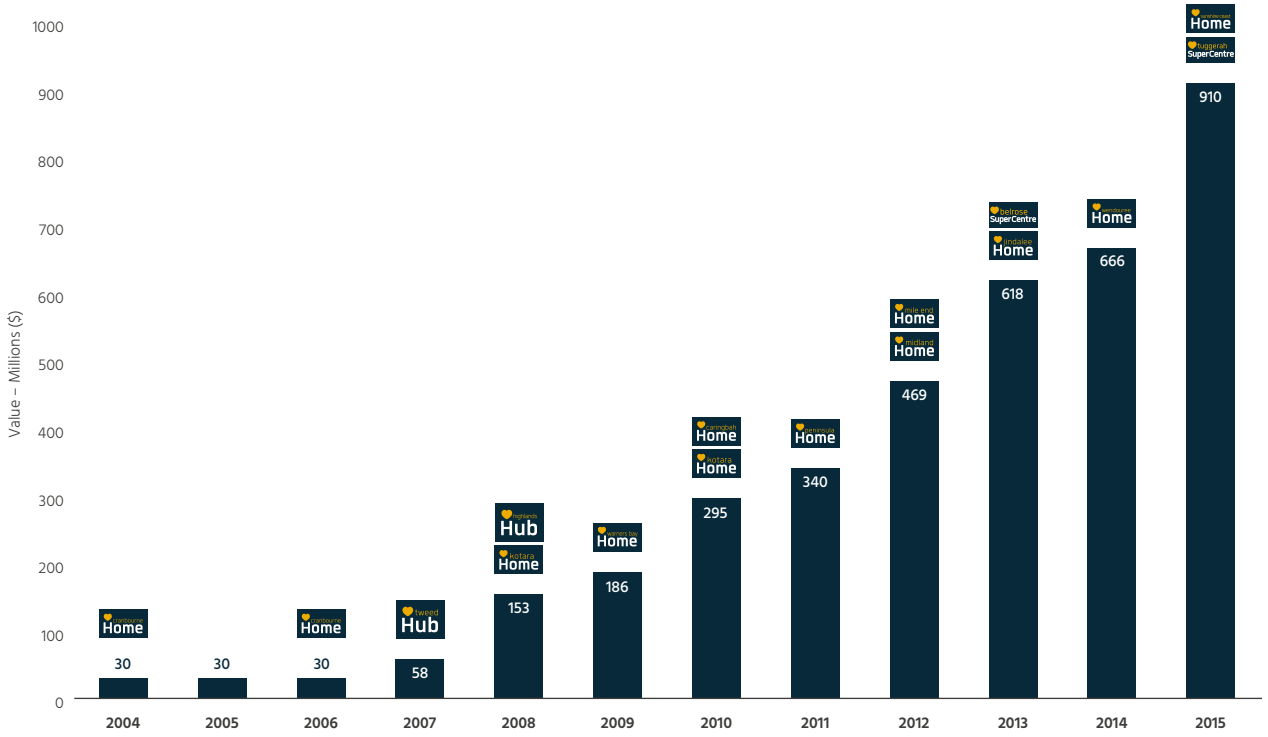
The Responsible Entity is a member of One Investment Group who acts as responsible entity to a number of registered managed investment schemes. To find out more, visit www.oneinvestment.com.au, telephone +61 2 8277 0000 or write to PO Box R1471, Royal Exchange NSW 2125.

5.1.2 Aventus Property Group

Aventus Property Group is a specialist fund and asset manager of LFR centres in Australia. Aventus Property Group has been established to provide management services to the Fund and is jointly owned by entities associated with its CEO, Darren Holland and Brett Blundy who share over 57 years of retail and property experience and have developed significant insight into operations, property management, leasing, development and enhancement of retail and LFR centres across Australia. Brett Blundy is a founder and investor in a number of global retail brands, with past and present interests in companies such as Adairs, Lovisa, Bras N Things and Dusk. Darren Holland is a co-founder and has over 22 years of experience in acquiring, leasing, developing and managing LFR properties, including experience with the only pure-play listed Australian LFR centre owner and operator to date, Homemaker Retail Group (ASX: HRP).

From Completion, Aventus Property Group will assume the provision of funds and property management services in respect of the Portfolio. In conjunction with the Proposed Transaction, the BBRC Property team comprising 35 staff will be transitioned to Aventus Property Group. BBRC Property has been operating, acquiring and managing retail and LFR assets in the Australian market for over 10 years, including managing 13 of the 14 centres within the Portfolio. The Fund will benefit from the management team's knowledge and specialist expertise of managing LFR centres.

Portfolio growth since inception – assets under management[1]



Aventus Property Group will utilise its integrated approach to provide property, funds and asset management services to the Fund along with other management activities such as development management and leasing.

Aventus Property Group will seek to leverage:

- its proactive approach to asset management to capitalise on value-add opportunities;
- its specialised team of approximately 35 people with integrated key functions such as development management, asset and property management, leasing and marketing to enhance alignment of interest;
- the demonstrated acquisition and development experience of its key personnel, which includes the development of four LFR centres and expansions valued at approximately $180 million; and
- unique and established retailer relationships fostered by its key personnel and their insights into retailing experience to drive Portfolio performance.

As at the date of this PDS, no member of Aventus Property Group holds an AFSL. As at the date of this PDS, Aventus Capital Limited, a wholly owned subsidiary of Aventus Property Group Pty Limited has submitted an application for an AFSL to enable it to act as responsible entity of the Fund and to provide associated financial services. Aventus Capital expects to be granted the AFSL shortly. It is proposed that once Aventus Capital Limited obtains an appropriate AFSL and Completion has occurred, it will seek to be appointed as the new responsible entity of the Fund and OMIFL will retire as responsible entity.

Aventus Capital Limited has appointed a board comprising a majority of independent directors to assist with a smooth and timely transition upon appointment of Aventus Capital Limited as the responsible entity. The board's role prior to the transition will be to act in a consultative capacity to the management of Aventus Funds Management Limited and Aventus Property Management Limited in relation to executing on the Fund's objectives and strategy. In pursuing (or recommending to the Responsible Entity) any material transactions in relation to the Fund, the management of Aventus Funds Management Pty Limited and Aventus Property Management Pty Limited will consult with and have reasonable regard to any recommendations of Aventus Capital Limited's board.

The board of Aventus Capital Limited will utilise its industry and business knowledge, financial management and corporate governance experience to seek to assist the Manager and the Property Manager in this consultative capacity.

1. Based on acquisition price. Includes an additional asset not part of the Fund.

5.2 BOARD OF THE RESPONSIBLE ENTITY

As OMIFL is a member of One Investment Group, the Directors are appointed by One Investment Group.

Frank Tearle – Executive Director

Frank joined the OMIFL Board in December 2008. Before founding One Investment Group, Frank served in various roles at Allco Finance Group, including as head of business transition and operations, managing director of the Hong Kong office, director in the corporate finance team and general counsel.

He has been a non-executive director of the manager of a Singaporean listed property trust and an APRA regulated insurance company. He has more than 10 years experience working in major law firms in Australia and the United Kingdom. Frank holds a Master of International Business Law from the University of Technology, Sydney and a Bachelor of Law (Honours) from the University of Leicester.

Elizabeth Reddy – Non-Executive Director

Elizabeth joined the OMIFL Board in September 2009. She spent a number of years practising law at both Herbert Smith Freehills and Atanaskovic Hartnell prior to undertaking a number of commercial roles. Elizabeth specialises in advising on the Corporations Act, contractual disputes, mergers and acquisitions, equitable claims, trade practices and insolvency. She is also experienced in compliance and risk management issues.

Justin Epstein – Executive Director

Justin joined the OMIFL Board in September 2009 and is a founding partner of One Investment Group. Prior to joining OMIFL, he was the investment director of LCJB Investment Group. Justin has previously worked in group strategy and business development for a major Australian investment bank, for the corporate finance and restructuring division of Ernst & Young and for a specialised property finance and investment group.

Justin is a director of a private investment company primarily focused on equity investments and distressed debt opportunities. He holds a Bachelor of Commerce from the University of New South Wales and is a Fellow of the Financial Services Institute of Australia.

5.3 BOARD OF DIRECTORS – AVENTUS CAPITAL LIMITED

Aventus Capital Limited's board is comprised of five directors, three of whom are independent, including an independent chairman.

The directors of Aventus Capital Limited bring relevant experience and skills to their board, including industry and business knowledge, financial management and corporate governance experience.

As Aventus Capital Limited is a wholly owned subsidiary of Aventus Property Group Pty Limited, the board of Aventus Capital Limited will be appointed by Aventus Property Group Pty Limited.

Bruce Carter – Independent Non-Executive Chairman

Bruce has spent over 30 years in corporate recovery and insolvency. Bruce is a consultant at Ferrier Hodgson in Adelaide. He was formerly a partner at Ernst & Young, Chair of the South Australian Economic Board and a member of the Executive Committee of Cabinet.

Bruce is currently chair of the Australian Submarine Corporation, Deputy Chair of SkyCity Entertainment Group and a director of the Bank of Queensland. He holds a Masters of Business Administration from Heriot-Watt University and a Bachelor of Economics from University of Adelaide. He is a Fellow of both the Institute of Chartered Accountants in Australia and the Australian Institute of Company Directors.

Tracey Blundy – Non-Executive Director

Tracey joined BB Retail Capital in 1981 and is the nominated representative of BB Retail Capital on the Board of Aventus Capital Limited. Over the past 34 years, she has held a number of senior executive positions across BB Retail Capital's businesses.

Tracey is currently a board-level advisor across the BB Retail Capital portfolio, including being the representative on the board of Lovisa Holdings Limited, which listed on the ASX in December 2014. In addition to her property experience and breadth of public markets experience, Tracey brings in-depth knowledge and expertise of the retail sector having previously been Chief Executive Officer of both Sanity Entertainment and Bras N Things.

Darren Holland – Chief Executive Officer and Executive Director

Darren has more than 22 years experience in the retail property industry. He is experienced in leasing, development, asset management and acquisitions, and has grown assets under management in the last 10 years from one centre in 2004 to 14 centres at Completion, valued at over $900 million.

Prior to joining BBRC Property, Darren played a leading role in the development and management of the only pure-play listed Australian LFR owner and operator to date, Homemaker Retail Group (ASX: HRP). He holds a Bachelor of Business (Land Economics) from the University of Western Sydney and is a Registered Valuer and Licensed Real Estate Agent.

Kieran Pryke – Independent Non-Executive Director

Kieran has over 25 years experience in the property industry. He spent nine years in various finance roles across the construction, development and investment management divisions within Lend Lease Corporation before becoming CFO of General Property Trust in 1996. He remained as CFO of GPT during and after the internalisation of management of GPT. Kieran's most recent role was as CFO of Australand Property Group between 2010 and 2014.

Kieran holds a Bachelor of Commerce (Accounting) from the University of Wollongong and is a Fellow of CPA Australia. Kieran is also on the board of Ozharvest Limited, a not-for-profit organisation.

Robyn Stubbs – Independent Non-Executive Director

Robyn has more than 25 years experience with blue chip companies in senior marketing, sales, leasing and broader management roles across retail property, media and fast-moving consumer goods. She has a deep understanding of these sectors and has led multi-disciplinary teams across leasing, sales and marketing, operations, strategy & research, sustainability, events, PR, editorial and new product development functions.

After eight years as a General Manager at Stockland, Robyn is currently completing a Master of Science in Coaching Psychology at the University of Sydney, and working as an Executive Coach on a project-by-project basis with Executive Coaching International. Robyn is a graduate of the Australian Institute of Company Directors and a University Medal winner with a business degree from the University of Technology Sydney.

5.4 SENIOR MANAGEMENT TEAM OF AVENTUS PROPERTY GROUP

Aventus Capital Limited's board and the Board of the Responsible Entity are supported by a management team with significant experience in funds and property management. The key management team of Aventus Property Group are outlined below.

Darren Holland – Chief Executive Officer

See Section 5.3

Lawrence Wong – Chief Financial Officer and Fund Manager

Lawrence has over 17 years of experience in investment management, corporate development and financial services. He is responsible for capital management and financial reporting functions as well as overseeing investor relations, treasury and accounting.

Prior to joining BBRC Property, Lawrence was the Fund Manager for a number of listed and unlisted funds at Brookfield Multiplex with over $1.1 billion in assets under management. He holds a Bachelor of Commerce (Accounting and Marketing) from the University of New South Wales and is a Member of the Institute of Chartered Accountants in Australia.

Lawrence will also act as Company Secretary to Aventus Property Group.

Gary Jones – Chief Operating Officer

Gary has over 14 years of experience in the property industry including the past 11 years in retail property. He is responsible for asset management and centre operations, overseeing the centre management, leasing, lease administration and marketing teams.

Prior to joining BBRC Property, Gary worked with Westfield and QIC in the management of some of Australia's premier super regional retail shopping centres including Westfield Bondi Junction and Castle Towers, and has had 10 years experience in the retail industry. He holds a Diploma in Law from the Legal Profession Admissions Board, a Masters of Management from the University of Technology, Sydney, and a Bachelor of Arts from the University of New South Wales.

Michael Winnem – Head of Development and Acquisitions

Michael has more than 27 years of experience in the property industry and is responsible for property development projects and the acquisition of LFR assets.

Prior to joining BBRC Property, Michael was Fund Manager and Development Director for Charter Hall Group. During his 18 year tenure, Charter Hall grew from a small private property company to a listed REIT with approximately $9 billion of funds under management. He holds a Bachelor of Business (Land Economics) from the University of Western Sydney, and is a Qualified Valuer and a Licensed Real Estate Agent in New South Wales and Queensland.

5.5 RELATED PARTY TRANSACTIONS

As further described in Section 13, a number of agreements have been entered into with Aventus Property Group members for the management and operation of the Fund and the Portfolio. In addition, entities associated with Existing Management are the ultimate owners of Aventus Property Group and will also hold a substantial interest in the Fund.

Transactions between the Fund and members of Aventus Property Group carry a risk that they may be assessed and monitored by the Manager or Property Manager less rigorously than third party transactions. The Manager and the Property Manager may also find themselves in positions of conflict where they are advising both the Responsible Entity and other parties or where they have a personal interest in the matter.

Given the relationships between the Fund and Aventus Property Group, a Conflicts and Related Party Transactions Policy will be adopted by the Manager and the Property Manager to manage conflicts that arise in the performance of their obligations as managers. The policy will establish principles which apply in particular circumstances. These include:

- where a related party or conflicted transaction is contemplated, the Manager and the Property Manager must follow agreed protocols having regard to the nature of the transaction or proposal. This may require the establishment of separate teams within Aventus Property Group and implementation of information barriers as appropriate. The Manager and the Property Manager (as relevant) must also consult with and have reasonable regard to the recommendations of the independent directors of Aventus Capital Limited (and the board of OMIFL while it is the responsible entity) in respect of any conflicted or related party transactions;
- a requirement for recommendations of the Manager or Property Manager that involve material transactions with another Aventus Property Group member (or entities associated with the directors or shareholders of Aventus Property Group Pty Ltd) to be supported by a recommendation of the independent directors of Aventus Capital Limited.

The policy will also establish procedures to manage transactions and proposals which involve a Director or director of the Manager or the Property Manager having a potential or actual conflict of interest or duty with the Fund. These procedures include the formation of a Board sub-committee which excludes the conflicted Director(s) or director of the Manager or the Property Manager to consider the matter.

5.6 CORPORATE GOVERNANCE

5.6.1 General

The main policies and practices adopted by the Responsible Entity are summarised below.

The Board of the Responsible Entity monitors the operational and financial position and performance of the Fund. The Board seeks to ensure that the Fund is properly managed to protect and enhance Unitholder interests, and that the Responsible Entity, its Directors, officers and personnel operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing the Fund, including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the operation of the Fund and which are designed to promote the responsible management and conduct of the Fund.

Aventus Property Group intends to adopt similar corporate governance policies and practices when Aventus Capital Limited becomes the responsible entity of the Fund.

5.6.2 ASX Corporate Governance Principles and Recommendations

The Fund is seeking a listing on the ASX. The ASX Corporate Governance Council has developed and released its Corporate Governance Principles and Recommendations 3rd edition ("ASX Recommendations") for ASX listed entities in order to promote investor confidence and to assist companies in meeting stakeholder expectations. The ASX Recommendations are not prescriptions, but guidelines. The Board of the Responsible Entity has adopted policies recommended by the ASX Recommendations, to the extent that they are applicable to an externally managed listed entity. Under the ASX Listing Rules, the Fund will be required to provide a statement in its annual financial report or on its website disclosing the extent to which it has followed the ASX Recommendations in the reporting period. Where the Fund does not follow a recommendation, it must identify the recommendation that has not been followed and give reasons for not following it.

The Board does not anticipate that it will depart from the ASX Recommendations that are applicable to an externally managed listed entity.

5.6.3 Board roles and responsibilities

The Board of the Responsible Entity has formalised its roles and responsibilities into the Board Charter. The key functions of the Board include:

- contributing to and approving management's development of strategy for the Fund, including setting performance objectives and approving operating budgets;
- monitoring performance and implementation of strategy and policy for the Fund;
- reviewing, ratifying and monitoring systems of risk management and internal control, and ethical and legal compliance;
- approving operating budgets, major capital expenditure, acquisitions and divestitures, monitoring capital management, and approving any transactions or matters in excess of authority levels delegated to management;
- monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting and ensuring compliance with financial reporting requirements;
- approving the declaration of distributions to Unitholders in accordance with the Fund Constitution; and
- developing and reviewing corporate governance principles and policies.

The Directors may delegate their powers to management as they consider appropriate. Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. Directors are entitled to request additional information at any time they consider it appropriate. The Board collectively, and each Director individually, has the right to seek independent professional advice, subject to the approval of the Chair.

Board composition and independence

The Board of Directors is comprised of one independent Non-Executive Director and two Executive Directors. Detailed biographies of the Directors are provided in Section 5.2.

The Board considers Directors to be independent where they are independent of the Responsible Entity's management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to interfere with, the exercise of their unfettered and independent judgment. The Board reviews the independence of each Director in light of information relevant to its assessment.

The Board Charter sets out guidelines for the purpose of determining independence of Directors and the Board has adopted a definition of independence that is based on that set out in Box 2.3 of the ASX Recommendations.

Frank Tearle and Justin Epstein are currently considered by the Board not to be independent Directors. Elizabeth Reddy is currently considered by the Board to be an independent Director.

Aventus Capital Limited's board comprises a majority of independent directors. Further details of Aventus Capital Limited's board can be found at Section 5.3.

5.6.4 Board committees

The Board may from time to time establish appropriate committees to streamline the discharge of its responsibilities as Responsible Entity of the Fund. The Board has established a Compliance Committee. The Board may also establish an Audit and Risk Committee if and when required.

Compliance Committee

In accordance with section 601JA of the Corporations Act, the Responsible Entity has a Compliance Committee which comprises three members, two of whom are external members.

The functions of the Compliance Committee include:

- monitoring the extent to which the Responsible Entity complies with the Fund's compliance plan and reporting its findings to the Responsible Entity;
- reporting to the Responsible Entity any breach of the Corporations Act involving the Fund or breach of the provisions of the Fund's Constitution of which the committee becomes aware of or suspects; and
- reporting to ASIC if the Compliance Committee is of the view that the Responsible Entity has not taken, or does not propose to take, appropriate action to deal with a matter reported to it; and
- assessing and reporting to the Responsible Entity whether the compliance plan is adequate and recommending any changes.

5.6.5 Constitutions and compliance plans

The Fund Constitution and the constitution of the Responsible Entity set out the rights and obligations of the Unitholders and Responsible Entity, respectively. A summary of the Fund Constitution is set out in Section 13.7.

In order to ensure compliance with the Fund Constitution, the Corporations Act and the ASX Listing Rules, the Responsible Entity has adopted a compliance plan which sets out the key processes the Responsible Entity will apply in operating the Fund.

You may request a copy of the Fund Constitution and compliance plan. See Section 14.7 for further details.

5.6.6 Continuous disclosure and Investor communication policies

Continuous disclosure

The Responsible Entity is aware of the obligations it will have, once the Fund is listed, under the Corporations Act and the ASX Listing Rules, to keep the market fully informed of any information the Responsible Entity becomes aware of concerning the Fund which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Fund's Units.

The Responsible Entity has adopted a Continuous Disclosure Policy which establishes procedures to ensure that all Directors and employees of the Responsible Entity and all directors and employees of Aventus Property Group are aware of and fulfil their obligations in relation to the timely disclosure of materially price-sensitive information.

Investor communications

The Continuous Disclosure Policy outlines the Responsible Entity's approach to communication with investors in relation to the Fund. In addition to the Responsible Entity's continuous disclosure obligations, the Responsible Entity recognises that potential investors and other interested stakeholders may wish to obtain information about the Fund from time to time. Information will be communicated to Unitholders through ASX announcements and annual and half-year reports.

5.6.7 Securities trading policies

The Responsible Entity has a Securities Trading Policy which it seeks to restrict the dealing in certain financial products (including Units in the Fund) by its Directors and staff.

This policy is designed to provide protection to the Responsible Entity, its Directors and staff by restricting dealings in financial products during certain times, or when individuals are in possession of certain types of information. It is also designed to preserve the reputation of the Responsible Entity, its Directors and staff in public markets.

The policy provides that relevant persons must not deal in the Units of the Fund:

- when they are in possession of inside information;
- on a short-term trading basis; and
- outside a permitted period (except in exceptional circumstances).

Otherwise trading will only be allowed during a permitted period after first obtaining pre-clearance.

Aventus Property Group has adopted a securities dealing policy on similar terms to the above for its directors and employees to ensure that public confidence is maintained in the reputation of the Fund and Aventus Property Group and to assist in maintaining market confidence in the integrity of dealings in the Fund's Units.

5.6.8 Conflicts

The Responsible Entity has adopted a Conflicts of Interest Policy to ensure there are adequate arrangements to identify and manage conflicts of interest or duty and related party transactions.

5.6.9 Code of conduct

The Responsible Entity is committed to high standards of honest, ethical and law-abiding behaviour. Accordingly, the Board has adopted a formal Code of Conduct which outlines how the Responsible Entity expects its officers and employees to behave and conduct business in the workplace.

The Code is designed to:

- articulate the high standards of honest, ethical and law-abiding behaviour that the Responsible Entity expects of its officers and employees;
- encourage the observance of those standards so as to protect and promote the interests of shareholders and other stakeholders;
- guide officers and employees as to the practices thought necessary to maintain confidence in the Responsible Entity's integrity; and
- set out the responsibilities and accountabilities of officers and employees to report and investigate reports of unethical practices.

5.6.10 Risk management policy

The Board of the Responsible Entity is ultimately accountable for corporate governance and the appropriate management of risk. The Board sets the risk appetite for the Fund and oversees the risk profile to ensure activities are consistent with the strategy of the Fund.

The Compliance Officer is responsible for ensuring comprehensive risk management reports are presented to the Board and Compliance Committee on a quarterly basis.

The Responsible Entity of the Fund has adopted a risk management framework covering the corporate risk management objectives, accountabilities, responsibilities and authorised activities for the Responsible Entity. The approach is based on International Standard ISO 31000:2009 Risk management: *Principles and guidelines*.

6

// FINANCIAL INFORMATION

6.1 INTRODUCTION

The financial information contained in this section for the Fund comprises:

- pro forma historical consolidated balance sheet as at 30 June 2015 ("Pro Forma Balance Sheet");

  (the "Pro Forma Historical Financial Information"),
- pro forma forecast consolidated income statement for the period from Completion to 30 June 2016;

  (the "Pro Forma Forecast Financial Information"),
- statutory Forecast financial information, being the:
  - forecast consolidated income statements for the period from Completion to 30 June 2016 and for the half-year ending 31 December 2016 (the "Statutory Forecast Income Statements"); and
  - forecast distribution statements for the period from Completion to 30 June 2016 and for the half-year ending 31 December 2016 (the "Forecast Distribution Statements");

  (together, the "Statutory Forecast Financial Information").

Collectively the Pro Forma Forecast Financial Information and Statutory Forecast Financial Information is the "Forecast Financial Information".

The Pro Forma Historical Financial Information and Forecast Financial Information is collectively, the "Financial Information".

The Fund operates on a financial year ending 30 June. All amounts disclosed in Section 6 are presented in Australian dollars unless otherwise noted and are rounded to the nearest $0.1 million. Rounding in the Financial Information may result in some discrepancies between the sum of components and the totals outlined within the tables and percentage calculations.

Information provided in this section should be read in conjunction with the sensitivity analysis outlined in Section 6.6, the risk factors outlined in Section 11 and the other information provided in this PDS.

6.2 BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL INFORMATION

6.2.1 Overview

The directors of BBRC Funds Management Pty Limited and OMIFL are responsible for the preparation and presentation of the Financial Information. The Financial Information in this PDS is intended to present potential investors with information to assist them in understanding the pro forma historical financial position of the Fund together with the Forecast Financial Information.

Certain significant accounting policies relevant to the Financial Information are disclosed in Section 6.7. The Financial Information is presented in an abbreviated form and does not contain all of the presentation and disclosures, statements or comparative information as required by Australian Accounting Standards ("AAS") applicable to annual financial reports prepared in accordance with the Corporations Act.

The Financial Information has been reviewed by Ernst & Young Transaction Advisory Services Limited ("EYTAS"), whose Independent Limited Assurance Report is provided in Section 7 of this PDS. Investors should note the scope and limitations of the Independent Limited Assurance Report (refer to Section 7).

6.2.2 Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information has been prepared solely for inclusion in this PDS. The Pro Forma Historical Financial Information presents the consolidation of the historical financial information of the Participating Assets as at 30 June 2015 and the Acquired Assets acquired as part of the Proposed Transaction (collectively the "Portfolio Acquisitions"), as if the Portfolio Acquisitions had occurred on 30 June 2015. The Pro Forma Historical Financial Information does not represent statutory historical financial information as it is presented assuming that the Portfolio Acquisitions had formed part of the one consolidated group as at 30 June 2015.

The Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles of AAS other than that it includes adjustments which have been prepared in a manner consistent with AAS that reflect the impact of certain transactions as if they had occurred as at 30 June 2015, including:

- the Portfolio Acquisitions, including any associated fees or capital expenditure incurred as a consequence of the Proposed Transaction and the Offer, in accordance with the Acquisition Agreements or the Implementation Pack (as applicable) (as set out in Section 13.4).
- the Offer, including the drawdown of debt under the Debt Facilities.

Statutory historical financial information has not been presented as the only business of the trusts holding the Participating Assets and Acquired Assets, prior to Completion and in the Forecast Period, is the investment in real estate assets. As such, the trusts do not have a trading history that is relevant to a consideration of the Fund's financial position and future performance. Accordingly, the Directors consider the Pro Forma Historical Financial Information and Forecast Financial Information are the most meaningful financial information for investors..

No audit opinion or limited assurance conclusion has been issued on the historical financial information for the Participating Assets.

6.2.3 Forecast Financial Information

The Forecast Financial Information has been prepared solely for inclusion in this PDS on the basis that the Proposed Transaction is implemented. The Forecast Financial Information has been prepared by the directors of BBRC Funds Management Limited and OMIFL based on an assessment of current economic and operating conditions, and assumptions regarding future events and actions as set out in Section 6.5. The Directors believe that the Forecast Financial Information has been prepared with due care and attention and consider the assumptions to be reasonable at the time of preparing this PDS.

Investors should be aware that the timing of actual events and the magnitude of their impact might differ from that assumed in preparing the Forecast Financial Information and that any deviation in the assumptions on which the Forecast Financial Information is based may have a material positive or negative effect on the Fund's actual financial performance. Investors are advised to review the assumptions in conjunction with the sensitivity analysis set out in Section 6.6, the risk factors outlined in Section 11 and the other information provided in this PDS.

The Statutory Forecast Income Statements have been prepared in accordance with the recognition and measurement principles of AAS.

The Forecast Distribution Statements have been derived by adjusting the net profit as detailed in Section 6.3.2 for:

- non-cash items, being straightlining of rental income, amortisation of rental guarantees and the lease incentives; and
- property acquisition and transaction costs.

The resulting measure is termed Funds from Operations (or "FFO"), being the Directors' measure of the periodic amount available for distributions, which differs from net profit as determined in accordance with AAS. An additional measure Adjusted FFO ("AFFO") is based on FFO, adjusted for maintenance capex and leasing fees.

The accounting for the Fund business combination under AAS requires that the net profit reported for the year ending 30 June 2016 includes the three months net profit or loss from 1 July 2015 to Completion of BB Retail Property Unit Trust No.2. These pre IPO profits will be attributable to the investors in BB Retail Property Unit Trust No.2 immediately prior to the Proposed Transaction, and as such, are not representative of the forecast net profit, FFO or Distributions attributable to the investors following the IPO. Accordingly, the Statutory Forecast has been presented from Completion to 30 June 2016 as the Directors believe this is the relevant disclosure for investors in the units offered in accordance with this PDS.

As such, neither a statutory nor pro forma forecast for the twelve months ending 30 June 2016 is presented in this PDS nor are these included in the scope of the EYTAS conclusion set out in the Independent Limited Assurance Report in Section 7.

The Pro Forma Forecast Financial Information has been derived from the Fund's Statutory Forecast Income Statements, after adjusting for the effect of the pro forma adjustments described below (see "Portfolio acquisition and transaction costs" below).

The Pro Forma Forecast Financial Information has been prepared in accordance with the recognition and measurement principles of the AAS other than that it includes adjustments which have been prepared in a manner consistent with AAS that reflect the exclusion of certain transactions that occurred in the relevant periods. Due to its nature, the Pro Forma Forecast Financial Information does not represent the Fund's actual or prospective financial performance for the period from Completion to 30 June 2016.

The exclusion of certain transactions noted above comprises the costs associated with the Proposed Transaction and Offer ("Portfolio acquisition and transaction costs").

The Forecast Financial Information is based on the Directors' best estimate assumptions. The Statutory Forecast Financial Information is representative of the financial performance that the Directors expect to report in relation to the respective periods. A pro forma forecast income statement is not presented for the half year ending 31 December 2016 as this would be equivalent to the statutory forecast for that period.

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

6.2.4 Non-IFRS financial measures

Certain financial measures included in this PDS are not recognised under AAS. These measures are collectively referred to as "non-IFRS financial measures". The principal non-IFRS financial measures that are referred to in this PDS are discussed below.

The Forecast Distribution Statements as set out in Section 6.3.2 contain non-IFRS financial measures in nature, being FFO and AFFO, and have been determined in a manner consistent with the guidance provided by the Property Council of Australia as set out in the Voluntary Best Practice Guidelines for Disclosing FFO and AFFO as issued in June 2013.

Although the Directors believe these measures provide useful information about the financial performance of the Fund, they should be considered as a supplementary measure of operating performance to that included in the income statements that have been presented in Section 6.3.1 and not as a replacement for them. Because these non-IFRS financial measures are not based on AAS, and the way that the Fund calculates these measures may differ from similarly titled measures by other companies, readers should therefore not place undue reliance on these non-IFRS financial measures.

6.3 FORECAST FINANCIAL INFORMATION

6.3.1 Forecast and Pro Forma Forecast Consolidated Income Statements

The table below outlines the statutory forecast consolidated income statements and the pro forma forecast consolidated income statement.

$ million	Statutory Forecast Completion to 30 June 2016[1]	Pro Forma Forecast Completion to 30 June 2016[1]	Statutory Forecast Half-year ending 31 December 2016
Gross property income	67.3	67.3	50.5
Straightlining of rental income	3.8	3.8	1.9
Other income[2]	0.2	0.2	0.2
Total revenue	**71.3**	**71.3**	**52.6**
Direct property expenses and outgoings	(17.9)	(17.9)	(13.5)
Investment management fees	(3.8)	(3.8)	(2.8)
Finance costs	(7.3)	(7.3)	(5.9)
Other expenses	(1.0)	(1.0)	(0.8)
Total operating expenses	**(30.1)**	**(30.1)**	**(22.9)**
Portfolio acquisition and transaction costs[3]	(54.1)	–	–
Net profit[4]	**(13.0)**	**41.1**	**29.6**

Notes

1. Represents the period from Completion (being 20 October 2015) to 30 June 2016. The Statutory Forecast and Pro Forma Forecast for this period does not include the net profit or loss for the period 1 July 2015 to Completion for the Fund. Refer to Section 6.2.3 for further details.
2. Other income primarily comprises revenue for signage fees and other miscellaneous income. Other income also includes the net profit or loss between the expected receipt of cash under the Rental Guarantees and the amortisation of the Rental Guarantees recorded in the Pro Forma Balance Sheet.
3. The exclusion of Portfolio acquisition and transaction costs is the only pro forma adjustment, and hence the only net profit reconciliation item, between the Statutory Forecast from Completion to 30 June 2016 and the Pro Forma Forecast from Completion to 30 June 2016. Portfolio acquisition and transaction costs includes the costs expensed to the income statement in relation to the Proposed Transaction and Offer, comprising $44.8 million stamp duty, $4.9 million professional advisor fees, $4.0 million interest rate swap break costs and $0.5 million of listed entity costs.
4. The Forecast Financial Information assumes there will be no underlying movement in the fair value of the investment properties or other financial assets including any mark-to-market movements in relation to the interest rate swaps taken in respect of the debt, as the Directors do not believe such movements can be reliably forecast as at the date of this PDS.

6.3.2 Forecast Distribution Statements

The table below outlines the forecast distributions statements for the Fund.

$ million	Forecast Completion to 30 June 2016[1]	Forecast Half-year ending 31 December 2016
Net profit[2]	(13.0)	29.6
Straightlining of rental income	(3.8)	(1.9)
Amortisation of Rental Guarantees	0.7	0.6
Portfolio acquisition and transaction costs[3]	54.1	–
Other non-cash items	0.3	0.2
Funds from Operations ("FFO")	**38.5**	**28.6**
Maintenance capex[4]	(2.4)	(1.6)
Leasing fees[5]	(1.0)	(1.2)
Adjusted FFO ("AFFO")	**35.1**	**25.9**
Distributions to be declared[6] ($ million)	34.6	25.7
Units on issue (million)	343.2	343.2
FFO per Unit (cents)	11.2	8.3
Distribution per Unit[6] (cents)	10.1	7.5
Distribution as % of FFO[6, 7]	90.0%	90.0%
Tax deferred component of Distribution[8]	58.4%	31.3%
Annualised FFO Yield %[9]	8.05%	8.32%
Annualised Distribution Yield %[6, 9]	7.25%	7.50%

Notes

1. Represents the period from Completion (being 20 October 2015) to 30 June 2016. The Statutory Forecast for this period does not include the net profit or loss for the period 1 July 2015 to Completion for the Fund. Refer to Section 6.2.3 for further details.
2. Net profit for the relevant period as disclosed in Section 6.3.1.
3. Portfolio acquisition and transaction costs are non-recurring in nature and will be paid out of proceeds of the Offer and/or Debt Facilities.
4. Maintenance capex includes operational capital expenditure and excludes tenancy fitout incentives, landlord works and development capital expenditure. The Directors forecast development capital expenditure and tenancy fitouts to be $36.3 million for the period from Completion to 31 December 2016. It is forecast that development capex will be funded by way of a drawdown on the Debt Facilities.
5. Leasing fees are based on the fees payable to Aventus Property Management Pty Limited in its capacity as the Property Manager, except to the extent these fees are included in development capex.
6. The Fund may qualify as a MIT where certain circumstances are satisfied. The MIT determination (which is assessed on an annual basis) may affect the actual Distribution received by foreign Unitholders. Refer to Section 10 for further details.
7. Distribution as % of FFO is based on the Directors' forecast that the Distribution will be 90% of FFO for each respective period, representing the lower end of the quantitative range of the distribution policy set out in Section 2.9.
8. A tax deferred Distribution broadly represents the excess cash Distributions made by the Fund over its net taxable income for the given period.
9. Annualised FFO and Distribution Yield metrics are calculated based on an extrapolation of the part year FFO and Distribution forecast results to a 12 month period expressed as a percentage return relative to the Offer Price of $2.00 per Unit.

6.4 PRO FORMA HISTORICAL FINANCIAL INFORMATION

6.4.1 Pro Forma Balance Sheet

The Pro Forma Balance Sheet as at 30 June 2015 includes the assets and liabilities to be acquired as a result of the acquisition of the Participating Assets as if these had been acquired on 30 June 2015, adjusted to reflect:

- the assets and liabilities comprised in Assets to be acquired as part of the Proposed Transaction;
- pre Completion capex of $7.2 million, which is included in the 'as if complete' valuations set out in the independent valuation reports;
- the issue of $686.5 million equity, before equity raising costs of $5.4 million;
- the drawdown of $283.7 million in debt, less capitalised borrowing costs of $2.1 million, under the Debt Facilities; and
- Portfolio acquisition and transaction costs as described in Notes 11 and 12 in the table below.

The Pro Forma Balance Sheet reflects the provisional accounting permitted for business combinations in accordance with AASB 3 Business Combinations.

The Pro Forma Balance Sheet is provided for illustrative purposes only and is not represented as being necessarily indicative of the Fund's actual or future financial position.

The table below outlines the Pro Forma Consolidated Balance Sheet as at 30 June 2015[1].

$ million	Participating Assets[2]	Acquired Assets[3]	Pre Completion Capex[4]	Offer[5]	Pro Forma Balance Sheet[1]
Cash and cash equivalents[6]	12.1	0.1	(7.2)	4.0	9.0
Trade and other Receivables	4.5	0.1	–	–	4.6
Rental guarantees[7]	0.8	0.2	–	–	1.0
Current assets	**17.5**	**0.4**	**(7.2)**	**4.0**	**14.7**
Investment properties[8]	771.9	125.5	7.2	–	904.7
Non-current assets	**771.9**	**125.5**	**7.2**	**–**	**904.7**
Total assets	**789.4**	**126.0**	**–**	**4.0**	**919.4**
Trade and other creditors	(10.7)	(0.0)	–	–	(10.8)
Current liabilities	**(10.7)**	**(0.0)**	**–**	**–**	**(10.8)**
Interest bearing liabilities[9]	(377.4)	(10.4)	–	106.1	(281.7)
Derivative financial instruments[10]	(1.1)	–	–	1.1	–
Non-current liabilities	**(378.5)**	**(10.4)**	**–**	**107.2**	**(281.7)**
Total liabilities	**(389.3)**	**(10.4)**	**–**	**107.2**	**(292.5)**
Net assets	**400.2**	**115.6**	**–**	**111.2**	**626.9**
Contributed equity[11]	259.7	108.2	–	278.3	646.2
Retained profits[12]	140.5	7.4	–	(167.1)	(19.3)
Total equity	**400.2**	**115.6**	**–**	**111.2**	**626.9**
Units on issue (millions)					343.2
NTA per Unit ($)					$1.83
Gearing (%)					29.9%

Notes

1. Assuming the Portfolio Acquisitions occur on Completion. The adjacent columns are not necessarily reflective of the step plan or sequencing of transactions or events to implement the Proposed Transaction and Offer, but instead are presented to illustrate the composition of the Pro Forma Balance Sheet. Each of these columns is discussed further in Notes 2 to 5 below.
2. The financial information presented in the column titled "Participating Assets" comprises the consolidation of the unaudited and unreviewed balance sheets of the Participating Assets currently managed by Aventus Property Group management team as at 30 June 2015, assuming 100% ownership, excluding performance fees payable by the Participating Assets which will be paid by the Existing Investors in the respective trusts, and therefore are not recognised in the Pro Forma Balance Sheet. Investment properties and rental guarantees balances are based on the independent valuations on an 'as is' basis.
3. The column titled "Acquired Assets" includes the net assets to be acquired as part of the Proposed Transaction. This is based on the independent valuation reports for the respective assets, and the interest bearing liabilities and working capital to be assumed as part of the acquisition of the Acquired Assets.
4. The column titled "Pre Completion capex" relates to development projects being undertaken at three properties in the period to Completion. These projects have been based upon the independent valuations on an 'as if complete' basis. Each project has commenced and is scheduled to be completed prior to Completion. This column recognises the anticipated capex prior to Completion.
5. Included in the column titled "Offer" is the impact of the equity raising, debt refinancing and other adjustments required to present the Pro Forma Balance Sheet on a basis assuming the Proposed Transaction and the Offer had occurred as at 30 June 2015 (net of expected settlement adjustments).
6. Represents the net cash raised under the Offer for working capital, and is after paying the cash consideration amounts to the Existing Investors and vendors of the Acquired Assets.
7. Each Rental Guarantee represents the expected cash flows to be received under that Rental Guarantee during the period of the associated Rental Guarantee. The total Rental Guarantee of $1.0 million has been subtracted from the carrying value of the investment properties.

8. Investment properties have been accounted for at fair value after excluding the value of the Rental Guarantees.
9. Interest bearing liabilities of $281.7 million are reported net of debt establishment costs of $2.1 million. For a summary of the Debt Facilities see Section 6.4.2.
10. Derivative financial instruments include interest rate swap arrangements of the Participating Assets that will be closed out as part of the Proposed Transaction and Offer. The amount outstanding, including penalties, is included in "Portfolio acquisition and transaction costs".
11. Contributed equity represents the equity to be issued under the Offer and the equity to be issued as part of the acquisition by the Fund of the Participating Assets and the Acquired Assets of $686.5 million, net of $5.4 million of equity raising costs, and equity raised for BB Retail Property Unit Trust No. 2 of $34.8 million which is eliminated for accounting purposes.
12. Retained earnings reflects the net effect of the Portfolio acquisition and transaction costs expensed upon Completion of $54.1 million and the brought forward retained profits of BB Retail Property Unit Trust No. 2 of $34.8 million.

6.4.2 Indebtedness and new facilities

The Lenders and the Fund have entered into a secured facility agreement. The Debt Facilities are described in Sections 2.8.1 and 13.9.

On Completion, it is expected that $283.7 million of the Debt Facilities will be drawn in order to repay existing debt relating to the Participating Assets and Acquired Assets, leaving $116.3 million available to be drawn down in the future as part of the Fund's investment strategy.

On Completion net total indebtedness is expected to be $274.7 million comprising $283.7 million debt offset by $9.0 million of cash.

6.4.3 Liquidity and capital sources

Following completion of the Offer, the Fund's principal sources of funds will be cash flow from operations and the Debt Facilities.

The Directors expect that the Fund will have sufficient cash flow from operations to meet its operational requirements during the Forecast Period. The Directors expect that the Fund's operating cash flows, together with borrowings and borrowing capacity under the Debt Facilities will allow growth in its business through future development of the portfolio and acquisitions. Assumptions in relation to development capital expenditure are set out in Section 6.5.2, and no acquisitions have been assumed in deriving the Forecast Financial Information.

The Directors are of the opinion that the Fund will have sufficient working capital to carry out its stated objectives during the Forecast Period.

6.5 FORECAST ASSUMPTIONS

The key assumptions relating to the Forecast Financial Information are set out below.

6.5.1 General assumptions

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

- no significant change in the economic conditions (including retail property market and financial market stability) in which the Fund operates;
- no significant change in the competitive environment in which the Fund operates;
- no unexpected changes to the statutory, legal or regulatory environment which would be detrimental to the Fund in any of the jurisdictions in which it operates;
- no changes in current Australian tax legislation;
- no material changes in AAS, other mandatory professional reporting requirements or the Corporations Act that would have a material impact on the Fund's consolidated financial performance, cash flows, financial position, accounting policies, financial reporting or disclosures;
- key personnel, particularly the senior management team, are retained;
- no material litigation or dispute to which the Fund is a party;
- no acquisitions or disposals of investment properties over the Forecast Period, other than those acquired as part of the Portfolio Acquisitions and the acquisition of vacant land at Tuggerah Super Centre on 1 July 2016 (refer to Section 2.2.1);
- no material change in capital expenditure requirements from those included in the Forecast Financial Information caused by factors outside the Fund's control;
- CPI has been assumed at 2.0% for the period from Completion to 30 June 2016 and 2.5% for the half year ending 31 December 2016;
- no significant amendment to any material contract relating to the Fund's business;
- there will be no underlying movement in the fair value of the investment properties or other financial assets including any mark-to-market movements in relation to the interest rate swaps taken in respect of the debt; and
- the Proposed Transaction and Offer proceed in accordance with the timetable set out in this PDS.

6.5.2 Specific assumptions

The Forecast Financial Information has been prepared by the directors of BBRC Funds Management Limited and OMIFL based on an assessment of each individual property in the Fund. In preparing the Forecast Financial Information, the directors of BBRC Funds Management Limited and OMIFL have taken into account the tenancy schedule, historical performance metrics and future outlook for each individual property, the impact of the Proposed Transaction on fee arrangements and other costs, and the current market conditions as applicable to the Fund.

The specific, best-estimate assumptions applied in preparing the Forecast Financial Information for the Forecast Period are described below.

Rental income

Rental income has been forecast on a property-by-property basis based on existing leases and assumptions for future occupancy rates, tenant retention and market rentals, consistent with that adopted in the independent valuation reports. Property income comprises gross rental including outgoings recoveries.

Rental income does not include amounts receivable under the Rental Guarantees.

As at the date of this PDS the Directors believe there is no information to indicate any tenancy issues that would materially impact the forecasts.

Rental income will be received by the Fund from the date the acquisition of each Portfolio property completes. It is anticipated, and the Forecast Financial Information assumes, that the acquisition of each of the Portfolio properties being acquired from the respective vendors will complete on or prior to the Completion, with the exception of the Tuggerah Super Centre which is forecast to complete on 20 October 2015.

Expiries, reletting and tenant incentives

Specific assumptions have been made in respect of each lease expiry over the Forecast Period for each individual property.

Reletting and lease incentives for expiring leases during the Forecast Period have been assumed on a property-by-property basis, taking into consideration agreements for lease, draft terms being negotiated with potential tenants (including existing tenants), and also taking into consideration available information for the relevant tenancy, such as current passing rent, market rent, property, locality, and discussions with tenants and potential tenants.

Letting up periods have been forecast on a property by property basis based on the independent valuers assessment, the individual tenancy and management's historical experience and plans for the property.

Lease incentives comprising of rent free, fit out period and tenancy fitout are included in the forecast period.

Rental Guarantees

Following the Proposed Transaction and Offer, the Fund will have nine Rental Guarantees across five properties for tenant incentives and/or potential vacancy, leasing expenses and tenant incentives incurred to secure a new tenant at the relevant properties.

Refer to Section 13.3 for details regarding the Rental Guarantees.

The Forecast Financial Information assumes that for these properties cash will be received and tenant incentives will be reimbursed in accordance with the Rental Guarantees as described in Section 13.3. The level of Rental Guarantees assumed to be received has regard to the assumptions adopted in respect of tenant retention rates, let ups and lease incentives based on independent valuation forecasts.

The value of the cash flows expected to be received under the Rental Guarantees has been capitalised to the Fund's balance sheet as at completion. The amortisation of this amount is offset in the forecasts against the expected cash recovered over the guarantee period.

Outgoings

Outgoings have been forecast by the Directors on a property-by-property basis having regard to current outgoings on the completed properties in the Portfolio and best estimate assumptions for the other movements related to developments and operational requirements for each property. Outgoings are forecast to increase in line with increases in gross income, in accordance with existing service contract increases and at an annual rate of between 3.0% and 4.0% for statutory expenses such as land tax and rates.

Investment management fees

From Completion, Aventus Funds Management Pty Limited will be entitled to receive a Base Fee of 0.60% per annum of GAV up to (and including) $2.0 billion, and 0.50% per annum of GAV where GAV is above $2.0 billion. Refer to Section 13.1.5 for information on the investment management fees.

Finance costs

The effective average all-in rate assuming the Debt Facilities are drawndown to $283.7 million at Completion and the additional draw-downs for development capex is 3.7% for the forecast period from Completion to 30 June 2016 and 4.0% for the half-year ending 31 December 2016. Establishment fees under the Debt Facilities are amortised on a straightline basis over the term of the Debt Facilities.

Hedging instruments will be used to hedge against the Fund's exposure to rising interest rates.

Other expenses

Other expenses include non-executive directors' fees, audit and assurance services and tax compliance costs, ASX listing fees and registry fees. These other expenses have been forecast based on relevant agreements and quotes from external parties.

Tax expense

The Fund is treated as a trust for Australian tax purposes. Under current Australian income tax legislation, the Fund is not liable for Australian income tax, including capital gains tax, provided that Unitholders are presently entitled to the income of the Fund as determined in accordance with the Fund Constitution. Accordingly, no allowance for income tax has been made.

Expected goods and services tax recoveries in respect of transaction costs and ongoing operations which are appropriate to the activities of the entities have been forecast.

Portfolio acquisition and transaction costs

Portfolio acquisition and transaction costs include stamp duty, offer management fees, advisers' fees, legal fees, listing fees, printing and other expenses associated with the Proposed Transaction and Offer. Portfolio acquisition and transaction costs have been estimated at $61.6 million based on existing agreements and quotes, and applicable stamp duty rates. Of the total estimated Portfolio acquisition and transaction costs, $5.4 million will be directly offset against contributed equity, $2.1 million of borrowing costs to be offset against borrowings with the remaining $54.1 million expensed to the income statement.

Maintenance capex

Management have forecast capital expenditure for maintenance capex on a property-by-property basis in accordance with their assessment of infrastructure requirements, along with improvements to amenities, car parks and landscaping. Management have based their estimates on historical property expenditure, future capital expenditure requirements and quotes for work to be performed.

In comparison to traditional shopping centres, external LFR centres benefit from relatively lower and more sustainable operating capital expenditure requirements, as there is generally limited vertical transport, little requirement to provide air-conditioning, sprinkler systems and lighting to common mall areas, fewer high level finishes such as terrazzo flooring and wall and ceiling treatments, and generally open air rather than enclosed multi-storey car parks.

Development capex

Construction costs, development fees including associated consultants, interest in relation to the development, cash incentives, leasing fees and Tuggerah Super Centre expansion land acquisition cost of $3.75 million are included in development capex.

Forecast development capex for the period from Completion to 31 December 2016 is assumed to be $36.3 million, attributable to development projects across the portfolio which are scheduled for the Forecast Period. These estimates are based on project level assumptions and management's historical experience in retail property development projects.

Rental income and lease incentive forecast assumptions related to the development capex are consistent with the approach described in the specific assumptions for Rental income and Expiries, reletting and tenant incentives above.

It is forecast that development capex will be funded by way of a draw down on the Debt Facilities.

Leasing fees

Leasing fees are forecast on the assumptions for new leases, existing tenant renewals and exercise of options over the Forecast Period. The fees are based on a percentage of the first year lease gross income excluding any incentives, being 15% for new tenant leases, 10% for existing tenant lease renewals and 7% in cases where a tenant exercises an option.

Distributions

Forecast Distributions are based on the Fund's distribution policy of 90% to 100% of FFO (which may change over time). For the purposes of the forecast distributions statements the low end of the Fund's distribution policy of 90% of FFO is assumed, for the period from Completion to 31 December 2015 which is assumed to be paid in February. The Board will review and assess the appropriateness of the Fund's distribution policy on a quarterly basis.

The Fund may qualify as a MIT where certain circumstances are satisfied. The MIT determination (which is assessed on an annual basis) may affect the actual Distribution received by foreign Unitholders. Refer to Section 10 for further details.

6.6 SENSITIVITY ANALYSIS

The Forecast Financial Information is based on a number of key assumptions which have been outlined above. These estimates and assumptions are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Fund, the Directors and management of the Responsible Entity and Aventus Property Group and based upon assumptions with respect to future business decisions or actions which are subject to change. The Forecast Financial Information is also subject to a number of risks as outlined in Section 11.

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

The sensitivity analysis is intended to provide a guide only and variations in actual performance could exceed the ranges shown.

Sensitivity analysis

	Statutory Forecast Completion to 30 June 2016		Statutory Forecast Half-year ending 31 December 2016	
	$ million	cents per Unit	$ million	cents per Unit
Funds from operations	**38.5**	**11.20**	**28.6**	**8.32**
Incremental impact of change from assumption				
25 basis point change in average annual interest rate	0.3	0.09	0.2	0.05
25 basis point change in CPI	0.0	0.01	0.0	0.01
1% change in gross property income	0.6	0.18	0.5	0.14
5% change in outgoings	0.1	0.02	0.0	0.01
5% change in operating expenses	0.0	0.00	0.0	0.00

The estimated impact of changes in each of the variables has been calculated in isolation in order to illustrate the impact on the FFO forecasts. In practice, changes in variables may offset each other or may be cumulative.

6.7 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The preparation of the Financial Information requires estimates, judgments and assumptions that affect the reported amounts of gross revenues, gross expenses, assets and liabilities. Actual results may differ from these estimates under different assumptions or conditions. Revisions to estimates are recognised in the period in which the estimate is revised and in any future period affected.

The significant accounting policies below apply estimates, judgments and assumptions which could materially affect the financial results or financial position reported in future periods. Policies are consistent with the requirements of the AAS and International Financial Reporting Standards.

Consolidation and group accounting

The Financial Information incorporates the assets and liabilities of all subsidiaries of the Fund and the results of those subsidiaries. A subsidiary is any entity over which the Fund has the power to control the financial and operating policies so as to obtain benefits from its activities. All subsidiaries have a 30 June balance date. All inter-entity balances and transactions between entities in the Fund, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those policies adopted by the Fund.

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses. A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Goodwill is carried at cost less accumulated impairment losses.

Property rental revenue

Rental income from a property leased out under an operating lease is recognised in the income statement on a straightline basis over the term of the lease. Lease incentives granted are recognised as a part of the total rental income on a straightline basis.

Investment property

An investment property is a property that is held to earn long term rental yields and/or for capital appreciation. To the extent that the acquisition does not form part of a business combination (refer above), an investment property acquired is initially recorded at its cost at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition. Investment properties are not depreciated.

Other than those properties the subject of Rental Guarantees, the carrying amount of investment properties includes components relating to tenant incentives and receivables on rental income that have been recorded on a straightline basis. Costs that are directly associated with negotiating and executing the ongoing renewal of tenant lease agreements are capitalised to the value of the investment property and amortised over the term of the lease.

An investment property is subsequently measured at fair value each reporting period, based on the price at which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction. The fair value of investment properties will be determined by the Directors, in accordance with AASB 140 "Investment Property".

Investment property under development is carried at fair value each reporting period. The fair value will be determined by the Directors taking into account the expected cost to complete, the stage of completion, expected underlying income and yield of the development.

The Directors of the Responsible Entity's assessment of the fair value of each property will be periodically confirmed by independent valuations on a rolling basis. In determining fair value both the capitalisation of net income and the discounted cash flow methods are used.

Any gains or losses arising from a change in the fair value of investment property, including investment property under construction, are recognised in the income statement in the period in which they arise.

Borrowings

Borrowings are recognised initially at fair value less any attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest rate basis. Borrowings are classified as current liabilities unless the entity has an unconditional right to defer settlement of the liability to at least 12 months after the balance sheet date.

Borrowing costs are recognised as expenses using the effective interest rate method unless incurred for the construction of a qualifying asset where during the time of construction the borrowing costs are capitalised.

Rental Guarantees

The Rental Guarantees are measured as the net present value of expected future cash flows under the guarantee arrangements. The guarantee payments are recorded in the income statement net of amortisation of the financial asset over the period of the guarantee.

Derivative financial instruments

Derivative financial instruments such as interest rate swaps are designated as financial instruments at fair value through profit and loss. The entity does not designate any financial instruments as hedges in a hedging relationship.

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value.

Income taxes

The Fund is treated as a trust for Australian tax purposes. Under current Australian income tax legislation, the Fund is not liable for Australian income tax, including capital gains tax, provided that Unitholders are presently entitled to the income of the Fund as determined in accordance with the Fund Constitution.

Management fees

Management fees are recognised as the services are rendered. The services relate to property and fund management role provided by the manager.

Management fees are charged in accordance with the management fee arrangements agreed with the Fund.

Performance fees

Performance fees are earned on the outperformance of an agreed rate above the hurdle or preferred rate as agreed with the investors in the funds. Performance fees are recognised when it becomes probable that the fees will become payable under the performance fee arrangements.

7

// INDEPENDENT LIMITED ASSURANCE REPORT

Ernst & Young Transaction Advisory Services Limited
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

30 September 2015

The Board of Directors
BBRC Funds Management Pty Limited
Level 14, 71 Macquarie Street
Sydney NSW 2000

The Board of Directors
One Managed Investment Funds Limited, in its capacity
as responsible of Aventus Retail Property Fund
Level 11, 20 Hunter Street
Sydney NSW 2000

Dear Directors

PART 1 – INDEPENDENT LIMITED ASSURANCE REPORT ON PRO FORMA HISTORICAL FINANCIAL INFORMATION, STATUTORY FORECAST FINANCIAL INFORMATION AND PRO FORMA FORECAST FINANCIAL INFORMATION

1. Introduction

We have been engaged by BBRC Funds Management Pty Limited (the "Company") and One Managed Investments Funds Limited in its capacity as responsible entity (the "Responsible Entity") for Aventus Retail Property Fund (the "Fund") to report on the pro forma historical financial information, statutory forecast financial information and pro forma forecast financial information of the Fund for inclusion in the Product Disclosure Statement ("PDS") to be dated on or about 30 September 2015, and to be issued by the Responsible Entity in respect of the Proposed Transaction and Offer.

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

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Services Licence under the *Corporations Act 2001*. Ernst & Young Transaction Advisory Services Limited ("Ernst & Young Transaction Advisory Services") holds an appropriate Australian Financial Services Licence (AFS Licence Number 240585). Gavin Sultana is a Director and Representative of Ernst & Young Transaction Advisory Services. We have included our Financial Services Guide as Part 2 of this report.

2. Scope

Pro Forma Historical Financial Information

You have requested Ernst & Young Transaction Advisory Services to review the following pro forma historical financial information of the Fund:

- the pro forma historical consolidated balance sheet as at 30 June 2015 as set out in Section 6.4.1 of the PDS.

(Hereafter the "Pro Forma Historical Financial Information").

The Pro Forma Historical Financial Information represents the consolidation of the historical financial information of the Participating Assets as at 30 June 2015, adjusted for the effects of pro forma adjustments described in Section 6.4.1 of the PDS.

No audit opinion or limited assurance conclusion has been issued on the historical financial information for the Participating Assets.

The Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles contained in Australian Accounting Standards ("AAS") other than that it includes adjustments which have been prepared in a manner consistent with AAS that reflect the impact of certain transactions as if the Proposed Transaction and Offer had occurred as at 30 June 2015.

Due to its nature, the Pro Forma Historical Financial Information does not represent the Fund's actual or prospective financial position.

Statutory Forecast Financial Information

You have requested Ernst & Young Transaction Advisory Services to review the following statutory forecast financial information of the Fund:

- forecast consolidated income statements for the period from Completion to 30 June 2016 and for the half year ending 31 December 2016 as set out in Section 6.3.1 of the PDS (the "Forecast Income Statements"); and
- forecast distribution statements for the period from Completion to 30 June 2016 and for the half year ending 31 December 2016 as set out in Section 6.3.2 of the PDS (the "Forecast Distribution Statements").

(Hereafter the "Statutory Forecast Financial Information").

The directors' best-estimate assumptions underlying the Statutory Forecast Financial Information are described in Sections 6.5.1 and 6.5.2 of the PDS.

The stated basis of preparation used in the preparation of the Forecast Income Statements is in accordance with the recognition and measurement principles contained in AAS.

The stated basis of preparation used in the preparation of the Forecast Distribution Statements is described in Section 6.2.3 of the PDS.

Pro Forma Forecast Financial Information

You have requested Ernst & Young Transaction Advisory Services to review the following pro forma forecast financial information of the Fund:

- pro forma forecast consolidated income statement for the period from Completion to 30 June 2016, as set out in Section 6.3.1 of the PDS.

(Hereafter the "Pro Forma Forecast Financial Information").

Collectively the Statutory Forecast Financial Information and the Pro Forma Forecast Financial Information is the "Forecast Financial Information".

The Pro Forma Historical Financial Information and the Forecast Financial Information is collectively the "Financial Information".

The Pro Forma Forecast Financial Information has been derived from the Fund's Statutory Forecast Financial Information, after adjusting for the effects of the pro forma adjustments described in Section 6.3.1 of the PDS.

The Pro Forma Forecast Financial Information has been prepared in accordance with the recognition and measurement principles contained in AAS other than that it includes adjustments which have been prepared in a manner consistent with AAS that reflect the exclusion of certain transactions that occurred in the relevant period.

Due to its nature, the Pro Forma Forecast Financial Information does not represent the Fund's actual or prospective financial performance for the period from Completion to 30 June 2016.

The Financial Information is presented in the PDS in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

3. Directors' Responsibility

Pro Forma Historical Financial Information

The directors of the Company and the Responsible Entity are responsible for the preparation and presentation of the Pro Forma Historical Financial Information, including the basis of preparation, selection and determination of pro forma adjustments made to the historical financial information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

Statutory Forecast and Pro Forma Forecast Financial Information

The directors of the Company and the Responsible Entity are responsible for the preparation and presentation of the Statutory Forecast Financial Information for the period from Completion to 30 June 2016 and for the half-year ending 31 December 2016, including the basis of preparation, the best-estimate assumptions underlying the Statutory Forecast Financial Information. They are also responsible for the preparation and presentation of the Pro Forma Forecast Financial Information for the period from Completion to 30 June 2016, including the basis of preparation, selection and determination of the pro forma adjustments made to the Statutory Forecast Financial Information and included in the Pro Forma Forecast Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Statutory Forecast and Pro Forma Forecast Financial Information that is free from material misstatement, whether due to fraud or error.

Building a better working world

4. Our Responsibility

Pro Forma Historical Financial Information

Our responsibility is to express a limited assurance conclusion on the Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained.

Statutory Forecast and Pro Forma Forecast Financial Information

Our responsibility is to express a limited assurance conclusion on the Statutory Forecast and Pro Forma Forecast Financial Information, the best-estimate assumptions underlying the Statutory Forecast and Pro Forma Forecast Financial Information, and the reasonableness of the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information themselves, based on our limited assurance engagement.

We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

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

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the Financial Information.

5. Conclusions

Pro Forma Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information comprising:

- the pro forma historical consolidated balance sheet as at 30 June 2015 as set out in Section 6.4.1 of the PDS,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 6.2.2 of the PDS.

Statutory Forecast Financial Information

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

- the directors' best-estimate assumptions used in the preparation of the Statutory Forecast Financial Information of the Fund for the period from Completion to 30 June 2016 and for the half-year ending 31 December 2016 do not provide reasonable grounds for the Statutory Forecast Financial Information; and

- in all material respects, the Statutory Forecast Financial Information:
  - is not prepared on the basis of the directors' best estimate assumptions as described in Sections 6.5.1 and 6.5.2 of the PDS; and
  - is not presented fairly in accordance with the stated basis of preparation, as described in Section 6.2.3 of the PDS; and

- the Statutory Forecast Financial Information itself is unreasonable.

Pro Forma Forecast Financial Information

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

- the directors' best-estimate assumptions used in the preparation of the Pro Forma Forecast Financial Information of the Fund for the period from Completion to 30 June 2016 does not provide reasonable grounds for the Pro Forma Forecast Financial Information; and

- in all material respects, the Pro Forma Forecast Financial Information:
  - is not prepared on the basis of the directors' best estimate assumptions as described in Sections 6.5.1 and 6.5.2 of the PDS; and
  - is not presented fairly in accordance with the stated basis of preparation, as described in Section 6.2.3 of the PDS; and
- the Pro Forma Forecast Financial Information itself is unreasonable.

Statutory Forecast and Pro Forma Forecast Financial Information

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

Prospective investors should be aware of the material risks and uncertainties in relation to an investment in the Fund, which are detailed in the PDS and the inherent uncertainty relating to the Statutory Forecast and Pro Forma Forecast Financial Information. Accordingly, prospective investors should have regard to the investment risks and sensitivities as described in Sections 11 and 6.6 of the PDS. The sensitivity analysis described in Section 6.6 of the PDS demonstrates the impact on the Forecast Distribution Statements of changes in key best-estimate assumptions. We express no opinion as to whether the statutory forecast or pro forma forecast will be achieved.

We disclaim any assumption of responsibility for any reliance on this report, or on the Statutory Forecast and Pro Forma Forecast Financial Information to which it relates, for any purpose other than that for which it was prepared. We have assumed, and relied on representations from certain members of management of the Company and the Responsible Entity, that all material information concerning the prospects and proposed operations of the Fund has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

6. Restriction on Use

Without modifying our conclusions, we draw attention to Section 6.2.1 of the PDS, which describes the purpose of the Financial Information. As a result, the Financial Information may not be suitable for use for another purpose.

7. Consent

Ernst & Young Transaction Advisory Services has consented to the inclusion of this limited assurance report in the PDS in the form and context in which it is included.

8. Independence or Disclosure of Interest

Ernst & Young Transaction Advisory Services does not have any interests in the outcome of this Proposed Transaction and Offer other than in the preparation of this report for which normal professional fees will be received.

Yours faithfully

Ernst & Young Transaction Advisory Services Limited

Gavin Sultana
Director and Representative

Ernst & Young Transaction Advisory Services Limited
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

30 September 2015

THIS FINANCIAL SERVICES GUIDE FORMS PART OF THE INDEPENDENT LIMITED ASSURANCE REPORT

PART 2 – FINANCIAL SERVICES GUIDE

1. Ernst & Young Transaction Advisory Services

Ernst & Young Transaction Advisory Services Limited ("Ernst & Young Transaction Advisory Services" or "we," or "us" or "our") has been engaged to provide general financial product advice in the form of an Independent Limited Assurance Report ("Report") in connection with a financial product of another person. The Report is to be included in documentation being sent to you by that person.

2. Financial Services Guide

This Financial Services Guide ("FSG") provides important information to help retail clients make a decision as to their use of the general financial product advice in a Report, information about us, the financial services we offer, our dispute resolution process and how we are remunerated.

3. Financial services we offer

We hold an Australian Financial Services Licence which authorises us to provide the following services:

- financial product advice in relation to securities, derivatives, general insurance, life insurance, managed investments, superannuation, and government debentures, stocks and bonds; and
- arranging to deal in securities.

4. General financial product advice

In our Report we provide general financial product advice. The advice in a Report does not take into account your personal objectives, financial situation or needs.

You should consider the appropriateness of a Report having regard to your own objectives, financial situation and needs before you act on the advice in a Report. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain an offer document relating to the financial product and consider that document before making any decision about whether to acquire the financial product.

We have been engaged to issue a Report in connection with a financial product of another person. Our Report will include a description of the circumstances of our engagement and identify the person who has engaged us. Although you have not engaged us directly, a copy of the Report will be provided to you as a retail client because of your connection to the matters on which we have been engaged to report.

A member firm of Ernst & Young Global Limited
Ernst & Young Transaction Advisory Services Limited, ABN 87 003 599 844
Australian Financial Services Licence No. 240585

5. Remuneration for our services

We charge fees for providing Reports. These fees have been agreed with, and will be paid by, the person who engaged us to provide a Report. Our fees for Reports are based on a time cost or fixed fee basis. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority. The estimated fee for this Report is $110,000 (exclusive of GST).

Ernst & Young Transaction Advisory Services is ultimately owned by Ernst & Young, which is a professional advisory and accounting practice. Ernst & Young may provide professional services, including audit, tax and financial advisory services, to the person who engaged us and receive fees for those services. Fees of $1.1 million (exclusive of GST) are estimated to be invoiced by Ernst & Young for the provision of financial and taxation due diligence services in relation to the Proposed Transaction and Offer.

Except for the fees and benefits disclosed above, Ernst & Young Transaction Advisory Services, including any of its directors, employees or associated entities should not receive any fees or other benefits, directly or indirectly, for or in connection with the provision of a Report.

6. Associations with product issuers

Ernst & Young Transaction Advisory Services and any of its associated entities may at any time provide professional services to financial product issuers in the ordinary course of business.

7. Responsibility

The liability of Ernst & Young Transaction Advisory Services is limited to the contents of this Financial Services Guide and the Report.

8. Complaints process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial services. All complaints must be in writing and addressed to the AFS Compliance Manager or the Chief Complaints Officer and sent to the address below. We will make every effort to resolve a complaint within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service Limited.

A member firm of Ernst & Young Global Limited
Ernst & Young Transaction Advisory Services Limited, ABN 87 003 599 844
Australian Financial Services Licence No. 240585

9. Compensation Arrangements

The Company and its related entities hold Professional Indemnity insurance for the purpose of compensation should this become relevant. Representatives who have left the Company's employment are covered by our insurances in respect of events occurring during their employment. These arrangements and the level of cover held by the Company satisfy the requirements of section 912B of the Corporations Act 2001.

Contacting Ernst & Young Transaction Advisory Services	Contacting the Independent Dispute Resolution Scheme:
AFS Compliance Manager Ernst & Young 680 George Street Sydney NSW 2000 Telephone: (02) 9248 5555	Financial Ombudsman Service Limited PO Box 3 Melbourne VIC 3001 Telephone: 1300 78 08 08

This Financial Services Guide has been issued in accordance with ASIC Class Order CO 04/1572.

8

// SUMMARY OF INDEPENDENT PROPERTY VALUATIONS

3 September 2015

The Directors
One Management Investment Funds Limited
as the responsible entity for Aventus Retail Property Fund
Level 14, 71 Macquarie Street
Sydney NSW 2000

Dear Gary

RE: Summary of Valuations for Product Disclosure Statement and Prospectus (Belrose Super Centre, Caringbah Home, Kotara Home South and Home @ Tuggerah)

Instructions

We refer to your instructions requesting Knight Frank Valuations to prepare market valuations of the freehold interest of the abovementioned properties (collectively referred to as the "Properties") on behalf of One Management Investment Funds Limited as Responsible Entity for the Aventus Retail Property Fund ("Fund") to advise the Market Value of the Properties for inclusion in a Product Disclosure Statement ("PDS") for an Initial Public Offering ("IPO") of units in the Fund.

This summary letter is subject to the comments within our respective full valuation reports dated 30 June 2015 which contain details of the considerations and assumptions/conditions/qualifications impacting on value and referenced as:

1.	Belrose Super Centre, Belrose, NSW.	Reference S8430
2.	Caringbah Home, Caringbah, NSW.	Reference S8429
3.	Kotara Home South, Kotara, NSW.	Reference S8361/Kotara South
4.	Home @ Tuggerah, Tuggerah, NSW.	Reference S8431

The respective valuation reports which can be inspected at the office of Aventus Capital Ltd during normal business hours. This correspondence is subject to and should be read in conjunction with all qualifications, assumptions, conditions and disclaimers contained within the valuation reports.

Level 18 Angel Place, 123 Pitt Street, Sydney NSW 2000 T+61 (0) 2 9036 6666 F+61 (0) 2 9036 6770
GPO Box 187, Sydney NSW 2001
www.knightfrank.com.au

Valuations Services (NSW) Pty Ltd ABN: 83 079 862 990, trading under licence as Knight Frank Valuations, is independently owned and operated, is not a member of and does not act as agent for the Knight Frank Group.
™ Trade mark of the Knight Frank Group used under licence.

Market Value

The respective valuations of each property have been completed under the "Market Value" definition as follows.

Market Value as defined by the International Valuation Standards Committee (IVSC) and endorsed by the Australian Property Institute (API) and embodied within the current Corporations Law, is as follows:

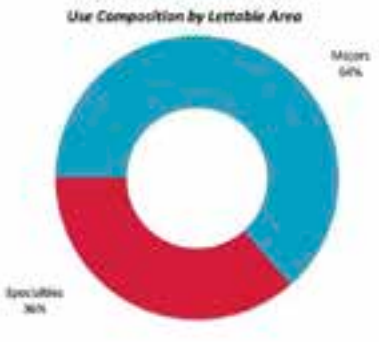
"The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

Brief Description of the Properties

Belrose Super Centre

The Belrose Super Centre is situated on the north-western side corner of the intersection of Forest Way and Garigal Road approximately 200 metres south of the major intersection of Forest Way and Mona Vale Road in the established northern Sydney suburb of Belrose located approximately 20 kilometres by road to the north of the Sydney CBD.

Description	As new bulky goods property currently configured to provide 41 showrooms and a car wash.
Constructed	2006.
Showroom Sizes	18.5m² to 7,179.5m²
Anchor Tenants	Domayne, Freedom Furniture, Spotlight, Nick Scali and Anaconda
Parking	1,185 car spaces (1:27m² GLA)
Retail Levels	Predominantly ground, first and second floors, with one showroom situated at lower ground and a further two showrooms at lower ground 2.
Other Levels	Car parking at lower ground levels and two roof levels.
GLA	32,364.63m²



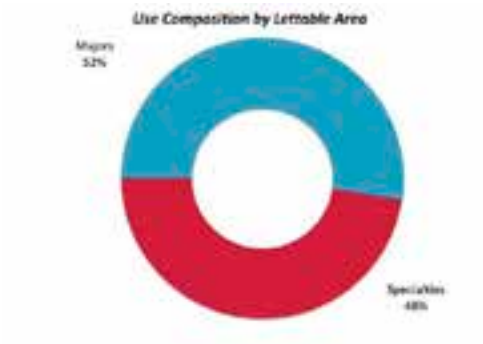
The Belrose Super Centre comprises a 2006 constructed, fully enclosed homemaker centre providing 32,364.63m^2 of bulky goods accommodation primarily over three levels. The Centre is anchored by Domayne (7.179.5m^2), Freedom (3,010.0m^2), Nick Scali (2,254.0m^2), Spotlight (2,815.0m^2), Anaconda (2,502.0m^2) supported by some 34 specialty showrooms, two kiosks, two ATM's and a car wash.

A total of approximately 1,185 car parking spaces are provided undercover at ground and lower ground levels and two open roof top levels providing a ratio of 1:27m² GLA or 3.66 spaces per 100m² GLA.

Caringbah Home

Caringbah Home is situated in an area administered by Sutherland Shire Council some 25 kilometres south of the Sydney CBD. In addition to the main homemaker centre described below, the property also comprises two further properties, 39 Willarong Road and 31 Koonya Circuit, situated immediately to the north of the property and held for future expansion.

Description	A multi-level bulky goods property currently configured to provide 25 showrooms.
Constructed	1996.
Showroom Sizes	41.0m² to 7,560.0m²
Anchor Tenants	Harvey Norman and Freedom Furniture.
Parking	576 car spaces (1:34m² GLA) provided at grade and in a multi-level deck.
Retail Levels	Retail accommodation is provided over two levels.
GLA	19,377.0m²



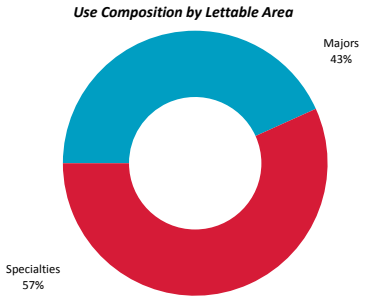
The Caringbah Home comprises a 1996 constructed, fully enclosed homemaker centre providing 19,377.0m² of bulky goods accommodation over two levels. The Centre is anchored by Harvey Norman (7,560.0m²) and Freedom (2,585.0m²) supported by some 24 specialty showrooms.

A total of approximately 576 car parking spaces are provided undercover (420 spaces) and at grade to the rear of the Centre providing a ratio of 1:34m² GLA or 2.98 spaces per 100m² GLA. The site coverage (excluding the leasehold lot and 39 Willarong Road) is approximately 94%.

Kotara Home South

Kotara Home including Kotara Home South, is located in the suburb of Kotara in the provincial city of Newcastle. The property forms part of the majority of the bulky goods precinct of Kotara situated in close proximity to the Westfield Kotara Shopping Centre

Description	Part of the major Kotara Homemaker Centre, specifically providing 19 bulky goods showrooms including Bunnings and ALDI and four fast food outlets (Hungry Jacks, Subway, Sushi Café and Darby's Pies)
Constructed	Circa 2000.
Showroom Sizes	29.0m² (Darby's) to 12,863.0m² (Bunnings)
Anchor Tenants	Bunnings, Trade Secret, JB H-Fi, Rebel, Dan Murphy's, Harris Scarfe Home, ALDI.
Parking	553 car spaces (1:53m² GLA)
Retail Levels	Predominantly ground level retail and bulky goods retail showrooms.
GLA	29,148.0m²



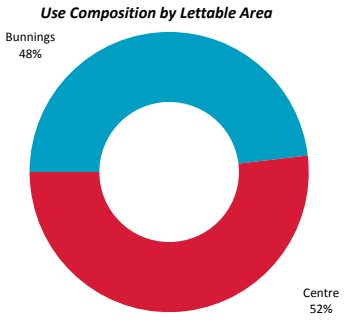
Kotara Homemaker Centre South comprises a modern, 29,148m^2 bulky goods retail centre constructed circa 2000 anchored by a 12,863m^2 Bunnings Warehouse. The property was developed as an open centre in eight separate buildings providing single level retail accommodation broadly arranged around the perimeter of the site and a central car park.

A total of approximately 553 on-grade car parking spaces provide a ratio of 1:53m² GLA or two spaces per 100m² GLA. The site coverage is approximately 54.6%.

Tuggerah @ Home

Home @ Tuggerah is located in the suburb of Tuggerah in the Central Coast region of New South Wales some 90 kilometres north of the Sydney CBD, and 80 kilometres south of the Newcastle CBD and is a major commercial and industrial area for the Central Coast region.

Property Type	A recently extended Bunnings Warehouse and two level bulky goods centre.
Constructed	Between the 1990's and 2010.
Showroom Sizes	56.0m² to 13,685.0m²
Anchor Tenants	Bunnings, Spotlight and The Good Guys.
Parking	758 car spaces (1:49m² GLA)
Retail Levels	The bulky goods retail centre provides retail accommodation over ground and first floors however, the first floor will be closed off until such time that the ground floor is substantially let.
GLA	37,480.0m²



Home @ Tuggerah comprises two elements, a 13,685.0m^2 Bunnings Warehouse and a 23,795.0m^2 bulky goods centre providing retail accommodation over two floors.

A total of approximately 758 car parking spaces provide a ratio of 1:49m² GLA or two spaces per 100m² GLA. The site coverage is approximately 52.4%.

Market Commentary

Expenditure growth for household goods has been the best performing retail category over the past 12 months, experiencing growth of 8.5%. This outcome has come off the back of a surge in residential building activity over the past two years, particularly apartment developments along the east coast of Australia. At the same time, the recent increase in house prices has been supportive of bulky good retailers as more and more households have a greater capacity to spend on household items such as furniture and garden supplies.

In line with annual turnover for household goods, dwelling approvals over the past year have been most pronounced in NSW and VIC, up 11.0% and 18.8% respectively.

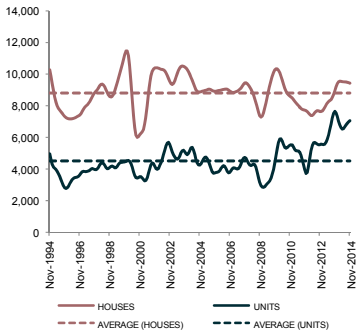
Following the increase in retail turnover, investor demand for larger format retail centres has also picked up considerably over the past few years. 2013 marked the peak in sales activity at almost $1.05 billion, fuelled by the sale and leaseback of several Bunnings stores. More recently, transaction activity has slowed in the sub-sector due to a more limited sale offering. Over the course of 2014, investment of $485.7 million was recorded, which is a 53% reduction from the peak recorded in 2013.

Investment activity over the past two years has been underpinned by a combination of strong interest from AREITs, Unlisted/Syndicate funds and private investors, while during 2014 alone, 41% of purchases came from private investors. The largest sale during 2014 was the January purchase of the Lincoln Mills Homemaker Centre in Vic for $57 million. Other large sales include the sale of the Lidcombe Power Centre for $51.3 million with plans to redevelop it into a Sub-Regional Centre called 'The Marketplace Auburn'. Portfolio acquisitions continue to be a key feature of the market following Charter Hall's purchase of five Bunnings Warehouse properties and a further three in December 2014.

Average core market yields have firmed by 43bps over the past 12 months to range between 7.5% and 8.5%. Looking ahead, building activity is expected to remain solid, supported by low interest rates, high levels of pent-up demand (particularly Sydney) and confidence amongst developers. This outcome will augur well for bulky good retailers, where above average growth is expected to prevail over the next two years.

Dwelling Approvals—Australia

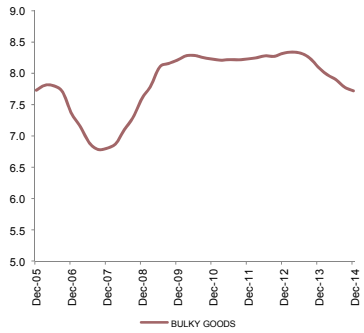
Monthly by Number



Source: ABS, Knight Frank

Average Core Market Yields

Bulky Goods —Australia



Source: IPD, Knight Frank

In determining the Market Value for the properties, we have considered the following bulky goods centre investment sales:

Property	Sale Price	Sale Date	Initial Yield	Core Market Yield*	IRR	$/m² of GLA
Kessels Court Macgregor QLD	$30.95M	May-15	7.55%	**7.71%**	9.66%	$3,345
Domain Townsville QLD **	$130.00 M	May-15	8.00%	**8.25%**	TBC	$2,189
Bunnings Kingsgrove *	$46.77 M	Dec-14	6.50%	**6.50%**	8.56%	$2,803
Bunnings Marsden Park *	$32.51 M	Dec-14	6.50%	**6.50%**	8.56%	$2,243
Lakehaven Home Mega Centre, Lakehaven NSW	$40.50 M	Dec-14	8.81%	**7.75%**	8.42%	$1,860
Sydney Business Park Marsden Park	TBC	Jul-14 exchange	N/A	**8.35%**	TBC	TBC
Home HQ Artarmon	$72.50 M	Oct-13	10.34%	**9.51%**	10.81%	$3,268
Supa Centa Belrose Belrose NSW	$88.0 M	Aug-13 exchange	8.22%	**8.26%**	9.82%	$2,777
Home Hub Hills Castle Hill NSW	$178.25 M	Feb-12 exchange	9.00%	**8.40%**	10.21%	$3,419

Core Market Yield = the percentage return/yield analysed when the assessed fully leased net market income is divided by the adopted value/price which has been adjusted to account for property specific issues (i.e. rental reversions, rental downtime for imminent expiries, capital expenditure, current vacancies, incentives, etc).

** Portfolio Sale which also included Bunnings Cairns (Properties under construction and no stamp duty payable)*

*** Reported Sale*

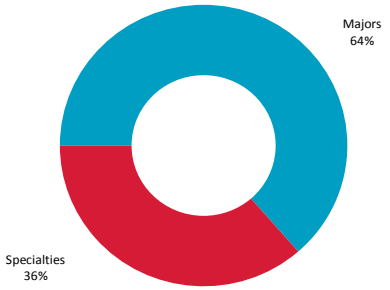
Knight Frank

Tenancy Overview – Belrose Super Centre

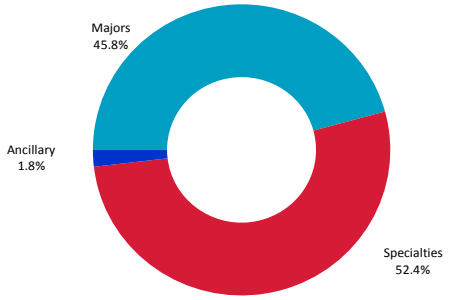
Tenancy Summary

Total Number of Tenants	41	Current Occupancy	100.0%	Average Lease Duration	3.2 yrs

Use Composition by Lettable Area



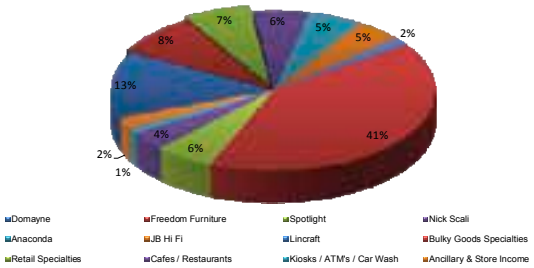
Use Composition by Passing Income



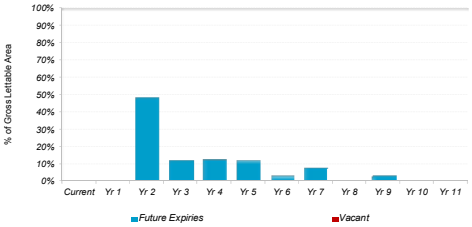
Major Tenant Summary

Tenant	Expiry Date	GLA	% GLA	% Passing Rental
Domayne	25-Oct-16	7,177	22.2%	13.5%
Freedom Furniture	25-Oct-16	3,010	9.3%	8.4%
Spotlight	31-Jan-18	2,815	8.7%	6.7%
Nick Scali	25-Oct-18	2,254	7.0%	5.6%
Anaconda	16-Nov-21	2,502	7.7%	5.4%
JB Hi Fi	25-Nov-19	992	3.1%	4.7%
Lincraft	25-Oct-16	1,818	5.6%	1.6%
Bulky Goods Specialties	02-Feb-24	9,529	29.4%	41.1%
Retail Specialties	31-Mar-17	1,357	4.2%	5.9%
Cafes / Restaurants	25-Oct-19	252	0.8%	3.7%
Kiosks / ATM's / Car Wa	29-Sep-18	384	1.2%	1.2%
Ancillary & Store Income	31-Jan-20	276	0.9%	2.3%
Total		**32,365**	**100.0%**	**100.0%**

Tenant Composition by Passing Income



Expiry Profile - by GLA

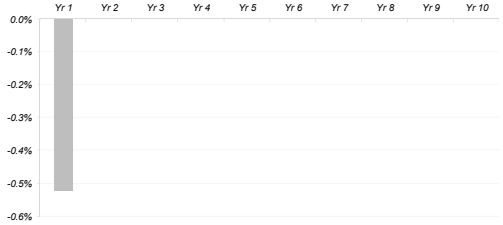


Expiry Profile Matrix (Initial Expiries)

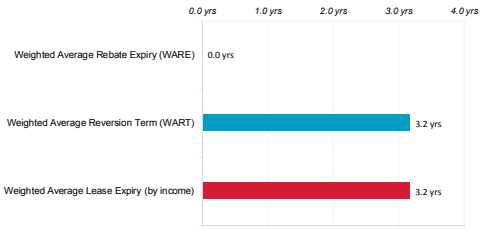
Year	Year Ending	GLA	% GLA
	Current Vacancy	-	-
1	Jun-16	24	0.1%
2	Jun-17	15,750	48.7%
3	Jun-18	3,859	11.9%
4	Jun-19	4,258	13.2%
5	Jun-20	3,887	12.0%
6	Jun-21	1,008	3.1%
7	Jun-22	2,502	7.7%
8	Jun-23	-	-
9	Jun-24	1,074	3.3%
10	Jun-25	-	-
11	Jun-26	-	-
		32,362	**100.0%**

Outstanding Rebates & Rent Free Incentives

(% of Fully Leased Net Rental i.e. passing + market rental over vacant space)



WALE, WART & WARE (Yrs)

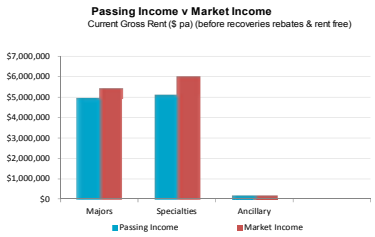


Knight Frank

Valuation Summary – Belrose Super Centre

Income Summary

Use	Passing Income	$/m²pa	Market Income	$/m²pa
Majors	$4,973,948	$242	$5,459,808	$265
Specialties	$5,159,386	$437	$6,026,611	$511
Ancillary	$209,468		$209,468	
Total Rental	***$10,342,802***		***$11,695,887***	
Less: Annual Rebates & Rent Free	$44,474			
Plus: Outgoings Recoveries	$984,589		$0	
Less: Rental for Deferred tenancies	$5,669			
Gross Income	**$11,277,248**		**$11,695,887**	
Less: Outgoings	$3,018,192	$93	$3,018,192	$93
Net Income	***$8,259,056***		***$8,677,695***	



Passing Rent v Market Rent

Rental differential including vacant areas
Majors: -5.32%
Specialties: -1.56%
Rental differential excluding vacant areas
Majors: -5.32%
Specialties: -1.56%

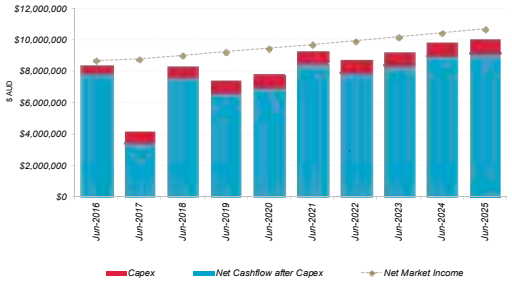
Current Vacancy

Use	Vacancy (m²)	% of GLA
Majors	-	-
Kiosk	-	-
Total	***0.0***	***0.0%***

Cashflow Summary

Analysis Date 30/06/2015

Net Cashflow Projections



Cashflow Profile (Year End)

	Net Cashflow (before capex)	Capex	Net Cashflow (after capex)
1	$8,423,621	($528,250)	$7,895,371
2	$4,188,588	($728,067)	$3,460,521
3	$8,361,296	($746,269)	$7,615,027
4	$7,437,995	($764,576)	$6,673,419
5	$7,798,212	($783,334)	$7,014,878
6	$9,321,748	($802,917)	$8,518,831
7	$8,740,164	($822,990)	$7,917,174
8	$9,248,043	($843,565)	$8,404,478
9	$9,854,276	($864,654)	$8,989,622
10	$146,200,774	($886,270)	$145,314,504

Capital Expenditure

Building Capex (10 yr)	$3,533,212
Operational Capex (10 year)	$0
Outstanding Capital Incentives	$0
Total Capex (10 year)	*$3,533,212*
Total Capex $/m2 of NLA (10 year)	$109/m²
% of Building Value	3.36%

Valuation Summary

DCF Analysis

Discount Rate	8.75%	
Terminal Yield	8.00%	
Present Value of Cashflow	$111,559,907	
Less Acquisition Costs	$5,916,056	
Indicated Value	***$105,643,851***	
NPV of Cashflow	$52,718,912	*49.9%*
PV Of Terminal Value	$52,924,940	*50.1%*

Capitalisation Approach

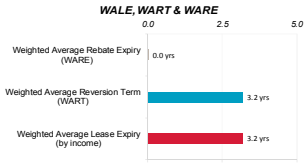
Net Market Income	***$8,677,695***	
Capitalisation Rate Range	***7.50%***	*7.75%*
Core Value (pre adjustments)	***$110,814,366***	$107,239,709
Adjustments	-$5,838,875	-$5,838,875
Indicated Value Range	***$104,975,491***	***$101,400,834***

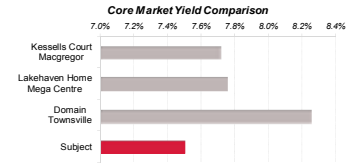
DCF Analysis Sensitivity

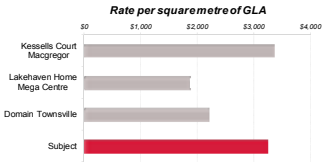
Discount Rate \ Terminal Yield	7.75%	8.00%	8.25%
8.25%	$111,158,256	$109,247,707	$107,456,568
8.50%	$109,292,068	$107,425,087	$105,674,793
8.75%	$107,468,354	**$105,643,851**	$103,933,380
9.00%	$105,686,016	$103,902,930	$102,231,287
9.25%	$103,943,984	$102,201,283	$100,567,502

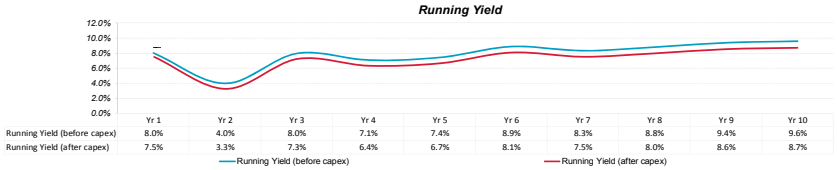
Adopted Value ***$105,000,000***

Passing Initial Yield		*7.87%*
Reversionary Yield		*7.92%*
Core Market Yield *(Analysed Capitalisation Rate)*		***7.50%***
Adopted Capitalisation Rate		*7.50%*
Rate per square metre of GLA		*$3,244*
Rate per square metre of Site Area		*$2,610*
Weighted Average Lease Expiry (by income)		*3.2 yrs*
Internal Rate of Return (after costs)	*10 years*	***8.84%***
	5 years	*8.06%*
Weighted Average Reversion Term (WART)		*3.2 yrs*
Weighted Average Rebate Expiry (WARE)		*0.0 yrs*









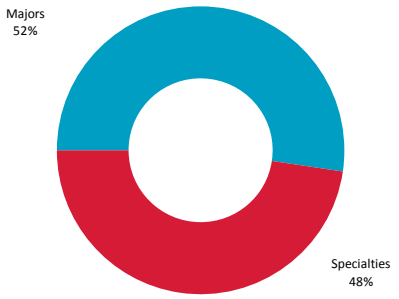
Knight Frank

Tenancy Overview – Caringbah Home (excluding 39 Willarong Road and 31 Koonya Circuit)

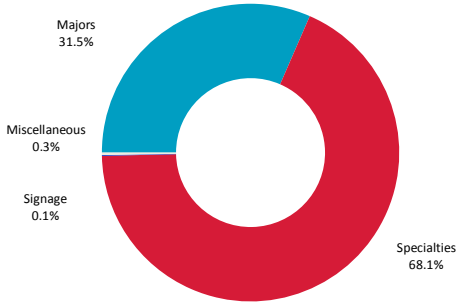
Tenancy Summary

Total Number of Tenants	26	Current Occupancy	100.0%	Average Lease Duration	2.5 yrs

Use Composition by Lettable Area



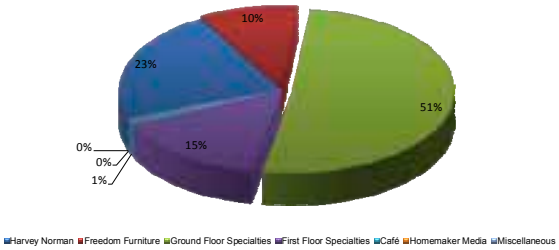
Use Composition by Passing Income



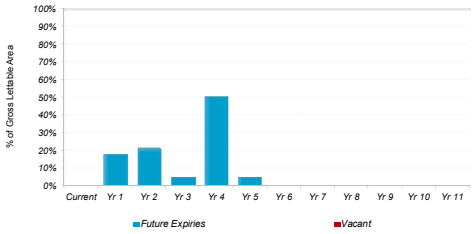
Major Tenant Summary

Tenant	Expiry Date	GLA	% GLA	% Passing Rental
Harvey Norman	31-May-19	7,580	39.1%	22.3%
Freedom Furniture	19-Jun-16	2,585	13.3%	10.0%
Ground Floor Specialties	28-Jan-16	6,288	32.5%	51.3%
First Floor Specialties	30-Sep-15	2,850	14.7%	15.1%
Café	30-Dec-16	74	0.4%	1.1%
Homemaker Media			0.0%	0.1%
Miscellaneous			0.0%	0.3%
Total		**19,377**	**100.0%**	**100.0%**

Tenant Composition by Passing Income



Expiry Profile - by GLA

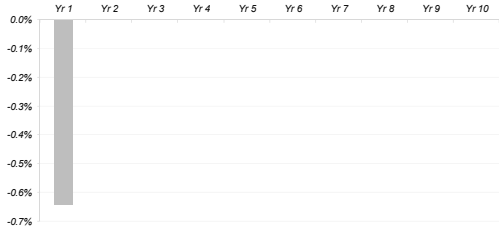


Expiry Profile Matrix (Initial Expiries)

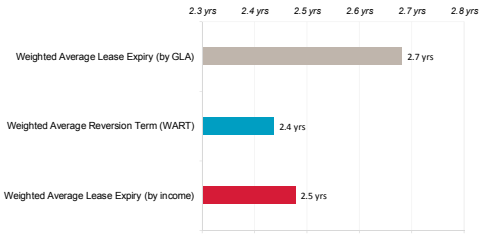
Year	Year Ending	GLA	% GLA
	Current Vacancy	-	-
1	Jun-16	3,566	18.4%
2	Jun-17	4,164	21.5%
3	Jun-18	918	4.7%
4	Jun-19	9,802	50.6%
5	Jun-20	927	4.8%
6	Jun-21	-	-
7	Jun-22	-	-
8	Jun-23	-	-
9	Jun-24	-	-
10	Jun-25	-	-
11	Jun-26	-	-
		19,377	**100.0%**

Outstanding Rebates & Rent Free Incentives

(% of Fully Leased Net Rental i.e. passing + market rental over vacant space)



WALE, WART & WARE (Yrs)



Knight Frank

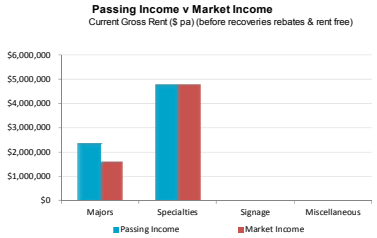
Valuation Summary – Caringbah Home (excluding 39 Willarong Road and 31 Koonya Circuit)

Income Summary

Use	Passing Income	$/m²pa	Market Income	$/m²pa
Majors	$2,374,107	$234	$1,597,479	$157
Specialties	$4,753,845	$515	$4,784,095	$518
Signage	$7,383		$7,383	
Miscellaneous	$21,856		$21,856	
Total Rental	**$7,157,191**		**$6,410,814**	
Less: Annual Rebates & Rent Free	$41,649			
Plus: Outgoings Recoveries	$1,213,942		$1,990,569	
Less: Rental for Deferred tenancies	$0			
Gross Income	**$8,329,484**		**$8,401,383**	
Less: Outgoings	$1,990,569	$103	$1,990,569	$103
Net Income	**$6,338,915**		**$6,410,814**	

Current Vacancy

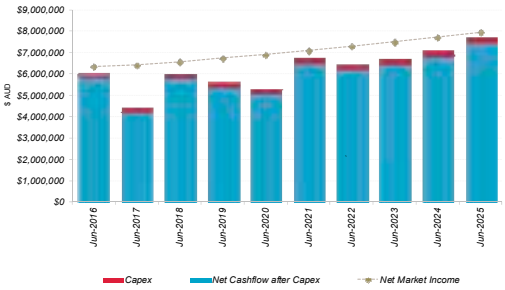
Use	Vacancy (m²)	% of GLA
Majors	-	-
Specialties	-	-
Total	**0.0**	**0.0%**



Cashflow Summary

Analysis Date 30/06/2015

Net Cashflow Projections



Cashflow Profile (Year End)

	Net Cashflow (before capex)	Capex	Net Cashflow (after capex)
1	$6,074,296	($193,770)	$5,880,526
2	$4,462,032	($198,227)	$4,263,805
3	$6,052,855	($203,777)	$5,849,078
4	$5,656,232	($208,871)	$5,447,360
5	$5,341,465	($213,884)	$5,127,580
6	$6,797,307	($219,018)	$6,578,289
7	$6,490,848	($224,493)	$6,266,355
8	$6,743,885	($230,105)	$6,513,780
9	$7,158,295	($235,858)	$6,922,437
10	$108,084,698	($241,754)	$107,842,944

Capital Expenditure

Building Capex (10 yr)	$2,169,758
Operational Capex (10 year)	$0
Outstanding Capital Incentives	$0
Total Capex (10 year)	*$2,169,758*
Total Capex $/m2 of NLA (10 year)	$112/m²
% of Building Value	2.82%

Valuation Summary

DCF Analysis

Discount Rate	9.00%	
Terminal Yield	8.25%	
Present Value of Cashflow	$81,499,670	
Less Acquisition Costs	$4,321,952	
Indicated Value	***$77,177,718***	
NPV of Cashflow	$39,116,744	*50.7%*
PV Of Terminal Value	$38,060,974	*49.3%*

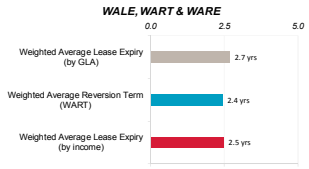
Capitalisation Approach

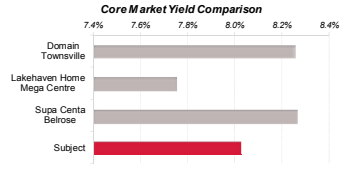
Net Market Income		***$6,410,814***	
Capitalisation Rate Range	*7.75%*	***8.00%***	*8.25%*
Core Value (pre adjustments)	$82,720,177	***$80,135,171***	$77,706,833
Adjustments	-$2,919,278	-$2,919,278	-$2,919,278
Indicated Value Range	***$79,800,899***	***$77,215,894***	***$74,787,555***

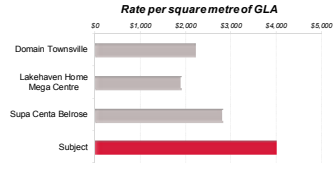
DCF Analysis Sensitivity

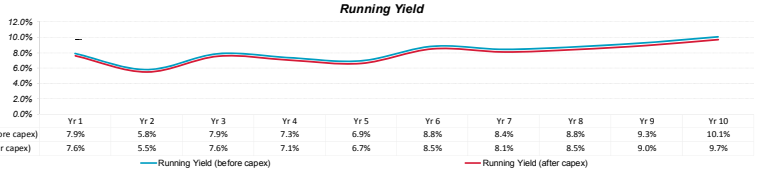
Discount Rate \ Terminal Yield	8.00%	8.25%	8.50%
8.50%	$81,093,297	$79,776,409	$78,538,701
8.75%	$79,749,125	$78,462,199	$77,252,652
9.00%	$78,435,430	**$77,177,718**	$75,995,627
9.25%	$77,151,423	$75,922,197	$74,766,880
9.50%	$75,896,339	$74,694,891	$73,565,682

Adopted Value		***$77,000,000***
Passing Initial Yield		*8.23%*
Reversionary Yield		*8.33%*
Core Market Yield *(Analysed Capitalisation Rate)*		***8.02%***
Adopted Capitalisation Rate		*8.00%*
Rate per square metre of GLA		*$3,974*
Rate per square metre of Site Area		*$3,747*
Weighted Average Lease Expiry (by income)		*2.5 yrs*
Internal Rate of Return (after costs)	*10 years*	***9.03%***
	5 years	*7.75%*
Weighted Average Reversion Term (WART)		*2.4 yrs*
Weighted Average Lease Expiry (by GLA)		*2.7 yrs*









	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
Running Yield (before capex)	7.9%	5.8%	7.9%	7.3%	6.9%	8.8%	8.4%	8.8%	9.3%	10.1%
Running Yield (after capex)	7.6%	5.5%	7.6%	7.1%	6.7%	8.5%	8.1%	8.5%	9.0%	9.7%

Knight Frank

Tenancy Overview – Kotara Home South

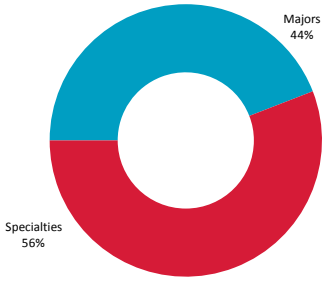
Tenancy Summary

Total Number of Tenants	22	Current Occupancy	100.0%	Average Lease Duration	5.2 yrs

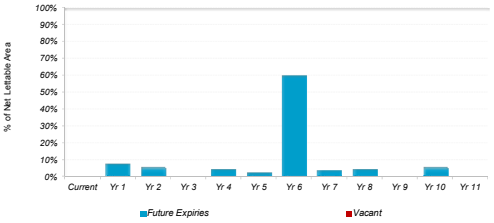
Major Tenant Summary

Tenant	Expiry Date	GLA	% GLA
Bunnings	14-Jul-20	12,863	44.1%
Southern Side Specialties	19-Dec-20	16,154	55.4%
Southern Side Cafes	07-Mar-16	131	0.4%
Southern Side Signage Income	31-May-20	1	0.0%
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-		-	-
-		-	-
-	-	-	-
-	-	-	-
Total		**29,149**	**100.0%**

Use Composition by Lettable Area



Expiry Profile - by GLA

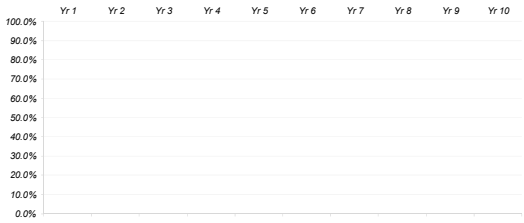


Expiry Profile Matrix (Initial Expiries)

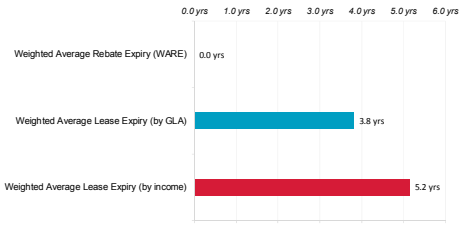
Year	Year Ending	GLA	% GLA
	Current Vacancy	-	-
1	Jun-16	2,421	8.3%
2	Jun-17	1,612	5.5%
3	Jun-18	-	-
4	Jun-19	1,443	5.0%
5	Jun-20	781	2.7%
6	Jun-21	17,436	59.8%
7	Jun-22	1,048	3.6%
8	Jun-23	1,265	4.3%
9	Jun-24	-	-
10	Jun-25	1,641	5.6%
11	Jun-26	-	-
		27,647	**100.0%**

Outstanding Rebates & Rent Free Incentives

(% of Fully Leased Net Rental i.e. passing + market rental over vacant space)



WALE, WART & WARE (Yrs)



Knight Frank

Valuation Summary – Kotara Home South

Income Summary

Use	Passing Income	$/m²pa	Market Income	$/m²pa
Majors	$1,918,868	$149	$2,058,080	$160
Specialties	$6,995,373	$430	$7,025,055	$431
Signage Income	$27,284		$27,284	
Total Rental	**$8,941,525**		**$9,110,419**	
Less: Passing Annual Rebates & Rent Free	$0			
Plus: Outgoings Recoveries	$0		$0	
Less: Annual Rental for Deferred tenancies	$0			
Gross Income	**$8,941,525**		**$9,110,419**	
Less: Outgoings	$1,663,178	$57	$1,663,178	$57
Net Income	**$7,278,347**		**$7,447,241**	

Passing Rent v Market Rent

Rental differential including vacant areas
- Majors: 0.00%
- Specialties: 0.00%

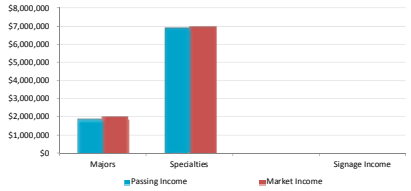
Rental differential excluding vacant areas
- Majors: 0.00%
- Specialties: -0.42%

Current Vacancy

Use	Vacancy (m²)	% of GLA
Majors	-	-
Specialties	-	-
Total	**0.0**	**0.0%**

Passing Income v Market Income

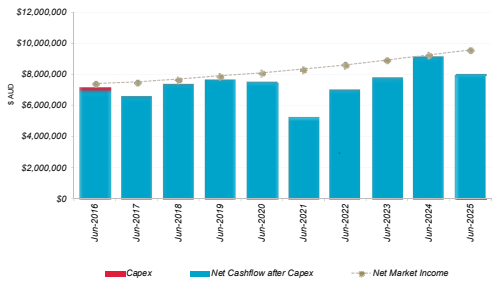
Current Gross Rent ($ pa) (before recoveries rebates & rent free)



Cashflow Summary

Analysis Date 30/06/2015

Net Cashflow Projections



Cashflow Profile (Year End)

	Net Cashflow (before capex)	Capex	Net Cashflow (after capex)
1	$7,209,404	($145,740)	$7,063,664
2	$6,842,469	($149,092)	$6,693,377
3	$7,604,436	($153,267)	$7,451,170
4	$7,888,064	($157,098)	$7,730,966
5	$7,721,744	($160,869)	$7,560,876
6	$5,435,279	($164,729)	$5,270,550
7	$7,199,838	($168,848)	$7,030,990
8	$8,006,950	($173,069)	$7,833,881
9	$9,406,403	($177,396)	$9,229,007
10	$133,050,317	($181,831)	$132,868,487

Capital Expenditure

Building Capex (10 yr)	$1,631,938
Operational Capex (10 year)	$0
Outstanding Capital Incentives	$0
Total Capex (10 year)	*$1,631,938*
Total Capex $/m2 of NLA (10 year)	$56/m²
% of Building Value	1.71%

Valuation Summary

DCF Analysis

Discount Rate	8.75%	
Terminal Yield	8.00%	
Present Value of Cashflow	$103,054,023	
Less Acquisition Costs	$5,464,986	
Indicated Value	***$97,589,037***	
NPV of Cashflow	$49,111,427	50.3%
PV Of Terminal Value	$48,477,610	49.7%

Capitalisation Approach

Net Market Income		***$7,419,957***	
Capitalisation Rate Range	7.25%	***7.50%***	7.75%
Core Value (pre adjustments)	$102,344,234	***$98,932,760***	$95,741,381
Signage Income - Capitalised at 8.00	*$341,050*	*$341,050*	*$341,050*
Adjustments	-$1,386,094	-$1,386,094	-$1,386,094
Indicated Value Range	***$101,299,190***	***$97,887,716***	***$94,696,337***

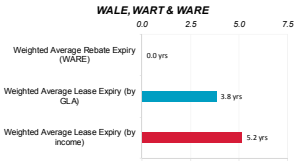
DCF Analysis Sensitivity

Discount Rate \ Terminal Yield	7.75%	8.00%	8.25%
8.25%	$102,592,839	$100,857,140	$99,223,791
8.50%	$100,900,442	$99,204,323	$97,608,222
8.75%	$99,246,565	**$97,589,037**	$96,029,250
9.00%	$97,630,211	$96,010,309	$94,485,930
9.25%	$96,050,406	$94,467,194	$92,977,341

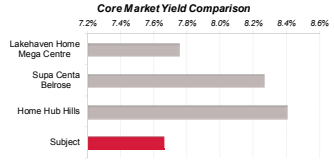
Adopted Value ***$95,500,000***

Passing Initial Yield		*7.62%*
Reversionary Yield		*7.77%*
Core Market Yield *(Analysed Capitalisation Rate)*		***7.66%***
Adopted Capitalisation Rate		*7.50%*
Rate per square metre of GLA		*$3,276*
Rate per square metre of Site Area		*$1,789*
Weighted Average Lease Expiry (by income)		*5.2 yrs*
Internal Rate of Return (after costs)	*10 years*	***9.06%***
	5 years	*7.68%*
Weighted Average Lease Expiry (by GLA)		*3.8 yrs*
Weighted Average Rebate Expiry (WARE)		*0.0 yrs*

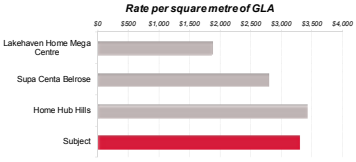
WALE, WART & WARE



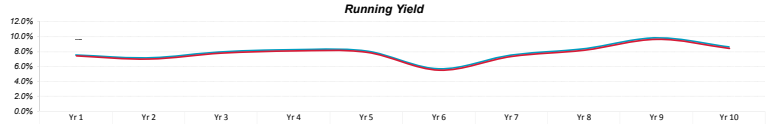
Core Market Yield Comparison



Rate per square metre of GLA



Running Yield



	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
Running Yield (before capex)	7.5%	7.2%	8.0%	8.3%	8.1%	5.7%	7.5%	8.4%	9.8%	8.6%
Running Yield (after capex)	7.4%	7.0%	7.8%	8.1%	7.9%	5.5%	7.4%	8.2%	9.7%	8.4%

Running Yield (before capex) — Running Yield (after capex)

Tenancy Overview – Tuggerah @ Home

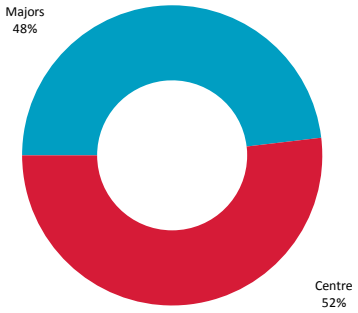
Tenancy Summary

Total Number of Tenants	15	Current Occupancy	58.4%	Average Lease Duration	6.5 yrs

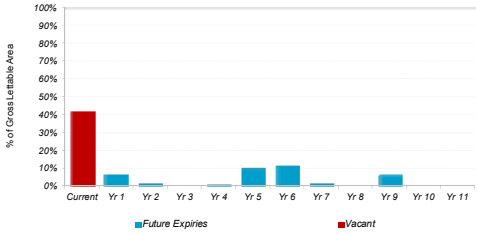
Major Tenant Summary

Tenant	Expiry Date	GLA	% GLA
Bunnings	23-Jun-27	13,685	36.5%
Spotlight	05-Oct-19	2,627	7.0%
The Good Guys	10-Jun-24	1,893	5.1%
Kangaroo Tent City	21-Apr-21	740	2.0%
Snooze	30-Sep-15	908	2.4%
Rivers	25-Aug-15	566	1.5%
The Sleeping Giant	28-Feb-22	668	1.8%
Fantastic Furniture	30-Apr-21	2,006	5.4%
Specialties	18-Dec-19	2,555	6.8%
Casual Income	31-Dec-28	0	0.0%
Vacant Ground Floor	-	2,795	7.5%
Vacant First Floor	-	9,037	24.1%
Total		**37,480**	**100.0%**

Use Composition by Lettable Area



Expiry Profile - by GLA

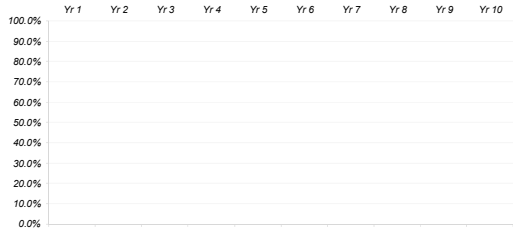


Expiry Profile Matrix (Initial Expiries)

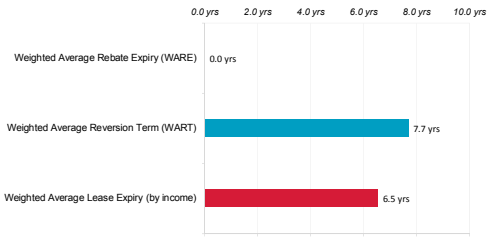
Year	Year Ending	GLA	% GLA
	Current Vacancy	11,832	41.6%
1	Jun-16	2,061	7.2%
2	Jun-17	639	2.2%
3	Jun-18	-	-
4	Jun-19	476	1.7%
5	Jun-20	2,948	10.4%
6	Jun-21	3,278	11.5%
7	Jun-22	668	2.3%
8	Jun-23	-	-
9	Jun-24	1,893	6.7%
10	Jun-25	-	-
11	Jun-26	-	-
		23,795	**83.7%**

Outstanding Rebates & Rent Free Incentives

(% of Fully Leased Net Rental i.e. passing + market rental over vacant space)



WALE, WART & WARE (Yrs)



Knight Frank

Valuation Summary – Tuggerah @ Home

Income Summary

Use	Passing Income	$/m²pa	Market Income	$/m²pa
Majors	$1,700,000	$124	$2,001,038	$146
Centre	$2,345,459	$196	$3,605,097	$244
Casual Income	$8,313		$8,313	
Other	$0		$0	
Total Rental	**$4,053,772**		**$5,614,449**	
Less: Annual Rebates & Rent Free	$0			
Plus: Outgoings Recoveries	$379,388		$0	
Less: Rental for Deferred tenancies	$0			
Gross Income	**$4,433,160**		**$5,614,449**	
Less: Outgoings	$1,751,960	$62	$1,751,960	$62
Net Income	**$2,681,200**		**$3,862,489**	

Passing Rent v Market Rent

Rental differential including vacant areas
- Industrial: 0.00%
- Office: -48.74%

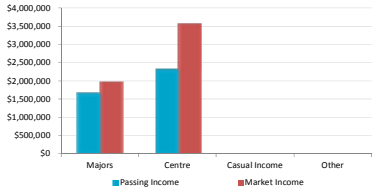
Rental differential excluding vacant areas
- Industrial: 0.00%
- Office: -14.16%

Current Vacancy

Use	Vacancy (m²)	% of GLA
Industrial	-	-
Office	2,795.0	9.8%
Total	**2,795.0**	**9.8%**

Passing Income v Market Income

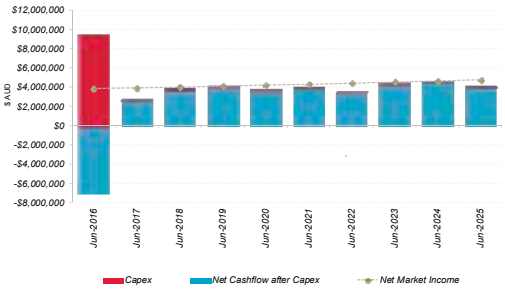
Current Gross Rent ($ pa) (before recoveries rebates & rent free)



Cashflow Summary

Analysis Date 25/06/2015

Net Cashflow Projections



Cashflow Profile (Year End)

	Net Cashflow (before capex)	Capex	Net Cashflow (after capex)
1	$2,467,865	($9,500,000)	-$7,032,135
2	$2,840,276	($149,560)	$2,690,717
3	$3,984,331	($153,299)	$3,831,032
4	$4,166,314	($156,978)	$4,009,337
5	$3,887,750	($160,745)	$3,727,005
6	$4,094,101	($164,764)	$3,929,337
7	$3,621,348	($168,883)	$3,452,465
8	$4,524,895	($173,105)	$4,351,790
9	$4,735,190	($177,433)	$4,557,758
10	$72,424,132	($181,868)	$72,242,263

Capital Expenditure

Building Capex (10 yr)	$10,986,634
Operational Capex (10 year)	$0
Outstanding Capital Incentives	$0
Total Capex (10 year)	*$10,986,634*
Total Capex $/m2 of NLA (10 year)	$386/m²
% of Building Value	26.63%

Valuation Summary

DCF Analysis

Discount Rate	9.00%	
Terminal Yield	7.25%	
Present Value of Cashflow	$43,700,461	
Less Acquisition Costs	$2,317,449	
Indicated Value	***$41,383,012***	
NPV of Cashflow	$14,901,590	36.0%
PV Of Terminal Value	$26,481,422	64.0%

Capitalisation Approach

Net Market Income		***$3,862,489***	
Capitalisation Rate Range	7.00%	***7.25%***	7.50%
Core Value (pre adjustments)	$55,178,410	***$53,275,706***	$51,499,849
Adjustments	-$12,000,884	-$12,000,884	-$12,000,884
Indicated Value Range	***$43,177,525***	***$41,274,822***	***$39,498,965***

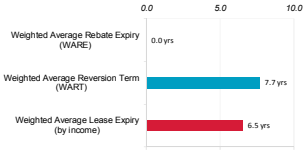
DCF Analysis Sensitivity

Discount Rate \ Terminal Yield	7.00%	7.25%	7.50%
8.50%	$44,126,932	$43,114,262	$42,168,270
8.75%	$43,228,340	$42,238,710	$41,314,241
9.00%	$42,350,177	**$41,383,012**	$40,479,529
9.25%	$41,491,915	$40,546,656	$39,663,636
9.50%	$40,653,040	$39,729,141	$38,866,076

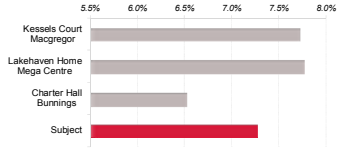
Adopted Value ***$41,250,000***

Passing Initial Yield		*6.50%*
Reversionary Yield		*9.36%*
Core Market Yield *(Analysed Capitalisation Rate)*		***7.25%***
Adopted Capitalisation Rate		*7.25%*
Rate per square metre of GLA		*$1,450*
Rate per square metre of Site Area		*$576*
Weighted Average Lease Expiry (by income)		*6.5 yrs*
Internal Rate of Return (after costs)	*10 years*	***9.04%***
	5 years	*8.56%*
Weighted Average Reversion Term (WART)		*7.7 yrs*
Weighted Average Rebate Expiry (WARE)		*0.0 yrs*

WALE, WART & WARE

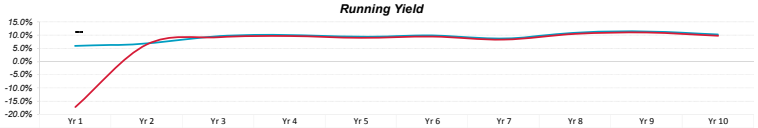


Core Market Yield Comparison



Rate per square metre of GLA

Running Yield



	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
Running Yield (before capex)	6.0%	6.9%	9.7%	10.1%	9.4%	9.9%	8.8%	11.0%	11.5%	10.3%
Running Yield (after capex)	-17.0%	6.5%	9.3%	9.7%	9.0%	9.5%	8.4%	10.5%	11.0%	9.9%

Running Yield (before capex) — Running Yield (after capex)

Knight Frank

Valuation Summary

A summary of the individual Market Values for each property as at 30 June 2015 are as follows:

Property	Market Value
1. Belrose Super Centre, Belrose NSW	$105,000,000 (GST Exclusive)
2. Caringbah Home, Caringbah, NSW *	$82,450,000 (GST Exclusive)
3. Kotara Home South, Kotara, NSW	$95,500,000 (GST Exclusive)
4. Home @ Tuggerah, Tuggerah, NSW	$41,250,000 (GST Exclusive)
Aggregate Market Value	**$324,200,000 (GST Exclusive)**

** Includes Caringbah Home Centre ($77.0 million) 39 Willarong Road ($2.25 million) and 31 Koonya Circuit ($3.2 million)*

The content prepared by Knight Frank Valuations for the PDS is limited to this summary letter. Knight Frank Valuations has not been involved in the preparation of any other part of the PDS and has not approved or expressed any opinion contained within PDS other than this letter.

Qualifications & Disclaimers

Knight Frank Valuations have prepared this summary which appears in the PDS for One Management Investment Funds Limited as Responsible Entity for the Fund. Knight Frank Valuations were involved only in the preparation of this summary and the valuations referred to therein, and specifically disclaim liability to any party in the event of any omission from, or false or misleading statement included in, the PDS or other document, other than in respect of our valuations and this letter.

Knight Frank Valuations has consented to this summary being included in this PDS, but Knight Frank Valuations is not providing advice about a financial product, nor the suitability of the investment set out in the PDS. Such an opinion can only be provided by a person that holds an Australian Financial Services Licence. Knight Frank Valuations does not hold such a licence and is not operating under any such licence in providing its opinions of value as detailed in this summary and our valuation reports.

Any forecasts, including but not limited to, financial cash flow projections or terminal value projections noted within the valuations are a valuation tool only, undertaken for the purpose of assisting to determine the market value. No party may rely upon any financial projections or forecasts within this report on the understanding that they are undertaken for the specific purpose of determining market value only and therefore should not be represented in any way as providing an indication of likely future profit or realisable cash flow.

The valuations are current at the date of valuation only. The values assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value and we can give no guarantee that the properties or the valuations has not altered since the date of valuation.

Knight Frank

Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where the valuations are relied upon after the expiration of three (3) months from the date of valuation, or such earlier date if you become aware of any factors that have any effect on the valuations.

Knight Frank Valuations has prepared this letter based upon information provided. We have no reason to believe that the information is not fair and reasonable or that material facts have been withheld and for the purpose of the valuations we have assumed that the information is correct.

These valuations do not purport to be a site or structural survey of the improvements, nor was any such survey undertaken. Overall, we have assumed that detailed reports with respect to the structure and service installation of the improvements both would not reveal any defects or inadequacies requiring significant capital expenditure.

Knight Frank Valuations has received fees of $52,500 (inclusive of GST) in connection with the preparation of our valuations and this summary. The fee is not in any way linked to nor has it influenced the opinion of value noted and Knight Frank Valuations does not have any pecuniary interest in One Managed Investment Funds Limited and has provided this letter solely in its capacity as independent professional advisor.

Yours faithfully
KNIGHT FRANK VALUATIONS

MATTHEW RUSSELL BSc (Hons) MRICS AAPI
Registered Valuer No. VAL011166
National Director

PHILLIP ALLENBY FAPI
Registered Valuer No. VAL2523
Associate Director

Liability limited by a scheme approved under Professional Standards Legislation.

Product Disclosure Statement

Highlands Hub, Mittagong NSW 2575

Tweed Hub, Tweed Heads South NSW 2486

Warners Bay Home, Warners Bay NSW 2289

Mile End Homemaker Centre Stage 1 & 2 SA 5031

Mile End Homemaker Centre Stage 3 SA 5031

30 June 2015

30 June 2015

Private & Confidential

The Directors
One Management Investment Funds Limited as the responsible entity for Aventus Retail Property Fund
Level 14, 71 Macquarie Street
Sydney NSW 2000

PROPERTY VALUATION

HIGHLANDS HUB, MITTAGONG, NEW SOUTH WALES;
TWEED HUB, TWEED HEADS, NEW SOUTH WALES;
WARNERS BAY HOME, WARNERS BAY, NEW SOUTH WALES;
MILE END HOMEMAKER CENTRE STAGE 1 & 2, MILE END SOUTH, SOUTH AUSTRALIA;
and MILE END HOMEMAKER CENTRE STAGE 3, MILE END SOUTH, SOUTH AUSTRALIA
(THE "PROPERTIES")

1. Instructions

In accordance with our terms of engagement dated 15 May 2015, Jones Lang LaSalle Advisory Services Pty Limited ("JLL") has undertaken a valuation of the Properties as at 30 June 2015. We provide this summary letter for inclusion in a Product Disclosure Statement (PDS). For further information, we refer you to our full valuation reports held by One Management Investment Funds Limited as the responsible entity for Aventus Retail Property Fund ("Aventus").

2. Reliance on this Letter

This letter summarises our full valuation reports. This letter alone does not contain all of the data and supporting information which is included in our reports. For further information, we recommend the reader review the contents of the complete, self-contained reports held by One Management Investment Funds Limited as the responsible entity for Aventus Retail Property Fund.

3. Basis of Valuation

The purpose of the valuations was to assess the Properties' "market value" as that term is defined by the International Valuation Standards Committee (IVSC) and endorsed by the Australian Property Institute (API):

> *"Market Value is the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arms length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion."*

Included in our valuations are lessor-owned building fixtures, fittings, plant and equipment. Movable equipment, furniture, furnishings and tenant owned fit-out and improvements are excluded.

Our valuations are current as at the date of valuation only. The values as assessed may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements or factors specific to the Property). We do not accept liability for losses arising from such subsequent changes in values. Without limiting the generality of that statement, we do not assume any responsibility or accept any liability in circumstances where the valuations are relied upon more than 90 days from the date of valuation, or such earlier date if you become aware of any factors that have any effect on the valuations. However, it should be recognised that the Properties' values are not assured for that 90 day period; our valuations always remain a valuation at the date of valuation only.

4. Brief Property Description

Highlands Hub, NSW

The property, known as Highlands Hub, comprises a large format centre anchored by Highlands Tenpin, Officeworks, Amart, Pillow Talk and Best & Less together with 9 other large format tenancies (including 1 vacancy) and a Subway store. The centre comprises a total GLA of approximately 11,403.80m² as well as approximately 270 at-grade, bitumen sealed parking spaces.

The subject centre was constructed circa 2008, with improvements providing an 'L' shape. Additional detached pad-site tenancies including Adairs and Subway are located to the north eastern end of the central car park.

Highlands Hub is located in the township of Mittagong, approximately 120 kilometres south of the Sydney CBD. The centre is positioned to the western end of the Mittagong Township, approximately 1.5 kilometres from the CBD and adjoins the complimentary Highlands Marketplace Shopping Centre, a sub-regional shopping centre anchored by a Woolworths supermarket and a Big W discount department store.

Tweed Hub, NSW

The property, known as Tweed Hub, comprises a large format centre which is anchored by The Good Guys (2,010m²) together with 3 other major tenancies (1st Choice Liquor Superstore, Tweed Fitness Club and Amart All Sports) 5 large format tenancies, 6 specialty tenancies and 1 ATM. The centre provides a convenience style centre including a number of non-traditional large format uses such as fast food and medical.

The subject provides a total GLA of approximately 9,760.24m² (9,763.24m² including the ATM) as well as approximately 240 at-grade, bitumen sealed parking spaces. The centre was constructed in stages between 2001 and 2003 and comprises two main buildings with the Hungry Jacks, KFC and 7-Eleven located within detached pad-site tenancies in the car park.

Tweed Hub is located in the suburb of Tweed Heads South in northern New South Wales, approximately 825 kilometres north of the Sydney CBD and approximately 100 kilometres south of the Brisbane CBD. The centre has a frontage to Minjungbal Drive, a major arterial roadway linking to the Pacific Highway to the subject's south.

Warners Bay Home, NSW

Warners Bay Home centre provides a single story, externally arranged large format centre designed around a central at-grade carpark. The centre comprises one main building on the southern proportion of the site as well as three detached buildings located to the east. Access to each tenancy is via the car park which fronts Hillsborough Road. Additional basement car parking is provided below The Good Guys tenancy.

The centre is anchored by The Good Guys (2,396.20m²), Officeworks (2,088.30m²), Pillow Talk (1,197.70m²) and Genesis (1,893m²) together with 6 large format tenancies, an office tenant (LJ Hooker Warners Bay (404.70m²) and a KFC (410.00m²). Improvements are situated on an elevated and significantly sloping allotment and as such the centre, particularly the northern buildings including JL Hooker and Genesis, have excellent exposure.

Warners Bay Home is located in the suburb of Warners Bay within the Lake Macquarie LGA. Warners Bay is located approximately 15 kilometres south of Newcastle's CBD on the eastern side of Lake Macquarie and lies approximately 130 radial kilometres north of the Sydney CBD. The centre has excellent exposure to Hillsborough Road (a frontage of approximately 450 metres), a major arterial roadway linking Warners Bay with the Pacific Highway. A service road runs along the rear perimeter of the centre providing loading dock access to the stores.

Mile End Homemaker Centre, Stage 1 & 2, SA

The Property, known as Stage 1 and 2 Mile End Homemaker Centre comprises a large format centre which is primarily occupied by Freedom, The Good Guys and Nick Scali, together with 19 smaller bulky goods tenants and specialty tenants and one ATM.

The centre was constructed circa 2004/05 and provides a combination of detached and semi-detached (in the main) single level bulky good tenancies with some smaller specialty retail stores.

The property operates as part of a larger centre, with the property to the north east forming part of the overall centre (known as Stage 3). While sharing carparking and driveway access, the properties are however separately owned and treated as single entities.

The property is situated within the inner western suburb of Mile End South with frontage and access to James Congdon Drive and Railway Terrace.

Car parking is at grade and bitumen sealed providing 548 car spaces with interspersed landscaping. The number of carparks will be reduced to 508 to allow for the development of a new showroom on James Congdon Drive (under construction).

Mile End Homemaker Centre, Stage 3, SA

The property, known as Stage 3 Mile End Homemaker Centre comprises a large format centre which is primarily occupied by Anaconda, Plush and The Sofa Shop, together with five smaller bulky goods tenants and specialty tenants. The Property is situated within the inner western suburb of Mile End South with frontage to Railway Terrace.

The centre was constructed circa 2006 and provides two buildings, one of L shape situated to the northern boundary and the other providing two tenancies situated to the south western corner of the site.

The property operates as part of a larger bulky goods centre, with the property to the south and west forming part of the overall centre (known as Stage 1 & 2). While sharing carparking and driveway access, the Properties are however separately owned and treated as single entities.

Car parking is at grade and bitumen sealed providing 196 car spaces with interspersed landscaping. Access into the carpark is provided via rights of way over the adjoining part of the centre. Direct access is provided to rear loading areas from Railway Terrace.

Valuation Rationale

In assessing the market value of the properties, we conducted various investigations including analysing available market evidence, and we applied that analysis to the capitalisation of income and discounted cash flow approaches.

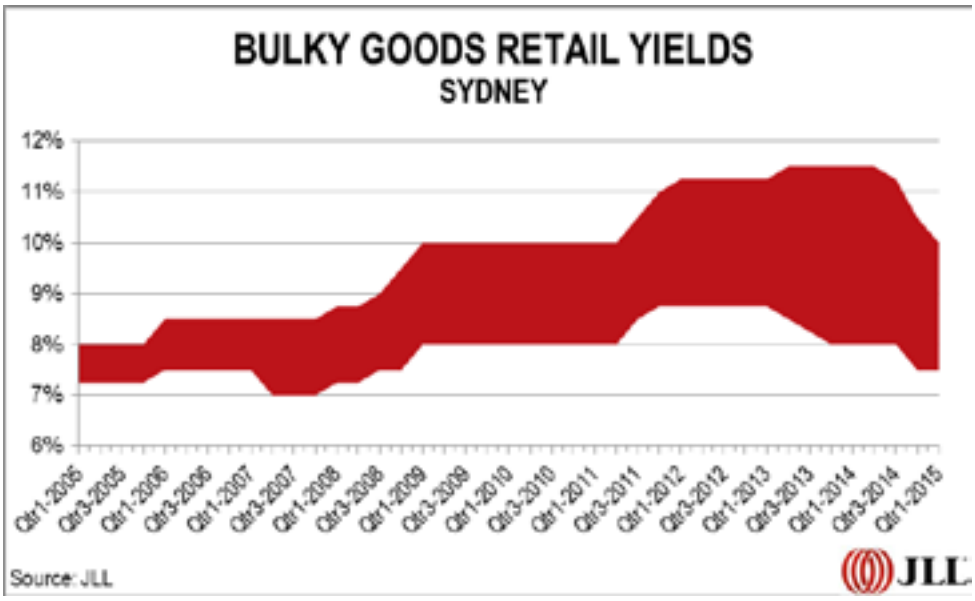
In relation to the latter approach, we stress that the estimating of future rentals and values is a very problematic exercise, which at best should be regarded as an indicative assessment of possibilities rather than absolute certainties. The process of making forward projections of key elements includes assumptions regarding a considerable number of variables which are acutely sensitive to changing conditions, variation in any of which may significantly affect value.

6. Brief Market Commentary - NSW

- Global growth was stable at 3.4% in 2014 (from 2013) and is forecast to increase marginally to 3.5% in 2015. The IMF expects global activity to strengthen moderately with advanced economies expected to expand 2.4% in 2015, up from 1.8% in 2014.
- China and a growing number of emerging market economies came off cyclical peaks in 2014, with the IMF forecasting this to continue through 2015.
- The Bank of England, the US Federal Reserve and the Bank of Japan all maintain interest rates of 0.5% or less. Banks and debt providers are still limiting their exposure to commercial real estate, but investors with access to equity are in strong, competitive positions.
- The Australian economy expanded by 0.9% in Q1/2015, an annual growth rate of 2.3% (seasonally adjusted).
- The May 2015 meeting of the Reserve Bank saw the cash rate fall 25 basis points to an all-time record low of 2.00%, which followed the 25 basis point cut in February 2015. The recent cuts follow a period of relative stability during which interest rates remained unchanged for 18 months since August 2013.
- The ten-year bond rate has decreased by 16 bps from 2.64% in January 2015 to 2.48% in March 2015, to be well below its February 2011 high of 5.61%.
- The Australian labour force increased by 42,000 jobs in May 2015, and increased by 234,000 over the past year, equivalent to 2.0% annual growth, the highest figure since April 2011.
- The unemployment rate has fallen to 6.0% in May 2015, from 6.4% in November 2014. The labour force participation rate remains steady at around 65% which, by recent historical standards is high and seems to have stabilised in recent years.
- The Westpac/Melbourne Institute Consumer Sentiment Index remains volatile reflecting the fragility of consumer sentiment.
- Retail sales were stable in April 2015 (seasonally adjusted basis), which is slightly weaker than previous months (0.2% in March and 0.7% in February). While month to month changes can volatile, on a moving annual basis, growth remains healthy. Total retail turnover is growing at 4.9% year-on-year, ahead of the 10-year average of 4.6% year-on-year.
- On a category basis, year-on-year turnover growth results remain generally positive for all categories except Department Stores as at April. Strong growth continues to be recorded in Household Goods Retailing (8.2%), Cafes, Restaurants and Takeaway Food Services (+7.2%) and to a lesser extent Food (4.8%) and Clothing, Footwear and Personal Accessories (2.6%). Despite most discretionary categories having experienced some recovery, Department Stores continue to show sluggish growth of just 0.4%.
- Projects commencing in 1Q15 include Stage 2 of the extensions to Stockland Wetherill Park (6,000m²) as well as extensions of Westfield Chatswood, Westfield North Lakes and Warriewood Shopping Centre.

- Moderate rental growth was recorded in 1Q15 in the Sydney and Melbourne markets across a number of retail sub-sectors (bulky goods, CBD, neighbourhood and to a lesser extent sub-regional). Most notably, the bulky goods rents have begun to respond to stronger growth household goods spending and a recovery in residential construction activity.
- Retail investment activity reached AUD 7.5 billion in 2014, breaching the AUD 7.4 billion in 2013, an all-time record high for the third consecutive calendar year. A few large transactions, combined with a significant upswing in smaller transactions, drove volumes to record-breaking levels.
- Transaction volumes for 1Q15 reached just AUD 436.4 million (preliminary), down approximately 64% from 1Q14 (AUD 1.2 billion) and significantly below than the AUD 2.6 billion in 4Q14. However, there are a number of conditional transactions that will fall into the 2Q15 figures in addition to a range of other sales that are close to being completed.
- The major transactions for 1Q15 included the sale of Oasis Shopping Centre in Broadbeach, Queensland, acquired by KKR (60%) and Abacus (40%) for AUD 103.5 million, and the sale of Auburn Central in New South Wales, acquired by Elanor Investors for AUD 68 million.
- JLL research continued to record yield compression across all the retail sub-sectors in 1Q15, with 2014 marking the first year where significant compression occurred on a broad-based basis since 2007.

JLL Research note that over the past 12 months to March 2015 our research indicates that the equivalent yield range for large format centres located in Sydney has generally sharpened. Research suggests the median investment yield for large format centres has sharped from 9.75% to 8.75% with the yield range shifting from 8.00%-11.5% to 7.50%-10.00%.



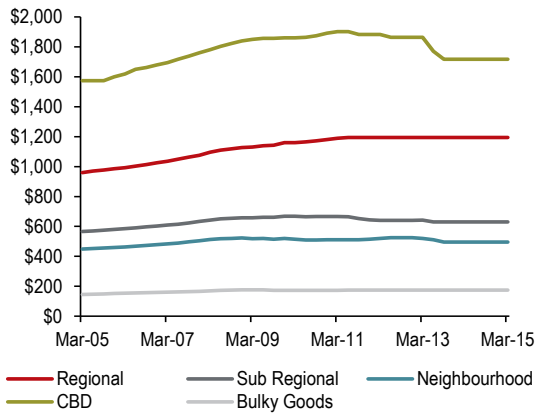
Enquiries with agents active in this sector indicate increasing levels of demand in the first quarter of 2015 for large format/bulky goods investment opportunities (as is the case for all other retail sectors).

Yield compression is evident for large format centres and we note the sales of Kessels Court QLD in May 2015 for $30.95 million reflecting 7.51% and Waurn Ponds Plaza in Geelong (VIC) in March 2015 for $18.2 million reflecting a reported yield of 8.56%.

6. Brief Market Commentary - SA

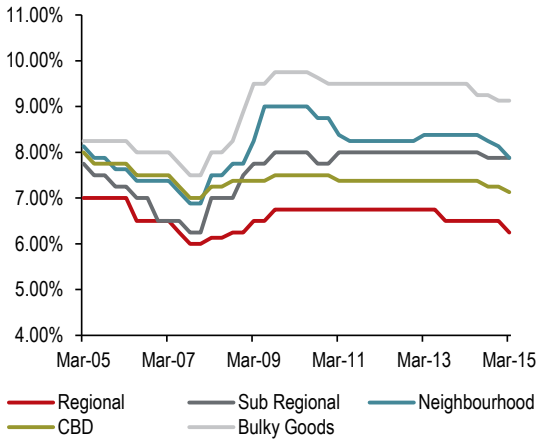
- South Australian annual Gross State Product was estimated at 1.5% in 1Q15, slightly below the national average of 1.9% (Deloitte Access Economics). The subdued growth rate is a continued reflection of the economic challenges faced by SA and across Australia in recent times. The outlook is for below average economic growth in 2015 and 2016 before a modest improvement from 2017 onwards.
- The lower Australian dollar and record low interest rates are notable positives for the South Australian economy. After a period of stability since August 2013, the Reserve Bank reduced the cash rate by 25 basis points to 2.25% in February and a further 25 basis points to 2.00% in May 2015. The combined impact of lower interest rates, low current oil prices and exchange rates supporting exports should support growth in domestic consumption.
- Some of South Australia's key industries including agriculture, viticulture, manufacturing and international education are sensitive to fluctuations in the exchange rate and a lower Australian dollar will be welcome news to these sectors of the economy.
- South Australia's unemployment rate has continued to trend at above the national average, reaching 7.1% in April compared with the national rate of 6.1%. While the rate has risen in the past two months, this has been primarily due to an increase in the participation rate rather than a decline in employed persons.
- South Australian retail turnover growth has continued its recovery in 1Q15. The Australian Bureau of Statistics (ABS) reported that retail turnover growth has remained relatively stable at 3.4% year-on-year in February. This stability follows growth of 3.3% and 3.4% in the two months preceding. Retail turnover is growing at the fastest pace since 2010 (year-on-year). Nevertheless, growth remains below the national average of 5.1% (year-on-year).
- The growth in retail turnover has been boosted by increased spending across a number of discretionary retail categories. Positive year on year growth in February 2015 was recorded in clothing retailing (39.0%), liquor retailing (10.7%), takeaway food (9.4%), pharmaceutical, cosmetic, toiletry goods (6.2%) and hardware, building and garden supplies (3.5%). Growth in discretionary spending is a positive sign for retail in general, indicating a turnaround from the cautious consumer behaviour shown over recent years. Whilst it should be noted that the monthly retail trade data is particularly volatile, they are nonetheless very positive results.
- The strong demand from anchor tenants (notably Coles and Woolworths) keen to push their claim for market share continues to intensify as ALDI's entrance into the South Australian market nears.
- Whilst demand from supermarket anchor tenants is strong, this demand is not mirrored in the specialty leasing market. The difficult trading conditions of the last few years have taken a toll on smaller specialty retailers, with the recovery in retail spending not yet significant enough to drive growth in their store network.
- The hardware market continues to dominate demand within the bulky goods sector. This is now being supported by an improvement in household construction. Both Masters Home Improvement and Bunnings Warehouse have upped their space requirements across South Australia. Masters Home improvement opened its Adelaide Airport store in 4Q14 with its second store at Parafield Airport due for completion at the end of 2015. The chain plans to open 11 South Australian stores in the coming years. The expansion of Bunnings Warehouse also continues, with two new stores expected to open in the next 18 months.

- Bulky goods construction is expected to account for 38% of total retail supply for 2015. Two projects are expected to be completed by year-end:
    - Bunnings Warehouse Old Noarlunga (9,963 sqm) is expected to reach practical completion in 2Q15.
    - Masters Home Improvement's second store at Parafield Airport is expected to commence construction in 2Q15 with completion of the project aimed for 4Q15.
- The influx of international brands pushing into the Australian retail market over the last two years has to date been focussed on the major markets of Sydney, Melbourne and Brisbane. Over the same time period, new entrants into the Adelaide retail market have been largely limited to large format bulky-goods retailers such as Costco and Masters Home Improvement. However, further expansion by international retailers into Australian domestic retail markets is likely to continue with the expectation Adelaide's Rundle Mall will be the main target. JLL expects Tiffany and Co.'s 4Q14 South Australian opening to be the first of many new global brands entering the SA market over the coming years.
- Retail rents across all sub-sectors remained unchanged in 1Q15. While face rents have remained stable for some time now, JLL operatives have noted that a greater prevalence of incentives in the current retail environment is placing downwards pressure on effective rents. Larger fit-out and rent free contributions are being offered as landlords compete to secure quality, long term tenants.



Source: JLL Research

- Investor demand continues to strengthen in Adelaide's retail market, with interest from local, interstate and off shore investors. The Myer Centre Adelaide transacted in early 2Q15 for $288.0 million, the largest retail transaction in SA in over a decade.
- Three transactions (≥ $5.0 million) have been recorded in 2015 to date, totalling $314.6 million. This follows a strong year for Adelaide's retail market investment market in 2014 with high investment volumes and yield compression evident across multiple retail sub-sectors. The robust investment environment saw annual transactional volumes reach $455.0 million for 2014 – a figure markedly higher than the 10-year average ($193.0 million).



Source: JLL Research

7. Sales Evidence Summary

In assessing suitable capitalisation rate and discount rate profiles for the properties we have had regard to recent large format sales both locally and interstate. The more relevant sales are summarised in the sales schedule and commentary below:

Property	Date	Sale Price ($ million)	Initial Yield	Equivalent Yield	IRR	Rate $/sqm	WALE By Income (Years)
Kessels Court, Macgregor QLD	May-15	$30.95	7.41%	7.51%	8.58%	$3,345	3.34
Waurn Ponds Plaza, VIC	Mar-15	$18.20	8.56%	-	-	$2,639	5.74
Lake Haven Mega Centre	Oct-14	$40.50	8.71%	8.72%	9.97%	$1,860	3.72
Orange Homemaker Centre, NSW	Dec-13	$18.30	10.18%	11.38%	11.34%	$1,008	3.99
Homebase Prospect NSW	Nov-13	$40.45	9.93%	10.65%	11.28%	$1,578	3.00
The Zone Oxley, QLD	Aug-13	$17.10	10.52%	9.63%	11.18%	$2,078	3.35
Bathurst Supa Centre, NSW	May-13	$10.05	10.98%	10.49%	11.21%	$1,343	2.80
Hometown West Gosford, NSW	Apr-13	$19.075	11.99%	13.56%	14.09%	$1,229	4.94

8. Valuation Summary

We provide a summary of each properties valuation parameters over the next pages.

Executive Summary

Highlands Hub

Final

The property, known as Highlands Hub, comprises a large format shopping centre anchored by Highlands Tenpin, Officeworks, Amart, Pillow Talk and Best & Less together with 9 other large format tenancies (including 1 vacancy) and a Subway store. The centre comprises a total GLA of approximately 11,403.80 sqm as well as approximately 270 at-grade, bitumen sealed parking spaces. The subject centre was constructed circa 2008, with improvements providing an 'L' shape. Additional detached pad-site tenancies including Adairs and Subway are located to the north eastern end of the central car park.

Highlands Hub is located in the township of Mittagong, approximately 120 kilometres south of the Sydney CBD. The centre is positioned to the western end of the Mittagong Township, approximately 1.5 kilometres from the CBD and adjoins the complimentary Highlands Marketplace Shopping Centre, a sub-regional shopping centre anchored by a Woolworths supermarket and a Big W discount department store.

Valuation

Address	205 Old Hume Highway, Mittagong NSW 2575
Zoning	B5 Business Development
Client	Aventus Retail Property Fund
Prepared for	One Management Investment Funds Limited as the responsible entity for Aventus Retail Property Fund and CBA Corporate Services (NSW) Pty Limited
Valuation Purpose	Inclusion in a Product Disclosure Statement issued for the purpose of an Initial Public Offering and First Mortgage Security Purposes
Date of Valuation	30-June-15
Interest Valued	100% freehold
Valuation Approach	Capitalisation Approach and Discounted Cash Flow Approach
Adopted Value	**$28,500,000 (GST Exclusive)**
	(Twenty Eight Million Five Hundred Thousand Dollars)

Centre Particulars

Centre Type			Bulky Goods Centre
Gross Lettable Area	**Total**		11,403.8 sqm
	Majors		7,281.5 sqm
	Large Format		3,997.8 sqm
	Specialties		124.5 sqm
	Other		0.0 sqm
Current Vacancy (% GLA)		124.9 sqm	(1.10%)
Car Parking (Ratio)		270 bays	(1:42)
Site area			31,890 sqm

Financial Summary

Gross Passing Income	$2,732,738
Gross Passing Income (inc immediate reversions and vacancy rent)	$2,782,738
Adopted Outgoings	$461,928
Net Passing Income	$2,270,810
Net Passing Income (inc immediate reversions and vacancy rent)	$2,320,810
Weighted Lease Duration (by Income)	4.82 years
Weighted Lease Duration (by Area)	4.91 years

Capitalisation Approach Assumptions

Adopted Cap Rate	8.25%
Cap Rate – Majors Percentage Rent	9.25%
Cap Rate – Specialties Percentage Rent	9.25%
Cap Rate - Other Income	8.25%
Long Term Vacancy Allowance	2.00%
Allowances for Expiries occurring within	6 months
Allowances for Capex Occurring within	1 year
Value based on Capitalisation Approach	$27,576,982

DCF Approach Assumptions

Discount Rate	9.75%
Terminal Yield	8.50%
Adopted Lease Term (Large Format)	5 years
CPI (Avg. 10yr)	2.49%
Large Format Growth Rate (Avg. 10yr)	3.49%
Outgoings Growth Rate (Avg. 10yr)	2.49%
Capital Expenditure Growth Rate (Avg. 10yr)	2.49%
Value based on DCF Approach	$28,879,406

Valuation Summary

Adopted Value	**$28,500,000 (GST Exclusive)**
Rate/sqm of GLA	$2,499
Equivalent Yield	7.99%
Initial Yield (Passing)	7.97%
Initial Yield (Fully Leased)	8.14%
IRR (10 yr)	9.95%
IRR (5 yr)	8.96%
IRR (3 yr)	7.34%

DCF Partition

PV of Cashflows	$15,965,650	52.3%
PV of Terminal Value	$14,574,322	47.7%
Total DCF	$30,539,972	100.0%
Acquisition Costs	-$1,660,566	
Total PV	**$28,879,406**	

Executive Summary

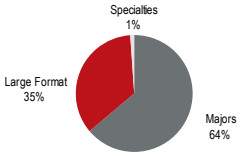
Financial Details & Critical Analysis

Final

Tenancy Overview

Tenant	Gross Passing Income	Area (sqm)	% of GLA
Majors	$1,519,651	7,282	63.9%
Large Format	$1,131,839	3,998	35.1%
Specialties	$72,868	125	1.1%

Tenant by Lettable Area

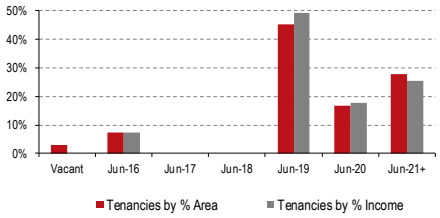


Income and Productivity Analysis

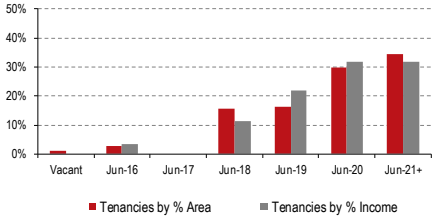
Tenant	Total Gross Income	% of Total	Rental Average
Majors	$1,519,651	55.8%	$209
Large Format	$1,131,839	41.5%	$292
Specialties	$72,868	2.7%	$585
Total	$2,724,357	100.0%	$242

*Please note the MAT figures shown above exclude sales by tenancies who have been trading less than 12 months, and are excluded from our occupancy cost analysis

Lease Expiry Profile - Non Majors

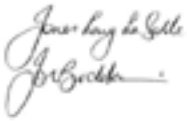


Lease Expiry Profile - Total Centre



Valuer

Jones Lang LaSalle Advisory Services Pty Ltd



John E Burdekin FRICS
Certified Practising Valuer (Reg No. 1278)
Director, Valuations & Advisory

Robert W Schmidt AAPI
Certified Practising Valuer (Reg No. 30075)
Valuer, Valuations & Advisory

This is a summary only. It must not be relied on for any purpose. JLL's valuation of this asset is subject to assumptions, conditions and limitations which are set out in the full valuation report prepared in relation to the asset.
Liability limited by a scheme approved under Professional Standards Legislation.

Executive Summary

Tweed Hub

Final

The property, known as Tweed Hub, comprises a large format shopping centre which is anchored by The Good Guys (2,010m²) together with 3 other major tenants, 8 large format tenancies, 5 specialty tenancies and 1 ATM. The centre provides a convenience style centre including a number of non-traditional large format uses such as fast food and medical.

The subject provides a total GLA of approximately 9,760.24m² (9,763.24m² including the ATM) as well as approximately 240 at-grade, bitumen sealed parking spaces. The centre was constructed in stages between 2001 and 2003 and comprises two main buildings with the Hungry Jacks, KFC and 7-Eleven located within detached pad-site tenancies in the car park.

Tweed Hub is located in the suburb of Tweed Heads South in northern New South Wales, approximately 825 kilometres north of the Sydney CBD and approximately 100 kilometres south of the Brisbane CBD. The centre has a frontage to Minjungbal Drive, a major arterial roadway linking to the Pacific Highway to the subject's south.

Valuation

Address	112-140 Minjungbal Dr, Tweed Hub NSW 2486
Zoning	B5 Business Development
Client	Aventus Retail Property Fund
Prepared for	One Management Investment Funds Limited as the responsible entity for Aventus Retail Property Fund and CBA Corporate Services (NSW) Pty Limited
Valuation Purpose	Inclusion in a Product Disclosure Statement issued for the purpose of an Initial Public Offering and First Mortgage Security Purposes
Date of Valuation	30-June-15
Interest Valued	100% freehold
Valuation Approach	Capitalisation Approach and Discounted Cash Flow Approach
Adopted Value	**$29,500,000 (GST Exclusive)**
	(Twenty Nine Million Five Hundred Thousand Dollars)

Centre Particulars

Centre Type			Large Format
Gross Lettable Area	**Total**		9,760.2 sqm
	Majors		5,407.6 sqm
	Large Format		2,987.7 sqm
	Specialties		1,365.0 sqm
	Other		0.0 sqm
Current Vacancy (% GLA)		0 sqm	(0.00%)
Car Parking (Ratio)		240 bays	(1:41)
Site area			26,200 sqm

Financial Summary

Gross Passing Income	$3,140,797
Gross Passing Income (inc immediate reversions and vacancy rent)	$3,140,797
Adopted Outgoings	$595,476
Net Passing Income	$2,545,321
Net Passing Income (inc immediate reversions and vacancy rent)	$2,545,321
Weighted Lease Duration (by Income)	3.28 years
Weighted Lease Duration (by Area)	3.35 years

Capitalisation Approach Assumptions

Adopted Cap Rate	8.25%
Cap Rate – Majors Percentage Rent	9.25%
Cap Rate – Specialties Percentage Rent	9.25%
Cap Rate - Other Income	8.25%
Long Term Vacancy Allowance	2.00%
Allowances for Expiries occurring within	24 months
Allowances for Capex Occurring within	1 year
Value based on Capitalisation Approach	$29,350,640

DCF Approach Assumptions

Discount Rate	9.75%
Terminal Yield	8.50%
Adopted Lease Term (Large Format & Specialities)	5 years
CPI (Avg. 10yr)	2.49%
Large Format Growth Rate (Avg. 10yr)	3.54%
Outgoings Growth Rate (Avg. 10yr)	2.49%
Capital Expenditure Growth Rate (Avg. 10yr)	2.49%
Value based on DCF Approach	$29,639,789

Valuation Summary

Adopted Value	**$29,500,000 (GST Exclusive)**
Rate/sqm of GLA	$3,022
Equivalent Yield	8.21%
Initial Yield (Passing)	8.63%
Initial Yield (Fully Leased)	8.63%
IRR (10 yr)	9.82%
IRR (5 yr)	9.36%
IRR (3 yr)	8.51%

DCF Partition

PV of Cashflows	$16,276,579	51.9%
PV of Terminal Value	$15,067,497	48.1%
Total DCF	$31,344,076	100.0%
Acquisition Costs	-$1,704,288	
Total PV	**$29,639,789**	

Executive Summary

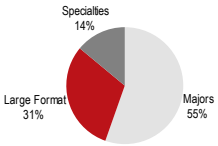
Financial Details & Critical Analysis

Final

Tenancy Overview

Tenant	Gross Passing Income	Area (sqm)	% of GLA
Majors	$1,442,871	5,408	55.4%
Large Format	$1,034,769	2,988	30.6%
Specialties	$654,156	1,365	14.0%

Tenant by Lettable Area

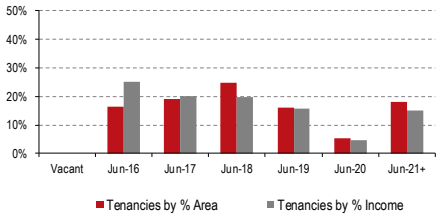


Income and Productivity Analysis

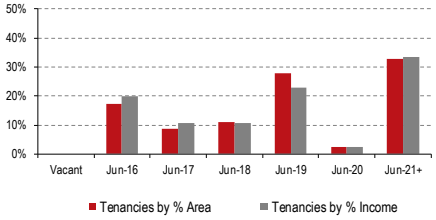
Tenant	Total Gross Income	% of Total	Rental Average
Majors	$1,442,871	46.1%	$267
Large Format	$1,034,769	33.0%	$346
Specialties	$654,156	20.9%	$479
Total	$3,131,797	100.0%	$321

*Please note the MAT figures shown above exclude sales by tenancies who have been trading less than 12 months, and are excluded from our occupancy cost analysis

Lease Expiry Profile - Non Majors



Lease Expiry Profile - Total Centre



Valuer

Jones Lang LaSalle Advisory Services Pty Ltd

Matthew W McCoy AAPI
Certified Practising Valuer (Reg No. 36334)
Director, Valuations & Advisory

Robert W Schmidt AAPI
Certified Practising Valuer (Reg No. 030075)
Valuer, Valuations & Advisory

This is a summary only. It must not be relied on for any purpose. JLL's valuation of this asset is subject to assumptions, conditions and limitations which are set out in the full valuation report prepared in relation to the asset.
Liability limited by a scheme approved under Professional Standards Legislation.

Product Disclosure Statement: Highlands Hub, Tweed Hub & Warners Bay Home, Mile End Homemaker Centre Stage 1 & 2, Mile End Homemaker Centre Stage 3 – Page 15
30 June 2015

Executive Summary

Warners Bay Home

Final

Warners Bay Home comprises a large format shopping centre which is anchored by The Good Guys (2,396.20sqm), Officeworks (2,088sqm), Pillow Talk (1,197.70sqm) and Genesis (1,893 sqm) together with 6 large format tenancies, an office tenant (LJ Hooker Warners Bay) and a KFC.

The subject provides a total GLA of approximately 12,337.40 sqm as well as approximately 370 at-grade and basement, bitumen sealed parking spaces. The centre was opened in October 2009 and comprises one main building with Genesis, KFC, LJ Hooker and Bikeworx located within detached pad-site tenancies. Ingress/egress to the site is via Hillsborough Road.

The property is located in the suburb of Warners Bay within the Lake Macquarie LGA. Warners Bay is located approximately 15 kilometres south of Newcastle's CBD on the eastern side of Lake Macquarie and lies approximately 130 radial kilometres north of the Sydney CBD.

Valuation

Address	240 Hillsborough Road, Warners Bay, NSW 2282
Zoning	B7 Business Park
Client	Aventus Retail Property Fund
Prepared for	One Management Investment Funds Limited as the responsible entity for Aventus Retail Property Fund and CBA Corporate Services (NSW) Pty Limited
Valuation Purpose	Inclusion in a Product Disclosure Statement issued for the purpose of an Initial Public Offering and First Mortgage Security Purposes
Date of Valuation	30-June-15
Interest Valued	100% freehold
Valuation Approach	Capitalisation Approach and Discounted Cash Flow Approach
Adopted Value	**$32,500,000 (GST Exclusive)**
	(Thirty Two Million Five Hundred Thousand Dollars)

Centre Particulars

Centre Type			Large Format Centre
Gross Lettable Area	**Total**		12,337.4 sqm
	Majors		7,575.2 sqm
	Large Format		3,947.5 sqm
	Specialties		814.7 sqm
Current Vacancy (% GLA)		0 sqm	(0.00%)
Car Parking (Ratio)		370 bays	(1:33)
Site area			35,140 sqm

Financial Summary

Gross Passing Income	$3,371,100
Gross Passing Income (inc immediate reversions and vacancy rent)	$3,371,100
Adopted Outgoings	$622,427
Net Passing Income	$2,748,673
Net Passing Income (inc immediate reversions and vacancy rent)	$2,748,673
Weighted Lease Duration (by Income)	2.94 years
Weighted Lease Duration (by Area)	2.85 years

Capitalisation Approach Assumptions

Adopted Cap Rate	8.25%
Cap Rate – Majors Percentage Rent	9.25%
Cap Rate – Specialties Percentage Rent	9.25%
Cap Rate - Other Income	8.25%
Long Term Vacancy Allowance	2.00%
Allowances for Expiries occurring within	24 months
Allowances for Capex Occurring within	1 year
Value based on Capitalisation Approach	$31,505,337

DCF Approach Assumptions

Discount Rate	9.75%
Terminal Yield	8.50%
Adopted Lease Term (Large Format)	5 years
CPI (Avg. 10yr)	2.49%
Large Format Growth Rate (Avg. 10yr)	3.49%
Outgoings Growth Rate (Avg. 10yr)	2.49%
Capital Expenditure Growth Rate (Avg. 10yr)	2.49%
Value based on DCF Approach	$32,909,375

Valuation Summary

Adopted Value	**$32,500,000 (GST Exclusive)**
Rate/sqm of GLA	$2,634
Equivalent Yield	8.01%
Initial Yield (Passing)	8.46%
Initial Yield (Fully Leased)	8.46%
IRR (10 yr)	9.94%
IRR (5 yr)	9.07%
IRR (3 yr)	7.74%

DCF Partition

PV of Cashflows	$18,348,515	52.7%
PV of Terminal Value	$16,453,150	47.3%
Total DCF	$34,801,664	100.0%
Acquisition Costs	-$1,892,289	
Total PV	**$32,909,375**	

Executive Summary

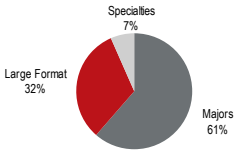
Financial Details & Critical Analysis

Final

Tenancy Overview

Tenant	Gross Passing Income	Area (sqm)	% of GLA
Majors	$1,937,637	7,575	61.4%
Large Format	$1,112,470	3,948	32.0%
Specialties	$316,528	815	6.6%

Tenant by Lettable Area

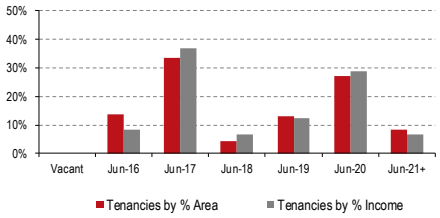


Income and Productivity Analysis

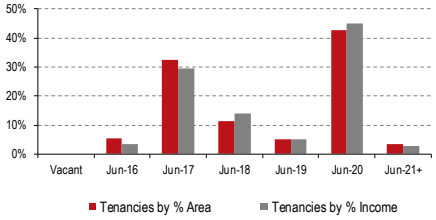
Tenant	Total Gross Income	% of Total	Rental Average
Majors	$1,937,637	57.6%	$256
Large Format	$1,112,470	33.0%	$282
Specialties	$316,528	9.4%	$388.52
Total	$3,366,635	100.0%	$273

*Please note the MAT figures shown above exclude sales by tenancies who have been trading less than 12 months, and are excluded from our occupancy cost analysis

Lease Expiry Profile - Non Majors

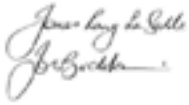


Lease Expiry Profile - Total Centre



Valuer

Jones Lang LaSalle Advisory Services Pty Ltd



John E Burdekin FRICS FAPI
Certified Practising Valuer (NSW Reg No. 1278)
Director, Retail
Valuations & Advisory.

Robert W Schmidt AAPI
Certified Practising Valuer (Reg No. 30075)
Valuer, Retail
Valuations & Advisory

This is a summary only. It must not be relied on for any purpose. JLL's valuation of this asset is subject to assumptions, conditions and limitations which are set out in the full valuation report prepared in relation to the asset.
Liability limited by a scheme approved under Professional Standards Legislation.

Executive Summary

Mile End Homemaker Centre (Stage 1 & 2)

Final

The Property, known as Stage 1 and 2 Mile End Homemaker Centre comprises a Bulky Goods Centre which is primarily occupied by Freedom, The Good Guys and Nick Scali, together with 19 smaller bulky goods tenants and specialty tenants and one ATM.

The Centre was constructed circa 2004/05 and provides a combination of detached and semi-detached (in the main) single level bulky good tenancies with some smaller specialty retail stores.

The Property operates as part of a larger bulky goods centre, with the property to the north east forming part of the overall centre (known as Stage 3). While sharing carparking and driveway access, the Properties are however separately owned and treated as single entities.

The Property is situated within the inner western suburb of Mile End South with frontage and access to James Congdon Drive and Railway Terrace.

Car parking is at grade and bitumen sealed providing 548 car spaces with interspersed landscaping. The number of carparks will be reduced to 508 to allow for the development of a new showroom on James Congdon Drive.

Valuation

Address	Stage 1 & 2, Mile End Homemaker Centre, Railway Terrace, Mile End South, SA
Client	Aventus Retail Property Fund
Prepared for	One Management Investment Funds Limited as the Responsible Entity for Aventus Retail Property Fund and CBA Corporate Services (NSW) Pty Limited
Valuation Purpose	Inclusion in a Product Disclosure Statement issued for the purpose of an Initial Public Offering and First Mortgage Security Purposes
Date of Valuation	30-June-15
Interest Valued	100% freehold
Valuation Approach	Capitalisation Approach and Discounted Cash Flow Approach
Adopted Value	**$55,400,000 (GST Exclusive**
As Is	**(Fifty Five Million Four Hundred Thousand Dollars)**
Adopted Value	**$57,200,000 (GST Exclusive)**
As If Complete	**(Fifty Seven Million Two Hundred Thousand Dollars)**

Centre Particulars

Centre Type			Bulky Goods Centre
Gross Lettable Area	**Total**		24,162.7 sqm
	Large Format		23,558.3 sqm
	Specialties		604.4 sqm
Zoning			Bulky Goods
Current Vacancy (% GLA)		0 sqm	(0.00%)
Car Parking (Ratio)		548 bays	(1:44)
Site area			52,470 sqm

Financial Summary

Gross Passing Income	$6,199,008
Gross Passing Income (inc immediate reversions and vacancy rent)	$6,539,710
Adopted Outgoings	$1,504,968
Net Passing Income	$4,694,040
Net Passing Income (inc immediate reversions and vacancy rent)	$5,034,742
Weighted Lease Duration (by Income)	3.96 years
Weighted Lease Duration (by Area)	3.95 years

Capitalisation Approach Assumptions

Adopted Cap Rate	8.50%
Cap Rate – Majors Percentage Rent	NA
Cap Rate – Specialties Percentage Rent	NA
Cap Rate - Other Income	NA
Long Term Vacancy Allowance	1.00%
Allowances for Expiries occurring within	12 months
Allowances for Capex Occurring within	1 year
Value based on Capitalisation Approach	$55,429,814

DCF Approach Assumptions

Discount Rate	9.50%
Terminal Yield	8.75%
Adopted Lease Term (Speciality)	5 years
CPI (Avg. 10yr)	2.38%
Speciality Growth Rate (Avg. 10yr)	3.18%
Outgoings Growth Rate (Avg. 10yr)	2.88%
Capital Expenditure Growth Rate (Avg. 10yr)	2.88%
Value based on DCF Approach	$55,404,232

Valuation Summary

Adopted Value	**$55,400,000**
Rate/sqm of GLA	$2,293
Equivalent Yield	8.50%
Initial Yield (Passing)	8.47%
Initial Yield (Fully Leased)	8.49%
IRR (10 yr)	9.49%

DCF Partition

PV of Cashflows	$28,776,674	48.9%
PV of Terminal Value	$30,090,324	51.1%
Total DCF	$58,866,997	100.0%
Acquisition Costs	-$3,462,765	
Total PV	**$55,404,232**	

Product Disclosure Statement: Highlands Hub, Tweed Hub & Warners Bay Home, Mile End Homemaker Centre Stage 1 & 2, Mile End Homemaker Centre Stage 3 – Page 18
30 June 2015

Executive Summary

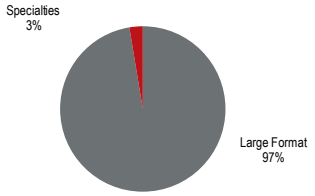
Financial Details & Critical Analysis

Final

Tenancy Overview

Tenant	Gross Passing Income	Area (sqm)	% of GLA
Large Format	$5,863,937	22,673	97.4%
Specialties	$335,070	604	2.6%

Tenant by Lettable Area

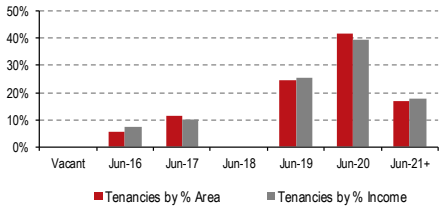


Income and Productivity Analysis

Tenant	Total Gross Income	% of Total	Rental Average
Large Format	$5,863,937	94.6%	$259
Specialties	$335,070	5.4%	$554
Total	$6,199,008	100.0%	$266.31

*Please note the MAT figures shown above exclude sales by tenancies who have been trading less than 12 months, and are excluded from our occupancy cost analysis

Lease Expiry Profile - Total Centre



Valuer

Jones Lang LaSalle Advisory Services Pty Ltd

Tracy Gornall, FAPI
Certified Practising Valuer
B Bus (Prop) Hons
Director, Valuations & Advisory

This is a summary only. It must not be relied on for any purpose. JLL's valuation of this asset is subject to assumptions, conditions and limitations which are set out in the full valuation report prepared in relation to the asset.
Liability limited by a scheme approved under Professional Standards Legislation.

Executive Summary

Mile End Homemaker Centre (Stage 3)

Final

The Property, known as Stage 3 Mile End Homemaker Centre, comprises a Bulky Goods Centre which is primarily occupied by Anaconda, Plush and The Sofa Shop, together with five smaller bulky goods tenants and specialty tenants. The Property is situated within the inner western suburb of Mile End South with frontage to Railway Terrace.

The Centre was constructed circa 2006 and provides two buildings, one of L shape situated to the northern boundary and the other providing two tenancies situated to the south western corner of the site.

The Property operates as part of a larger bulky goods centre, with the property to the south and west forming part of the overall centre (known as Stage 1 & 2). While sharing carparking and driveway access, the Properties are however separately owned and treated as single entities.

Car parking is at grade and bitumen sealed providing 196 car spaces with interspersed landscaping. Access into the carpark is provided via rights of way over the adjoining part of the centre. Direct access is provided to rear loading areas from Railway Terrace.

Valuation

Address	Stage 3, Mile End Home Maker Centre, Mile End
Client	Aventus Retail Property Fund
Prepared for	One Management Investment Funds Limited as the Responsible Entity for Aventus Retail Property Fund and CBA Corporate Services (NSW) Pty Limited
Valuation Purpose	Inclusion in a Product Disclosure Statement issued for the purpose of an Initial Public Offering and First Mortgage Security Purposes
Date of Valuation	30-Jun-15
Interest Valued	100% freehold
Valuation Approach	Capitalisation Approach and Discounted Cash Flow Approach
Adopted Value	**$20,000,000 (GST Exclusive)**
	(Twenty Million Dollars)

Centre Particulars

Centre Type			Bulky Goods Centre
Gross Lettable Area	**Total**		9,295.0 sqm
	Large Format		9,077.0 sqm
	Specialties		218.0 sqm
Zoning			Bulky Goods
Current Vacancy (% GLA)		0 sqm	(0.00%)
Car Parking (Ratio)		196 bays	(1:47)
Site area			18,850 sqm

Financial Summary

Gross Passing Income	$2,137,135
Gross Passing Income (inc immediate reversions and vacancy rent)	$2,276,107
Adopted Outgoings	$547,703
Net Passing Income	$1,589,432
Net Passing Income (inc immediate reversions and vacancy rent)	$1,728,404
Weighted Lease Duration (by Income)	2.64 years
Weighted Lease Duration (by Area)	2.55 years

Capitalisation Approach Assumptions

Adopted Cap Rate	8.50%
Cap Rate – Majors Percentage Rent	NA
Cap Rate – Specialties Percentage Rent	NA
Cap Rate - Other Income	NA
Long Term Vacancy Allowance	0.00%
Allowances for Expiries occurring within	12 months
Allowances for Capex Occurring within	1 years
Value based on Capitalisation Approach	$20,235,894

DCF Approach Assumptions

Discount Rate	9.50%
Terminal Yield	8.75%
Adopted Lease Term (Speciality)	5 years
CPI (Avg. 10yr)	2.38%
Speciality Growth Rate (Avg. 10yr)	3.18%
Outgoings Growth Rate (Avg. 10yr)	2.88%
Capital Expenditure Growth Rate (Avg. 10yr)	2.88%
Value based on DCF Approach	$19,745,040

Valuation Summary

Adopted Value	**$20,000,000 (GST Exclusive)**
Rate/sqm of GLA	$2,152
Equivalent Yield	8.60%
Initial Yield (Passing)	7.95%
Initial Yield (Fully Leased)	8.64%
IRR (10 yr)	9.29%

DCF Partition

PV of Cashflows	$10,366,584	49.4%
PV of Terminal Value	$10,612,521	50.6%
Total DCF	$20,979,105	100.0%
Acquisition Costs	-$1,234,065	
Total PV	**$19,745,040**	

Executive Summary

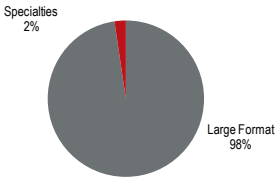
Financial Details & Critical Analysis

Final

Tenancy Overview

Tenant	Gross Passing Income	Area (sqm)	% of GLA
Large Format	$2,200,880	9,077	97.7%
Specialties	$75,227	218	2.3%

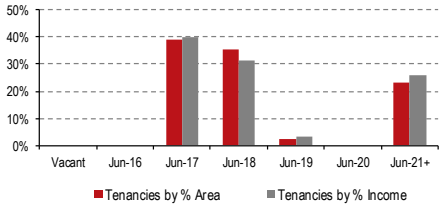
Tenant by Lettable Area



Income and Productivity Analysis

Tenant	Total Gross Income	% of Total	Rental Average
Large Format	$2,200,880	96.7%	$242
Specialties	$75,227	3.3%	$345
Total	$2,276,107	100.0%	$245

Lease Expiry Profile - Total Centre



Valuer

Jones Lang LaSalle Advisory Services Pty Ltd

Tracy Gornall, FAPI
Certified Practising Valuer
B Bus (Prop) Hons
Director, Valuations & Advisory

This is a summary only. It must not be relied on for any purpose. JLL's valuation of this asset is subject to assumptions, conditions and limitations which are set out in the full valuation report prepared in relation to the asset.
Liability limited by a scheme approved under Professional Standards Legislation.

9. Qualification

JLL has been engaged by Aventus to provide valuations of the properties.

We consent to the inclusion of this summary letter in the PDS on the following conditions:

- This letter is a summary of the valuations only and has not been prepared for the purpose of assessing the Property as an investment opportunity.
- JLL has not been involved in the preparation of the PDS nor have we had regard to any material contained in the PDS. This letter does not take into account any matters concerning the investment opportunity contained in the PDS.
- JLL has not operated under an Australian financial services licence in providing this letter and makes no representation or recommendation to a prospective investor in relation to the valuation of the properties or the investment opportunity contained in the PDS.
- The formal valuations and this letter are strictly limited to the matters contained within them, and are not to be read as extending, by implication or otherwise, to any other matter in the PDS. Without limitation to the above, no liability is accepted for any loss, harm, cost or damage (including special, consequential or economic harm or loss) suffered as a consequence of fluctuations in the real estate market subsequent to the date of valuation.
- Neither this letter nor the full valuation reports may be reproduced in whole or in part without the prior written approval of JLL.
- JLL has prepared this letter solely in reliance upon the financial and other information (including market information and third party information) provided by the instructing party and has assumed that information is accurate, reliable and complete. We confirm that we have not tested the information in that respect.
- This summary letter is to be read in conjunction with our formal valuation reports of 30 June 2015 and is subject to the assumptions, limitations and disclaimers contained therein. We refer the reader to Aventus to obtain a copy of the full reports.
- JLL has received a fee from Aventus for the preparation of the valuation reports and this summary letter.
- JLL are participants in the Australian Property Institute (API) limited liability scheme. This scheme has been approved under Professional Standards legislation and is compulsory for all API members.

10. Valuer's Experience and Interest

The valuers who prepared the valuation reports for the NSW properties are Matthew McCoy and John Burdekin. Mr Matthew McCoy has more than 8 years' valuation experience in a range of property types and is authorised under the requirements of the Australian Property Institute to practise as a valuer in New South Wales.

Mr McCoy has no pecuniary interest that could reasonably be regarded as being capable of affecting that person's ability to give an unbiased opinion of the Property's value or that could conflict with a proper valuation of the Property.

Mr John Burdekin has more than 35 years' valuation experience in a range of property types and is authorised under the requirements of the Australian Property Institute to practise as a valuer in New South Wales.

Mr Burdekin has no pecuniary interest that could reasonably be regarded as being capable of affecting that person's ability to give an unbiased opinion of the Property's value or that could conflict with a proper valuation of the Property.

The valuer who prepared the valuation reports for the SA properties, Ms Tracy Gornall has more than 10 years' valuation experience in a range of property types and is authorised under the requirements of the Australian Property Institute to practise as a valuer in South Australia.

Ms Gornall has no pecuniary interest that could reasonably be regarded as being capable of affecting that person's ability to give an unbiased opinion of the Property's value or that could conflict with a proper valuation of the Property.

11. Liability Disclaimer

This letter has been prepared subject to the conditions referred to in Section 9 of the letter. Neither JLL nor any of its directors makes any representation in relation to the PDS nor accepts responsibility for any information or representation made in the PDS, other than this summary letter.

JLL was involved only in the preparation of this summary letter and the valuation report referred to herein, and specifically disclaims any liability to any person in the event of any omission from, or false or misleading statement included in, the PDS, other than in respect of the valuation report and this summary letter.

Yours faithfully
Jones Lang LaSalle Advisory Services Pty Limited

John E Burdekin FRICS FAPI
Certified Practising Valuer
Director, Retail
Valuations and Advisory

Tracy Gornall FAPI
Certified Practising Valuer
Director
Valuations and Advisory

Liability limited by a scheme approved under Professional Standards Legislation.

John Burdekin
National Director
Level 25
420 George Street
Sydney NSW 2000
+ 61 2 9220 8380
john.burdekin@ap.jll.com

Robert Schmidt
Valuer
Level 25
420 George Street
Sydney NSW 2000
+ 61 2 9220 8447
rob.schmidt@ap.jll.com

Tracy Gornall
National Director
Level 22
25 Grenfell Street
Adelaide SA 5000
+ 61 8 8233 8860
tracy.gornall@ap.jll.com

www.jll.com

COPYRIGHT © JLL IP, INC. 2015.

This publication is the sole property of JLL IP, Inc. and must not be copied, reproduced or transmitted in any form or by any means, either in whole or in part, without the prior written consent of JLL IP, Inc.

The information contained in this publication has been obtained from sources generally regarded to be reliable. However, no representation is made, or warranty given, in respect of the accuracy of this information. We would like to be informed of any inaccuracies so that we may correct them.

JLL does not accept any liability in negligence or otherwise for any loss or damage suffered by any party resulting from reliance on this publication.

VALUATION & ADVISORY SERVICES

CBRE Valuations Pty Limited
ABN 15 008 912 641
Level 3, Waterfront Place
1 Eagle Street
Brisbane QLD 4000
T 61 7 3833 9833
F 61 7 3833 9830
www.cbre.com.au

3 September 2015

The Directors
One Managed Investment Funds Limited as
the responsible entity for Aventus Retail Property Fund
Level 14, 71 Macquarie Street
Sydney NSW 2000

Dear Sirs

Summary of Valuation Reports:

1. **Jindalee Home, 34 Goggs Road, Jindalee QLD 4074**
2. **Jindalee Village Central, 168 Sinnamon Road, Jindalee QLD 4074**
3. **Peninsula Home, 1132 Nepean Hwy, Mornington VIC 3931**
4. **Ballarat Home, 333 Gillies Street North, Ballarat VIC 3355**
5. **Cranbourne Home, 398 South Gippsland Highway, Cranbourne VIC 3977**
6. **Masters Cranbourne Development, 1280 Thompsons Road, Cranbourne VIC 3977**

Instructions

CBRE Valuations Pty Limited ("CBRE") accepted instructions dated 26 May 2015 (QLD assets) and 2 June 2015 (VIC assets) to prepare market Valuations for the freehold interest in the properties listed above. The Valuations have been prepared for reliance by One Managed Investment Funds Ltd as responsible entity for Aventus Retail Property Fund and CBA Corporate Services (NSW) Pty Limited for First Mortgage Security purposes only. The Valuations are prepared in accordance with the Australian Property Institute Australia and New Zealand Valuation and Property Standards January 2012, having regard to ANZVGN 8, Valuations for use in Offer Documents. The instructions specifically request us to provide our opinion of the market value of the property on the following basis:

- Market Value - As Is - Subject to existing occupancy arrangements (except Masters Cranbourne Development).

In the case of Cranbourne Masters Development on the following bases:

- Market Value 'As If Complete'
- Market Value 'As Is' (As If Complete less Cost to Complete)

CBRE has been instructed to provide full Valuation Reports in addition to this Summary Letter which is included in the Product Disclosure Statement document. In accordance with ANZVGN 8, our Valuation Reports draw attention to the key issues and considerations impacting value and provide detailed Property Risk Assessments and SWOT Analysis, plus the reports detail our Critical Assumptions, Assumptions, Disclaimers, Limitations and Qualifications and our Recommendations. As commercial investments of this nature are inherently complex and the market conditions can and have changed, it is considered prudent to consider the entire contents of our Valuation Reports. Therefore, we recommend that this Summary Letter is to be read and considered together with the Valuation Reports. We accept no responsibility for reliance upon the Summary Letter. We refer the reader to One Managed Investments Funds Limited to obtain a copy of our Valuation Reports.

Liability limited by a scheme approved under Professional Standards Legislation.

Brief Description of the Property and Tenancy Details

Jindalee Home, 34 Goggs Road, Jindalee QLD 4074

Jindalee Home is located approximately 14 kilometres by road south west of Brisbane's CBD and comprises a predominantly single level large format retail centre which was originally constructed in 1989 and has been periodically refurbished and extended, with the most recent refurbishment being undertaken in 2013. The complex is constructed over ten separate building envelopes. The centre occupies a prominent site receiving excellent exposure to high volumes of vehicular traffic along the Centenary Highway. Two new buildings are currently under construction along the Centenary Highway alignment of the site and are due to be completed in September 2015. These buildings will contain a total lettable area of 1,624.9 square metres and will be configured to provide three tenancies ranging from 201.5 to 810.7 square metres. We have included these new tenancies (and the associated remaining cost to complete) within our valuation.

On completion of the expansion the complex will accommodate Freedom Furniture and 46 specialty tenancies (including 2 office tenancies, 1 monthly tenancy and 1 vacant tenancy).

Jindalee Village Central, 168 Sinnamon Road, Jindalee QLD 4074

Jindalee Village Central is located approximately 14 kilometres by road south west of Brisbane's CBD and comprises a single level neighbourhood shopping centre which originally commenced trading in 2004 and forms part of a broader large format retail precinct. The complex incorporates a freestanding Adairs tenancy situated to the Sinnamon Road frontage. Jindalee Village Central contains a total lettable area of 3,697 square metres.

Tenancies within the centre include Coles and 13 specialty tenancies (including 3 ATMs).

Peninsula Home, 1132 Nepean Hwy, Mornington VIC 3931

Mornington is located approximately 45 kilometres south east of the Melbourne CBD, on the fringe of the metropolitan area. The property is improved with a single level homemaker centre built circa 2004 and known as Peninsula Home. The centre is constructed in an 'L' shape configuration across 3 buildings and comprises 29 showrooms and a cafe. The site benefits from exposure to both Nepean Highway and Bungower Road.

Leased to 28 tenants including ALDI (Agreement for Lease), with the 2 proposed pad sites currently vacant. Planning consent is in place to permit building works for the ALDI tenancy and two new pad sites with completion anticipated in early 2016.

Ballarat Home, 333 Gillies Street North, Ballarat VIC 3355

Ballarat (Wendouree) is a regional Victorian town, being approximately 120 kilometres west of the Melbourne CBD. The complex is located on the western side of Gillies Street North, in the Ballarat suburb of Wendouree.

The property is improved with a single level homemaker complex comprising 12 showrooms, 1 smaller retail tenancy and 1 freestanding office building. Two of the showroom tenancy areas are vacant totalling 1,463 square metres and represent approximately 6.89% of the total gross income for the complex. A two year rental guarantee expiring 30 November 2016 is provided by the previous Vendor for the two vacant areas.

Liability limited by a scheme approved under Professional Standards Legislation.

The complex is arranged in a 'U Shaped' configuration which originally commenced trading in the early 2003. The detached office building is located to the rear of the site and is occupied by a Telstra call centre. The recently acquired Batch's tenancy is situated adjacent to the south side of the centre and is a freestanding single tenant building with car park with direct frontage to Gillies Street North. At grade' car parking is provided for approximately 571 vehicles (including Batch's).

Cranbourne Home, 398 South Gippsland Highway, Cranbourne VIC 3977

Cranbourne is located approximately 40 kilometres south of the Melbourne CBD, being positioned on the south eastern corner of South Gippsland Highway and Thompson Road.

Cranbourne Home comprises 28 tenancies (including JB Hi-Fi storage tenancy) and 3 freestanding tenants. The complex was constructed over 3 Stages. The Bunnings Warehouse was constructed in 1991, Stage 2 and 3 were constructed in 2000 and 2007 respectively. Parking is provided onsite for approximately 1,100 vehicles. The property also includes vacant land adjoining the centre with a site area of 28,630 square metres being zoned Residential 1 which is heavily encumbered by easements. No value has been ascribed to this land.

The tenancy profile includes Bunnings, Spotlight, JB Hi-Fi, The Good Guys and showroom tenancies (including freestanding tenancies and vacant tenancies). The owners have negotiated a new 12 year lease with Bunnings which is nearing execution but is still in draft. Our valuation assumes the lease is signed at the valuation date.

Masters Cranbourne Development, 1280 Thompsons Road, Cranbourne

This development is located along the eastern boundary of Cranbourne Home and ultimately will be integrated with Cranbourne Home. On completion, the property will be improved with a new Masters hardware store and complimented by 1 vacant pad site and vacant commercial land on which 5 showrooms are proposed in the future. The forecast opening date for the development is around October 2015.

Market Movement

The valuations referred to above represent the values of each property as at the date of valuation only (30 June 2015). The values assessed may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements or factors specific to the particular property or particular property sector). CBRE is not liable for losses arising from any subsequent changes in value.

Critical Assumptions and Reliance on Information Provided

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

Jindalee Home

- Heads of Agreement: We have been provided with signed heads of agreement and/or agreements for lease over the following tenancies:
  - Shop 13C: Supercheap Auto have agreed to a 7 year lease commencing on completion of the current expansion works (estimated September 2015).
  - Shop 13D: Sitting Around have agreed to a 5 year lease commencing on completion of the current expansion works (estimated September 2015).
  - Shop 27A: The Furniture Shack have agreed to a new 5 year lease commencing 29 October 2015.

Liability limited by a scheme approved under Professional Standards Legislation.

- We have included the above tenancies within our calculations on the critical assumption that the final executed lease documentation will reflect the commercial terms as detailed within the Valuation report.
- Proposed Expansion: Our assessment assumes that all construction works associated with the proposed expansion will be completed to a high quality standard, with both the internal and external presentation of the complex being commensurate with other recently constructed large format retail centres.
- Our valuation is provided on the basis that the expansion will be completed in a tradesman like manner using new, quality materials and having regard to modern building techniques. Our valuation assumes that a detailed report of the structure and service installations of the buildings once completed would not reveal any defects requiring significant expenditure; and that the buildings will comply with all relevant statutory requirements in respect of matters such as health, building and fire safety regulations, and will be built in accordance with the provisions of the Building Code of Australia.
- Development Costs: We have not been provided with a construction contract for the expansion and have relied on the remaining cost to complete provided to us by Aventus Capital Ltd for the purpose of this assessment. Should the actual costs vary from those provided, our valuation is to be returned to CBRE for comment and possible re-assessment of value.
- Survey Areas: Our assessment assumes that the final survey areas for the expansion will be in accordance with the proposed areas adopted within our valuation calculations. Should actual areas differ from those adopted within this report, the valuation is to be returned to CBRE for comment and possible re-assessment of value.
- We have been provided with plans for the proposed development which form the basis of this report. Should the final construction or design specifications change from those provided, the valuation is to be returned to CBRE for comment and possible re-assessment of value.

Jindalee Village Central

- There are no critical assumptions within this report.

Peninsula Home

- Leases: For those leases which are not fully executed, we have assumed them to be executed or executable, and that individual lease provisions are in accordance with the tenancy information provided. We confirm that all leases sighted are executed, with the exception of:
  - Petstock - Option renewal not sighted.
  - Repco - Deed of Renewal & Variation of Lease not signed.
- Heads of Agreement: We have assumed that the commercial terms agreed upon will form the basis of the binding lease agreement. We have been provided with the following Heads of Agreement:
  - Showroom B8: Howards Storage World - Offer to Lease (signed by Tenant only).
  - Proposed A8: Expressions of Interest offered by ALDI to the Landlord (unsigned by Landlord).
- We have been provided with plans for the proposed development which form the basis of this report. Should the final construction or design specifications change from those provided, the valuation is to be returned to CBRE for comment and possible re-assessment of value.
- Development Costs: We have not been provided with a construction contract for the expansion and have relied on the remaining cost to complete provided to us by Aventus Capital Ltd for the purpose of this assessment. Should the actual costs vary from those provided, our valuation is to be returned to CBRE for comment and possible re-assessment of value.

Liability limited by a scheme approved under Professional Standards Legislation.

Our valuation assumes that the proposed works will be constructed to a tradesman like manner using new, quality materials and having regard to modern building techniques. Furthermore we assume that the building will comply with all statutory requirements and that a Certificate of Occupancy will be issued for the proposed tenancies.

- Survey Areas: Our assessment assumes that the final survey areas for the expansion will be in accordance with the proposed areas adopted within our valuation calculations. Should actual areas differ from those adopted within this report, the valuation is to be returned to CBRE for comment and possible re-assessment of value.

Ballarat Home

- Telstra Renewal: Telstra recently exercised a 2 year option. However there is a risk that should Telstra vacate, that the premises would be difficult to re-lease due to its poor exposure and therefore we have adopted a rent which is lower than the passing rent of $180 psm gross. This equates to a net rent lower than the rental range indicated by the gathered evidence however this helps mitigate the income risk should Telstra vacate. Our adopted rent is also based on a 50% renewal probability with a 6 month down time allowance for a new 5 year lease with fixed 3% p.a. reviews and a 12 month incentive.
- Telstra Telco Tower: Telstra telecommunications tower lease requires Telstra to provide a notice electing not to renew otherwise the option is automatically exercised. As this income relates to a telecommunications tower and the income would be difficult to replace if Telstra did not exercise its option, we have terminated this income source at the expiry of the current term.
- Rental Guarantee: A two year rental guarantee and letting up cost allowance is provided by the Vendor to the Contract of Sale dated August 2014. The balance of the guaranteed amounts will expire on 30 November 2016.

Cranbourne Home

- Bunnings Draft Lease: Bunnings Draft Lease is unexecuted, and we have assumed it will be executed as per the Draft /Agreed terms provided to us. We have been instructed to prepare our valuation having regard to the Draft Lease given that its execution is indicated to be imminent.
- Heads of Agreement: We have assumed that the commercial terms agreed will form the basis of the binding lease agreement. We have assumed the agreements are binding at the valuation date. Heads of Agreement have been sighted for Officeworks.

Masters Development Cranbourne

- Masters Agreement for Lease: We have sighted the signed Agreement for Lease (AFL) for Masters and assume the lease will be signed in accordance with the terms of the AFL.
- Assumed Pad Site Lease Terms: We have adopted the following lease terms for the Pad Site: 10 year lease commencing at $135,000 psm gross (but will be structured on a net rent basis once outgoings confirmed) with annual 3.5% rent increases. We have adopted a building area of 350 sqm based on the area indicated by the Instructing Party. The pad site's land area is approximately 1,552 sqm.
- Survey Areas: Our assessment assumes that the final survey areas for the expansion will be in accordance with the proposed areas adopted within our valuation calculations. Should actual areas differ from those adopted within this report, the valuation is to be returned to CBRE for comment and possible re-assessment of value.

Liability limited by a scheme approved under Professional Standards Legislation.

Recommendations

A summary of the Recommendations noted in the full Valuation Reports are noted as follows:

Jindalee Home

- Heads of Agreement: We recommend that the executed leases over Shops 13C, 13D and 27A are reviewed once finalised to ensure the commercial terms are in accordance with those adopted within this valuation. Should the final lease terms vary from those adopted within this valuation, our report is to be returned for comment and/or amendment.
- Construction Costs: We recommend that the construction and development costs for the proposed expansion be ratified by a qualified Quantity Surveyor. Should any material variances be identified, our valuation must be returned for comment and possible reassessment.
- Update Valuation: We recommend that an updated valuation be undertaken once the specialty tenant profile of the expansion has been finalised in order to assess any impact on value.

Jindalee Village Central

- There are no recommendations within this report.

Peninsula Home

- Leases: Obtain all fully signed and executed leases for all those leases which we have not sighted finalised documentation for. These are:
  - Petstock – Option renewal not sighted.
  - Repco – Deed of Renewal & Variation of Lease not signed.
- Heads of Agreement: Obtain fully signed and executed Heads of Agreement for Howards Storage World and ALDI.
- Construction Costs: Prior to reliance, the reliant party is to check the accuracy of construction costs adopted within this valuation. Should actual costs differ from those relied upon, then the valuation is to be returned to CBRE for re-assessment.

Cranbourne Home:

- We recommend that all leases are signed and are fully executed by both parties. These include:
  - Bunnings (Final Lease)
  - Spotlight (Signed by Tenant only)
  - JB Hi-Fi (Signed by Tenant only)
  - Pillow Talk (Signed by Tenant only)
  - Officeworks (Unsigned HOA)
  - Godfrey's (Signed by Tenant only)
  - Best Friends (Signed by Tenant only)
  - EB Games (Signed by Tenant only)

Masters Cranbourne Development:

- Masters Lease: We recommend that the Reliant Party review the signed copy of the Masters lease once executed to ensure no material variations exist between the signed lease and the Agreement for Lease.

Liability limited by a scheme approved under Professional Standards Legislation.

Report Content

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

Market Commentary

Our overview focuses on 2 broad elements of the market, firstly the strength of capital markets and the associated impact on investment demand, and secondly the retail trading environment and flow through effects for rental and income growth. Key market observations include:

- Investors have focussed closely on the spread between retail property yields and both the local cash interest rates and long term bond rates. The margin between retail yields and bond yields was narrowing due to cap rate compression, however the margin has since widened due to falls in bond yields. Retail assets across all sectors currently provide yield accretive returns on a leveraged basis, and this, coupled with the relatively stable nature of income streams derived from these assets, has driven an increase in investor demand over the past 12 to 18 months.
- There are signs that retail spending growth is recovering towards longer-term trends of 5%-6% per annum in nominal terms. This is after 4 years of subdued retail growth. However, growth in spending has not been balanced. There are a number of factors contributing to the brighter outlook for retail sales including low interest rates, population growth, rising wealth particularly from rising house prices, and a continued decline in the Household Saving Ratio. The ratio peaked at 12% of household incomes in 2011, but has since declined to under 10%, which is still well above levels of roughly 1% recorded prior to the GFC.
- Over most of the last decade, large format retail suffered a glut of supply while demand was moderate, causing revenue dilution for large format retailers. Ultimately this was passed onto landlords in most markets in the form of subdued rental growth and investment risk perceptions. These risks were exacerbated after the GFC by soft tenant demand up until 2013.
- Retail sales have been buoyant in the Large Format Retail (LFR) sector despite weak consumer sentiment levels in the broader retail sects. Consumer spending was underpinned by strong activity in the housing sector, particularly in Victoria and New South Wales. Sales of Household Goods grew by 8% in 2014 to a 7 year high, and as a result leasing demand has improved, particularly from furniture retailers. Adding to the improved conditions has been below average supply for 3 of the last 5 years alleviating previous concerns of oversupply.
- Investment demand has improved significantly over the last 12 to 18 months due to improved LFR sector sales, stronger tenant demand, and rental growth as new supply is delivered at sustainable levels. Concurrently, strong capital markets are attracting investors to this higher yielding sector which has in turn placed downward pressure on investment parameters. However, larger institutional owners continue to shy away from this sector as history has proven that their retail management expertise does not easily transfer to the larger format retail sector. Demand has instead come from syndicators and specialist owners of Large Format Retail centres.

Liability limited by a scheme approved under Professional Standards Legislation.

Valuation Rationale

In arriving at our opinion of value, we have considered relevant general and economic factors and in particular have investigated recent sales and leasing transactions of comparable properties.

We have placed primary emphasis on the capitalisation of net income approach and have additionally undertaken a DCF analysis as a supporting method of valuation. A detailed explanation of the asset's investment credentials and the application of the capitalisation approach and DCF methodology are provided in the full Valuation Reports.

Valuation Summary

In accordance with the instructions, we summarise our valuation conclusions for each asset, as at 30 June 2015, as follows:

1. Jindalee Home – Market Value 'As Is'
   $75,000,000 (Seventy-Five Million Dollars) GST exclusive.
2. Jindalee Village Central – Market Value 'As Is'
   $14,000,000 (Fourteen Million Dollars) GST exclusive.
3. Peninsula Home – Market Value 'As Is'
   $62,700,000 (Sixty Two Million, Seven Hundred Thousand Dollars) GST exclusive.
4. Ballarat Home – Market Value 'As Is'
   $30,550,000 (Thirty Million, Five Hundred and Fifty Thousand Dollars) GST exclusive.
5. Cranbourne Home – Market Value 'As Is'
   $76,000,000 (Seventy Six Million Dollars) GST exclusive.
6. Masters Cranbourne Development – Market Value 'As If Complete':
   $38,100,000 (Thirty Eight Million, One Hundred Thousand Million Dollars) GST exclusive.
   Masters Cranbourne Development – Market Value 'As Is':
   $35,000,000 (Thirty Five Million Dollars) GST exclusive.

The tables appended outline our valuation conclusions and provide a brief summary of the tenancy profile and key investment parameters for each property as at 30 June 2015.

Yours sincerely
CBRE Valuations Pty Limited

Tom Irving
Senior Director – Valuation & Advisory Services
(Jindalee Home, QLD)

Tristan Gasiewski
Director – Valuation & Advisory Services
(Jindalee Village Central, QLD)

Stephen Thomas
National Director – Valuation & Advisory Services
(All four Victorian Assets)

Trent Weir
Associate Director – Valuation & Advisory Services
(Peninsula Home, VIC)

Liability limited by a scheme approved under Professional Standards Legislation.

JINDALEE HOME, QLD

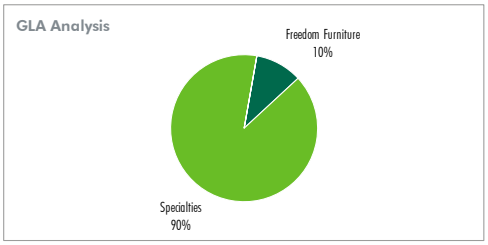
Valuation Summary (Freehold Interest)		
Gross Lettable Area	22,767.9 sqm	
Valuation Approach	Capitalisation & DCF	
Date of Valuation	30-Jun-15	
Market Value	75,000,000	
Net Passing Income	6,701,463	
Net Income, Fully Leased	6,946,543	
Net Market Income, Fully Leased	6,946,543	
Outstanding Tenant Incentives	Nil	
Passing Initial Yield	8.94%	
Reversionary Yield	9.26%	
Adopted Capitalisation Rate	8.25%	
Terminal Yield	8.50%	
Target IRR	9.50%	
Ten Year IRR (Indicated)	9.64%	
Value psm of GLA	$3,294	
	By Area	By Income
Vacancy Allowance - Specialties		2.00%
Current Vacancy - Specialties	3.00%	3.13%
Current Vacancy - Whole Centre	2.69%	2.89%

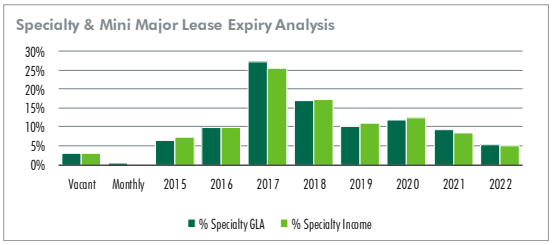
Note: Net income figures above are before deduction of vacancy/bad debts allowance.

Rental Analysis				
Item	Passing Rent		Market Rent	
	$pa	$sqm	$pa	$sqm
Tenant/Component				
Majors - Gross Rent	628,414	267	628,414	267
Mini Majors - Gross Rent	-	-	-	-
Specialties - Gross Rent	7,597,016	384	7,597,016	384
Gross Rent (as occupied)	8,225,430	371	8,225,430	371
Other Income	144,530	6	144,530	6
Gross Passing Income	8,369,960	368	8,369,960	368
Statutory Expenses	(638,485)	(28)	(638,485)	(28)
Operating Expenses	(949,511)	(42)	(949,511)	(42)
Non Recoverable Expenses	(80,501)	(4)	(80,501)	(4)
Net Passing Income	6,701,463	294	6,701,463	294
Future Income from Vacancies	245,080	400	245,080	400
Net Income (Fully Leased)	6,946,543	305	6,946,543	305
Vacancy/Bad Debts Allowance	(156,842)	(7)	(156,842)	(7)
NET INCOME	**6,789,701**	**298**	**6,789,701**	**298**

Note: The above income includes Electricity Profit

Tenancy Profile			
Tenant/ Category	Area (sqm)	Gross Rent	Expiry
Majors (1)	2,354.0	628,414	
Mini Majors (0)	0.0	0	
Specialties (42)	19,489.2	7,534,896	
ATM (0)	0.0	0	
Freestanding (0)	0.0		
Office (2)	247.0	62,120	
Monthly (1)	65.0	0	
Vacant (1)	612.7		
TOTAL	**22,767.9**	**8,225,430**	





Liability limited by a scheme approved under Professional Standards Legislation.

JINDALEE VILLAGE CENTRAL, QLD

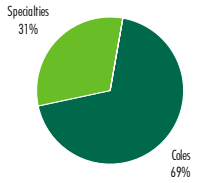
Valuation Summary (Freehold Interest)		
Gross Lettable Area	3,697.0 sqm	
Valuation Approach	Capitalisation & DCF	
Date of Valuation	30-Jun-15	
Market Value	14,000,000	
Net Passing Income	1,000,458	
Net Income, Fully Leased	1,000,458	
Net Market Income, Fully Leased	1,000,458	
Outstanding Tenant Incentives	Nil	
Passing Initial Yield	7.15%	
Reversionary Yield	7.15%	
Adopted Capitalisation Rate	7.00%	
Terminal Yield	7.25%	
Target IRR	8.50%	
Ten Year IRR (Indicated)	8.47%	
Value psm of GLA	$3,787	
	By Area	By Income
Vacancy Allowance - Specialties		2.00%
Current Vacancy - Specialties	0.00%	0.00%
Current Vacancy - Whole Centre	Nil	0.00%

Note: Net income figures above are before deduction of vacancy/bad debts allowance.

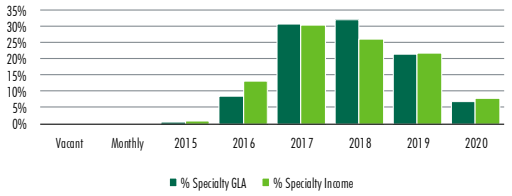
Rental Analysis				
Item	Passing Rent		Market Rent	
	$pa	$sqm	$pa	$sqm
Tenant/Component				
Majors - Gross Rent	569,271	224	569,271	224
Mini Majors - Gross Rent	-	-	-	-
Specialties - Gross Rent	837,853	728	837,853	728
Gross Rent (as occupied)	1,407,124	381	1,407,124	381
Other Income	11,040	3	11,040	3
Gross Passing Income	1,418,164	384	1,418,164	384
Statutory Expenses	(156,248)	(42)	(156,248)	(42)
Operating Expenses	(248,460)	(67)	(248,460)	(67)
Non Recoverable Expenses	(12,999)	(4)	(12,999)	(4)
Net Passing Income	1,000,458	271	1,000,458	271
Future Income from Vacancies	-	-	-	-
Net Income (Fully Leased)	1,000,458	271	1,000,458	271
Vacancy/Bad Debts Allowance	(16,757)	(5)	(16,757)	(5)
NET INCOME	**983,701**	**266**	**983,701**	**266**

Tenancy Profile			
Tenant/ Category	Area (sqm)	Gross Rent	Expiry
Majors (1)	2,546.0	569,271	
Specialties (10)	1,139.0	815,382	
ATM (3)	12.0	22,471	
Freestanding (0)	0.0		
Office (0)	0.0	0	
Monthly (0)	0.0	0	
Vacant (0)	0.0		
TOTAL	**3,697.0**	**1,407,124**	

GLA Analysis



Specialty & Mini Major Lease Expiry Analysis



Liability limited by a scheme approved under Professional Standards Legislation.

PENINSULA HOME, VIC

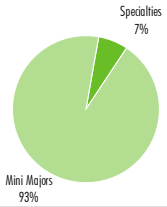
Valuation Summary (Freehold Interest)		
Gross Lettable Area	33,054.0 sqm	
Valuation Approach	Capitalisation & DCF	
Date of Valuation	30-Jun-15	
Market Value	62,700,000	
Net Passing Income	5,294,357	
Net Income, Fully Leased	5,505,107	
Net Market Income, Fully Leased	5,851,706	
Outstanding Tenant Incentives	Nil	
Passing Initial Yield	8.44%	
Reversionary Yield	9.33%	
Adopted Capitalisation Rate	8.50%	
Terminal Yield	8.75%	
Target IRR	9.75%	
Ten Year IRR (Indicated)	9.64%	
Value psm of GLA	$1,897	
	By Area	By Income
Vacancy Allowance - Specialties		0.75%
Current Vacancy - Specialties	1.66%	2.96%
Current Vacancy - Whole Centre	1.66%	2.96%

Note: Net income figures above are before deduction of vacancy/bad debts allowance.

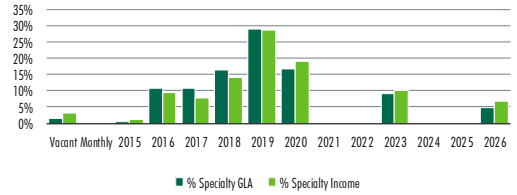
Rental Analysis				
Item	Passing Rent		Market Rent	
	$pa	$sqm	$pa	$sqm
Tenant/Component				
Majors - Gross Rent	-	-	-	-
Mini Majors - Gross Rent	6,122,103	198	6,468,702	209
Specialties - Gross Rent	440,397	272	440,397	272
Gross Rent (as occupied)	6,562,500	202	6,909,098	213
Other Income	9,346	0	9,346	0
Gross Passing Income	6,571,846	199	6,918,444	209
Statutory Expenses	(361,100)	(11)	(361,100)	(11)
Operating Expenses	(851,389)	(26)	(851,389)	(26)
Non Recoverable Expenses	(65,000)	(2)	(65,000)	(2)
Net Passing Income	5,294,357	160	5,640,956	171
Future Income from Vacancies	210,750	383	210,750	383
Net Income (Fully Leased)	5,505,107	167	5,851,706	177
Vacancy/Bad Debts Allowance	(50,799)	(2)	(50,799)	(2)
NET INCOME	**5,454,308**	**165**	**5,800,906**	**175**

Tenancy Profile			
Tenant/ Category	Area (sqm)	Gross Rent	Expiry
Mini Majors (23)	30,885.0	6,122,103	
Specialties (5)	1,619.0	440,397	
ATM (0)	0.0	0	
Freestanding (0)	0.0		
Office (0)	0.0	0	
Monthly (0)	0.0	0	
Vacant (2)	550.0		
TOTAL	**33,054.0**	**6,562,500**	

GLA Analysis



Specialty & Mini Major Lease Expiry Analysis



Liability limited by a scheme approved under Professional Standards Legislation.

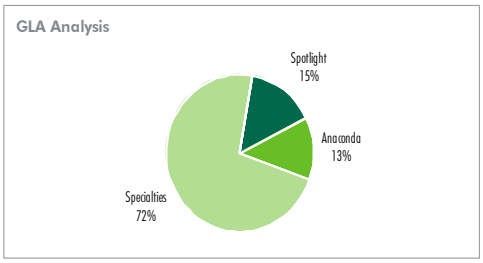
BALLARAT HOME, VIC

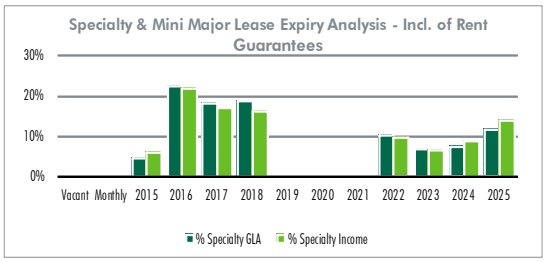
Valuation Summary (Freehold Interest)		
Gross Lettable Area	20,098.1 sqm	
Valuation Approach	Capitalisation & DCF	
Date of Valuation	30-Jun-15	
Market Value	30,550,000	
Net Passing Income	2,899,861	
Net Income, Fully Leased	2,899,861	
Net Market Income, Fully Leased	2,790,972	
Outstanding Tenant Incentives	Nil	
Passing Initial Yield	9.49%	
Reversionary Yield	9.14%	
Adopted Capitalisation Rate	8.75%	
Terminal Yield	9.00%	
Target IRR	9.75%	
Ten Year IRR (Indicated)	9.69%	
Value psm of GLA	$1,520	
	By Area	By Income
Vacancy Allowance - Specialties		1.50%
Current Vacancy - Specialties		
Current Vacancy - Whole Centre	Nil	

Note: Net income figures above are before deduction of vacancy/bad debts allowance.

Rental Analysis				
Item	Passing Rent		Market Rent	
	$pa	$sqm	$pa	$sqm
Tenant/Component				
Majors - Gross Rent	728,929	131	728,929	131
Mini Majors - Gross Rent	-	-	-	-
Specialties - Gross Rent	3,156,425	217	3,047,537	210
Gross Rent (as occupied)	3,885,354	193	3,776,466	188
Other Income	6,660	0	6,660	0
Gross Passing Income	3,892,015	194	3,783,126	188
Statutory Expenses	(523,602)	(26)	(523,602)	(26)
Operating Expenses	(393,941)	(20)	(393,941)	(20)
Non Recoverable Expenses	(74,611)	(4)	(74,611)	(4)
Net Passing Income	2,899,861	144	2,790,972	139
Future Income from Vacancies	-	-	-	-
Net Income (Fully Leased)	2,899,861	144	2,790,972	139
Vacancy/Bad Debts Allowance	(47,346)	(2)	(47,346)	(2)
NET INCOME	**2,852,514**	**142**	**2,743,626**	**137**

Tenancy Profile			
Tenant/ Category	Area (sqm)	Gross Rent	Expiry
Majors (2)	5,559.0	728,929	
Specialties (13)	12,739.1	2,732,220	
Office (1)	1,800.0	424,205	
TOTAL	**20,098.1**	**3,885,354**	





Liability limited by a scheme approved under Professional Standards Legislation.

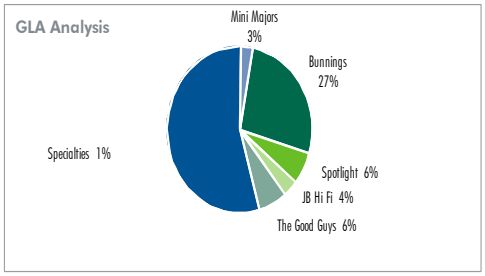
CRANBOURNE HOME, VIC

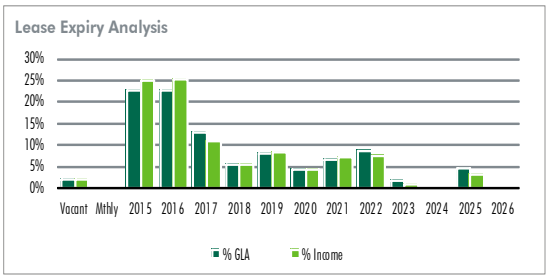
Valuation Summary (Freehold Interest)		
Gross Lettable Area	40,770.0 sqm	
Valuation Approach	Capitalisation & DCF	
Date of Valuation	30-Jun-15	
Market Value	76,000,000	
Net Passing Income	6,630,240	
Net Income, Fully Leased	6,755,740	
Net Market Income, Fully Leased	6,572,515	
Outstanding Tenant Incentives	Nil	
Passing Initial Yield	8.72%	
Reversionary Yield	8.65%	
Adopted Capitalisation Rate	8.50%	
Terminal Yield	8.75%	
Target IRR	9.75%	
Ten Year IRR (Indicated)	9.86%	
Value psm of GLA	$1,864	
	By Area	By Income
Vacancy Allowance - Specialties		0.75%
Current Vacancy - Specialties	2.16%	2.20%
Current Vacancy - Whole Centre	1.23%	1.44%

Note: Net income figures above are before deduction of vacancy/bad debts allowance.

Rental Analysis				
Item	Passing Rent		Market Rent	
	$pa	$sqm	$pa	$sqm
Tenant/Component				
Majors - Gross Rent	3,024,348	173	3,024,348	173
Mini Majors - Gross Rent	182,046	175	182,046	175
Specialties - Gross Rent	5,582,295	257	5,399,070	248
Gross Rent (as occupied)	8,788,689	218	8,605,465	214
Other Income	32,327	1	32,327	1
Gross Passing Income	8,821,016	216	8,637,792	212
Statutory Expenses	(1,142,282)	(28)	(1,142,282)	(28)
Operating Expenses	(963,495)	(24)	(963,495)	(24)
Non Recoverable Expenses	(85,000)	(2)	(85,000)	(2)
Net Passing Income	6,630,240	163	6,447,015	158
Future Income from Vacancies	125,500	250	125,500	250
Net Income (Fully Leased)	6,755,740	166	6,572,515	161
Vacancy/Bad Debts Allowance	(44,174)	(1)	(44,174)	(1)
NET INCOME	**6,711,566**	**165**	**6,528,341**	**160**

Tenancy Profile			
Tenant/ Category	Area (sqm)	Gross Rent	Expiry
Majors (4)	17,497.0	3,024,348	
Mini Majors (1)	1,040.0	182,046	
Vacant (1)	502.0		
TOTAL	**40,770.0**	**8,788,689**	





Liability limited by a scheme approved under Professional Standards Legislation.

MASTERS CRANBOURNE DEVELOPMENT, VIC – As If Complete

Valuation Summary (Freehold Interest)		
Gross Lettable Area	13,917.0 sqm	
Valuation Approach	Capitalisation & DCF	
Date of Valuation	30-Jun-15	
Market Value	38,100,000	
Net Passing Income	2,098,629	
Net Income, Fully Leased	2,233,629	
Net Market Income, Fully Leased	2,233,629	
Outstanding Tenant Incentives	Nil	
Passing Initial Yield (excl. Land)	6.21%	
Reversionary Yield (excl. land)	6.61%	
Adopted Capitalisation Rate	6.50%	
Terminal Yield	6.75%	
Target IRR	8.00%	
Ten Year IRR (Indicated - excl. land)	7.90%	
Value psm of GLA (excl. land)	$2,430	
	By Area	By Income
Vacancy Allowance - Specialties		Nil
Current Vacancy - Specialties	100.00%	100.00%
Current Vacancy - Whole Centre	2.51%	5.21%

Note: Net income figures above are before deduction of vacancy/bad debts allowance.

Rental Analysis				
Item	Passing Rent		Market Rent	
	$pa	$sqm	$pa	$sqm
Tenant/Component				
Majors - Gross Rent	2,455,764	181	2,455,764	181
Mini Majors - Gross Rent	-	-	-	-
Specialties - Gross Rent	-	-	-	-
Gross Rent (as occupied)	2,455,764	181	2,455,764	181
Other Income	-	-	-	-
Gross Passing Income	2,455,764	176	2,455,764	176
Statutory Expenses	(284,367)	(20)	(284,367)	(20)
Operating Expenses	(72,767)	(5)	(72,767)	(5)
Non Recoverable Expenses	-	-	-	-
Net Passing Income	2,098,629	151	2,098,629	151
Future Income from Vacancies	135,000	386	135,000	386
Net Income (Fully Leased)	2,233,629	160	2,233,629	160
Vacancy/Bad Debts Allowance	-	-	-	-
NET INCOME	**2,233,629**	**160**	**2,233,629**	**160**

Tenancy Profile			
Tenant/ Category	Area (sqm)	Gross Rent	Expiry
Majors (1)	13,567.0	2,455,764	

Liability limited by a scheme approved under Professional Standards Legislation.

Consent

CBRE provides it consent for the inclusion of this Summary Letter within the Product Disclosure Statement for One Managed Investment Funds Ltd as responsible entity for Aventus Retail Property Fund and CBA Corporate Services (NSW) Pty Limited making recipients of the Product Disclosure Statement aware of the following liability disclaimers.

Liability Disclaimer

a) CBRE is not operating under an Australian Financial Services Licence when providing the full Valuation Reports or this Summary Letter and those documents do not constitute financial product advice. Investors should consider obtaining independent advice from their financial advisor before making any decision to invest in Aventus Retail Property Fund.

b) CBRE disclaims any liability to any person in the event of an omission from, or false and misleading statements included in the Product Disclosure Statement, other than in respect to this Summary Letter and the full Valuation Reports.

c) The Valuation Reports and this Summary Letter are strictly limited to the matters contained within those documents, and are not to be read as extending, by implication or otherwise, to any other matter in the Product Disclosure Statement. Without limitation to the above, no liability is accepted for any loss, harm, cost or damage (including special, consequential or economic harm or loss) suffered as a consequence of fluctuations in the real estate market subsequent to the date of valuation.

d) CBRE has prepared the full Valuation Reports and this Summary Letter relying on and referring to information provided by third parties including financial and market information ("Information"). CBRE assumes that the Information is accurate, reliable and complete and it has not tested the information in that respect.

e) References to the Properties values within this Summary Letter or the Product Disclosure Statement have been extracted from CBRE's Valuation Reports. The Valuation Reports draw attention to the key issues and considerations impacting value and provide detailed assessments and analysis as well as key critical assumptions, assumptions, disclaimers, limitations and qualifications and recommendations. As commercial investments of this nature are inherently complex and the market conditions have changed and/or have been uncertain in recent times, CBRE recommends that this Summary Letter and any references to value within the Product Disclosure Statement must be read and considered together with the Valuation Reports. This Summary Letter is to be read in conjunction with our full Valuation Reports and are subject to the Assumptions, Limitations, Disclaimers and Qualifications contained therein. We refer the reader to One Managed Investments Funds Limited to obtain a copy of the full report.

f) No responsibility is accepted for any loss or damage arising as a result of reliance upon this Summary Letter.

g) Neither this Summary Letter nor the full Valuation Reports may be reproduced in whole or in part without prior written approval of CBRE.

h) CBRE charges a professional fee for producing valuation reports, and the fee paid by Aventus Capital Ltd for the Valuation Reports and this Summary Letter was $100,100 inclusive of GST.

i) We confirm that the values do not have a pecuniary interest that would conflict with a proper valuation of the interest in the properties.

j) This document is for the sole use of persons directly provided with it by CBRE. Use by, or reliance upon this document by anyone other than those parties named above is not authorised by CBRE and CBRE is not liable for any loss arising from such unauthorised use or reliance.

Liability limited by a scheme approved under Professional Standards Legislation.

VALUATION & ADVISORY SERVICES

CBRE

CBRE Valuations Pty Limited
ABN 15 008 912 641
Level 3, Waterfront Place
1 Eagle Street
Brisbane QLD 4000
T 61 7 3833 9833
F 61 7 3833 9830
www.cbre.com.au

3 September 2015

The Directors
One Managed Investment Funds Limited as
the responsible entity for Aventus Retail Property Fund
Level 14, 71 Macquarie Street
Sydney NSW 2000

Dear Sirs

Summary of Valuation Reports:

1. **Jindalee Home, 34 Goggs Road, Jindalee QLD 4074**
2. **Jindalee Village Central, 168 Sinnamon Road, Jindalee QLD 4074**
3. **Peninsula Home, 1132 Nepean Hwy, Mornington VIC 3931**
4. **Ballarat Home, 333 Gillies Street North, Ballarat VIC 3355**
5. **Cranbourne Home, 398 South Gippsland Highway, Cranbourne VIC 3977**
6. **Masters Cranbourne Development, 1280 Thompsons Road, Cranbourne VIC 3977**

Instructions

CBRE Valuations Pty Limited ("CBRE") accepted instructions dated 26 May 2015 (QLD assets) and 2 June 2015 (VIC assets) to prepare market Valuations for the freehold interest in the properties listed above. The Valuations have been prepared for reliance by One Managed Investment Funds Ltd as responsible entity for Aventus Retail Property Fund and CBA Corporate Services (NSW) Pty Limited for First Mortgage Security purposes only. The Valuations are prepared in accordance with the Australian Property Institute Australia and New Zealand Valuation and Property Standards January 2012, having regard to ANZVGN 8, Valuations for use in Offer Documents. The instructions specifically request us to provide our opinion of the market value of the property on the following basis:

- Market Value - As Is - Subject to existing occupancy arrangements (except Masters Cranbourne Development).

In the case of Cranbourne Masters Development on the following bases:

- Market Value 'As If Complete'
- Market Value 'As Is' (As If Complete less Cost to Complete)

CBRE has been instructed to provide full Valuation Reports in addition to this Summary Letter which is included in the Product Disclosure Statement document. In accordance with ANZVGN 8, our Valuation Reports draw attention to the key issues and considerations impacting value and provide detailed Property Risk Assessments and SWOT Analysis, plus the reports detail our Critical Assumptions, Assumptions, Disclaimers, Limitations and Qualifications and our Recommendations. As commercial investments of this nature are inherently complex and the market conditions can and have changed, it is considered prudent to consider the entire contents of our Valuation Reports. Therefore, we recommend that this Summary Letter is to be read and considered together with the Valuation Reports. We accept no responsibility for reliance upon the Summary Letter. We refer the reader to One Managed Investments Funds Limited to obtain a copy of our Valuation Reports.

Liability limited by a scheme approved under Professional Standards Legislation.

3 September 2015

The Directors
One Management Investment Funds Limited
As the Responsible Entity for Aventus Retail Property Fund
Level 14, 71 Macquarie Street
SYDNEY NSW 2000

Dear Gary

RE: Summary of Valuation for Product Disclosure Statement and Prospectus (Sunshine Homemaker Centre, Maroochydore, QLD 4558)

Instructions

We refer to instructions requesting Knight Frank Valuations Queensland to prepare a market valuation of the unencumbered, freehold interest in Sunshine Homemaker Centre, 100 Maroochydore Road, Maroochydore, QLD, subject to the existing and advised lease agreements and provided tenancy and financial information. The valuation has been prepared on behalf of One Management Investment Funds Limited as Responsible Entity for the Aventus Retail Property Fund ("Fund") for the intending inclusion in a Product Disclosure Statement ("PDS") for an Initial Public Offering ("IPO") of units in the Fund.

This summary letter is subject to the comments within our full valuation report for Sunshine Homemaker Centre, Maroochydore, dated 30 June 2015 (Reference 11519041), which contain details of the considerations, assumptions, specific conditions and qualifications impacting on the property's value.

The formal and full valuation report can be inspected at the office of Aventus Capital Limited during normal business hours. This correspondence is subject to and should be read in conjunction with all qualifications, assumptions, conditions and disclaimers contained within that valuation report.

Market Value

Market Value as defined by the International Valuation Standards Committee (IVSC) and endorsed by the Australian Property Institute (API) and embodied within the current Corporations Law, is as follows:

"The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

Level 3, Blue Tower, 12 Creek Street, Brisbane QLD 4000 T+61 (0) 7 3246 8888
GPO Box 146, Brisbane QLD 4001
www.knightfrank.com.au

Valuations Services (QLD) Pty Ltd ABN: 35 084 750 612, trading under licence as Knight Frank Valuations Queensland and Knight Frank Health and Aged Care, is independently owned and operated, is not a member of and does not act as agent for the Knight Frank Group.
™ Trade mark of the Knight Frank Group used under licence.

3 September 2015

The Directors
One Management Investment Funds Limited
As the Responsible Entity for Aventus Retail Property Fund
Level 14, 71 Macquarie Street
SYDNEY NSW 2000

Dear Gary

RE: Summary of Valuation for Product Disclosure Statement and Prospectus (Sunshine Homemaker Centre, Maroochydore, QLD 4558)

Instructions

We refer to instructions requesting Knight Frank Valuations Queensland to prepare a market valuation of the unencumbered, freehold interest in Sunshine Homemaker Centre, 100 Maroochydore Road, Maroochydore, QLD, subject to the existing and advised lease agreements and provided tenancy and financial information. The valuation has been prepared on behalf of One Management Investment Funds Limited as Responsible Entity for the Aventus Retail Property Fund ("Fund") for the intending inclusion in a Product Disclosure Statement ("PDS") for an Initial Public Offering ("IPO") of units in the Fund.

This summary letter is subject to the comments within our full valuation report for Sunshine Homemaker Centre, Maroochydore, dated 30 June 2015 (Reference 11519041), which contain details of the considerations, assumptions, specific conditions and qualifications impacting on the property's value.

The formal and full valuation report can be inspected at the office of Aventus Capital Limited during normal business hours. This correspondence is subject to and should be read in conjunction with all qualifications, assumptions, conditions and disclaimers contained within that valuation report.

Market Value

Market Value as defined by the International Valuation Standards Committee (IVSC) and endorsed by the Australian Property Institute (API) and embodied within the current Corporations Law, is as follows:

"The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

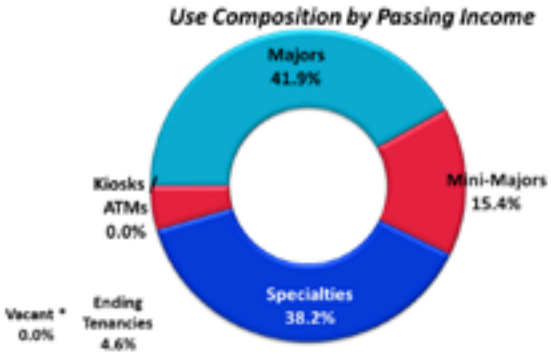
Level 3, Blue Tower, 12 Creek Street, Brisbane QLD 4000 T+61 (0) 7 3246 8888
GPO Box 146, Brisbane QLD 4001
www.knightfrank.com.au

Valuations Services (QLD) Pty Ltd ABN: 35 084 750 612, trading under licence as Knight Frank Valuations Queensland and Knight Frank Health and Aged Care, is independently owned and operated, is not a member of and does not act as agent for the Knight Frank Group.
™ Trade mark of the Knight Frank Group used under licence.

Brief Description of Property

Sunshine Homemaker Centre is located with significant frontage to Maroochydore Road, within Maroochydore on the Sunshine Coast, being approximately 100 kilometres north of Brisbane. The centre is well located in the geographical heart of the Sunshine Coast region and forms a major part of the bulky goods retailing nucleus on the Sunshine Coast, notwithstanding that the bulky goods retail offering is somewhat fragmented with a handful number of homemaker centres (including the subject property) and "strip retail" developments.

Description	Relatively modern, homemaker centre currently configured with 33 retail showroom / retail tenancies across 10 building envelopes.
Constructed	November 2002.
Tenancy / Showroom Sizes	Conventional Retailing - 61m² to 589m² Retail Showrooms – 229m² - 8,267m²
Anchor Tenants (> 1,000m²)	Bunnings Warehouse, Lincraft, Trade Secret, JB Hi-Fi, Amart All Sports, Fernwood Fitness, Oz Design Furniture and Pillow Talk.
Parking	800 car bays (3:100m² GLA)
Retail Levels	Predominantly ground floor with Fernwood Fitness and an upper level vacancy, but which is subject to vendor's rental guarantee.
Other Levels	Roof-top car parking above JB Hi-Fi Building Complex
GLA	27,578m² ("As If Complete" of new buildings to Super Cheap Auto, Bike Riders and Café / Restaurant)



* Vacancy subject to Vendor's Rental Guarantee

The centre was originally completed circa November 2002 and is currently anchored by Bunnings Warehouse (8,267m²) and supported by some 32 specialty tenants predominantly of a homewares nature. Other notable retailers include Lincraft, Trade Secret, JB Hi-Fi, Amart All Sports, Fernwood Fitness, Oz Design Furniture and Pillow Talk. The centre comprises 10 separate building envelopes and provides a total Gross Lettable Area (GLA) under the current tenant configuration of approximately 27,127m².

Our valuation is prepared subject to the expansion / reconfiguration of the JB Hi-Fi / Petstock and Super Cheap Auto / Bike Riders tenancies, as well as the construction of the new café, which on completion will increase the GLA to approximately 27,578m² (subject to final survey). Open air parking is provided for approximately 800 cars, including 125 car spaces provided on the roof of Building 9, representing a ratio of only 2.90 bays per 100m² of GLA, which is generally considered inferior to other major bulky retail developments throughout South East Queensland.

Market Commentary

Expenditure growth for household goods has been the best performing retail category over the past 12 months, experiencing growth of 8.5%. This outcome has come off the back of a surge in residential building activity over the past 2 years, particularly apartment developments along the east coast of Australia. At the same time, the recent increase in house prices has been supportive of bulky good retailers as more and more households have a greater capacity to spend on household items such as furniture and garden supplies.

In line with annual turnover for household goods, total dwelling approvals in Queensland were up 15.9% over the past 12 months (as at June 2015) dominated by dwelling units. This is consistent with the growth trend witnessed in NSW and VIC, which were up 11.0% and 18.8% respectively, however, economic growth in Queensland has been more subdued and lag the southern states as a result of the resources downturn.

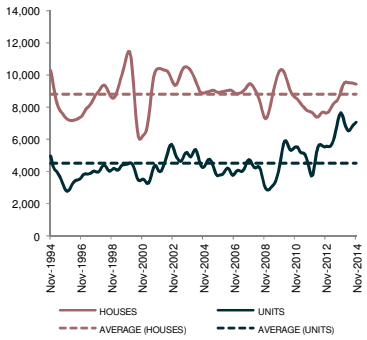
Following the increase in retail turnover, investor demand for larger format retail centres has also picked up considerably over the past few years. 2013 marked the peak in sales activity at almost $1.05 billion, fuelled by the sale and leaseback of several Bunnings Warehouse stores. Transaction activity has slowed in the sub-sector in more recent times, arguably due to a more limited supply offering. Over the course of 2014, investment of $485.7 million was recorded, which is a 53% reduction from the peak recorded in 2013.

Investment activity over the past 2 years has been underpinned by a combination of strong interest from AREITs, Unlisted/Syndicate funds and private investors, while during 2014 alone, 41% of purchases came from private investors. The largest homemaker centre sale in Queensland to date has still been the Homemaker City, Fortitude Valley for $103.2M in June 2013. Whilst it has been reported in May 2015 that QIC had acquired the Domain Centre in Townsville for circa $130M, details of this transaction have not been made public nor fully confirmed. The earlier sale of the Logan Megacentre for $52M in May 2013 is arguably the most comparable for Sunshine Homemaker, in terms of price point.

Average core market yields have firmed by 43bps over the past 12 months to range between 7.5% and 8.5%. Looking ahead, building activity is expected to remain solid, supported by low interest rates, high levels of pent-up demand (particularly Sydney) and confidence amongst developers. This outcome will augur well for bulky good retailers, where above average growth is expected to prevail over the next two years.

Dwelling Approvals—Australia

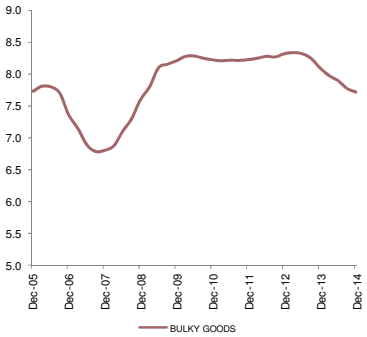
Monthly by Number



Source: ABS, Knight Frank

Average Core Market Yields

Bulky Goods —Australia



Source: IPD, Knight Frank

In determining the Market Value for the subject property, we have considered the following investment sales:

Property	Sale Price	Sale Date	Initial Yield	Core Market Yield*	IRR	$/m² of GLA
Kessels Court Macgregor QLD	$30.95M	May-15	7.55%	**7.71%**	9.66%	$3,345
Domain Townsville QLD ** *(Not Confirmed)*	$130.0M	May-15	8.00%	**8.15%**	9.50	$2,662
Lakehaven Home Mega Centre, Lakehaven NSW	$40.50M	Dec-14	8.81%	**7.75%**	8.42%	$1,860
Home HQ Artarmon	$72.50M	Oct-13	10.34%	**9.51%**	10.81%	$3,268
Supa Centa Belrose Belrose NSW	$88.0M	Aug-13 exchange	8.22%	**8.26%**	9.82%	$2,777
Homemaker City Fortitude Valley QLD	$103.2M	Jun-13	9.40%	**9.00%**	10.00%	$2,694
Logan MegaCentre Slacks Creek QLD	$52.0M	May-13	10.38%	**9.50%**	10.50%	$1,926
Homemaker City Aspley QLD	$41.2M	Jan-13	11.05%	**11.50%**	11.85%	$1,674
Homemaker City Jindalee QLD	$50.5M	Jan-13	10.92%	**10.50%**	10.95%	$2,416
Home Hub Hills Castle Hill NSW	$178.25M	Feb-12 exchange	9.00%	**8.40%**	10.21%	$3,419

Core Market Yield = the percentage return/yield analysed when the assessed fully leased net market income is divided by the adopted value/price which has been adjusted to account for property specific issues (i.e. rental reversions, rental downtime for imminent expiries, capital expenditure, current vacancies, incentives, etc).

*** Reported Sale only (not confirmed)*

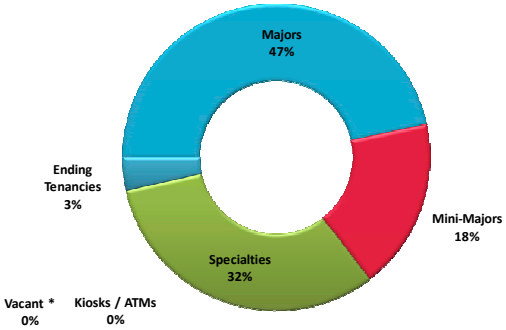
Knight Frank

Tenancy Overview - Sunshine Homemaker Centre, Maroochydore, QLD

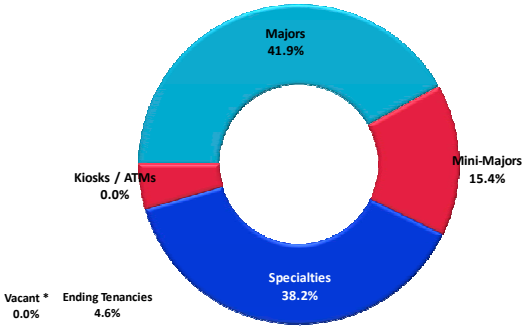
Tenancy Summary

Total Number of Tenants	33	Adopted Occupancy	100.0%	Adopted WALE	4.0 yrs

Use Composition by Lettable Area



Use Composition by Passing Income



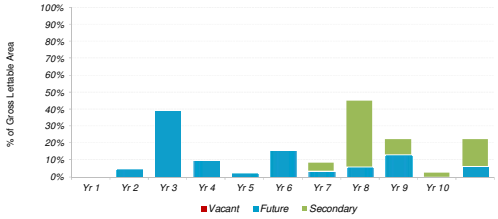
Major Tenant Summary (>1,000m²)

Tenant	Expiry Date	GLA	% GLA
BBC Hardware (Bunnings)	12-Dec-16	8,267	29.98%
Trade Secret	11-Mar-23	1,497	5.43%
Lincraft	02-Apr-18	1,792	6.50%
Pillow Talk	06-Oct-21	1,009	3.66%
Amart Allsports	03-Nov-19	1,040	3.77%
New - JB Hi-Fi	28-Feb-25	1,757	6.37%
OZ Design	31-Jul-22	1,061	3.85%
Fernwood	07-Oct-19	1,055	3.83%
New - Supercheap	17-Aug-25	1,006	3.65%
Total		**18,484**	**67.0%**

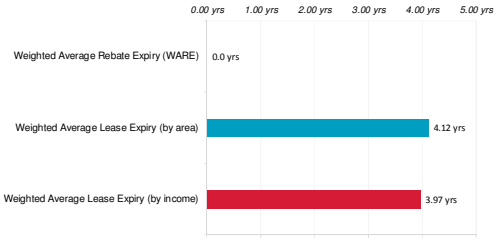
Expiry Profile Matrix (Initial Expiries)

Year	Year Ending	GLA	% GLA
	Current	-	-
1	Jun-16	1,298	4.7%
2	Jun-17	10,783	39.1%
3	Jun-18	2,583	9.4%
4	Jun-19	664	2.4%
5	Jun-20	4,302	15.6%
6	Jun-21	937	3.4%
7	Jun-22	1,572	5.7%
8	Jun-23	3,539	12.8%
9	Jun-24	-	-
10	Jun-25	1,757	6.4%
		27,435	**99.5%**

Expiry Profile - by GLA



WALE & WARE (Yrs)



Outstanding Rebates & Rent Free Incentives

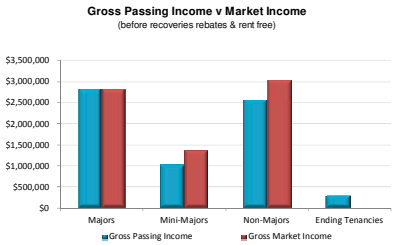
(% of Fully Leased Net Rental i.e. passing + market rental over vacant space)

Knight Frank

Valuation Summary - Sunshine Homemaker Centre, Maroochydore, QLD

Income Summary

Use	Gross Passing Income	$/m²pa	Gross Mkt Income	$/m²pa
Majors	$2,834,978	$213	$2,834,978	$213
Mini-Majors	$1,041,308	$201	$1,381,249	$267
Non-Majors	$2,584,406	$284	$3,046,519	335
Ending Tenancies	$309,238	$307	$0	0
Total Rental	**$6,769,930**	**$245**	**$7,262,745**	**263**
Less: Outstanding Incentives / Concessions	$162,419		$0	
Plus: Other Income (incl Outs Adjustment)	$208,505		$208,505	
Less: Rental for Deferred tenancies	N/A		N/A	
Gross Income	**$6,816,016**		**$7,471,250**	
Less: Outgoings (Incl. Owner's Promotions)	$1,464,849	$53	$1,464,849	$53
Net Income	**$5,351,167**		**$6,006,401**	



Passing Rent v Market Rent

Rental differential including vacant areas
- *Majors & Mini-Majors:* 91.94%
- *Non-Majors:* 84.83%

Rental differential excluding vacant areas
- *Majors & Mini-Majors:* 91.94%
- *Non-Majors:* 84.83%

Current Vacancy *

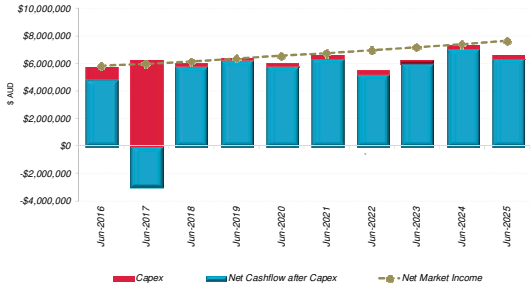
Use	Vacancy (m²)	% of NLA
Majors/Mini-Majors	-	-
Non-Majors	-	-
Total	**0.0**	**0.0%**

* Shop 16B subject to 2 yr Rental Guarantee

Cashflow Summary

Analysis Date 30/06/2015

Net Cashflow Projections



Cashflow Profile (Year End)

	Net Cashflow (before capex)	Capex	Net Cashflow (after capex)
1	$5,768,552	-$925,000	$4,843,552
2	$3,245,738	-$6,253,750	-$3,008,012
3	$6,040,268	-$260,094	$5,780,174
4	$6,476,068	-$267,116	$6,208,952
5	$6,060,086	-$273,794	$5,786,292
6	$6,641,047	-$280,639	$6,360,408
7	$5,531,562	-$287,655	$5,243,907
8	$6,294,667	-$294,846	$5,999,821
9	$7,403,139	-$302,218	$7,100,922
10	$6,649,219	-$309,773	$6,339,446

Capital Expenditure

Building Capex (10 yr)	$6,675,000
Operational Capex (10 year)	$2,779,885
Total Capex (10 year)	*$9,454,885*
Total Capex $/m² of GLA (10 year)	$343/m²
% of Building Value	14.89%

Valuation Summary

DCF Analysis

Discount Rate	9.75%	
Terminal Yield	8.50%	
Present Value of Cashflow	$67,464,519	
Less Acquisition Costs	$3,968,501	
Indicated Value	***$63,496,017***	
NPV of Cashflow	$31,916,775	*50.3%*
PV Of Terminal Value	$31,579,242	*49.7%*

Capitalisation Approach

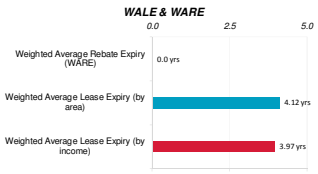
Net Market Income		***$6,006,401***	
Capitalisation Rate Range	*7.75%*	***8.00%***	*8.25%*
Core Value (pre adjustments)	$75,159,126	***$72,810,403***	$70,604,027
Adjusted Core Value Range	*$75,159,126*	*$72,810,403*	*$70,604,027*
Adjustments	$9,405,208	$9,405,208	$9,405,208
Indicated Value Range	***$65,753,918***	***$63,405,195***	***$61,198,819***

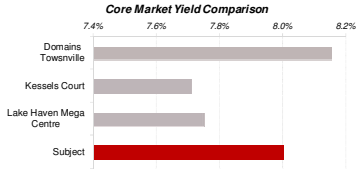
DCF Analysis Sensitivity

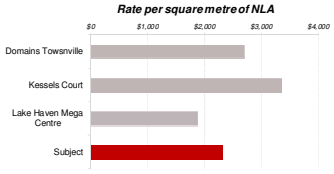
Discount Rate \ Terminal Yield	8.25%	8.50%	8.75%
9.50%	$65,700,354	$64,578,109	$63,642,906
9.75%	$64,592,958	**$63,496,017**	$62,581,900
10.00%	$63,510,306	$62,438,042	$61,544,489

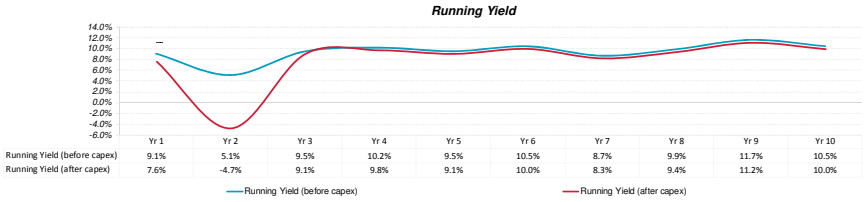
Adopted Value ***$63,500,000***

Passing Initial Yield	*(with 2 yr Rent G'tee for vacanc*	*8.43%*
Fully Leased Initial Yield	*(with 2 yr Rent G'tee for vacanc*	*8.43%*
Core Market Yield *(Analysed Capitalisation Rate)*		***8.00%***
Adopted Capitalisation Rate		*8.00%*
Rate per square metre of GLA		*$2,303*
Weighted Average Lease Expiry (by income)		*3.97 yrs*
Internal Rate of Return (after costs)	*10 years*	***9.75%***
	5 years	*9.59%*
Weighted Average Lease Expiry (by area)		*4.12 yrs*
Weighted Average Rebate Expiry (WARE)		*N/A*









Valuation Summary

The assessed Market Value for the property as at 30 June 2015 is as follows:

Property	Market Value "As Is"	Market Value "As If Complete" [1.]
Sunshine Homemaker Centre, Maroochydore QLD	$63,500,000 (excl. GST)	$64,500,000 (excl. GST)

1. Within our valuation we have been instructed to comment on the property's value assuming "As If Complete" of the building / capital works in relation to the new expanded JB Hi-Fi tenancy and the new "Expansion Tenants", namely Super Cheap Auto (Shops 23-24), Bike Riders (Shop 23A) and the new Café / Restaurant (Shop 17A), which were incomplete as at the date of valuation. With respect to the "Expansion Tenants" we are advised that the outstanding capital amount to complete these works as at the date of valuation is $675,000 (excl. GST) whilst the associated tenant incentives (including fitout contributions) for the above tenants is a sum of $162,419 (excl GST). The aggregate sum of these amounts is $837,419. Completion and payment of the abovementioned outstanding capital costs would effectively result in the subject property having a valuation assessment "As If Complete" of these capital works in the order of $64,500,000 (after rounding).

The content prepared by Knight Frank Valuations Queensland for the PDS is limited to this summary letter. Knight Frank Valuations Queensland has not been involved in the preparation of any other part of the PDS and has not approved or expressed any opinion contained within the PDS other than this letter.

Qualifications & Disclaimers

Knight Frank Valuations Queensland (KFVQ) has prepared this summary which appears in the PDS for One Managed Investments Limited as Responsible Entity for the Fund. KFVQ were involved only in the preparation of this summary and the valuation referred to therein, and specifically disclaim liability to any party in the event of any omission from, or false or misleading statement included in, the PDS or other document, other than in respect of our valuation and this letter.

KFVQ has consented to this summary being included in this PDS, but KFVQ is not providing advice about a financial product, nor the suitability of the investment set out in the PDS. Such an opinion can only be provided by a person that holds an Australian Financial Services Licence. KFVQ does not hold such a licence and is not operating under any such licence in providing its opinions of value as detailed in this summary and our valuation reports.

Any forecasts, including but not limited to, financial cash flow projections or terminal value projections noted within the valuations is a valuation tool only, undertaken for the purpose of assisting to determine the market value. No party may rely upon any financial projections or forecasts within this report on the understanding that they are undertaken for the specific purpose of determining market value only and therefore should not be represented in any way as providing an indication of likely future profit or realisable cash flow.

The valuation is current at the date of valuation only. The value(s) assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value and we can give no guarantee that the property or the valuation has not altered since the date of valuation. Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where the valuation is relied upon after the expiration of **90 days** from the date of valuation, or such earlier date if you become aware of any factors that have any effect on the valuations.

The 'As if Complete' value assessed, is the Market Value of the proposed improvements as detailed within the documents provided, on the assumption that all construction has been satisfactorily completed in all respects as at the date of valuation. The valuation reflects the valuer's view of the market conditions existing at the date of valuation and does not purport to predict the market conditions and the value at the actual completion of the improvements because of the time lag. Accordingly, we recommend that the 'As if Complete' value be confirmed by further inspections by the valuer on completion of the improvements and after a suitable period when adequate trading information is available. We reserve the right to review and if necessary, vary our valuation should there be any changes in relation to the proposed development.

KFVQ has prepared this letter based upon information provided and accepts no responsibility for any loss or damage arising as a result of reliance upon this letter. We have no reason to believe that the information is not fair and reasonable or that material facts have been withheld and for the purpose of the valuation. We have assumed that all of the information provided is correct.

The valuation does not purport to be a site or structural survey of the improvements, nor was any such survey undertaken. Overall, we have assumed that detailed reports with respect to the structure and service installation of the improvements both would not reveal any defects or inadequacies requiring significant capital expenditure.

KFVQ has received a professional fee of $13,000+GST in connection with the preparation of our valuation and this summary PDS letter. The fee is not in any way linked to nor has it influenced the opinion of value noted and KFVQ does not have any pecuniary interest Aventus Capital Ltd and has provided this report solely in its capacity as independent professional advisor.

Yours faithfully
KNIGHT FRANK VALUATIONS

PAUL KWAN AAPI
Certified Practising Value
Registered Valuer (Qld) No. 2423
Director

GORDON PRICE
Director

Level 26, 197 St Georges Terrace
Perth, WA 6000

PO BOX 7109, Cloisters Square
Perth, WA 6850
www.colliers.com.au/perth

MAIN +61 8 9261 6691
FAX +61 8 9261 6677
MOB 0434 659 846
EMAIL dean.johnston@colliers.com

Colliers INTERNATIONAL

12 August 2015

The Directors
One Management Investment Funds Limited
Level 14, 71 Macquarie Street
SYDNEY NSW 2000

RE: Summary of Valuation Report (V513747_060815) 30 June 2015

Midland Home
4 Clayton Street
Midland, Western Australia
("The Property")

1 INSTRUCTIONS

We have received written instructions from Aventus Property Group Pty Ltd, dated 6 August 2015, to determine the Market Value of "Midland Home", 4 Clayton Street, Midland, Western Australia on behalf of **One Management Investment Funds Limited as the responsible entity for Aventus Retail Property Fund** as at 30 June 2015 to include within a product disclosure statement for the purpose of an initial public offering.

We have been instructed to provide this summary report of the valuation for inclusion in a Product Disclosure Statement (PDS). All data provided in this summary is wholly reliant upon and must be read in conjunction with the information provided in the full valuation report V513747_060815 dated 30 June 2015 provided to One Management Investment Funds Limited. The following correspondence is a synopsis only designed to provide an overview and must not be acted on in isolation. We highlight this synopsis must also be read in conjunction with the following sections of this report *Section 14 – Material Assumptions*; *15 – Qualifications and Warnings*; and *16 – Liability Disclaimer*. As per our original report, we confirm the valuation detailed herein has been prepared for, and may be relied upon by, the following party for the specific purpose as specified:

Purpose of Valuation	Reliant Party
Inclusion in a Product Disclosure Statement for the purpose of an Initial Public Offering (30 June 2015)	One Management Investment Funds Limited as responsible entity for the Aventus Retail Property Fund

In accordance with our instructions, Colliers International (WA) Pty Ltd has undertaken a valuation of the abovementioned property as at 30 June 2015.

Liability limited by a scheme approved under Professional Standards Legislation.

2 VALUATION SUMMARY

We have assessed the market value of the 100% freehold interest of "Midland Home", 4 Clayton Street, Midland, subject to the existing tenancies, as at 30 June 2015, at:

$48,500,000 – GST Exclusive
(Forty Eight Million Five Hundred Thousand Dollars)

3 BASIS OF VALUATION

This valuation has been prepared on the basis of Market Value as defined by the International Valuation Standards Council (IVSC) and endorsed by the Australian Property Institute (API). Furthermore, the market value assessment has been undertaken on an 'as is' basis, pursuant to the Land Valuers Licensing Act 1978 (WA). These and other concepts are defined as follows:-

Australian Property Institute

Market Value	Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

Land Valuers Licencing Act 1978

As Is	'As Is' valuation means a valuation that provides the current market value of the property as it currently exists rather than the value of the proposed development.

The valuation is prepared having reference to the market evidence available as at the date of valuation.

This valuation report is provided by Colliers International (WA) Pty Ltd and not by any other company in the Colliers International Group. The valuation report has been prepared for the party and purpose only as detailed in Section 1 above, and should not be relied upon for any other purpose or by any other party.

Colliers International (WA) Pty Ltd accepts no responsibility for any statements in this report other than for the stated purpose. This report is issued on the basis that no liability attaches to the companies in the Colliers International Group other than Colliers International (WA) Pty Ltd in relation to any statements contained in the valuation report.

4 DATE OF VALUATION

30 June 2015 based upon our inspection of 20 June 2015.

Due to possible changes in market forces and circumstances in relation to the subject property the report can only be regarded as representing our opinion of the value of the property as at the date of valuation, which has been based on appropriate assumptions determined as at the date of valuation. We have assumed the property is in the same condition on the valuation date as the inspection date. This is a critical assumption.

5 BRIEF DESCRIPTION

Situated approximately 16 kilometres northeast of the Perth Central Business District within the established locality of Midland, the subject property comprises a prominent single level bulky goods / homemaker centre incorporating a gross lettable area of 23,411 square metres. In this location, the property benefits from being situated within a key bulky goods precinct of Midland; and being located opposite the developing St. John of God Midland public and private hospitals projects. The improvements are developed upon a 4.264 hectare site, identified on a single freehold Certificate of Title.

The centre initially commenced trading in 2006 and as at the date of valuation, is leased to 17 tenants accommodating a range of national and local retailers including, but not limited to electrical, automotive, camping / outdoors and furniture retailing categories. National retailer "Nick Scali Furniture" has recently committed to opening one of the chain's first stores in Western Australia within the complex. The lease is proposed to commence in August 2015 and will entail a re-configuration of two of the existing tenancies.

6 TENANCY OVERVIEW

Our valuation is assessed on the tenancy schedule, outgoings schedule and lease documentation for the tenancies provided by BB Retail Capital Property Management. The tenancy schedule appended to this report summarises our understanding of the tenancy profile as at the date of valuation. We confirm that we have been provided with and reviewed all lease agreements pertaining to the complex including the heads of agreement document pertaining to Nick Scali Furniture.

The weighted average lease duration (by Area) of the adopted tenancy profile within Midland Home as at the valuation date is 4.46 years. The weighted average lease duration (by Income) of the adopted tenancy profile within Midland Home as at the valuation date is 4.44 years.

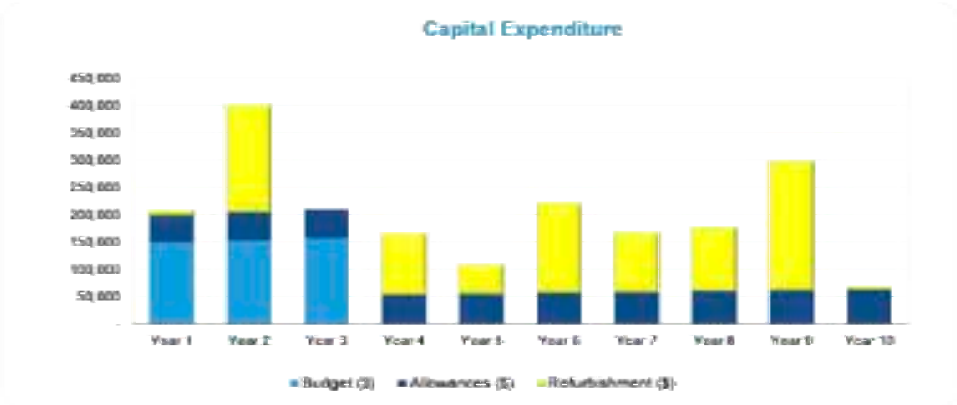
7 INCOME SUMMARY

The current passing rental of the centre is considered slightly above current market parameters. The following table summarises the passing and assessed market income for the subject centre:

	Passing Income			Market Income			Variance	
	$ pa.	$/m²	%	$ pa.	$/m²	%	$ pa.	%
Mini-Majors	2,102,935	230.08	36.74%	2,122,482	232.22	37.81%	19,547	0.92%
Specialties	3,302,078	246.06	57.69%	3,243,369	241.68	57.78%	(58,709)	-1.81%
Other	108,524	127.53	1.90%	119,717	140.68	2.13%	11,193	9.35%
Profit on Electricity	127,873	5.46	2.23%	127,873	5.46	2.28%	-	-
Gross Rental from Vacant Space	82,873		1.45%					
Total Fully Leased Gross Income	**5,724,284**	**244.51**	**100.0%**	**5,613,442**	**239.78**	**100.0%**	**(27,969)**	**-0.50%**
Less								
Statutory Expenses	745,928	31.86		745,928	31.86			
Operating Expenses	432,256	18.46		432,256	18.46			
Non-Recoverable Expenses	55,143	2.36		55,143	2.36			
Total Expenses	**1,233,327**	**52.68**		**1,233,327**	**52.68**			
Total Fully Leased Net Income	**4,490,958**	**191.83**		**4,380,116**	**187.10**			

7 CAPITAL EXPENDITURE

For the purpose of this valuation, we have adopted the following capital expenditure allowances:



We have summarised the short term capital expenditure budget provided to us by the instructing party and that has been adopted in our calculations within the schedule overleaf:

BB Retail Capital Property Management Budget:	*Budget*
Astro turf - paved area outside Adairs	*$3,000*
Carpark directional signage	*$4,000*
Carpark Lights - LED Upgrade	*$20,000*
Evap Unit Replacement	*$181,000*
Evap Unit Replacement	*$205,000*
Evap Unit Replacement - JB Hi Fi pay back	*$25,000*
Garden vines on Subway alfresco wall	*$3,000*
Rest stop/focal points on footpath	*$10,000*
Total	***$451,000***

The instructing party has advised that these works will be undertaken across a three year period and therefore we have applied accordingly within our assessment.

Refer to schedule below:

Capital Expenditure				
Year Ending	**Budget ($)**	**Allowances ($)**	**Refurbishment ($)**	**Total ($)**
30-June-2016	150,333	50,000	9,030	209,363
30-June-2017	154,019	51,226	197,814	403,060
30-June-2018	158,921	52,856	-	211,777
	463,274	572,148	1,011,525	2,046,946

We have adopted a capital expenditure allowance totalling $2,046,946 (as inflated) during the cash flow term, comprising the capex budget provided; various refurbishment allowances; and an annual 'general' capital expenditure allowance of $50,000 per annum, which has been escalated at CPI + 0.50% pa.

We have also provisioned refurbishment allowances of $30/m² throughout the cash flow in association with lease expiries. The refurbishment allowance has also been formulated with regard to the adopted incentives for new lease profiles.

8 MARKET COMMENTARY

One of the flow-on effects of the tightening credit conditions following the Global Financial Crisis was initially the sharp decline in the number of bulky goods transactions in 2008, followed by a surge of activity in 2009 for single tenant holdings such as Bunnings Warehouses and a market adjustment for traditional homemaker centres. The market was dominated by Homemaker Centre transactions throughout 2010, with the majority of acquisitions seen as opportunistic given the high initial yields. Homemaker Centre sales activity declined considerably throughout 2011 and increased again across 2012 and into 2013. Market demand has increased as entities look to grow funds under management, capitalising on the low interest rate environment.

Improving housing construction markets in all states has seen a strengthening of retail turnover and activity in these Centres. Rising demand levels off the back of improving retail data and weight of capital with a shortage of quality well located retail assets, is now underpinning an environment of tightening of yields, which has best been illustrated in traditional retail assets across 2013 – H1 2015.

However, WA is likely to see a weakening of residential construction across the second half of 2015 into 2016. This is anticipated to have some effect on homemaker centre turnover, however as at the valuation date we still consider there to be reasonable demand for these assets particularly for well-located centres anchored by Bunnings/Masters and within precincts of complementary retail offers providing a 'one stop shop' and multi service experience.

9 PREVAILING MARKET CONDITIONS

Despite the reasonable demand for retail assets locally and compression of yields in recent times, we draw your attention to the fact that the Western Australian economy has weakened noticeably due to the current resource project investment cycle approaching completion and transitioning into an operation phase. The adverse impact of this winding down of investment activity on the local economy has been compounded in recent months by heavy falls in commodity pricing. Ultimately, these price falls are likely to result in the deferment of a number of mooted LNG and iron ore expansion projects that were anticipated to commence in the medium term and to a degree soften the impact of the construction phase of the investment cycle coming to an end. In addition to the anticipated deferment of these projects, the recent commodity crash has also had a significant impact on the State Government's finances with substantial discrepancies now emerging between budget forecasts and actual revenue received from royalties. As a result, this has created mounting debt pressures and consequently the Government has deferred some key mooted infrastructure projects and is in the process of initiating asset disposal programs.

As a result of all of these factors, the majority of property markets have weakened noticeably within a relatively short period of time and vacancies within the majority of bulky goods precincts across the metropolitan area are gradually increasing. We draw your attention to the fact that Perth bulky goods and retail markets have historically reflected periods of volatility commensurate with various resource related investment cycles and 'over shooting' supply in various sectors. The volatility associated with these cycles has in some instances resulted in reasonable shifts in asset values. A high degree of uncertainty still remains within global markets with constantly changing macro-economic environment, policy and political drivers, which can potentially have a further effect on the Australian and Western Australian economy.

We draw your attention to the fact that the Market Value adopted herein is subject to the issues outlined above, and should be closely monitored in light of future events. Furthermore, it is our strong recommendation that regular valuation updates be initiated and instructed by the party wishing to rely upon this valuation.

10 MARKET EVIDENCE

In determining the current market value of "Midland Home", we have examined the available market evidence and applied this analysis to both the Traditional Capitalisation approach and the Discounted Cash Flow approach. In order to determine the market value of the subject, we have considered recent sales transactions of various bulky goods / homemaker centres and shopping centre sales in order to assess the market yield range for the subject. We consider this to be appropriate given the subject's price range and likely purchaser profile.

The sales analysis we have relied upon for each transaction has been undertaken by Colliers International using the information provided by the selling agent, vendor or purchaser. We highlight there is a paucity of current homemaker sales evidence for Western Australia with the activity of 2013 and 2014 east coast focused and often embedded in portfolio transactions which make difficult the analysis on a property by property basis. The sales detailed within our full report are summarised in the table below.

Property	Type	Date	Sale Price ($)	Sale Price ($/m²)	Equivalent Market Yield	IRR
888 Nicholson Road, Canning Vale	Bulky Goods	Aug-14	$17,500,000	$2,686	8.02%	8.84%
173 The Promenade, Ellenbrook	Bulky Goods	Dec-13	$23,660,000	$2,099	7.24%	8.86%
Carine Glades Shopping Centre	Neighbourhood	Jul-14	$24,250,000	$7,945	7.99%	9.23%
Northam Boulevard, Northam	Neighbourhood	Jan-14	$14,050,000	$2,213	8.86%	9.36%
Stirlings Centre, Bunbury	Neighbourhood	Mar-14	$18,750,000	$3,197	7.38%	9.10%
Brighton Village Shopping Centre	Neighbourhood	Oct-13	$21,000,000	$5,460	7.48%	10.09%

The bulky goods sales, albeit limited, demonstrate a range in Equivalent Market Yield of between 7.24% and 8.02% with a clear tightening trend, which although not as sharp, is also reflected in the neighbourhood centre sales. The range in Internal Rate of Return is between 8.86% and 8.84%. It should be highlighted that there has been a paucity of bulky goods based properties presented to the market for sale in the past 18 months and therefore in our view the limited transaction activity is not a reflection of soft demand for this asset class.

The most recent settled bulky goods transaction pertains to the complex located at 888 Nicholson Road, Canning Vale which incorporates seven showrooms and showroom warehouses contained within two buildings. The largest tenancy of 3,500 square metres forms part of the southern building leased to Kambos until Jun 2019. The adjoining tenancies are occupied by Pet City, Exego (formerly Repco) and Vetwest (Veterinary Centre) with lease expiries from Sep 2017 to Dec 2018. Dan Murphy's Liquor Store occupies the prominent corner location in a freestanding building opposite Livingston Market Place with a lease expiry of Aug 2027. We would expect the subject complex to reflect a higher capitalisation rate than the Canning Vale asset predominantly due to being a larger asset with a reduced volume of potential buyers.

The neighbourhood centre sales demonstrate a range in Equivalent Market Yield of between 7.38% and 8.86% with the latter reflecting Northam Boulevard, a likely outlier; and an Internal Rate of Return of between 9.23% and 10.09%.

11 VALUATION METHODOLOGY

In determining the Market Value of the Property, Colliers International (WA) Pty Ltd has examined the available market evidence and applied this analysis to the Capitalisation of Net Income and Discounted Cash Flow (DCF) Approaches. These approaches have in turn been checked by the Direct Comparison Approach on the basis of sales analysed as a rate per square metre of NLA.

The Capitalisation of Net Income Approach has been undertaken by applying a yield to both the potential fully let passing net income (initial yield) and the potential reversionary net income (equated reversionary yield). To the value derived, adjustments have been made for any rental reversions, vacancies, leasing costs and appropriate capital expenditure.

The DCF has been undertaken over a 10-year time horizon discounting the net income over this period on a monthly basis together with the value of the property, net of selling expenses, in the 121st month. The net present value has been determined after allowing for capital expenditure and costs associated with the purchase of the property. Our valuation has been undertaken on a GST exclusive basis.

12 VALUATION ANALYSIS AND ASSUMPTIONS

The following criteria have been adopted:

- We have considered the reversionary capitalisation approach, whereby the net market income has been capitalised at a market yield of 8.75% with cognisance of available market evidence;
- A DCF analysis over a 10-year investment horizon has been undertaken, based upon a discount rate of 9.25%, average gross face rental growth over the cash flow term of 2.49% per annum, and an adopted terminal yield of 9.00%;
- We have been provided with an outgoings budget for the complex that reflects a rate of $52.68/m² and includes a non-recoverable expense item relating to management fees as advised by the instructing party. We consider the total outgoings amount provided to fall within market parameters for a bulky goods complex of this nature and therefore we have adopted within our assessment.
- Based upon our adopted value of $48,500,000, the subject property reflects the following parameters:
    - Passing Initial Yield – 9.09%
    - Passing Initial Yield (assuming fully leased) – 9.26%
    - Equivalent Initial Yield – 9.00%
    - Capital Value Rate - $2,072/m²
    - Internal Rate of Return (including Capex) – 9.21%
    - Internal Rate of Return (excluding Capex) – 9.71%

These parameters are considered reasonable given the available and comparable sales evidence and the current market dynamics as outlined within our report.

13 SALES HISTORY

The subject property previously transacted in September 2012 for $43,100,000 (GST Free – Going Concern Basis). We have not been made aware of any contracts for sale pertaining to the subject property. Should the property be contracted for sale, we reserve the right to review our assessment.

14 MATERIAL ASSUMPTIONS

In the preparation of this valuation report we have made a variety of key assumptions and important comments. In this regard we advise that this entire report, including appendices, must be read and understood by the nominated parties to whom reliance is extended in order that the various assumptions and comments are understood in the context of the adopted valuation. Should the parties to this report have any concerns or queries regarding the contents or key assumptions made in the preparation of this valuation, those issues should be promptly directed to the nominated Valuer for comment and review. A selection of Key Assumptions and Important Comments are as follows:-.

(i) All information provided by the Instructing Party and Property Manager, BB Retail Capital Property Management is correct and current. This is a critical assumption.

(ii) There are no other encumbrances or notations except those shown on Title or noted within this valuation report.

(iii) The property is not flood liable or within a landslip designated area.

(iv) Appropriate planning permission has been granted by the relevant statutory authorities in relation to the existing improvements on site.

(v) All fire and electrical services meet the Building Code of Australia requirements.

(vi) There are no GST or arrears liabilities over the subject property unless identified.

(vii) Any heads of agreement, unsigned or unregistered leases noted within our report are converted to signed, registered leases as per the details provided. In this regard, we strongly recommend to the parties nominated within this valuation to which reliance is extended that they seek their own legal advice and satisfy themselves accordingly concerning this matter. On the basis that variations between the details noted within this report and the final registered documentation exists, these matters should be promptly referred to the Valuer for review and possible revision of this valuation advice.

(viii) In accordance with the Australian Property Institute Valuers Limited (APIV), this valuation is current as at the date of valuation only. The value[s] assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value.

Without limiting the generality of the above, we do not assume any responsibility or accept any liability in circumstances where this valuation is relied upon after the expiration of 90 days from the date of valuation, or such earlier date if you become aware of any factors that have any effect on valuation.

However, in the context of the above the APIV reiterates that it should be recognised that the 90 day reliance period does not guarantee the value for that period; it always remains a valuation at the date of valuation only.

(ix) Investment return based real estate such as the subject property is a dynamic investment medium to which point in time capital value pricing has the ability to vary widely over time, being highly dependent on the prevailing and future net cash flow certainty and strength in light of the corresponding market conditions. Accordingly, and of paramount importance for First Mortgage Security purposes, due consideration must be given to the dynamic nature of this style of investment. On the basis of the aforementioned comments, it is our strong recommendation that valuation updates for this property be initiated and formally instructed by the reliant parties at appropriate regular intervals.

Material Assumptions (continued)

(x) Unless specified otherwise within this report, the DCF valuation analysis assumes that all tenancies expire as at the respective lease expiry dates. Accordingly, our DCF valuation analysis does not assume the take up of the respective lease option periods (where applicable), which would generally comprise a variety of unique rental review structures (including but not limited to effective market reviews) and variations to tenancy make good obligations, that may not necessarily be reflective of current market lease terms. Rather, our DCF valuation analysis assumes that post the respective lease expiry dates there will be a period of rental void (downtime), subsequent to which a new lease (speculative lease) will commence on market terms. Despite this assumption, our DCF valuation analysis does adopt a retention probability profile for both the application of downtime and tenant incentives. However, these retention assumptions are on the basis of a new lease to the existing tenant(s) on new market terms only. The basis of adopted retention may have a material impact upon valuation, accordingly, should the parties to which this report is addressed require a different assumption to that outlined above and adopted herein, this request for alternative valuation advice should be promptly initiated by the Instructing Party and instructed for application by the Valuer.

(xi) Further to the above comments, our valuation analysis herein assumes varying tenancy renewal probability assumptions, which at a future date may or may not prove to be correct. Accordingly, the parties reliant upon this valuation should be fully aware that the impact of a tenant to renew at market terms or depart at lease expiry can have a material impact upon valuation. Accordingly, as tenancy occupation positions become certain, it is our strong recommendation that this valuation should be referred back to the Valuer for review, comment and update.

(xii) We reserve the right to review and in appropriate circumstances revise our valuation report should any of the above key assumptions and important comments result in matters that will have a material impact on valuation

Verifiable and General Assumptions

(xiii) We are not aware of any notices currently issued against the property and we have made no enquiries in this regard. This valuation has been undertaken on the assumption that the buildings comply in all material respects with any restrictive covenants affecting the site and have been built and are occupied and being operated, in all material respects, in full compliance with all requirements of the law, including all zoning, land-use classification, building, planning, fire and health by-laws (including asbestos), rules, regulations, orders and codes of all authorities, and that there are no outstanding requisitions. Although the building appears structurally sound this valuation report does not purport to be a structural survey of the improvements thereon, and if certification is required, an engineer's report is recommended.

(xiv) The property is not listed or considered to have historical significance by the National Trust, the Western Australian Heritage Council or the local Council. For the purposes of this valuation, it is assumed the property is unaffected.

(xv) The improvements appeared to lie within the lot's boundaries, but we have not sighted a survey of the property and are therefore unable to ascertain whether there is any encroachment over the boundaries.

(xvi) A visual site inspection has not revealed any obvious hazardous material contamination. Nevertheless, we are not experts in the detection or quantification of hazardous material problems and, accordingly, have not carried out a detailed investigation. Therefore, this valuation is made on the assumption that there are no actual or potential hazardous material contamination issues affecting the subject property other than noted within the body of the report. Should a subsequent investigation undertaken by a suitably qualified expert show that the site is contaminated we reserve the right to amend our valuation.

(xvii) A visual site inspection has not revealed any obvious pollution or contamination. Nevertheless, we are not experts in the detection or quantification of environmental problems and, accordingly, have not carried out a detailed environmental investigation. Therefore, this valuation is made on the assumption that there are no actual or potential contamination issues affecting the subject property other than those noted within the body of the report. Should a subsequent investigation undertaken by a suitably qualified environmental expert show that the site is contaminated we reserve the right to amend our valuation.

Verifiable and General Assumptions

(xviii) The value and utility of land can be adversely affected by the presence of aboriginal sacred sites and/or sites of aboriginal heritage significance. We have made no investigations in this regard, as aboriginal requirements can only be determined by the appointment of an appropriate expert. Under these circumstances we cannot warrant that there are no such sites on the land if subsequently determined that the realty is so affected, we reserve the right to review the situation.

(xix) Our enquiries to the Local Authority and the Western Australian Planning Commission have not revealed any government proposals for reservation, easement, road widening or acquisition other than for those registered on title or tabled in the respective planning schemes. Despite this, we cannot be certain no such proposals exist and would recommend further verification. This valuation is predicated on there being no actual or proposed reservation, easement, road widening other than for those registered on title or clearly tabled and marked in the respective planning schemes.

(xx) The land comprises topsoils, which appear to be relatively free draining, however, as no geo-technical investigations have been either undertaken or commissioned, we are unable to report on the underlying nature of the site.

(xxi) The future values quoted for property, rents and costs are projections only formed on the basis of information currently available to us and are not representations of what the value of the property will be as at a future date. This information includes the current expectations as to property values and income that may not prove to be accurate.

(xxii) That clear title and all intellectual material would pass to any intending purchaser without timing or cost penalty.

(xxiii) There are no encumbrances, caveats, easements or rights of way, other than those shown on the Certificates of Title.

(xxiv) The Title and property are free of mortgages, charges and/or financial liens.

15 QUALIFICATION AND WARNING

Colliers International (WA) Pty Ltd (CIWA) has been engaged by One Management Investment Funds Limited as responsible entity for the Aventus Retail Property Fund to provide a valuation of Midland Home, 4 Clayton Street, Midland, Western Australia (Lot 41 on Deposited Plan 76056) for acquisition purposes. One Management Investment Funds Limited wishes to include the valuation in the Product Disclosure Statement (PDS) and has requested that CIWA consent to the inclusion of this Report. CIWA consents to the inclusion of this Report in the PDS and to being named in the PDS, subject to the comments, terms and assumptions contained within our full valuation report, this summary letter and the further condition that One Management Investment Funds Limited includes this Qualification and Warning:

(i) This Report has been prepared for One Management Investment Funds Limited for the specific purposes outlined within the full valuation report and cannot be relied upon by third parties;

(ii) This Report is a summary of the valuation of the subject property, Midland Home, 4 Clayton Street, Midland (Lot 560 on Deposited Plan 76056) as at 30 June 2015 and has not been prepared for the purpose of assessing the Property as an investment opportunity;

(iii) CIWA has not been involved in the preparation of the PDS nor has the Report had regard to the other material contained in the PDS. The Report and its content do not take into account any matters concerning the investment opportunity contained in the PDS;

(iv) CIWA makes no representation or recommendation to a Recipient in relation to the valuation of the property or the investment opportunity contained in the Report;

(v) Recipients must seek their own advice in relation to the investment opportunity contained in the PDS;

(vi) Despite the reasonable demand for retail assets locally and compression of yields in recent times, we draw your attention to the fact that the Western Australian economy has weakened noticeably due to the current resource project investment cycle approaching completion and transitioning into an operation phase. The adverse impact of this winding down of investment activity on the local economy has been compounded in recent months by heavy falls in commodity pricing. Ultimately, these price falls are likely to result in the deferment of a number of mooted LNG and iron ore expansion projects that were anticipated to commence in the medium term and to a degree soften the impact of the construction phase of the investment cycle coming to an end. In addition to the anticipated deferment of these projects, the recent commodity crash has also had a significant impact on the State Government's finances with substantial discrepancies now emerging between budget forecasts and actual revenue received from royalties. As a result, this has created mounting debt pressures and consequently the Government has deferred some key mooted infrastructure projects and is in the process of initiating asset disposal programs.

As a result of all of these factors, the majority of property markets have weakened noticeably within a relatively short period of time and vacancies within the majority of bulky goods precincts across the metropolitan area are gradually increasing. We draw your attention to the fact that Perth bulky goods and retail markets have historically reflected periods of volatility commensurate with various resource related investment cycles and 'over shooting' supply in various sectors. The volatility associated with these cycles has in some instances resulted in reasonable shifts in asset values. A high degree of uncertainty still remains within global markets with constantly changing macro-economic environment, policy and political drivers, which can potentially have a further effect on the Australian and Western Australian economy.

We draw your attention to the fact that the Market Value adopted herein is subject to the issues outlined above, and should be closely monitored in light of future events. Furthermore, it is our strong recommendation that regular valuation updates be initiated and instructed by the party wishing to rely upon this valuation.

CIWA has prepared this Report on the basis of, and limited to, the financial and other information (including market information and third party information) referred to in the Report and contained in the full valuation report. We have assumed that the third party information is accurate, reliable and complete and confirm that we have not tested the information in that respect.

16 LIABILITY DISCLAIMER

In the case of advice provided in this letter and our report, we must emphasise that specific assumptions have been made by us which appear realistic based upon current market perceptions. It follows that any one of our associated assumptions set out in the text of this summary may be proved incorrect during the course of time and no responsibility can be accepted by us in this event.

This report has been prepared subject to the conditions referred to in our Qualification & Warning. Neither CIWA nor any of its Directors makes any representation in relation to the PDS nor accepts responsibility for any information or representation made in the PDS, apart from this letter.

CIWA has prepared this summary which appears in the PDS. CIWA was involved only in the preparation of this summary and the valuation referred to herein, and specifically disclaims any liability to any person in the event of any omission from, or false or misleading statement included in the PDS, other than in respect of the valuation and this summary. We confirm that this summary may be used in this PDS.

The valuation is current as at the date of the valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period as a result of general market movements or factors specific to the particular property. We do not accept liability for losses arising from such subsequent changes in value. Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of three months from the date of the valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.

CIWA confirms that it does not have a pecuniary interest that would conflict with its valuation of the property.

CIWA is not providing advice about a financial product, nor the suitability of the investment set out in the PDS. Such an opinion can only be provided by a person who holds an Australian Financial Services Licence. Colliers International does not, nor does the Valuer, hold an Australian Financial Services Licence and is not operating under such a licence in providing its opinion as to the value of the properties detailed in this report.

17 VALUER'S EXPERIENCE AND INTEREST

We advise that the Valuer nominated within this report is authorised under the relevant laws of WA to practise as a Valuer. Furthermore, we confirm that the nominated Valuer, and the Valuation Company, Colliers International (WA) Pty Ltd, do not have a pecuniary interest that could conflict with the proper valuation of the property, and we advise that this position will be maintained until the purpose for which this valuation is being obtained is completed.

Colliers International (WA) Pty Ltd

Dean Johnston AAPI
Director | Valuation & Advisory Services
Certified Practising Valuer
Licensed Valuer No. 44426
For the State of Western Australia

9

// DETAILS OF THE OFFER

9.1 INTRODUCTION

The Offer is an invitation to subscribe for 151.7 million new Units in the Fund at an Offer Price of $2.00 per Unit. The total number of Units on issue at Completion and after the issue of 191.6 million Units pursuant to the Proposed Transaction will be 343.2 million. All Units will, once issued, rank equally with each other.

The Offer comprises the:

- Broker Firm Offer, which is an offer to Australian and New Zealand resident Retail Investors who receive an allocation from their Broker;
- Priority Offer, which is an offer to investors who have received an invitation to participate in the Offer from the Manager and who have a registered address in Australia; and
- Institutional Offer, which is an invitation to certain Institutional Investors in Australia and certain other jurisdictions to bid for Units under this PDS.

No general public offer will be made under this PDS.

9.2 PURPOSE OF THE OFFER AND USE OF PROCEEDS

The purpose of the Offer is to:

- provide Existing Investors with an opportunity to realise their investment;
- enable the Fund to acquire the Portfolio (as contemplated by the Proposed Transaction) and meet the associated transaction costs; and
- provide the Fund with access to capital markets.

The Offer is expected to raise $303.3 million from the issue of new Units by the Fund. The table below sets out further detail on the sources and uses of funds.

Sources and uses of funds

Sources of funds	$ million
Cash proceeds received from the issue of new Units under the Offer	$303.3m
Total sources	**$303.3m**

Uses of funds	$ million
Cash payments in connection with the acquisition of the Portfolio[1]	$131.4m
Repayment of existing debt relating to the Participating Assets and Acquired Assets	$105.3m
Payment of costs of the Offer	$16.9m
Stamp duty	$44.8m
Working capital	$5.0m
Total uses	**$303.3m**

1. Includes $1.4 million warehousing fee, $1.4 million development cost and excludes $0.4 million of vendor's contribution to development costs in relation to the acquisition of Sunshine Coast Home property. Refer to Section 13.5.1 for further detail.

9.3 UNITHOLDING STRUCTURE ON COMPLETION OF THE OFFER

	Units on issue at the date of this PDS (m)	Units held on Completion (m)[1]	$m	%
Existing Investors (excluding entities associated with Existing Management)	nil	87.2	174.4	25.4%
Entities associated with Existing Management	19.7[2]	116.8[3]	233.7	34.0%
New investors	nil	139.2	278.3	40.5%
Total	**19.7**	**343.2**	**686.5**	**100%**

1. Subject to final completion adjustments for the Portfolio Acquisitions.
2. Includes entities associated with Brett Blundy only.
3. Including up to 12.5 million Units to be subscribed for by entities associated with Brett Blundy under the Offer.

Information relating to the number of Units which will be subject to escrow arrangements, and details of those escrow arrangements, is set out in Section 13.10.

9.4 CONTROL IMPLICATIONS OF THE OFFER

Entities associated with Darren Holland and Brett Blundy will hold an aggregate interest of approximately 34%[1] of Units in the Fund following Completion. These holdings will be escrowed as outlined in Section 13.10.

9.5 TERMS AND CONDITIONS OF THE OFFER

Topic	Summary
What is the type of security being offered?	Units.
What are the rights and liabilities attached to the Units being offered?	A description of the Units, including the rights and liabilities attaching to them is provided in Section 9.13.
What is the consideration payable for each Unit being offered under the Offer?	$2.00 per Unit.
What is the Offer period?	The key dates, including details of the Offer period, are set out on page 4.
What are the cash proceeds to be raised?	If the Offer proceeds, $303.3 million is expected to be raised under the Offer.
What is the minimum and maximum Application size under the Broker Firm Offer and Priority Offer?	The minimum Application amount for Applicants applying under the Broker Firm Offer and Priority Offer is $2,000 worth of Units. There is no maximum number of Units that may be applied for under the Broker Firm Offer or Priority Offer.
What is the allocation policy?	The allocation of Units between the Institutional Offer, the Broker Firm Offer and the Priority Offer will be determined by the Manager in consultation with the Lead Manager having regard to the allocation policy outlined in Sections 9.6.3, 9.7.4 and 9.10.2. With respect to the Broker Firm Offer, it is a matter for the Brokers how they allocate firm stock among their eligible clients. Priority Offer allocations will be determined by the Manager, in consultation with the Lead Manager, subject to guaranteed minimum allocations for Applicants under the Priority Offer. The allocation of Units among Applicants in the Institutional Offer will be determined by the Manager in consultation with the Lead Manager. The Manager, in consultation with the Lead Manager, reserves the right to reject any Application or allocate a lesser number of Units than that applied for. The Broker Firm Offer, the Priority Offer and the Institutional Offer are not open to investors with a registered address outside of Australia or New Zealand, including investors in the United States, other than certain Institutional Investors in certain eligible foreign jurisdictions.
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be dispatched by standard post on 21 October 2015. Refunds to Applicants who make an Application and receive an allocation, the value of which is smaller (at the Offer Price) than the amount of their Application Monies, will be made (without interest) as soon as possible post-settlement of the Offer, in accordance with the Corporations Act.

1. Including up to 12.5 million Units to be subscribed for by entities associated with Brett Blundy under the Offer..

Topic	Summary
Will the Units be listed?	The Fund will apply for admission on the Official List of ASX and the quotation of Units within seven days of lodgement of the PDS. Completion of the Offer is conditional on the ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest in compliance with the Corporations Act.
When are the Units expected to commence trading?	It is expected that trading of the Units on ASX will commence on or about 16 October 2015, initially on a conditional and deferred settlement basis. Normal settlement trading is expected to commence on or about 22 October 2015. It is the responsibility of each Applicant to confirm their holding before trading in Units. Applicants who sell Units before they receive an initial statement of holding do so at their own risk. The Responsible Entity disclaims all liability, whether in negligence or otherwise, to persons who sell Units before receiving their initial statement of holding, whether on the basis of a confirmation of allocation provided by any of them, by the Offer Information Line, by a Broker or otherwise.
Is the Offer underwritten?	No. The Offer is not underwritten.
Is there a cooling-off period?	No. Cooling-off rights do not apply to an investment in the Units pursuant to the Offer. This means that investors will be unable to withdraw their Application once it has been accepted.
Are there any escrow arrangements?	Yes. Details are provided in Section 13.10.
Has any ASIC relief or ASX waiver been obtained or applied for?	Yes. Details are provided in Section 14.1 and 14.2.
Are there any taxation considerations?	Yes. Details are provided in Section 10.
Are there any broker commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants who apply for Units under the Offer. A fee may be paid by the Lead Manager and other brokers appointed to the Offer in certain circumstances. Further details of fees payable to the Lead Manager, the Co-Lead Manager and Co-Managers are set out in Section 13.8.
What should I do with any enquiries?	Call the Offer Information Line on 1300 868 464 (within Australia) or +61 1300 868 464 (outside Australia) between 8.30am and 5.30pm (AEST time) Monday to Friday during the Offer Period. If you are unclear in relation to any matter or are uncertain as to whether the Fund is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest.

9.6 BROKER FIRM OFFER

9.6.1 Who can apply?

The Broker Firm Offer is open to persons who have received a firm allocation from their Broker and who have a registered address in Australia or New Zealand. If a Broker offers you a firm allocation, you will be treated as an Applicant under the Broker Firm Offer in respect of that allocation. You should contact your Broker to determine whether they may allocate Units to you under the Broker Firm Offer.

9.6.2 How to apply

Applications for Units may only be made on an Application Form attached to or accompanying this PDS. If you are an investor investing under the Broker Firm Offer, you should complete and lodge your Application Form with the Broker from whom you received your firm allocation. Application Forms for the Broker Firm Offer must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the reverse of the Application Form. By making an Application, you declare that you were given access to the PDS, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this PDS or the complete and unaltered electronic version of this PDS.

The minimum Application under the Broker Firm Offer is $2,000 worth of Units. There is no maximum number or value of Units that may be applied for under the Broker Firm Offer. The Manager, the Responsible Entity and the Lead Manager also reserve the right to aggregate any Applications which they believe may be multiple applications from the same person.

The Manager and the Responsible Entity may determine a person to be eligible to participate in the Broker Firm Offer, and may amend or waive the Broker Firm Offer application procedures or requirements, at its discretion, in compliance with applicable laws. Applicants under the Broker Firm Offer must lodge their Application Form and Application Monies with the relevant Broker in accordance with the relevant Broker's directions in order to receive their firm allocation. Applicants under the Broker Firm Offer must not send their Application Forms to the Registry.

The Broker Firm Offer opens at 9.00am (AEST time) on 8 October 2015 and is expected to close at 5.00pm (AEST time) on 13 October 2015. The Responsible Entity with the consent of the Manager and the Lead Manager, may elect to close the Offer or any part of it early, extend the Offer or any part of it, or accept late Applications either generally or in particular cases. The Offer or any part of it may be closed at any earlier date and time, without further notice. Your Broker may also impose an earlier closing date. Applicants are therefore encouraged to submit their Applications as early as possible. Please contact your Broker for instructions.

9.6.3 Allocation policy under the Broker Firm Offer

Units, which will be allocated to Brokers for allocation to their Australian or New Zealand resident clients, will be issued to the Applicants nominated by those Brokers (subject to the right of the Manager, the Responsible Entity and the Lead Manager to reject or scale back Applications). It will be a matter for the Brokers how they allocate firm stock among their eligible clients, and they will be responsible for ensuring that clients who have received a firm allocation from them receive the relevant Units.

9.6.4 Announcement of final allocation policy in the Broker Firm Offer

Applicants in the Broker Firm Offer should confirm their final allocation with the Broker from whom they received their allocation. They may also call the Offer Information Line on 1300 868 464 (within Australia) or +61 1300 868 464 (outside Australia) from 8.30am until 5.30pm (AEST time) Monday to Friday to confirm their allocations during the Offer Period.

If you sell Units before receiving a holding statement, you do so at your own risk, even if you have confirmed your firm allocation with your Broker or obtained details of your holding from the Offer Information Line.

9.7 PRIORITY OFFER

9.7.1 Who can apply?

The Priority Offer is open to investors who receive an invitation to participate in the Priority Offer from the Manager and who have a registered address in Australia. If you are invited by the Manager to participate in the Priority Offer, you will be treated as an Applicant under the Priority Offer in respect of those Units that are allocated to you.

9.7.2 How to apply

If you receive an invitation to participate in the Priority Offer, please visit www.aventusproperty.com.au or contact the Offer Information Line for information on how to apply. If you receive an invitation to participate in the Priority Offer from the Manager, you may apply for Units before the Priority Offer closes by applying online at www.aventusproperty.com.au and by paying Application Monies via BPAY® (unless instructed otherwise by the Manager). No physical Application Form is needed when paying in this manner. There are instructions set out on your personalised invitation and the online Priority Offer Application Form to help you complete it. By making an Application, you declare that you were invited to participate in the Priority Offer and were given access to this PDS (and any supplementary or replacement PDS), together with an online Priority Offer Application Form. The minimum Application size is $2,000 worth of Units. There is no maximum value of Units which may be applied for under the Priority Offer. The Manager may amend or waive the Priority Offer application procedures or requirements, in its discretion in compliance with applicable laws. The Priority Offer opens at 9:00am (AEST time) on 8 October 2015 and is expected to close at 5:00pm (AEST time) on 13 October 2015.

The Responsible Entity with the consent of the Manager and the Lead Manager, may elect to close the Offer or any part of it early, extend the Offer or any part of it, or accept late Applications either generally or in particular cases. The Offer or any part of it may be closed at any earlier date and time, without further notice.

9.7.3 How to pay

Applicants under the Priority Offer must pay their Application Monies by BPAY® in accordance with the instructions on the online Priority Offer Application Form (unless instructed otherwise by the Manager). When completing your BPAY® payment, please make sure to use the specific biller code and unique Customer Reference Number ('CRN') provided to you or generated by the online Priority Offer Application Form. Application Monies paid via BPAY® must be received by the Registry by no later than 5.00pm (AEST time) on 13 October 2015 and it is your responsibility to ensure that this occurs. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making payment. Neither the Manager, Responsible Entity nor the Lead Manager take any responsibility for any failure to receive Application Monies or payment by BPAY® before the Priority Offer closes arising as a result of, among other things, delays in processing of payments by financial institutions.

For more details, prospective applicants should refer to www.aventusproperty.com.au or contact the Offer Information Line on 1300 868 464 (within Australia) or +61 1300 868 464 (outside Australia) from 8.30am to 5.30pm (AEST time), Monday to Friday (Business Days only).

9.7.4 Allocation policy under the Priority Offer

Priority Offer Applicants will receive a guaranteed allocation of Units in the amount notified on their invitation or such lesser amount applied for. Beyond this, the allocation of Units to Applicants under the Priority Offer will be determined by the Manager, in consultation with the Lead Manager.

9.8 APPLICATION MONIES

The Manager and the Responsible Entity reserve the right to decline any Application and all Applications in whole or in part, without giving any reason (subject to the terms of the guaranteed minimum allocation described in Section 9.5 above). Applicants under the Broker Firm Offer or Priority Offer whose Applications are not accepted, or who are allocated a lesser number of Units than the amount applied for, will receive a refund of all or part of their Application Monies, as applicable. No interest will be paid on refunded amounts.

Applicants whose Applications are accepted in full will receive the whole number of Units calculated by dividing the Application amount by the Offer Price. Where the Offer Price does not divide evenly into the Application amount, Applications will be rounded down to the nearest whole Unit based on the Offer Price. If the amount of your Application Monies (or the amount for which those payments clear in time for allocation) is insufficient to pay for the number of Units you have applied for, you may be taken to have applied for such lower number of Units as your cleared Application Monies will pay for, or your Application may be rejected.

9.9 ACCEPTANCE OF APPLICATIONS

An Application in the Broker Firm Offer or Priority Offer is an offer by the Applicant to the Fund to subscribe for or purchase Units for all or any of the Application Monies specified in and accompanying the Application Form at the Offer Price on the terms and conditions set out in this PDS including any supplementary or replacement product disclosure statement and the Application Form (including the conditions regarding quotation on ASX at the end of the document). To the extent permitted by law, an Application by an Applicant under the Broker Firm Offer or Priority Offer is irrevocable.

An Application may be accepted by the Manager, the Responsible Entity and the Lead Manager in respect of the full number of Units specified in the Application Form or any number of them, without further notice to the applicant. Acceptance of an Application will give rise to a binding contract.

9.10 INSTITUTIONAL OFFER

9.10.1 Invitations to bid

The Manager and the Lead Manager will invite certain Institutional Investors to bid for Units in the Institutional Offer. The Institutional Offer will comprise an invitation to Australian resident Institutional Investors and other eligible Institutional Investors in eligible jurisdictions outside the United States (excluding Eligible United States Fund Managers) to bid for Units, made under the PDS. The Lead Manager will separately advise Institutional Investors of the Application procedure for the Institutional Offer.

9.10.2 Allocation policy under the Institutional Offer

The allocation of Units among applicants in the Institutional Offer will be determined by the Manager in consultation with the Lead Manager. The Manager, in consultation with the Lead Manager, has absolute discretion regarding the basis of allocation of Units among Institutional Investors, and there is no assurance that any Institutional Investor will be allocated any Units, or the number of Units for which it bids. The allocation policy will also be influenced by a number of factors, including:

- number of Units bid and commitments made for by particular Institutional Investors;
- the timeliness of the bid by particular bidders;
- the Manager's desire for an informed and active trading market following the commencement of trading on ASX;
- the Manager's desire to establish a wide spread of Institutional Investors;
- overall level of demand under the Broker Firm Offer, Priority Offer and Institutional Offer;
- the size and type of fund under management of particular bidders;
- the likelihood that particular bidders will be long-term Unitholders; and
- other factors that the Manager and the Lead Manager consider appropriate.

9.11 DISCRETION REGARDING THE OFFER

The Manager and the Responsible Entity in consultation with the Lead Manager may withdraw the Offer at any time before the issue or sale of Units to successful Applicants or bidders in the Broker Firm Offer, Priority Offer and Institutional Offer. If the Offer or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest), in accordance with the Corporations Act.

The Responsible Entity, with the consent of the Manager and the Lead Manager, also reserves the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant or bidder fewer Units than applied or bid for.

9.12 ASX LISTING, REGISTERS, HOLDING STATEMENTS AND CONDITIONAL AND DEFERRED SETTLEMENT TRADING

9.12.1 Application to ASX for listing and quotation of Units

The Fund will apply for admission on the Official List of ASX and the quotation of Units within seven days of lodgement of the PDS. If permission for quotation of Units is not granted by ASX within three months after that date, or such longer period as ASX allows, Application Monies will be refunded in full (without interest) as soon as practicable in accordance with the requirements of the Corporations Act. The Fund's expected ASX code will be AVN.

ASX takes no responsibility for this PDS or the investment to which it relates. The fact that ASX may admit the Fund to the official list is not to be taken as an indication of the merits of the Fund or the Units offered for subscription.

Subject to certain conditions (including any waivers obtained by the Responsible Entity from time to time), the Responsible Entity will be required to comply with the ASX Listing Rules.

9.12.2 CHESS and issuer sponsored holdings

The Fund will apply to participate in ASX's Clearing House Electronic Sub-register System ("CHESS") and will comply with the ASX Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are effected in an electronic form.

When the Units become Approved Financial Products (defined in the ASX Settlement Operating Rules), holdings will be registered in one of two sub-registers, an electronic CHESS sub-register or an issuer sponsored sub register.

For all successful Applicants, the Units of a Unitholder who is a participant in CHESS or a Unitholder sponsored by a participant in CHESS will be registered on the CHESS sub-register. All other Units will be registered on the issuer sponsored sub-register.

Following completion of the Offer, Unitholders will be sent a holding statement that sets out the number of Units that have been allocated to them. This statement will also provide details of a Unitholder's Holder Identification Number (or HIN) for CHESS holders or, where applicable, the Securityholder Reference Number (or SRN) of issuer sponsored holders. Unitholders will subsequently receive statements showing any changes in their Unit holding. Certificates will not be issued.

Unitholders will receive subsequent statements at the end of each month if there has been a change to their holding on the register and as otherwise required under the ASX Listing Rules and the Corporations Act. Additional statements may be required at any other time either directly through the Unitholder's sponsoring broker in the case of a holding on the CHESS sub-register or through the Registry in the case of a holding on the issuer sponsored sub-register. The Fund and the Registry may charge a fee for these additional issuer sponsored statements.

9.12.3 Conditional and deferred settlement trading and selling Units on market

It is expected that trading of the Units will commence on or about 16 October 2015, initially on a conditional and deferred settlement basis.

The contracts formed on acceptance of Applications will be conditional on Settlement and the issue and allotment of Units occurring. Trades occurring on ASX before Settlement and the issue and allotment of Units occurring will be conditional on Settlement and the issue and allotment occurring. Conditional trading will continue until the Fund has advised ASX that:

- The Proposed Transaction, as described in Section 2.4, has completed; and
- The Fund has issued and allotted the Units.

Trading will then be on an unconditional but deferred settlement basis until the Fund has advised ASX that holding statements have been dispatched to Unitholders. Normal settlement trading is expected to commence on or about 22 October 2015. If Settlement has not occurred within 14 days (or such longer period as ASX allows) after the day Units are first quoted on ASX, the Offer and all contracts arising on acceptance of the Offer will be cancelled and of no further effect, and all Application Monies will be refunded (without interest). In these circumstances, all purchases and sales made through ASX participating organisations during the conditional trading period will be cancelled and of no effect. It is the responsibility of each person who trades in Units to confirm their holding before trading in Units. If you sell Units before receiving a holding statement, you do so at your own risk. The Manager, the Responsible Entity, Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, if you sell Units before receiving your holding statement, even if you obtained details of your holding from the Offer Information Line or confirmed your firm allocation through a Broker.

9.13 DESCRIPTION OF UNITS

9.13.1 Rights and liabilities of Unitholders

The rights and liabilities attaching to ownership of Units arise from a combination of the Fund Constitution, statute, the ASX Listing Rules and general law. A summary of the significant rights attaching to the Units and a description of the other material provisions of the Constitution are set out in Section 9.5. The summary set out in Section 9.5 is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Unitholders. It also assumes that the Fund is admitted to the Official List of the ASX.

9.13.2 Ranking of Units and Distributions

Each Unit will be issued fully paid. From the date of issue or transfer, the Units will rank equally with all other Units on issue. It is anticipated that interim Distributions will be paid in November, February, May and final Distribution will be paid in August following the relevant financial period. It is intended that the first Distribution paid will be the Distribution in respect of the period ending 31 December 2015.

Thereafter, the Distribution will be paid on a quarterly basis. The Fund's distribution policy is summarised in Section 2.9.

No action has been taken to register or qualify this PDS, the Units or the Offer or otherwise to permit a public offering of the Units in any jurisdiction outside Australia. This PDS does not constitute an offer or invitation to subscribe for Units in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation or issue under this PDS.

9.14 RESTRICTIONS ON DISTRIBUTIONS

This PDS may not be released or distributed in the United States or elsewhere outside Australia. This PDS does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Units have not been, and will not be, registered under the US Securities Act or the securities law of any state of the United States and may not be offered, sold, re-sold, pledged or transferred in the United States except in accordance with US Securities Act registration requirements or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable state securities law.

Each Applicant under the Offer will be taken to have represented, warranted and agreed as follows:

- it understands that the Units have not been, and will not be, registered under the US Securities Act or the securities law of any state of the United States and may not be offered, sold, re-sold, pledged or transferred in the United States except in accordance with US Securities Act registration requirements or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable state securities law;
- it is not in the United States;
- it is purchasing the Units in an offshore transaction meeting the requirements of Regulation S;
- it has not and will not send this PDS or any other material relating to the Offer to any person in the United States; and
- it will not offer or sell the Units in any other jurisdiction outside Australia except in compliance with all applicable laws in the jurisdiction in which the Units are offered and sold.

Each Applicant under the Institutional Offer is required to make certain representations, warranties and covenants set out in the confirmation of allocation letter distributed to it.

This PDS does not constitute an offer of Units in any jurisdiction in which it would be unlawful. In particular, this PDS may not be distributed to any person, and the Units may not be offered or sold, in any country outside Australia except to the extent permitted below.

Hong Kong

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

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

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

Malaysia

This document may not be distributed or made available in Malaysia. The Units are not being offered or made available for purchase in Malaysia. Any offer of Units may not be accepted from any investor in Malaysia.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act"). The Units are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore ("MAS") and, accordingly, statutory liability under the Securities and Futures Act, Chapter 289 (the "SFA") in relation to the content of prospectuses does not apply, and you should consider carefully whether the investment is suitable for you. The Fund is not a collective investment scheme authorised under section 286 of the SFA or recognised by the MAS under section 287 of the SFA and the Units are not allowed to be offered to the retail public.

This document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Units may not be circulated or distributed, nor may the Units be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except to "institutional investors" (as defined in the SFA), or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an "institutional investor" (as defined under the SFA). In the event that you are not an "institutional investor", please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Units being subsequently offered for sale to any other party. You are advised to acquaint yourself with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

10

// TAXATION INFORMATION

Ernst & Young
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

10 September 2015

Board of Directors
BBRC Funds Management Pty Limited
Level 14, 71 Macquarie Street
Sydney, NSW 2000

Board of Directors
One Managed Investment Funds Limited, in its capacity as
responsible entity of Aventus Retail Property Fund
Level 11
20 Hunter Street
Sydney NSW 2000

Dear Directors

Aventus Retail Property Fund Product Disclosure Statement – Taxation Report

This report has been prepared at the request of BBRC Funds Management Pty Limited and One Managed Investment Funds Limited in its capacity as responsible entity of Aventus Retail Property Fund (the "Fund") for inclusion in section 10 of the Product Disclosure Statement ("PDS") to be dated on or about 10 September 2015. This report is applicable to those investors who:

- subscribe for units in the Fund as part of its listing on the Australian Securities Exchange ("New Unitholders"); or
- are Existing Investors that dispose of their units in the trusts acquired as part of the Participating Assets and Acquired Assets ("Acquired Trusts") by the Fund and as consideration for their disposal receive cash, units in the Fund or a combination of cash and units in the Fund.

For the purposes of this report, the New Unitholders and the Existing Investors in the Acquired Trusts that receive units in the Fund as consideration for the disposal of units in the Acquired Trusts ("Scrip Unitholders") are collectively referred to as the "Fund Unitholders".

This report provides information of a general nature only, in relation to the Australian income tax implications arising from the acquisition of the units in the Fund for Australian resident individual Fund Unitholders who hold their units on capital account and not as trading stock, otherwise on revenue account or have their units subject to the Taxation of Financial Arrangement provisions in Division 230 of the *Income Tax Assessment Act 1997* ("ITAA 1997"). The information contained in this report is based on the taxation law as at the date of this report and is not intended to be an authoritative or complete statement of the law applicable to the particular circumstances of every registered Fund Unitholder.

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

The information contained in this report is based on the *Income Tax Assessment Act 1936* ("ITAA 1936"), the ITAA 1997, the *Taxation Administration Act 1953* ("TAA 1953"), established interpretations of legislation, applicable case law and published Australian Taxation Office ("ATO") statements of administrative practice as at the date of this report.

Australian income tax legislation may be amended at any time and therefore the taxation consequences discussed in this report may alter if there is a change in the taxation law after the date of this report. We have not been retained nor are we obliged to monitor or update the information in this report for any future legislative changes which may affect the correctness of the information after the date of this report.

The Fund is in the process of applying for a Class Ruling from the Australian Taxation Office ("ATO") in relation to the availability of Capital Gains Tax ("CGT") scrip for scrip rollover relief for eligible Scrip Unitholders. Importantly, this report has been prepared on the assumption that the ATO will grant the scrip for scrip rollover relief and will issue a Class Ruling confirming this.

The taxation consequences for a particular Fund Unitholder may vary depending on the particular circumstances of each unitholder. Accordingly, the information contained in this report, being of a general nature only, does not constitute taxation advice and cannot be relied upon as such. We disclaim all liability to any Fund Unitholder for all costs, loss, damage and liability that the Fund Unitholder may suffer or incur arising from or relating to or in any way connected with the contents of our report or the provision of our report to the Fund Unitholder or the reliance on our report by the Fund Unitholder.

This report is confined to income taxation issues which are only one part of the many matters that investors need to consider when making a decision about their investments. Under the *Corporations Act 2001*, this advice is not required to be provided to investors by a holder of an Australian Financial Services License ("AFSL"). Before making a decision about their investments, investors should consider taking advice from a holder of an AFSL.

Fund Unitholders should seek appropriate independent professional advice that considers the taxation implications in respect of their own specific circumstances.

Capitalised items that are not otherwise defined in this report are defined in accordance with the PDS.

Background

Details of the Proposed Transaction are set out in the PDS, and therefore are not repeated in detail here. As part of the Proposed Transaction, Existing Investors will transfer their units in the Acquired Trusts to the Fund. The Existing Investors will receive cash and / or Units as consideration in accordance with the terms and conditions of the Implementation Pack and the elections made by Existing Investors.

1. Existing Investors disposing of units in the Acquired Trusts

1.1 Disposal of units in the Acquired Trusts: Australian Individual Residents

The Existing Investors in the Acquired Trusts will be offered cash, or alternatively may choose to receive units, or a combination of cash and units in the Fund, as consideration for the acquisition of units in the Acquired Trusts by the Fund. The Acquired Trusts include:

- BB Retail Property Unit Trust No. 2;
- BBJ Thompson Road Unit Trust;

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

- Peninsula Unit Trust;
- Caringbah Unit Trust;
- BBRC Jindalee Fund;
- BBRC Mile End Fund;
- BBRC Midland Fund;
- BBRC Belrose Fund;
- BBRC Diversified Retail Property Fund; and
- Mile End Trust.

Acceptance of the Proposed Transaction should result in a disposal of units in the Acquired Trusts by the Existing Investors and should trigger a CGT event A1 for those unitholders at Completion. However, for eligible Scrip Unitholders any resulting capital gain may be deferred provided certain conditions are met pursuant to Subdivision 124-M of the ITAA 1997 (discussed below).

A CGT calculation will be required in respect of each Acquired Trust Unit. Existing Investors should:

- make a capital gain if the capital proceeds on disposal of their Acquired Trust Units is greater than the cost base of their Acquired Trust Units; or alternatively
- make a capital loss if the reduced cost base of their Acquired Trust Units is greater than the capital proceeds from the disposal of their Acquired Trust Units.

The cost base (or reduced cost base) of each Acquired Trust Unit to the Acquired Trust Unitholder should generally be the acquisition cost (including incidental costs) of that unit. There are special rules in the Australian tax legislation which determine how to calculate the cost base (or reduced cost base) of units in particular circumstances. For example, Acquired Trust Unitholders will need to take into account any returns of capital and tax deferred distributions received in respect of those Acquired Trust Units. Acquired Trust Unitholders should seek their own advice on the relevant cost base (or reduced cost base) of their unitholdings.

The capital proceeds attributable to each Acquired Trust Unitholder should be the cash received in respect of the disposal of those units or the apportioned market value of the Fund Units received in respect of each Acquired Trust Unit.

1.2 Capital gains and losses

Capital gains and capital losses of a taxpayer in an income year are aggregated to determine whether there is a net capital gain. Any net capital gain is included in a taxpayer's assessable income and is subject to income tax at the taxpayer's applicable tax rate. A CGT discount may be available to reduce a capital gain for certain Acquired Trust Unitholders.

Acquired Trust Unitholders who are individuals, complying superannuation funds or trusts and who have held their Acquired Trust Units for at least 12 months before their disposal should be entitled to the CGT discount to the extent there is a net capital gain for the income year.

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

Broadly, the CGT discount rules provide that Acquired Trust Unitholders may reduce their capital gain (after the application of any current year or prior year capital losses) by 50% for individuals and trusts and 33 1/3% for complying superannuation funds. The CGT discount is not available to Acquired Trust Unitholders who are companies.

Capital losses may not be offset against other income for tax purposes, but may be carried forward to offset future capital gains made by a taxpayer. Specific loss utilisation rules apply to trusts and companies. Acquired Trust Unitholders should seek their own tax advice in relation to the operation of these rules.

1.3 CGT scrip for scrip rollover

For Australian tax resident, Acquired Trust Unitholders who hold their Acquired Trust Units on capital account, CGT rollover relief under Subdivision 124-M of the ITAA 1997 ("scrip for scrip rollover") may be available to defer any resulting capital gains (but not capital losses) arising from the disposal of their Acquired Trust Units where Fund Units are received for the disposal.

In this regard, scrip for scrip rollover will only be available for the portion of the consideration that represents the Fund Units and not any cash component received by the Acquired Trust Unitholders. That is, where cash proceeds are received for the disposal of the Acquired Trust units, a capital gain or capital loss will be determined in accordance with section 1.1.

To the extent that scrip for scrip rollover is available and chosen, the capital gain arising from the disposal of the Acquired Trust Units would be disregarded and ultimately, the capital gain will be deferred until a future CGT event happens to the Fund Units. In effect the attributable cost base of the Acquired Trust Units is transferred to the Fund Units.

We note that the availability of the scrip for scrip rollover will be the subject of an ATO Class Ruling request on behalf of Acquired Trust Unitholders which is still in the process of finalisation. It is noted that a condition to the Proposed Transaction proceeding under the Implementation Pack is that a final ruling, draft ruling or other written confirmation is received from the ATO. Where such written confirmation is not received, the Proposed Transaction will not proceed unless all of the parties agree otherwise. Based on our understanding of the requirements of Subdivision 124-M and of the constitutions of the Fund and the relevant Acquired Trusts, we would expect the ATO to confirm the availability of such a rollover.

1.4 Cost base of Fund Units

Generally, the first element of the cost base (reduced cost base) of the Fund Units will be money paid and the market value of any property given for the acquisition of the Fund Units.

However, should scrip for scrip rollover relief be available and be chosen by the eligible Acquired Trust Unitholders, the cost base of the Fund Units will be based on the historic cost base of the Acquired Trust Units.

2. New Unitholders

2.1 Cost base of Fund Units

New Unitholders who subscribe for Units in the Fund should have a cost base equal to the consideration paid (i.e. $2 per unit) plus any incidental costs incurred to acquire those units.

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

3. On-going distributions paid on the Fund Units

3.1 Trust distributions

The net income of the Fund will be calculated in accordance with the relevant provisions of the Australian Income Tax Legislation. Under Divisions 6C of the ITAA 1936, if applicable, the Responsible Entity is taxed on such net income and distributions to Unitholders may qualify as frankable dividends (subject to availability of franking credits). However under Division 6 of the ITAA 1936, the Responsible Entity is not personally taxed on the net income of the Fund provided Fund Unitholders are presently entitled to the income of the Fund each year.

We understand that it is intended that the Fund will be a flow through trust such that Division 6C should not apply to it. Accordingly, Division 6 should apply to the net income of the Fund. On this basis, under existing legislation Fund Unitholders will include their share of the net income of the Fund in their assessable income in the year in which they become presently entitled to their share of the income of the Fund.

To the extent that a Fund Unitholder's share of the net income is attributable to a capital gain made by the Fund, the unitholder will be treated as having made a capital gain equal to that amount. Where the capital gain is a discount capital gain, the Fund Unitholder is treated as making a discount capital gain equal to twice the amount that is attributable to the discount capital gain. The Fund Unitholder may be entitled to apply their relevant discount percentage to the discount capital gain to the extent that it is included in a net capital gain made for the income year. Please see comments above in relation to the applicable CGT discount.

Where the cash distribution that a Fund Unitholder receives exceeds their share of the net income of the Fund, the excess, commonly referred to as a tax deferred distribution, will be non-assessable to the Fund Unitholder. However, this tax deferred distribution will result in a reduction in the Fund Unitholder's cost base on those Fund Units. A Fund Unitholder will make a capital gain equal to the amount by which the tax deferred distributions received for an income year exceeds the Fund Unitholder's remaining cost base in those units.

The Responsible Entity will provide distribution statements to Fund Unitholders each year providing the taxable components of distributions paid during the year.

3.2 Managed investment trust

Where the Fund qualifies as a managed investment trust ("MIT") for an income year, taxable distributions to non-resident investors broadly comprising of income other than dividends, interest or royalties (e.g. net rental income) should be subject to a final withholding tax of 15% where the non-resident investor is resident in an information exchange country or 30% for other non-resident investors. If the Fund does not qualify as a MIT for a particular year, taxable distributions to non-resident investors for a given income year should be subject to a non-final withholding tax, the rate of which will depend on the profile of the investor, but is broadly 30% for companies, 47% for trusts and at marginal rates for individuals commencing at 32.5%.
For the Fund to qualify as a MIT in any particular income year, it must satisfy a number of requirements in relation to that income year. One of the requirements for the Fund to qualify as a MIT, is that a foreign resident individual cannot own 10% or more of the Fund after the "start-up" phase has ended. Under current legislation the start-up phase will end on 30 June 2016 for the Fund. It is noted however that there are proposed changes to the MIT legislation, which if implemented would extend the start-up phase to 30 June 2017 for the Fund.

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

Given that Brett Blundy (a non-resident individual) is expected to have a greater than 10% interest in the Fund following listing, his equity stake in the Fund after 30 June 2016 or 30 June 2017 (if the proposed MIT changes are passed) will be a key factor in determining whether or not the Fund will qualify as a MIT.

3.3 Exposure Draft ("ED") for Attribution MITs

The Government has announced certain measures to modify the tax law applicable to MITs (which includes the abovementioned extension of the start-up phase for the Fund to 30 June 2017).

The proposed measures (contained in the *New Tax System for Managed Investment Trusts) Bill 2015*) have not been enacted as law. Therefore, no reliance should be placed on these proposed measures until enacted.

These proposed measures broadly provide for the following:

- an attribution model for the tax liabilities for Fund Unitholders would apply, which allows amounts to retain their tax character as they flow through a MIT to the investors;
- the ability to carry forward understatements and overstatements of taxable income between income years (conditions apply);
- deemed 'fixed trust' treatment under the income tax law;
- upwards CGT cost base adjustments for taxable income exceeding cash distributions; and
- improved certainty about the treatment of tax deferred distributions.

4. Tax File Numbers and Australian Business Numbers

Fund Unitholders are not required by law to provide a Tax File Number ("TFN"), however, if a TFN is not quoted, or no appropriate TFN exemption information is provided, The Responsible Entity is required to deduct from any income distribution entitlement, tax at the highest marginal tax rate plus Medicare and temporary Budget Repair levies (currently 49%).

An entity that makes their investment in the Fund Units in the course of an enterprise carried on by it may quote their Australian Business Number rather than a TFN.

5. Goods and Services Tax ("GST")

The disposal of Acquired Trust Units by existing Acquired Trust Unitholders as contemplated under the Proposed Transaction should not attract GST.

Yours faithfully

George Stamoulos
Partner
Ernst & Young

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

11

// RISK FACTORS

The Fund's business activities are subject to risks, both specific to its operations in the property industry as well as those of a general nature. Many of these risks are outside of the control of the Responsible Entity and if they were to eventuate, may adversely affect the future operating performance of, and the value of an investment in, the Fund. The following section identifies a number of relevant and key risks, although it is not intended to be exhaustive.

Before deciding on whether to make an investment in the Fund, prospective investors should have a sufficient understanding of the risks described in this section in conjunction with other information provided in this PDS. Investors should carefully consider whether an investment in the Fund is a suitable investment having regard to their own investment objectives, financial circumstances and taxation position. If you do not understand any part of this PDS or are in any doubt as to whether to invest in Units, you should seek advice from your broker, solicitor, accountant, tax adviser or other independent and qualified professional adviser before deciding whether to invest.

11.1 RISKS SPECIFIC TO AN INVESTMENT IN THE FUND

11.1.1 Rental income

The Fund's income is largely generated through leasing arrangements across its Portfolio. Therefore, the Fund's financial performance and ability to fund Distributions is largely dependent on rents received from those assets. Rental income in general may be materially adversely affected by a number of factors, including:

- overall economic conditions;
- the financial condition of tenants (including tenant arrears or default);
- ability to extend leases or replace outgoing tenants with new tenants;
- increase in rental arrears and vacancy periods;
- reliance on a tenant which leases a material portion of the Portfolio;
- competition from other LFR landlords;
- an increase in unrecoverable outgoings; and
- supply and demand in the property market.

Additionally, the forecasts included in this PDS make a number of assumptions in relation to the level of rental income (as described in Section 6.2.3), including that all existing leases are performed in accordance with their terms. Any negative impact on rental income (including a failure of existing tenants to perform existing leases in accordance with their terms) could materially adversely affect the Fund's financial performance and Distributions.

11.1.2 Re-leasing and vacancy

The Portfolio's leases come up for renewal on a periodic basis, and there is a risk that the Fund may not be able to negotiate suitable lease renewals with existing tenants, maintain existing lease terms, or replace outgoing tenants with new tenants. The ability to secure lease renewals or to obtain replacement tenants may be influenced by any leasing incentives granted to prospective tenants and the supply of new LFR properties in the market, which, in turn, may increase the time required to let vacant space. Should the Fund be unable to secure a replacement tenant for a period of time or if replacement tenants lease the property on less favourable terms than existing lease terms, this will result in a lower rental return to the Fund, which could materially adversely affect the financial performance of the Fund and Distributions.

A number of existing leases have expired or will shortly expire. There can be no guarantee that the Fund will be successful in the lease renewal processes with each tenant, or that the Fund will be able to renew any lease on similar or not less favourable terms. The Fund could lose key tenants due to a range of events including as a result of failure to renew a lease, the termination of a lease due to change of control, deterioration in the level of service provided to tenants, weakening of tenant relationships or disputes with tenants, consolidation of a tenant's sites or insolvency of tenants. Any of these factors could materially adversely affect the financial performance of the Fund and Distributions.

11.1.3 Development

In seeking to maximise returns for investors, the Responsible Entity will consider opportunities to enhance the value of the Fund's existing properties and selectively acquire new properties with development potential. While the Responsible Entity does not intend to undertake any development on a speculative basis, there are typically higher risks associated with development activities than holding developed assets.

The risks faced by the Fund in relation to existing or future development contractor projects will depend on the terms of the transaction at the time. There is a risk that a contractor engaged on any given project is unable to complete the specified works on time or could default on other obligations under its contract. Completion of construction works may be delayed for a number of reasons, including industrial disputes, inclement weather, permitted variations to the works, changes to legislative requirements, delays in authority inspections or regulatory approvals or a builder experiencing financial difficulties. Even where a development is under a fixed price contract, there is a risk of potential contractor default where actual development costs are materially greater than expected. In those circumstances, the actual development costs may not be able to be funded by the contractor and the development may not complete unless the Fund agrees to bear the excess costs or is able to replace the contractor. However, the Fund may not be able to replace the contractor with another with similar experience and/or on terms as advantageous to it. In addition, the Fund may suffer loss of rent in respect of a delay in completion. Any of these factors could materially adversely affect the financial performance of the Fund and Distributions.

Development works have been underway at certain properties that will be acquired as part of the Proposed Transaction. These are expected to be completed by Completion. The Fund may be exposed to residual defects. In each case, the residual defects risks have been sought to be mitigated through the inclusion of certain contractual protections in relevant construction contracts including the provision of warranties regarding the quality, standards, performance and insurance of the contracted works, and obligations to rectify defects which are backed by unconditional bank guarantees in respect of a small portion of the contract sum for a 12 month period post completion of the relevant development works. Notwithstanding this, the Fund remains exposed to potential liabilities (i) which may not be covered by the provisions of the contract or which exceed the amounts set aside in the bank guarantees (or arise after the bank guarantee is released) or (ii) in the event of a counterparty default if a claim were made. This could materially adversely affect the financial performance of the Fund and Distributions.

11.1.4 Acquisitions

As described in Section 13.5, in addition to acquiring 14 assets in connection with the settlement of the Proposed Transaction, the Fund will continue to seek to identify new LFR property assets for acquisition.

There is a risk that the Fund will be unable to identify future properties that meet the Fund's investment objectives, or if such properties are identified, that they can be acquired on appropriate terms, thereby potentially limiting the growth of the Fund. Any failure to identify appropriate properties or successfully acquire such properties could materially adversely affect the growth prospects and the financial performance of the Fund and Distributions.

The Fund will endeavour to conduct all reasonable and appropriate due diligence on potential acquisition properties. There is a risk that warranties or indemnities cannot be obtained or that acquired properties do not perform as expected due a variety of factors including but not limited to tenants vacating the properties or tenant default. The Fund will seek to obtain customary warranties and indemnities from vendors of the acquired properties, however there is a risk that potential issues are uncovered subsequent to due diligence and that these risks cannot be fully mitigated by the warranties and indemnities in the sale and purchase agreements for those acquisitions. If an unforeseen liability arises in respect of which the Fund is not able to be indemnified, this may materially adversely affect the financial performance of the Fund and Distributions. There can be no assurance that any future acquisitions will enhance the investment returns of Unitholders.

In a number of cases, the vendors under the Acquisition Agreements are trusts or other holding vehicles for which there can be no guarantee as to their on-going financial capacity. In these circumstances, if a warranty or other claim was made under an Acquisition Agreement, there is a risk that funds may not be available to meet that claim. Any inability to recover amounts claimed from such vendors could materially adversely affect the Fund's financial performance and Distributions.

In relation to the Portfolio, some of the information regarding the acquisition of the properties has been derived from information made available by or on behalf of the vendors of each property. Although the Fund (and its advisers) have conducted reasonable levels of due diligence, they have not verified the accuracy and completeness of all information provided to it. To the extent that any of this information is incomplete, inaccurate or misleading, there is a risk that the financial performance of the Fund may differ from its expectations, potentially adversely. Further, if the properties have not been managed consistently with expectations, there is a risk that the financial performance of the Fund may differ from expectations, potentially adversely, including writing down the carrying value of assets.

11.1.5 Sector concentration

It is intended that the Fund will predominantly invest in LFR centres in the Australian market. Accordingly, the Fund's performance will depend, in part, on the general performance of the Australian LFR property sector as well as the performance of individual geographical segments within a particular catchment area.

The performance of the LFR sector is correlated with the performance of the Australian residential housing market, in particular through demand for household goods as a result of the construction of new housing and sales of existing dwellings, as well as demand for household goods as a result of the level of home renovation activity. Any contraction in the residential housing market or the level of renovation activity, could affect developers', contractors' and consumers' purchasing decisions in relation to household goods, including reducing the dollar value spent or delaying timing of expenditure, which could materially adversely affect the performance of Portfolio's key tenants and the LFR property market generally. In addition, retail sales are affected by consumer sentiment. A decline in consumer sentiment could impact the demand for product offering of the Portfolio's key tenants and have an adverse effect on sales revenue, which could impact the Fund's financial performance.

Any downturn in activity in the Australian LFR property market or a downturn the geographical segments of that market could materially adversely affect the Fund's financial performance and Distributions.

11.1.6 Tenant concentration

In aggregate, approximately 46% of gross income of the Fund is generated from the top ten tenants. There is a risk that if one or more of the major tenants ceases to be a tenant, the Fund may not be able to find a suitable replacement tenant or may not be able to secure lease terms that are as favourable as current terms. Should the Fund be unable to secure a replacement tenant for a major tenant for a period of time or if replacement tenants lease the property on less favourable terms, this will result in a lower rental return to the Fund, which could materially adversely affect the financial performance of the Fund and Distributions.

11.1.7 Funding

As part of the overall capital structure, the Fund and the Lenders have entered into syndicated, secured facilities, details of which are set out in Section 2.8. The Fund is expected to have Gearing of approximately 30% following Completion. The Fund will be subject to various financial and non-financial covenants under the Debt Facilities which could limit its future financial flexibility. If the Fund's

financial performance deteriorates, including due to a decline in rental income or the value of the Portfolio, the Fund may be unable to meet the covenants under the Debt Facilities. This may require the Responsible Entity to seek amendments, waivers of covenant compliance or alternative borrowing arrangements, to reduce debt or raise additional equity. If a breach of covenant under the Debt Facilities were to occur, there is no assurance that a debt financier would consent to an amendment or waiver, or that debt financiers would not exercise enforcement rights, including requiring immediate repayment.

If the Fund is unable to repay or refinance the Debt Facilities upon maturity or in the event of a breach of covenant, the Responsible Entity may have to seek further equity, dispose of assets or enter into new debt facilities on less favourable terms. These factors could materially adversely affect the Fund's ability to operate its business, acquire new properties and to fund capital expenditure and could materially adversely affect the financial performance of the Fund and Distributions.

In addition to the Debt Facilities, the Responsible Entity may fund future refinancing, capital expenditure and acquisitions from either debt or equity markets. Its ability to do so on favourable terms (including fees and interest rate margin payable) will depend on a number of factors including general economic conditions prevailing at the time, including interest rates, the state of debt and equity markets, as well as on the reputation, performance and financial strength of the Fund. Changes to any of these underlying factors could lead to an increase in the cost of funding, limit the availability of funding and potentially increase the Fund's refinancing risk for maturing debt facilities. There is no guarantee that the Responsible Entity will be able to refinance the Fund's debt or obtain terms consistent with the current Debt Facilities.

11.1.8 Interest rates

Interest payable on the Debt Facilities will reflect a base interest rate plus interest rate margin and commitment fee. To seek to mitigate the potential impact of interest rate movements, the Responsible Entity will use derivative instruments to hedge the Fund's exposure to interest rates. The mark-to-market valuation of derivative instruments could change quickly and significantly. Such movements could materially adversely affect the financial performance of the Fund and Distributions. For further detail around hedging policy refer to Section 2.8.2.

11.1.9 Rental Guarantees

As described in Section 13.3, under the sale contracts for Highlands Hub, Tweed Hub, Warners Bay Home, Wendouree (Ballarat Home), Sunshine Coast Home and Mile End Home, vendors have provided or, in the case of Mile End Home and Sunshine Coast Home, will provide Rental Guarantees covering nominated vacancies, rental being less than anticipated and new and existing tenant commissions and tenant incentives incurred to secure a new tenant for nominated vacancies.

If the period to secure a new tenant for any of those vacancies in these properties is longer than anticipated, the rental under a new lease is less than anticipated or the leasing commissions and incentives are higher than anticipated, the cash held on trust may not be sufficient to fully recompense the Fund. In these circumstances, rental income could be negatively impacted which could materially adversely affect the Fund's financial performance and Distributions.

11.1.10 Capital expenditure

The forecast capital expenditure represents the Responsible Entity's current best estimate of the associated costs in maintaining the Portfolio over the Forecast Period. There is a risk that the required capital expenditure exceeds the current forecasts which could lead to increased funding costs. Some examples of these circumstances could include changes to laws or council requirements such as environmental, building or safety regulations, property defects or environmental issues which become apparent in the future or damage not covered by insurance. Any requirement for unforeseen material capital expenditure on the properties could materially adversely affect the financial performance of the Fund and Distributions.

11.1.11 Property market valuations

The ongoing value of the properties held by the Fund may fluctuate due to a number of factors including rental, occupancy levels and Capitalisation Rates all of which may change for a variety of reasons including general and specific risks outlined in this Section 11. Valuations represent only the analysis and opinion of qualified experts at a certain point in time. There is no guarantee that a property will achieve a capital gain on its sale or that the value of the property will not fall as a result of the assumptions on which the relevant valuations are based proving to be incorrect.

11.1.12 Property liquidity

Property assets are by their nature illiquid investments. The Fund may not be able to realise the assets within a short period of time or may not be able to realise assets at valuation, which could materially adversely affect the financial performance of the Fund and Distributions.

11.1.13 Reliance on Aventus Property Group

The Responsible Entity has engaged the Manager and the Property Manager to manage the Portfolio on the basis of long term management agreements as further described in Sections 13.1 and 13.2. Accordingly, the Fund will be reliant on the management expertise, experience, support and strategies of Aventus Property Group. The Responsible Entity is also reliant on Aventus Property Group's data collection systems, leasing database and information systems which are proprietary in nature. As a result, the Fund's performance depends largely on the performance of the Manager and the Property Manager. Any failure of the Manager or the Property Manager to discharge its responsibilities in relation to the management of the Portfolio could materially adversely affect the financial performance of the Fund and Distributions.

The ability of the Manager and the Property Manager to discharge their responsibilities in terms of managing the Portfolio business model depends to a significant extent, on the experience, knowledge and performance of its key personnel; in particular the senior management of Aventus Property Group disclosed in Section 5.4. The loss of key personnel, a sustained underperformance by key personnel or any delay in the appointment of their suitable replacements may therefore materially adversely affect the financial performance of the Fund and Distributions.

11.1.14 Forecast financial information

This PDS contains Forecast Financial Information for the period ending 30 June 2016 and the half year ending 31 December 2016. The forward-looking statements, opinions and estimates provided in this PDS, including the Forecast Financial Information, rely on various factors, many of which are outside the control of the Board or Aventus Property Group. There can be no guarantee that the assumptions on which the forward-looking statements, opinions and estimates are based, will ultimately prove to be valid or accurate including but not limited to rents, property costs and expenses incurred in operating the Fund. The Responsible Entity can give no assurance that the Forecast Financial Information is indicative of the Fund's future performance or that actual results will not materially differ from those presented in the Forecast Financial Information.

11.1.15 Responsible Entity

It is proposed that OMIFL act as Responsible Entity for the Fund until Aventus Capital Limited obtains an AFSL and Completion has occurred that will permit it to act as the responsible entity. It is proposed that once Aventus Capital Limited obtains an appropriate AFSL and Completion has occurred, it will seek to be appointed as the new responsible entity of the Fund and OMIFL will retire as responsible entity. Aventus Capital Limited has made an application to ASIC for an AFSL, which it must hold to act as responsible entity for the Fund. Aventus Capital expects to be granted the AFSL shortly.

Aventus Capital Limited anticipates that it will obtain the required AFSL within 12 months after the date of this PDS. However, there is a risk that Aventus Capital Limited's AFSL application will be delayed or refused. In that case, OMIFL would continue to act as the responsible entity of the Fund in accordance with the constitution of the Fund and Corporations Act. For further detail around the change of the responsible entity refer to Section 14.9.

11.1.16 Significant stake to be retained by Existing Management post-IPO

Following completion of the Offer entities associated with Existing Management will hold approximately 34%[1] of the issued capital of the Fund. Entities associated with Existing Management will enter into voluntary escrow arrangements in relation to their Units as described in Section 13.10. The absence of any sale of Units by entities associated with Existing Management during this period may cause or contribute to limited liquidity in the market for Units. This could impact the prevailing market price at which Unitholders are able to sell their Units.

Following release from escrow, entities associated with Existing Management may not be long-term holders of the Units. A significant sale of Units by entities associated with Existing Management, or the perception that such sales have occurred or might occur, could adversely affect the price of the Units.

The existing holdings of entities associated with Existing Management may also allow them to, collectively, exert significant influence over the outcome of matters relating to the Fund. The interests of these Unitholders may differ from the interests of investors who acquire Units in the Offer.

11.1.17 Foreign Investment Review Board

The Foreign Acquisitions and Takeovers Act 1975 (Commonwealth) ("FATA") regulates acquisitions by 'foreign persons' (as defined under FATA), of interests in Australian urban land. A compulsory notification and review process is operated by the Foreign Investment Review Board ("FIRB"). FATA allows FIRB a 40-day review period (extendable in certain circumstances and not limited in time for sovereign wealth investors) to assess the acquisition on national interest grounds. The acquisition may be prevented if considered contrary to the national interest. FIRB is currently reviewing its policy in relation to investments by foreign persons in Australian public real estate trusts.

In the interim, FIRB has indicated that no action will be taken when a foreign person does not notify and seek prior approval in relation to an acquisition of a passive interest in a real estate investment trust or property trust, by acquiring an interest in Units that results in a holding with associates of less than 10 per cent in a listed trust, with a predominantly non-residential property portfolio of office, retail, industrial, or specialised properties, or a mix of these. Interests of less than the percentage holding mentioned may not be considered passive interests where there are special circumstances, such as the foreign person or their associates building a strategic stake in the trust, or being able to use their investment to influence or control the trust.

It is anticipated that, upon Completion, the Fund will be a foreign person for the purposes of FATA (given the expected post Completion holdings of entities associated with the Existing Management). There is, accordingly, likely to be a need to seek FIRB approval for future acquisitions by the Fund of interests in Australian urban land. There is a risk that approvals may not be granted or that this may adversely affect acquisition opportunities where timing does not accommodate the FIRB approvals process.

11.1.18 Environmental issues

The value of the properties in the Portfolio may be affected by unforeseen environmental issues. The Fund may be liable to remedy sites affected by environmental issues even in circumstances where the Fund is not responsible for causing the environmental liability. The cost of remediation of sites could be substantial. In addition, if the Fund is not able to remediate the site properly, this may adversely affect its ability to sell the relevant property or to use it as collateral for future borrowings. Further, new or more stringent

1. Including up to 12.5 million Units to be subscribed for by entities associated with Brett Blundy under the Offer.

environmental laws or regulations could be introduced in the future, for example in relation to climate change, which may require the Fund to incur additional material expenditure to ensure that the required compliance is maintained. Any such expenditure on environmental issues could materially adversely affect the financial performance of the Fund and Distributions.

Site testing on acquisition of the property at Mile End Home has revealed the presence of certain soil and groud water contaminants. The EPA has been notified and further testing is being conducted for the purposes of a detailed risk assessment in accordance with relevant regulatory requirements. If the EPA is not satisfied with the outcome of the testing (anticipated for late August), it is possible that further remediation may be needed requiring expenditure by the Fund.

11.1.19 Insurance

Any property in the Portfolio may be damaged or destroyed by flood, fire, earthquake or other disaster. The Responsible Entity will seek to ensure that insurance coverage is maintained in respect of each property in the Portfolio (including insurance for destruction or damage to the property and public risk liability) where that coverage is available on commercial terms. Insurance coverage will include differing levels of cover for material loss or damage items such as accidental damage, flood and demolition and removal of debris. Some risks are not able to be insured at acceptable premiums. Examples of losses that are generally not insured against include war or acts of terrorism and natural phenomena such as earthquakes or hurricanes. Any losses incurred due to uninsured risks, or loss in excess of the insured amounts, may materially adversely affect the performance of the Fund and Distributions. Additionally, claims under insurance policies may lead to increases in insurance premiums, which could materially adversely affect the performance of the Fund.

11.1.20 Law, regulatory and policy changes

Changes in law, government legislation, regulation and policy in jurisdictions in which the Fund operates could materially adversely affect the value of the Portfolio and the financial performance of the Fund. For example, reforms in planning and zoning regimes in relation to the LFR sector could lead to zoning restrictions being lifted for large format retailers. This could lead to more potential locations available for retailers of large format goods, which could lead to increased competition for tenants from other landlords, which could materially adversely affect the financial performance of the Fund and Distributions.

11.1.21 MIT risk

The Fund may qualify as a MIT where certain conditions are satisfied. The ability to meet these tests is assessed on a yearly basis and depends, in part, on factors outside the control of the Responsible Entity.

Where the Fund qualifies as a MIT for an income year, taxable Distributions to non-resident investors broadly comprising of income other than dividends, interest or royalties (e.g. net rental income) should be subject to a final withholding tax of 15% where the non-resident investor is a resident of an information exchange country or 30% for other non-resident investors. If the Fund does not qualify as a MIT for a particular year, taxable Distributions to non-resident investors for a given income year should be subject to a non-final withholding tax, the rate of which will depend on the profile of the investor but is broadly 30% for companies, 47% for trusts and the marginal tax rates for individuals commencing at 32.5%.To the extent that a non-resident individual (for example Brett Blundy) maintains an interest in the Fund of greater than 10% during an income year (outside of the start up phase) then the Fund should not be a MIT for that income year.

For further detail around MIT status refer to Section 10.

11.1.22 Occupational health and safety

There is a risk that liability arising from occupational health and safety matters at a property in the Portfolio may be attributable to Responsible Entity as the landlord instead of, or as well as, the tenant. Such liability may include fines and penalties imposed by regulatory authorities as well as claims for compensation from injured parties, and may not be fully covered by insurance policies. Any such liabilities may be incurred by the Fund (which are not covered by insurance policies) could materially adversely affect the financial performance of the Fund and Distributions.

11.1.23 Disputes and litigation

The Fund may be subject to litigation and other claims and disputes in the course of its business, including employment disputes, contractual disputes, indemnity claims, occupational health and safety and personal claims and environmental claims. The Fund may also be subject to regulatory investigations by governmental agencies and may be subject to sanctions or fines by those governmental agencies in the event of non-compliance with relevant statutory, regulatory or licensing requirements. Such litigation, claims and disputes, including the costs of settling claims and operational impacts, may materially adversely affect financial performance of the Fund and Distributions.

11.2 GENERAL RISKS OF AN INVESTMENT IN THE FUND

There are risks associated with any stock market investment, as described but not limited to the following.

11.2.1 Property market fluctuations

As the Fund is a real estate investment trust, the value of, and returns from, its property assets may fluctuate depending on property market conditions. Rental and occupancy levels may change as a result of changes in the property market and this may affect the Distributions paid by the Fund and the market price of Units. Further, demand for property and listed property securities may change

as investor preferences for particular sectors and asset classes change. The demand for property as an asset class changes over time and can be influenced by general economic factors such as interest rates and share market cycles.

11.2.2 Dilution risk

As the Fund issues Units to new investors, existing Unitholders' proportional beneficial ownership in the underlying assets of the Fund may be reduced. For example, if you do not participate in a future entitlement offer or choose not to reinvest your Distributions pursuant to any future distribution reinvestment plan, then your beneficial ownership in the Fund may be diluted. The Responsible Entity will only raise equity if it believes that the benefit of acquiring the relevant assets or reducing Gearing is in the interests of the Unitholders.

11.2.3 Pricing risk

Units may trade on ASX at, above or below the Offer Price or NTA per Unit. The price at which Units trade on ASX may be affected by a range of factors including: movements and volatility in international and local share markets; general economic conditions in Australia and offshore including inflation, interest rates and exchange rates; recommendations by brokers; changes in government, fiscal, monetary and regulatory policies; changes to laws (particularly taxation laws); inclusion or removal from market indices; and changes in the supply and demand of listed property securities. Changes in the stock market rating of Units relative to other listed securities, especially other listed property trusts, may also affect prices at which Units trade.

Consequently the trading price of Units may be influenced by factors out of the Responsible Entity's control. These fluctuations could have materially adverse effects on the trading performance of the Units. No assurances can be made that the performance of the Units will not be adversely affected by such market fluctuations.

11.2.4 Liquidity risk

As the Fund has no trading history on public markets, there can be no assurance that an active trading market will develop for the Units. Liquidity of the Units will be dependent on the relative volume of the buyers and sellers in the market at any given time. Changes in liquidity may affect the price at which Unitholders are able to sell their Units. Significant blocks of Units held by individual investors may reduce liquidity in the trading of Units.

11.2.5 No guarantee of Distribution or capital return

Neither the Responsible Entity nor any other person gives a guarantee as to the amount of any income or capital return from the Units or the performance of the Fund, nor do they guarantee the repayment of capital from the Fund.

11.2.6 Taxation

There may be tax implications arising from applications for Units, the receipt of Distributions (if any) and returns of capital from the Fund, and on the disposal of Units as well as implications from the tax regime applicable to the Fund.

The Fund or an investment in the Fund can also be subject to tax risks on the basis that tax laws (including income tax, GST or stamp duty legislation) and relevant administrative practices are subject to change, possibly with retrospective effect. Taxation law may change due to changes in legislation, case law in Australia, rulings and determinations issued by the tax authorities.

In respect of the Existing Investors that elect to receive Units in the Fund as part of the Proposed Transaction, the ability for those investors to defer any resulting capital gain as a result of the Proposed Transaction will depend on a number of conditions. A Class Ruling from the ATO is in the process of being obtained covering the position where the Existing Investors elect to receive Units in the Fund as part of the Proposed Transaction. The Class Ruling sets out the class of investor that may be entitled to benefit from CGT rollover relief.

For further detail around tax considerations refer to Section 10.

Tax considerations vary between investors, therefore prospective investors should seek professional tax advice in connection with any investment in new Units.

11.2.7 Accounting standards

Changes in accounting standards may affect the reported earnings and financial position of the Fund in future financial periods.

12

// FEES AND OTHER COSTS

12.1 CONSUMER ADVISORY WARNING

The Corporations Act requires the Responsible Entity to include the following standard consumer warning. The information in the consumer warning is standard across product disclosure statements and is not specific to information on fees and costs in the Fund.

DID YOU KNOW?
Small differences in both investment performance and fees and costs can have a substantial impact on your long terms returns. For example, total annual fees and costs of 2% of your Fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from $100,000 to $80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the Fund or your financial adviser.

TO FIND OUT MORE
If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (www.moneysmart.gov.au) has a managed investment fee calculator to help you check out different fee options.

12.2 FEES AND OTHER COSTS

The following table shows fees and costs that you may be charged in respect of the Fund. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the Fund as a whole. Taxes are set out in another part of this PDS. You should read all the information about fees and costs because it is important to understand their impact on your investment.

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the Fund		
Establishment fee The fee to open your investment	Nil	Not applicable
Contribution fee The fee on each amount contributed to your investment	Nil	Not applicable
Withdrawal fee The fee on each amount you take out of your investment	Nil	Not applicable
Exit fee The fee to close your investment	Nil	Not applicable
Management costs		
Ongoing management costs A fee for the management and operation of the Fund	**Base Fee** The Manager is entitled to Base Fee equal to 0.6% per annum of GAV on GAV up to (and including) $2.0 billion, and 0.5% per annum of GAV on GAV in excess of $2.0 billion	To be paid from the income or assets of the Fund monthly in arrears
	Performance Fee The Manager may also be entitled to a Performance Fee of 20% of the percentage by which the total return of the Fund exceeds a hurdle of 12%. Refer to Section 12.4.3 for the explanation of the calculation of this fee	To be paid annually after the third financial year following the commencement of the Management Services Agreement
	Custody fee The Responsible Entity is entitled to a custody fee equal to 0.02% per annum of GAV where GAV is up to $250 million and 0.01% per annum of GAV where GAV is above $250 million	To be paid from the income of assets of the Fund monthly in arrears
	Other operational expenses OMIFL and the Manager are entitled to be reimbursed for expenses relating to proper performance of its duties as Responsible Entity and Manager (estimated to equate to $1.5 million[1] per annum which is equal to approximately 0.17%[2] of GAV at Completion	Expenses are reimbursable to the Responsible Entity and the Manager from the Fund's income and assets as and when incurred
Service fees		

Note:

1. This amount is an estimate only based on the expected costs of managing and administering the Fund (including the custodian fees and excluding the Base Fee).
2. This percentage has been estimated based on the Fund's expected GAV on Completion of $905.7 million. This is an estimate only and it is likely that both the expenses and the Fund's GAV will change over time.

Type of fee or cost	Amount	How and when paid
Switching fees The fee for changing investment options	Nil	Not applicable

12.2.1 Examples of annual fees and costs

The following table gives an example of how the fees and costs in the Fund can affect your investment over a one year period (excluding any Performance Fee, which is not guaranteed). You should use this table to compare this product with other managed investment products. All amounts are exclusive of GST.

Type of fee or cost	Amount	Balance of $50,000 with a contribution of $5,000 during the year[1]
Contribution fee	Nil	For every additional $5,000 you put in, you will be charged $0
PLUS Management costs		
– Base Fee	0.60% per annum of GAV	For every $50,000 you have invested you will be charged $395.8[2]
– Custody fee[4]	0.02% per annum of GAV	For every $50,000 you have invested you will be charged $10.3[2]
– Operating expenses	0.15% per annum of GAV	For every $50,000 you have invested you will be charged $107.5[3]
EQUALS cost of Fund		If you had an investment of $50,000 at the beginning of the year and you invested an additional $5,000 at the beginning of the year, you would be charged fees and expenses of $564.9 for that year (excluding any Performance Fee, which is not guaranteed)

Note

1. This table assumes that a total of $50,000 is invested under the Offer (i.e. to acquire 25,000 Units at $2.00 each). If you were to invest $50,000 in Units subsequent to the Offer, the amount of fees applicable to that investment may differ from the amounts set out in this table if more or less than 25,000 Units are acquired (even if the Fund's GAV and operating expenses were as estimated).
2. This amount has been estimated based on the Fund's expected GAV at Completion of $905.7 million and applies the full management fee of 0.60% per annum of GAV and the custody fee that will apply from the day following Completion. This is an estimate only and it is likely that the Fund's GAV, and therefore the amount of the management fee payable to Aventus Property Group and custody fee payable to OMIFL will change over time.
3. This amount is an estimate only based on the expected costs of managing and administering the Fund (excluding the management Base Fee).
4. The Trust Company (Australia) Limited currently acts as custodian for a number of trusts which hold Participating Assets. It is intended that, so far as practicable, The Trust Company (Australia) Limited would cease in these roles following Completion. However, to the extent that it is not practicable for this to occur, then either The Trust Company (Australia) Limited will continue in this role or OMIFL (or a related body corporate) would be appointed in this role and either party will be paid a market based fee for the provision of custodial services.

12.3 FEES AND COSTS ASSOCIATED WITH THE OFFER AND THE PROPOSED TRANSACTION

The following table sets out the fees and costs expected to be incurred in connection with the Proposed Transaction and the portion of those fees and costs which the Fund will be responsible for.

Stamp duty costs

No stamp duty is payable on the transfer of the Kotara Home (South) property.

Ad valorem stamp duty of approximately $44.8 million is payable on the acquisition of all the other properties comprising the Portfolio.

The steps under which the Fund will be listed on the ASX and its Units quoted on the ASX will not trigger any stamp duty liability.

Offer management, advisers', consultants' and other transaction costs

Offer costs are estimated to be approximately $10.8 million and include offer management costs, advisers' and consultants' fees, printing, marketing, property valuation fees and costs associated with establishing a listed entity (registry, responsible entity and initial listing fee).

Broker fees

The Lead Manager will pay a handling fee of 1.5% of the gross proceeds of the Units allocated to each Broker under the Broker Firm Offer. These fees are payable by the Lead Manager and will not be payable by investors or directly by the Fund.

Interest rate swap break costs

Interest rates swap break costs relates to the repayment of debt within the Acquired Assets and Participating Assets as part of the Proposed Transaction.

Type of fee or cost	Expected total
Stamp duty costs	$44.8m
Debt establishment costs	$2.1m
Offer management fees and costs	$5.7m
Advisers' and consultants' fees	$4.0m
Interest rate swap break costs	$4.0m
Other transaction costs	$1.1m
Total fees and costs	**$61.6m**

12.4 ADDITIONAL EXPLANATION OF FEES AND COSTS

12.4.1 Operating expenses

To the extent permitted by the Corporations Act, the Responsible Entity and the Manager are entitled to recover all costs and expenses incurred in the proper performance of their duties as Responsible Entity and Manager of the Fund, including in relation to:

- costs of the Fund's external advisers, including the Fund's auditors;
- fees payable to the Fund's custodian;
- fees payable to the Registry;
- ongoing fees payable to the ASX;
- Aventus Capitals' non-executive director fees;
- the amounts payable to members of Aventus Property Group under the Property and Development Management Agreement (these amounts are detailed below); and
- expenses (including travel), costs (excluding salaries) and disbursements incurred by Aventus Property Group personnel in connection with the due and proper management and administration of the Fund and the Portfolio.

From Completion, OMIFL will be entitled to a custody fee of 0.02% per annum on the first $250 million of GAV and 0.01% per annum thereafter, subject to a minimum monthly fee of $2,000 in connection with the provision of custody services to the Fund and paid out of the Fund's assets. OMIFL will also be entitled to a responsible entity fee which will be paid for by the Manager and not by the Fund directly.

The Responsible Entity and the Manager estimate that they will incur costs of managing and administering the Fund of approximately $1.5 million per annum which is equal to approximately 0.17% of the Fund's GAV at Completion. This excludes amounts payable under the Funds Management Agreement, which are described in Section 12.2, and the Property and Development Management Agreement, which is set out separately below. This is an estimate only and the actual expenses incurred by the Responsible Entity and the Manager may differ.

The Responsible Entity and the Manager are entitled to recover all such expenses from the assets or income of the Fund, including any amounts payable to a member of Aventus Property Group. Any amounts paid to members of Aventus Property Group will be under arrangements that are on an arm's length basis where the fees are in accordance with market rates for the relevant services provided.

12.4.2 Fees to related parties under other arrangements

Certain fees and expenses will be paid from assets of the Fund to members of Aventus Property Group, including pursuant to the Property and Development Management Agreement. See Section 13.2 for information in relation to this agreement. These amounts, which are summarised below, are not included in the above tables as "management costs", as they are of a kind that would typically be incurred if investors acquired the relevant properties directly and not through the Fund.

Aventus Property Group may also earn additional fees in relation to services which the Fund engages it to undertake on an arms-length basis.

Property and Development Management Agreement	
Leasing fee for new tenants	15% of face rental (being gross rent payable by a tenant, disregarding incentives and rent abatements) for the first year of lease term
Existing tenant leasing fee	10% of face rental for the first year of new lease or additional leased space (as applicable) if an existing tenant enters into a new lease for premises it currently occupies (excluding by way of exercise of an option), relocates to new premises within the relevant property or enters into a new lease for new space in a property in the Portfolio
Leasing renewal fee	7% of face rental for the first year of new lease if an existing tenant exercises an option to continue leasing their current space in a property in the Portfolio
Leasing market rent review fee	7% of the increase between the rent payable for the year before the relevant rent review and the rent payable for the year after that rent review date as a result of a market rent review
Asset and property management fee	4% of face rental (payable in equal monthly instalments in arrears) provided that where, immediately prior to a property becoming subject to the Property and Development Management Agreement (for example, upon Completion or the acquisition by the Fund of a new property), the property management fee in respect of that property (which is recoverable from tenants as outgoings under the terms of the relevant lease(s)) is higher than 4% of the total face rent, the Property Manager shall be entitled to that higher fee for so long as it remains recoverable from tenants under the relevant lease(s). The Property Manager may also be entitled to salary recoveries associated with managing the property
Leasing administration fee	$4,000 per lease documentation negotiated and prepared by the Property Manager (without double servicing where relevant lease prepared by an external legal provider)
Development services fee	5% of total development costs (being the total cost of any development works undertaken in respect of a property) (payable in monthly instalments in arrears). The Property Manager will only be able to recover an amount equal to 2% of the total development cost from the time that the development proposal is approved to the commencement of construction, with the balance to be paid in instalments from the time that construction commences to delivery of the project

It is proposed that a process would apply for marking-to-market the Property Manager fees at the five year interval in the initial term and on commencement of any successive term (including independent review of fees against market and, if fees are considered to be outside of market ranges, a process for either the parties agreeing or referring to expert determination, a revision of fees to market).

12.4.3 Performance fee

The Manager may also be entitled to a performance fee of 20% of the percentage by which the total return of the Fund exceeds a hurdle of 12%. This is calculated as:

20% x outperformance % x NTA at the end of the period

Total return is the change in NTA per Unit over the relevant period plus the Distributions per Unit paid during the relevant period, divided by the NTA per Unit at the commencement of the relevant period (expressed as a percentage). Outperformance is the total return less the hurdle rate of 12%.

Total return is measured on a three year rolling basis and annualised as a compounded annual growth rate. The first performance fee amount (if any) will become payable after the third financial year after the commencement of the Management Services Agreement (i.e. after 30 June 2018), with performance fees calculated and payable annually thereafter. For the 2016 financial year, total return is measured from the date of the Fund's admission to the Official List to 30 June 2016.

The total management fee payable, comprising the Base Fee and the Performance Fee in any financial year is capped at 1.0% of GAV. Any excess amount is carried over and paid in subsequent periods (subject to the application of the cap during that period). Any prior period underperformance must be recovered before the Manager becomes entitled to the payment of the Performance Fee in respect of a subsequent period.

The Performance Fee may be paid to the Manager in cash or Units (at the election of the Manager).

Performance Fee Examples

The examples below are illustrative only and in no way reflects the potential future performance of the Fund. All numbers used in the examples are hypothetical and do not represent the likely Performance Fee (if any) payable by the Fund.

(a) Performance fee calculation over a single reference period

The below example shows how the performance fee is the calculated based on the performance of the Fund over a single reference period.

Example		
A	NTA at beginning of the relevant reference period[1]	$700.0 million
B	NTA per Unit	$1.75
C	Change in NTA per annum during the relevant period	20%
D	Distributions per Unit paid over the relevant reference period	$0.41
Total return calculation for the relevant reference period		

1. Assuming relevant period of three years. The relevant period for the Fund in relation to the first performance fee calculation is for the period from 20 October 2015 to 30 June 2018.

Example	
Total return for the relevant reference period	= (B x C) + D = ($1.75 x 20%) + 0.41 = $0.76
Annualised total return	12.7%
Performance fee calculation	
E NTA at the end of the relevant reference period	= A + A x C = $700 million + $700 million x 20% = $840 million
F Outperformance	= Total return – 12% hurdle rate = 12.7% - 12.0% = 0.7%
Performance fee payable	**=20% x F x E** **= 20% x 0.7% x $840 million** **= $1.176 million**

As the annualised total return over the reference period is greater than the hurdle rate of 12%, a performance fee is payable for the relevant period of $1,176,000.

(b) Performance fee calculation over multiple reference periods

The below example shows how the performance fee is the calculated based on the performance of the Fund over three consecutive reference periods, being Reference Period 1 (Year 1 to Year 3), Reference Period 2 (Year 2 to Year 4) and Reference Period 3 (Year 3 to Year 5).

Type of fee or cost	Year 1	Year 2	Year 3	Year 4	Year 5
NTA per Unit at the beginning of each Year	$1.75	$1.80	$1.88	$2.01	$2.16
NTA growth each Year	$0.05	$0.08	$0.13	$0.15	$0.15
NTA per Unit at the end of each Year	**$1.80**	**$1.88**	**$2.01**	**$2.16**	**$2.31**
Distribution per each Year	$0.135	$0.135	$0.135	$0.135	$0.135
Total return per Unit for each Year	$0.185	$0.215	$0.265	$0.285	$0.285
Annualised total return for each Reference Period			11.3%	12.5%	13.0%
Outperformance/(underperformance) for each Reference Period			(0.7%)	0.5%	1.0%
Closing NTA at the end of each Year	$720.0m	$752.0m	$804.0m	$864.0m	$924.0m
Performance fee/underperformance accrued			$(1.1)m	$0.9m	$1.9m
Underperformance recovered in the period			–	$(0.9)m	$(0.3)m
Underperformance carried forward			$(1.1)m	$(0.3)m	Nil
Total fee paid to the Manager			Nil	Nil	$1.6m

As the annualised total return for Reference Period 1 is less than the hurdle rate of 12%, no performance fee is payable for Reference Period 1 and a deficit of $1,125,600 is carried forward in the next period.

As the annualised total return for Reference Period 2 is less than the sum of the hurdle rate of 12% and the deficit carried forward from Reference Period 1, no performance fee is payable for Reference Period 2 and a deficit of $261,600 is carried forward in the next period.

As the annualised total return for Reference Period 3 is greater than the sum of the hurdle rate of 12% and the deficit carried forward from Reference Period 1, a performance fee of $1,584,400 is payable for Reference Period 3 and no deficit is carried forward in the next period.

12.4.4 Fee changes

The Responsible Entity may not increase the fees payable to it as set out in the Constitution without a special resolution of Unitholders first having varied the Constitution. A special resolution requires 75% of the votes cast by those Unitholders entitled to vote on the resolution (by value).

The Manager's fees may not be amended without the agreement of the Responsible Entity and the Manager.

12.4.5 Tax costs

For more information in relation to the taxation implications associated with an investment in the Fund refer to Section 10.

13

// SUMMARY OF IMPORTANT DOCUMENTS

Set out below are summaries of the key aspects of certain material contracts relating to the Fund in connection with the Proposed Transaction and arrangements with Aventus Property Group and OMIFL together with a summary of the Debt Facilities, the Fund Constitution and the Offer Management Agreement.

13.1 MANAGEMENT SERVICES AGREEMENT

The Responsible Entity has entered into a Management Services Agreement with the Manager.

13.1.1 Management Services

Under the Management Services Agreement the Manager has the overall obligation to exercise day-to-day control over the fund assets except to the extent to which it would be required to hold an Australian Financial Services Licence. To the extent to which the Responsible Entity requires the provision of services which can only be undertaken by the holder of an Australian Financial Services Licence, the Manager has agreed to procure the provision of those services by an appropriately licensed person.

13.1.2 Right of First Refusal

Where the Manager or another Aventus Property Group member has secured or has progressed negotiations to secure an investment opportunity which is an appropriate investment for the Fund having regard to the Fund's investment strategy, the Manager must first offer that opportunity to the Fund.

13.1.3 Involvement of Aventus Capital Limited board

In performing its obligations under the Management Services Agreement the Manager may consult and have reasonable regard to the recommendations of the board of Aventus Capital Limited in relation to any matter which may materially affect the Fund. During any period where Aventus Capital Limited or another member of the Aventus Property Group is not the responsible entity of the Fund, the costs and expenses of the Manager in relation to performing its services that are to be reimbursed under the Management Services Agreement will include the amount of Aventus Capital Limited's non-executive director fees.

13.1.4 Term and Termination

The Management Services Agreement commences on the day on which Units are allotted and issued to investors pursuant to this PDS. The initial term of the agreement is 10 years and is automatically extended for successive five year terms unless terminated by either party at least six months prior to the end of the initial term or any successive five year term. This means that the initial term of the agreement is at least 10 years unless otherwise terminated in one of the circumstances referred to below.

Manager's termination rights

The Manager can terminate the agreement:

- at any time on 90 days notice to the Responsible Entity; or
- immediately if the Responsible Entity is insolvent; or
- on 60 days notice to the replacement Responsible Entity if the Responsible Entity ceases to be the responsible entity of the Fund and is not replaced with an entity which is a member of Aventus Property Group; or
- if there is a continuing material breach by the Responsible Entity which is not remedied within 40 days of notice from the Manager or for which the Manager is not otherwise adequately compensated.

Responsible Entity's termination rights

The Responsible Entity can terminate the agreement:

- if the Manager is insolvent, ceases to carry on business or is otherwise prohibited from performing its obligations provided that if any other company in Aventus Property Group is reasonably capable of performing the Manager's role and is willing to act, the Responsible Entity must appoint that company in place of the Manager and the agreement does not then terminate; or
- if there is a continuing material breach by the Manager which is not remedied within 40 days of notice from the Responsible Entity or for which the Responsible Entity is not otherwise adequately compensated.

The Responsible Entity can also terminate the agreement if there is a change of control of the Manager and a replacement Responsible Entity can terminate the agreement if the replacement Responsible Entity is not a member of Aventus Property Group. However, the termination right following a change of control of the Manager or the appointment of a new responsible entity is a right to terminate on 12 months notice or, in lieu of notice, immediate termination on payment to the Manager of an amount equal to the total fees paid to the Manager for its services in the 12 months leading to the termination.

13.1.5 Fees, costs and expenses

Base Fee

The Manager is entitled to receive an aggregate annual Base Fee (payable on a monthly basis) calculated on the basis of GAV of the Fund as follows:

- 0.6% of the GAV of the Fund that is less than (or equal to) $2.0 billion; and
- 0.5% of the GAV of the Fund that is greater than $2.0 billion.

Performance Fee

The Manager is also entitled to receive a Performance Fee calculated as:

	Outperformance% x Closing NTA x 20% (together with any carry forward outperformance as further described below)
	where:
Outperformance% =	Total Return less Hurdle Rate.
Total Return =	Change in the NTA per Unit over the relevant period plus the Distributions per Unit paid during the relevant period divided by the NTA per Unit at the commencement of the relevant period (expressed as a percentage).
	Total return is measured on a three year rolling basis and annualised as a compounded annual growth rate. For the 2016 financial year, total return is measured from the commencement date of the Management Services Agreement to 30 June 2016 and the first performance fee period ends on 30 June 2018.
Hurdle Rate =	12%.
Closing NTA =	The NTA of the Fund on the last day of the relevant period.

The first Performance Fee amount (if any) will become payable on the publication of the Fund's financial results after the third financial year after commencement of the Management Services Agreement (i.e. after 30 June 2018), with Performance Fees calculated and payable annually thereafter.

The total fee payable (comprising the Base Fee plus the Performance Fee) in any year is capped at 1.0% of GAV of the Fund. Any excess fee is carried over to subsequent Performance Fee periods (subject to the performance of the Fund and any application of the cap during that period). Any prior period underperformance must be recovered before the Manager becomes entitled to the payment of a Performance Fee in respect of a subsequent period.

The Performance Fee may be paid to the Manager in cash or Units (at the election of the Manager).

Investors should note that the Performance Fee is based on NTA of the Fund which may not necessarily correlate with the price at which Units trade on ASX and accordingly may not reflect the performance of an investment in Units.

Costs and expenses

The Manager is entitled to be reimbursed for all costs and expenses it incurs as manager other than its own overhead costs. However, the Manager must seek the consent of the Responsible Entity before incurring any individual cost or expense in excess of $50,000 and must seek the consent of the Responsible Entity where aggregate costs and expenses for the scoping of a potential investment of the Fund would exceed $200,000.

Indemnity

The Manager indemnifies the Responsible Entity for all loss arising from any false, misleading or deceptive statement in this PDS and any omission from this PDS of information that is required to be included for it to be complete and correct in accordance with applicable laws but the indemnity excludes any statements and omissions the verification of which has been assumed by the Responsible Entity in the verification process for this PDS.

13.2 PROPERTY AND DEVELOPMENT MANAGEMENT AGREEMENT

The Responsible Entity and each trustee of a property in the Portfolio will appoint Aventus Property Management Pty Ltd to act as the property and development manager of the Portfolio under the Property and Development Management Agreement.

13.2.1 Property and Development Management Services

Under the Property and Development Management Agreement the Property Manager will manage each Property in the Portfolio from time to time, including marketing, leasing, tenant liaison, development and capital expenditure management, evaluation of property development potential, preparation of development proposals, implementation and management of development works, and other usual services provided by a property and development manager. The Property Manager has been delegated all powers necessary to carry out its obligations under the Property and Development Management Agreement.

The Property Manager is the primary leasing manager in respect of each property in the Portfolio and an alternate letting agent may only be appointed where vacancies have not been filled by the Property Manager after having had a reasonable amount of time to do so.

To the extent development management services are required by the Fund, the Property Manager will be appointed on an exclusive basis to provide these.

13.2.2 Term and Termination

The Property and Development Management Agreement commences on the day on which Units are allotted and issued to investors pursuant to this PDS. The initial term of the agreement is 10 years and is automatically extended for successive five year terms unless terminated by either the Property Manager or the Responsible Entity at least six months prior to the end of the initial term or any successive five year term. This means that the initial term of the agreement is at least 10 years unless otherwise terminated in one of the circumstances referred to below.

The agreement will also cease to apply to a property in the Portfolio the Fund no longer holds directly or indirectly at least 50% of that property.

Property Manager's termination rights

The Property Manager can terminate the agreement:

- at any time on 90 days notice to the Responsible Entity; or
- immediately if the Responsible Entity is insolvent; or
- on 60 days notice to the replacement Responsible Entity if the Responsible Entity ceases to be the responsible entity of the Fund and is not replaced with an entity which is a member of Aventus Property Group; or
- if there is a continuing a material breach by the Responsible Entity which is not remedied within 40 days of notice from the Property Manager or for which the Property Manager is not otherwise adequately compensated. Note in this case the Property Manager's termination right can be exercised in relation to the property in respect of which the breach has occurred (or on a portfolio basis).

Responsible Entity's termination rights

The Responsible Entity can terminate the agreement:

- if the Property Manager is insolvent, ceases to carry on business or is otherwise prohibited from performing its obligations provided that if any other company in Aventus Property Group is reasonably capable of performing the Property Manager's role and is willing to act, Responsible Entity must appoint that company in place of the Property Manager and the agreement does not then terminate; or
- if there is a continuing material breach by the Property Manager which is not remedied within 40 days of notice from the Responsible Entity or for which the Responsible Entity is not otherwise adequately compensated. Note in this case the Responsible Entity's termination right can be exercised in relation to the property in respect of which the breach has occurred (or on a portfolio basis).

The Responsible Entity can also terminate the agreement if there is a change of control of the Property Manager and a replacement Responsible Entity can terminate the agreement if the replacement Responsible Entity is not a member of Aventus Property Group. However, the termination right following a change of control of the Property Manager or the appointment of a new responsible entity is a right to terminate on 12 months notice or, in lieu of notice, immediate termination on payment to the Property Manager of an amount equal to the total fees paid to the Property Manager for its services in the 12 months leading to the termination.

Termination in respect of development services

Where the relevant continuing material breach giving rise to a termination right for the Responsible Entity is in respect of particular development works only (in circumstances where the Property Manager is otherwise performing its obligations in relation to other services), the Responsible Entity may only terminate the agreement as it applies to those development works. However, in these circumstances, the exclusive engagement of the Property Manager to provide development management services would also cease (and the Fund could engage alternate services providers for these matters).

In addition, if the agreement is terminated at the end of its term or in circumstances of a change of the Responsible Entity with an entity that is not a member of Aventus Property Group, or a change in control of the Property Manager, the Property Manger will continue to perform and be paid for development management services in respect of any approved development works that are ongoing at the time of termination.

13.2.3 Fees, costs and expenses

The Property and Development Management fees payable to the Property Manager will be:

- Leasing fee for new tenants: 15% of face rental (being gross rent payable by a tenant, disregarding incentives and rent abatements) for the first year of lease term;
- Existing tenant leasing fee: 10% of face rental for the first year of new lease or additional leased space (as applicable) if an existing tenant enters into a new lease for premises it currently occupies (excluding by way of exercise of an option), relocates to new premises within the relevant Property or enters into a new lease for new space in a property in the Portfolio;
- Leasing renewal fee: 7% of face rental for the first year of new lease if an existing tenant exercises an option to continue leasing their current space in a property in the Portfolio;
- Leasing market rent review fee: 7% of the increase between the rent payable for the year before the relevant rent review and the rent payable for the year after that rent review date as a result of a market rent review;
- Asset and Property Management Fee: 4% of face rental (payable in equal monthly instalments in arrears) provided that where, immediately prior to a property becoming subject to the Property and Development Management Agreement (for example, upon Completion or the acquisition by the Fund of a new property), the property management fee in respect of that property (which is recoverable from tenants as outgoings under the terms of the relevant lease(s)) is higher than 4% of the total face rent, the Property Manager shall be entitled to that higher fee for so long as it remains recoverable from tenants under the relevant lease(s). The Property Manager may also be entitled to salary recoveries associated with managing the property;
- Leasing administration fee: $4,000 per lease documentation negotiated and prepared by the Property Manager (without double servicing where relevant lease prepared by an external legal provider); and
- Development Services Fee: 5% of total development costs (being the total cost of any development works undertaken in respect of a Property) (payable in monthly instalments in arrears). The Property Manager will only be able to recover an amount equal to 2% of the total development cost from the time that the development proposal is approved to the commencement of construction, with the balance to be paid in instalments from the time that construction commences to delivery of the project.

A process applies for benchmarking Property Manager fees to market at the five year interval in the initial term and on commencement of any successive term (including independent review of fees against market and, if fees are considered to be outside of market ranges, a process for either the parties agreeing or referring to expert determination, a revision of fees to market).

13.3 RENTAL GUARANTEES

13.3.1 Highlands Hub, Tweed Hub and Warners Bay Home

Under the sale contracts for Highlands Hub, Tweed Hub and Warners Bay Home the amount of $1,000,000 ("DRF Guaranteed Amount") was held on trust to guarantee the rent for the vacancies across those assets current at settlement (being Highlands Hub shop 5A and shop 12, Tweed Hub shop 7A and Warners Bay Home shop 9). The guaranteed amount was invested for the period of 24 months following settlement and is due to expire in October 2016.

On the first day of each month during the guaranteed period, The Trust Company (Australia) Limited may claim the combined amount of the rent payable for each of the guaranteed areas that remain vacant. In addition, The Trust Company (Australia) Limited may attribute an amount not exceeding $600,000 from the DRF guaranteed amount for payment of any incentive granted to a new tenant of a guaranteed area. The total amount of payments received by The Trust Company (Australia) Limited under the rental guarantee for rent and incentives must not exceed the DRF Guaranteed Amount.

The Trust Company (Australia) Limited must use best endeavours to procure leasing of the vacant areas and BB Retail Capital Pty Ltd (being the vendor of Highlands Hub, Tweed Hub and Warners Bay Home) may submit leasing proposals to The Trust Company (Australia) Limited for approval.

As at 30 June 2015, The Trust Company (Australia) Limited has claimed an amount equal to $282,247.80 from the DRF Guaranteed Amount. The balance remaining is $717,752.20 and claims can continue to be made in relation to the vacancies at Tweed Hub and Warners Bay Home.

The obligations of BB Retail Capital Pty Ltd under the DRF rental guarantee are secured by a $1,000,000 bank guarantee held by The Trust Company (Australia) Limited. The bank guarantee reduces at six monthly intervals during the guaranteed period to reflect the then current liability of BB Retail Capital Pty Ltd under the DRF rental guarantee. It must be returned to BB Retail Capital Pty Ltd once all obligations under the DRF rental guarantee are fulfilled.

On the first day of each month during the guaranteed period, the Fund may claim the combined amount of the rent payable for each of the guaranteed areas that remain vacant. In addition, the Fund may attribute an amount not exceeding $600,000 from the DRF Guaranteed Amount for payment of any incentive granted to a new tenant of a guaranteed area. The total amount of payments received by the Fund under the Rental Guarantee for rent and incentives must not exceed the DRF Guaranteed Amount.

13.3.2 Wendouree (Ballarat Home)

Under the sale contract for Wendouree (Ballarat Home) the amount of $2,409,397 ("Wendouree Guaranteed Amount") was held on trust by Gadens Lawyers as the guaranteed amount for the duration of the guaranteed period (due to expire December 2016).

During the Wendouree Rental Guarantee period, The Trust Company (Australia) Limited can claim an amount for each month for rent for any of Shop 1, 2, 6, 8B or 9 that remain unoccupied.

The Trust Company (Australia) Limited must use its best endeavours to secure approved leases for each of the remaining vacant guaranteed areas. In addition to the rent, The Trust Company (Australia) Limited can claim an amount equal to the leasing fee for successfully leasing any vacant guaranteed area as well as an amount for any capital works that may be required to lease any vacant guaranteed area.

As at 30 June 2015, The Trust Company (Australia) Limited has received $1,110,316 and the amount of $1,299,081 remains payable under the Wendouree Rental Guarantee. At present the only guaranteed area that remains vacant and subject to payments from the Wendouree rental guarantee is Shop 8B.

The Wendouree Guaranteed Amount can be released to Australian Unity during the guaranteed period provided that the total amount held by Gadens Lawyers is not less than the total liability then owing for the balance of the guaranteed period.

13.3.3 Sunshine Coast Home

Under the sale contract for Sunshine Coast Home the amount of $356,000 ("Sunshine Guaranteed Amount") will be held on trust by Gadens Lawyers as the guaranteed amount for the period of approximately 24 months following settlement of Sunshine (due to expire 30 September 2017).

During the guarantee period, Aventus Sunshine Coast Pty Ltd can claim $14,000 per month in rent for Shop 16B for as long as that shop remains unoccupied during the guaranteed period.

Aventus Sunshine Coast Pty Ltd must use its best endeavours to secure approved leases for the vacant guaranteed area. In addition to rent claims, Aventus Sunshine Coast Pty Ltd can claim an amount equal to the leasing fee up to $20,000 for successfully leasing the vacant guaranteed area.

The Sunshine Guaranteed Amount can be released to Australian Unity during the guaranteed period provided that the total amount held by Gadens Lawyers is not less than the total liability then owing for the balance of the guaranteed period.

13.3.4 Mile End Stage 3

Under the Mile End Stage 3 Unit Sale Agreement, for a period of 12 months following the date of completion (see Section 13.5.3 for an overview of that agreement), Corporate Property Services Pty Limited (the manager of the Mile End Stage 3 asset) agrees to provide the Fund with a Rental Guarantee in respect of the vacant tenancy in the Mile End Stage 3 property known as 'shop 18' to the extent that the tenancy remains vacant at any time during that 12 month period.

The amount of the Rental Guarantee is $9,906.75 per month, payable to the Fund on a monthly basis from completion of its acquisition of the Mile End Trust. Corporate Property Services Pty Limited is required to provide a security deposit amount equivalent to $215,768.30 (payable to the Fund's solicitor's trust account) as security for its obligation to provide the Rental Guarantee.

The Fund is obliged to consent to a new lease arrangement for 'shop 18' prior to completion under the Mile End Stage 3 Unit Sale Agreement if certain preconditions are met (including in relation to the quantum of rent, security, incentive and standing of the proposed tenant). If the vacant area is not leased at completion of the acquisition of the Mile End Trust, the Fund must use all reasonable endeavours to procure the grant of a lease on terms that a prudent lessor would accept as soon as possible following completion.

13.4 IMPLEMENTATION PACK

OMIFL, certain members of Aventus Property Group and various other entities involved in owning and operating the Participating Assets and the Acquired Assets to be included in the Portfolio have agreed to implement the restructure steps set out in an Implementation Pack.

The Implementation Pack includes a detailed description of the steps to be undertaken to implement the Proposed Transaction. The steps described in the Implementation Pack may be varied by agreement of all of the Manager, OMIFL and in relation to a particular step, any party required to take action under that step. The Manager may terminate the implementation of the Proposed Transaction, in which case the Offer will not proceed and the steps taken to implement the Proposed Transaction before the termination will be unwound.

To implement the Proposed Transaction, the following key restructure steps will take place in accordance with the Implementation Pack:

13.4.1. Conditions to implementation of the Proposed Transaction

The Proposed Transaction will only be implemented if the following conditions are satisfied:

- ASIC and the ASX have granted all approvals, waivers and modifications required to implement the Proposed Transaction;
- confirmation that a Class Ruling in respect of capital gains tax rollover relief will be provided by the ATO;
- unitholder resolutions to implement the Proposed Transaction have been approved by the requisite majorities;
- all consents or waivers required to be obtained under existing financing arrangements to implement the Proposed Transaction are obtained;
- the Debt Facilities documentation has been executed and all conditions to the initial drawdown of funds under the facilities have been satisfied or waived (other than the condition that Completion has occurred and other conditions that can only be satisfied as part of Completion);
- no permanent injunction or similar order is issued by any court of competent jurisdiction or government agency, or other material legal restraint or prohibition, preventing the Proposed Transaction;
- the Offer Management Agreement is in place, the Offer is made and the relevant Offer Period has ended (other than as a result of the cancellation of the Offer);
- the ASX has admitted the Fund to the Official List and conditional and deferred settlement trading has commenced;
- the entities associated with Brett Blundy, Darren Holland and Bruce Carter have entered into the voluntary escrow arrangements; and
- settlement has occurred under the Offer Management .

13.4.2. Acquisition of Participating Assets

The Responsible Entity will acquire the following Participating Assets with the consideration payable to comprise either cash or Units, as elected by the Existing Investors of the Participating Assets:

- BBRC Belrose Fund
- Caringbah Unit Trust;
- BBRC Diversified Retail Fund;
- BBRC Jindalee Fund;
- Peninsula Unit Trust;
- BBJ Thompsons Road Unit Trust
- Cranbourne Home Property;
- BBRC Mile End Fund; and
- BBRC Midland Fund.

To the extent elected by Existing Investors, the issue of Units to existing Investors will be made under this PDS.

Following Completion, the Manager will determine the net tangible asset value of each Participating Asset as at 19 October 2015. To the extent that the net tangible asset value as at 19 October 2015 is greater than the net tangible asset value used to determine the consideration payable to Existing Investors at Completion, Existing Investors will receive an additional cash payment (expected to be paid on or around 15 November 2015).

13.4.3. Acquisition of the Acquired Assets

The Responsible Entity will acquire the following Acquired Assets in accordance with the terms of the relevant Acquisition Agreement with the consideration payable in respect of those agreements to comprise cash and, in the case of the Mile End Trust, any Units elected by the Existing Investors in that trust:

- Mile End Trust;
- Sunshine Coast Home property; and
- Tuggerah Super Centre property

To the extent elected by Existing Investors in Mile End Trust, the issue of Units to Existing Investors will be made under this PDS.

13.4.4. Termination of existing management arrangements in relation to the Participating Assets

Immediately following the issue and allotment of Units under the Offer:

- any performance fees payable to BBRC Property Management Pty Limited under the existing property management agreement will be paid;
- the existing funds management agreement, property management agreement and any other existing agreement relating to the management or financing of the Participating Assets will terminate; and
- the Funds Management Agreement and the Property and Development Management Agreement will take effect.

In addition to the above steps, the parties to the Implementation Pack agree to take all other actions as reasonably necessary to give effect to the steps contemplated in the Implementation Pack, including obtaining any required notifications, executing any tenant deeds of covenant and other contractual novations and undertaking any other process related matters identified as part of the due diligence process conducted in connection with the IPO.

13.5 ACQUISITION AGREEMENTS

13.5.1 Sunshine Coast Home

Under the sale contract between Aventus Sunshine Coast Pty Ltd and Australian Unity Funds Management Limited, Aventus Sunshine Coast Pty Ltd has agreed to purchase Sunshine Coast Home. Settlement was due to take place on 1 October 2015, however the parties have agreed to extend this date to 20 October 2015. In order to achieve the later settlement date, BB Retail Capital Pty Ltd in its capacity as trustee of The Blundy Family Trust paid an amount of $60,000 as an extension payment Australian Unity Funds Management Limited. The purchase price under the agreement is $62,000,000, subject to adjustments at settlement for various matters including rent, outgoings, planned expansion works and vacancies at certain tenancies. A non-refundable deposit of $6,200,000 paid by Sunshine Coast Homemaker Pty Ltd will be applied under the sale contract to which Aventus Sunshine Coast Pty Ltd is a party. Funding for that deposit and the extension payment was provided by The Blundy Family Trust and will be repaid out of the float proceeds.

Australian Unity must continue to manage and operate Sunshine Coast Home up until settlement with all due care in the ordinary and usual course and in accordance with normal and prudent practice (having regard to the nature of the property and past practice of Australian Unity). Aventus Sunshine Coast Pty Ltd is responsible for all incentives and other inducements to tenants on and from 1 October 2015. Any dealings with the tenancies require the prior written approval of Aventus Sunshine Coast Pty Ltd.

Aventus Sunshine Coast Pty Ltd must pay the balance of the purchase price to Australian Unity Management Limited by way of a cash payment at settlement. In addition, at settlement, Australian Unity Management Limited must pay an amount of up to $140,000 to Aventus Sunshine Coast Pty Ltd for capital works.

An amount of $356,000 will be held by Australian Unity's solicitors for the Sunshine Guaranteed Amount (see Section 13 of this PDS).

Aventus Sunshine Coast Pty Ltd in its capacity as trustee of the Aventus Sunshine Coast Unit Trust, and BB Retail Capital Pty Ltd in its capacity as trustee of The Blundy Family Trust have entered into the Sunshine Reimbursement Deed. Under the terms of the Deed, Aventus Sunshine Coast Unit Trust will undertake to reimburse BB Retail Capital Pty Ltd for certain costs incurred by BB Retail Capital Pty Ltd in relation to the Sunshine Coast Home property prior to the acquisition of the property by Aventus Sunshine Coast Unit Trust.

Specifically, the amounts payable under the Sunshine Reimbursement Deed will comprise a fixed Warehousing Fee of $1,421,841, and reimbursement for costs relating to due diligence processes, operating capital expenditure and financing in relation to the Sunshine Coast Home property provided that if this amount plus other amounts payable by the Fund to the seller or to Sunshine Coast Homemaker Pty Ltd (or The Blundy Family Trust) in connection with reimbursement of deposit will exceed $64,500,000 in aggregate, the payment under the Sunshine Reimbursement Deed will be refunded for any such excess. The amount of the costs other than the warehousing fee will be finally determined by BB Retail Capital Pty Ltd within 7 business days after completion of the IPO, including an interest component for reimbursed costs.

13.5.2 Tuggerah Super Centre

Wendouree Homemaker Pty Ltd entered into a put and call option deed with Bunnings Properties Pty Ltd in relation to the Tuggerah Super Centre. Under the call option deed, Wendouree Homemaker Pty Ltd has an option to purchase that part of Tuggerah Super Centre on which the majority of the tenancies are located ("Centre Land Call Option') and a second option to purchase the balance of the land, being a vacant lot currently used as over flow car parking ("Vacant Land Call Option"). Wendouree Homemaker Pty Ltd paid $2,250,000 for the grant of the call options. Wendouree Homemaker Pty Ltd has the right to nominate another party to exercise either call option. If either call option is not exercised then Bunnings Properties may exercise a put option in respect of that part of Tuggerah Super Centre in respect of which the call option has not been exercised. Neither the put or call option for the Vacant Land can be exercised without the options for the Centre Land having first been exercised.

(a) Centre Land Sale Contract

On 7 August 2015, Wendouree Homemaker Pty Ltd nominated Aventus Tuggerah Pty Ltd as nominee under the put and call option deed to exercise the Centre Land Call Option. On 7 August 2015, Aventus Tuggerah Pty Ltd exercised the call option for the Centre Land. On exercising the call option Bunnings Properties Pty Ltd and Aventus Tuggerah Pty Ltd are deemed to have entered into the sale contract for Tuggerah Super Centre. On exercise of the Centre Land Call Option, the amount of $2,062,500 was refunded to Wendouree Homemaker Pty Ltd. Aventus Tuggerah Pty Ltd paid the same amount to Bunnings Properties Pty Ltd by way of deposit which is being held on trust pending settlement. Funding for that deposit was provided by Wendouree Homemaker Pty Ltd and will be repaid out of the float proceeds. Settlement for the Centre Land portion of the Tuggerah Super Centre is due to take place on 20 October 2015. The purchase price under the agreement is $41,250,000, subject to adjustments at settlement for various matters including rent, outgoings and outstanding incentives. Aventus Tuggerah Pty Ltd must pay the balance of the purchase price to Bunnings Properties Pty Ltd by way of a cash payment at settlement.

Prior to settlement, Bunnings Properties Pty Ltd will grant a lease to Bunnings Group Limited (lease for twelve years with eight further terms of five years each) for the Bunnings tenancy.

Prior to settlement, Bunnings Properties Pty Ltd commenced preliminary design works in relation to potential development works at Tuggerah Super Centre, known as the Stage 2 Works. Bunnings Properties Pty Ltd also made various representations to tenants at Tuggerah Super Centre in relation to the Stage 2 Works. Aventus Tuggerah Pty Ltd intends to delay completion of the Stage 2 Works. In connection with the delay of the Stage 2 Works, Aventus Tuggerah Pty Ltd has agreed to:

- pay Bunnings Properties Pty Ltd an amount of $255,788.50 (plus GST) at settlement of the Centre Land by way of reimbursement for preliminary design costs incurred in connection with the Stage 2 Works; and
- provide an indemnity and release in favour of Bunnings Properties Pty Ltd for any claim from an existing tenant of Tuggerah Super Centre in the event the Stage 2 Works do not proceed.

From settlement of the Centre Land, Aventus Tuggerah Pty Ltd will be granted a licence to use the Vacant Land for car parking and associated activities with the Centre Land for a licence fee of $1.00. Bunnings is responsible for all outgoings for the Vacant Land.

(b) Vacant Land Call Option

The call option for the Vacant Land must be exercised by no later than 1 June 2016 with settlement to take place 30 days later. Wendouree Homemaker Pty Ltd has nominated Aventus Tuggerah Pty Ltd as nominee under the Vacant Land Call Option to exercise the Vacant Land Call Option. The Vacant Land Call Option can only be exercised if Aventus Tuggerah Pty Ltd purchases the Centre Land. If the Vacant Land Call Option is not exercised, Bunnings Properties Pty Ltd may exercise the put option in relation to the Vacant Land. If neither put or call option is exercised, the amount of $187,500 is returned to Wendouree Homemaker Pty Ltd.

On exercise of the Vacant Land Call Option the amount of $187,500 will be refunded to Wendouree Homemaker Pty Ltd and Aventus Tuggerah Pty Ltd will pay the same amount to Bunnings Properties Pty Ltd by way of deposit. The purchase price payable under the sale contract for the Vacant Land is $3,750,000. Settlement is 30 days from the date the Vacant Land Call Option is exercised.

13.5.3 Mile End Stage 3

Overview

Under a unit sale agreement between the Responsible Entity ("Buyer"), each of the Unitholders in the Mile End Trust ("Sellers"), Mile End Developments Stage 3 Pty Limited as trustee for the Mile End Trust and Corporate Services Pty Limited (the manager of the Mile End Stage 3 property as at the date of this PDS), the Fund has agreed to acquire 100% of the units in the Mile End Trust. The Mile End Trust is the holding trust of the Mile End Stage 3 property as at the date of this PDS.

The estimated purchase price under the Mile End Stage 3 Unit Sale Agreement is $10,040,000, to be adjusted pursuant to a pre-completion adjustment mechanism provided under the agreement based on the completion accounts of the Mile End Trust.

There is no deposit payable under the Mile End Stage 3 Unit Sale Agreement.

The Buyer must satisfy the purchase price to the Sellers by way of payment in cash or the issue of Units (at the election of the Sellers).

Conditions Precedent

The sale and purchase of the sale units is conditional on the satisfaction of the following conditions:

- prior to completion, the Buyer giving each Seller for a period of not less than 14 days access to an election portal facility pursuant to which each Seller can elect to receive Units in consideration of some or all of the purchase price in respect of its sale units being sold to the Buyer;
- the registration of the Fund as a managed investment scheme, listing on the ASX and the issue and allotment of Units in the Fund; and
- the ATO confirming through provision of a final ruling or draft ruling or other written communication that to the extent that the Sellers wish to accept consideration in the form of subscription to units in the Fund, capital gains tax rollover treatment can be obtained for eligible sellers.

Warranties

The Mile End Stage 3 Unit Sale Agreement contains certain warranties given by the Sellers, Mile End Developments Stage 3 Pty Limited as trustee for the Mile End Trust and Corporate Services Pty Limited (the manager of the Mile End Stage 3 property as at the date of this PDS) that benefit the Buyer. These include (amongst others) warranties as to title, capacity, accounts and tenancy particulars.

Completion

Completion will occur on the date on which the last of the conditions precedent to the Mile End Stage 3 Unit Sale Agreement is satisfied.

13.5.4 Cranbourne Home

Overview

Mr Brett Blundy and Ms Tracey Blundy have entered into a deed poll pursuant to which they undertake to procure that entities associated with them will sell and the Fund will acquire the property known as Cranbourne Home, 356-400 South Gippsland Highway, Cranbourne North, Victoria 3977 (referred to in this section as the "Property") after completion of the Offer. The property will be acquired directly from BB Retail Capital Pty Ltd ACN 006 175 033 as trustee of the Blundy Family Trust and Coloskye Pty Ltd as trustee of the Allofus Trust (the "Vendor" for the purpose of this section) through an individual sale contract between the Vendor and the Responsible Entity (the "Purchaser" for the purpose of this section) ("Cranbourne Purchase Agreement").

There is no deposit payable under the Cranbourne Purchase Agreement. The purchase price payable under the Cranbourne Purchase Agreement is $76,000,000 which, subject to adjustments to reflect usual property outgoings (i.e. rates and land tax) and deducting an amount for unpaid incentives.

Other key terms of the Cranbourne Purchase Agreement are set out below.

Completion

Completion will occur under the Cranbourne Sale Agreement on the day prior to the day of issue and allotment of Units in the Fund. To the extent that any cash consideration is payable as part of the purchase price, that cash consideration will be paid on the day following completion and the Vendor acknowledges that it intends to elect to take the purchase price in the form of Units. The Purchaser must satisfy the purchase to the Vendor by way of payment in cash or the issue of units (at the election of the Vendor).

Adjustment of rent

The Cranbourne Purchase Agreement contains standard adjustments clauses where by the Vendor is entitled to the rent up to and including the completion date, and the Purchaser is entitled to the rent on and from the day after completion. The Purchaser is also entitled to an adjustment in their favour at completion for any outstanding incentives payable to tenants.

Warranties

Cranbourne Purchase Agreement contains certain warranties in respect of the property for the benefit of the Purchaser. These include (amongst others) warranties as to title, capacity and litigation.

Bank Guarantees

The Cranbourne Purchase Agreement states that the Vendor will, at completion, deliver to the Purchaser any bank guarantees provided by tenants of the Property that are current. To the extent legally able, the Vendor assigns the benefit of such bank guarantees to the Purchaser, the Vendor must hold the benefit of any bank guarantees for the Purchaser (with any costs to be borne by the Purchaser).

13.5.5 BBJ Thompsons Road Unit Trust – JD Marnabeck

Overview

Under a unit sale agreement between the Responsible Entity ("Buyer"), JD Marnabeck Pty Limited as trustee of the JD Marnabeck Trust ("Seller") and BBJ Thompsons Road Pty Limited as trustee of the BBJ Thompsons Road Unit Trust, the Fund has agreed to acquire 50% of the units in the BBJ Thompsons Road Unit Trust ("BBJ (Marnabeck) Purchase Agreement"). The remaining 50% of the units in the BBJ Thompsons Road Unit Trust will be acquired by the Fund pursuant to the BBJ (Cranbourne) Purchase Agreement referred to below.

The purchase price under the BBJ (Marnabeck) Purchase Agreement is calculated as being the highest of:

- the aggregate of the following amounts:
  - $19,050,000 less 50% of any bank debt that remains unsatisfied as at completion of the BBJ (Marnabeck) Purchase Agreement; plus
  - 50% of the cash in bank of the BBJ Thompsons Road Unit Trust as at completion of the BBJ (Marnabeck) Purchase Agreement; plus
  - 50% of an agreed lease payment in respect of the property held through the BBJ Thompsons Road Unit Trust (to the extent not already received); and
- the amount that the Buyer agrees to pay for the balance 50% of the Units in the BBJ Thompsons Road Unit Trust under the BBJ (Cranbourne) Purchase Agreement; and
- $14,366,000.

The Buyer must satisfy the purchase price by way of payment or issue of Units in the Fund (as applicable) to the Seller at Completion.

Conditions Precedent

The sale and purchase of the sale units is conditional on the satisfaction of a number of conditions including:

- prior to completion, the Buyer giving each Seller for a period of not less than 14 days access to an election portal facility pursuant to which each Seller can elect to receive Units in consideration of some or all of the purchase price in respect of its sale units being sold to the Buyer;
- the registration of the Fund as a managed investment scheme, listing on the ASX and the issue and allotment of units in the Fund; and
- the ATO confirming through provision of a final ruling or draft ruling or other written communication, that to the extent that the Sellers wish to accept consideration in the form of subscription to units in the Fund, capital gains tax rollover relief can be obtained for eligible sellers.

Warranties

The BBJ (Marnabeck) Purchase Agreement contains certain warranties given by the Seller and BBJ Thompsons Road Pty Limited as trustee of the BBJ Thompsons Road Unit Trust. These include warranties as to title, capacity and ownership.

Completion

Completion will occur on the date on which the last of the conditions precent to the BBJ (Marnabeck) Purchase Agreement is satisfied.

13.5.6 BBJ Thompsons Road Unit Trust – Cranbourne

Overview

Under a unit sale agreement between the Responsible Entity ("Buyer"), Cranbourne Pty Ltd as trustee of the Cranbourne Unit Trust ("Seller") and BBJ Thompsons Road Pty Limited as trustee of the BBJ Thompsons Road Unit Trust, the Fund has agreed to acquire 50% of the Units in the BBJ Thompsons Road Unit Trust ("BBJ (Cranbourne) Purchase Agreement").

Terms

The terms of the BBJ (Cranbourne) Purchase Agreement are substantially identical to the BBJ (Marnabeck) Purchase Agreement.

13.6 KOTARA HOME CALL OPTION AND PRE-EMPTIVE DEED

BB Retail Capital Pty Ltd as trustee of the Blundy Family Trust ("Kotara North Owner"), Kotara Homemaker Centre Pty Ltd as trustee of the BB Retail Property Unit Trust No. 2 ("Kotara South Owner") and the Responsible Entity have entered into a Call Option and Pre-emptive Deed, under which:

- the Kotara South Owner grants the Kotara North Owner a call option for the Kotara North Owner (or its nominee) to acquire the property known as Kotara Home (South) ("Call Option"); and
- the Kotara North Owner and the Kotara South Owner have each granted the other (or their respective nominees) reciprocal pre-emptive rights in the event that either of them wishes to sell their respective Kotara properties (being Kotara Home (South) in the case of the Fund and the property known as Kotara Home (North) in the case of the Kotara North Owner) ("Pre-emption Right").

Call Option

Where, as a result of a vote of the unitholders in the Fund, there is a change of the responsible entity of the Fund to an entity who is not a member of Aventus Property Group ("Call Option Event") the following process will apply:

- Kotara North Owner may require a valuation to be conducted on Kotara Home (South), with two independent valuers to be appointed by each of the Kotara North Owner and the new Responsible Entity, respectively;
- the purchase price for Kotara Home (South) will be the average of the two valuations; and
- upon receipt of those valuations, Kotara North Owner may exercise the Call Option and purchase Kotara Home (South) for the relevant purchase price so determined.

Pre-emption Right

Under the Pre-emption Right, where an owner wishes to deal with their Kotara property, it must give notice to the other owner of the proposed sale terms which will constitute an offer to the relevant recipient (or its nominee) to acquire the selling owner's Kotara property. The owner (or its nominee) will have 40 days to accept those sale terms. If the offer is not accepted, then the owner selling its Kotara asset may sell to another third party within six months on terms and at a price that are no more favourable to the proposed purchaser than the terms offered under the Pre-emption Right.

13.7 FUND CONSTITUTION

The Fund Constitution sets out the rights of the holders of Units and it binds the Responsible Entity and the holders of Units. A general summary of some of the important features and rights attaching to the Units and other key provisions of the Fund Constitution is set out below. This summary is not intended to be exhaustive and is qualified by the terms of the Fund Constitution, the Corporations Act, the ASX Listing Rules and the general law.

You can inspect a copy of the Fund Constitution at the offices of the Responsible Entity between 9:00am and 5:00pm (AEST) on Business Days in Sydney, New South Wales or request a free copy by contacting the Compliance Officer on +61 2 8277 0000.

13.7.1 Unitholder voting

Subject to the Fund Constitution, and any rights or restrictions attached to any class or classes of Units, on a show of hands each Unitholder (and each proxy, attorney or representative) has one vote, and on a poll, each Unitholder (and each proxy, attorney or representative) has one vote for each dollar value of Units held. Voting at a general meeting is by a show of hands unless a poll is effectively demanded.

13.7.2 General meetings

The Responsible Entity may convene and arrange to hold a general meeting of the Fund whenever it thinks fit and must do so if required under the Corporations Act. Each Unitholder will receive notice of general meetings and be entitled to attend and vote at any general meeting in accordance with the Corporations Act. Currently under the Corporations Act, a notice of a general meeting of Unitholders must be provided to the Unitholders at least 21 days before the meeting.

13.7.3 Issues of Units

Subject to the Corporations Act, the ASX Listing Rules and any special rights conferred on the holders of any Units or class of Units, the Responsible Entity may:

- issue Units in the Fund; and
- grant options over unissued Units in the Fund.

Units issued pursuant to the Offer will be issued at an issue price of $2.00. Thereafter further Units can be issued by the Responsible Entity at an issue price determined by it.

13.7.4 Transfer of Units

Subject to the Fund Constitution and ASX Listing Rules, a Unit in the Fund is transferable as provided by the operating rules of the relevant clearing settlement facility or by any other method of transfer which is required or permitted by the Corporations Act and ASX.

13.7.5 Distributions

Subject to the Fund Constitution and the terms of issue or rights of any Units with special rights to Distributions, Responsible Entity may determine that a Distribution is payable, fix the amount and the time for payment and authorise the payment to each entitled Unitholder.

Money available for Distribution by the Fund by way of Distribution shall be divided among the Unitholders so that, on each occasion on which the Distribution is paid, the same sum is paid on each fully paid Unit and the sum paid on a Unit which is not fully paid is a prorated amount being the proportion of the amount paid up as against the total amounts payable.

The Responsible Entity may deduct from any Distribution payable to a Unitholder any sums presently payable by that Unitholder to the Fund on account of calls or otherwise in relation to Units in the Fund.

The Fund's distribution policy is summarised in Section 2.9.

13.7.6 Responsible Entity's Fees

For so long as OMIFL is responsible entity of the Fund, it is entitled to the following fees out of the asset of the Fund:

OMIFL will be entitled to a custody fee of 0.02% per annum on the first $250 million of GAV and 0.01% per annum thereafter, subject to a minimum monthly fee of $2,000 in connection with the provision of custody services to the Fund.

Following the retirement or removal of OMIFL as responsible entity of the Fund, the new responsible entity is entitled to receive a fee of equal to the aggregate of:

- 0.6% per annum for GAV up to (and including) $2.0 billion; and
- 0.5% per annum for GAV in excess of $2.0 billion.

13.7.7 Winding up

If the Fund is wound up, the Responsible Entity must realise the assets of the Fund and subject to any special rights or restrictions attached to any Unit, distribute the net proceeds of realisation among the Unitholders pro rata in accordance with the paid-up proportion of Units held by Unitholders.

13.7.8 Small holdings

The Responsible Entity may in its discretion from time to time sell or redeem any Units held by a Unitholder without request by the Unitholder where the Units held by a Unitholder comprise less than a marketable parcel as provided in the ASX Listing Rules. The Responsible Entity may only sell or redeem Units on one occasion in any 12 month period. This right only arises if the Unitholder is given at least six weeks' notice of the Responsible Entity's intention and does not, in that period, tell the Responsible Entity that the Unitholder wishes to retain the Units.

13.8 OFFER MANAGEMENT AGREEMENT

Offer Management Agreement

The Offer is being managed by the Lead Manager pursuant to an offer management agreement dated 30 September 2015 and entered into between the Responsible Entity, Aventus Property Group Pty Ltd and the Lead Manager ("Offer Management Agreement"). Under the Offer Management Agreement, the Lead Manager has agreed to arrange and manage the Offer.

For the purpose of this section, "Offer Documents" means the documents issued or published by, or on behalf of, the Responsible Entity and the Fund and with their prior approval in respect of the Offer, and in a form approved by the Lead Manager including:

- the pathfinder version of this PDS and any document which supplements or replaces the pathfinder (including any addendum to the pathfinder);

- any cover email, including an appropriate cautionary legend, sent to eligible Institutional Investors in Australia and New Zealand and other agreed foreign jurisdictions, the Co-Lead Manager and Co-Managers with a link to or attaching the pathfinder in connection with the Institutional Offer and bookbuild; and
- any investor presentation, roadshow presentation or marketing presentation and/or ASX announcement(s) used in connection with the Institutional Offer or the Broker Firm Offer (including any addendum to those presentations and any draft of such documents used for roadshow purposes prior to the lodgement date).

Commissions, fees and expenses

The Responsible Entity has agreed to pay the Lead Manager a fee of up to 2.25% of the funds raised under the Offer (excluding any Units subscribed for by Existing Management or Aventus Property Group and the funds raised under the Priority Offer up to $35 million). The fee will become payable by the Responsible Entity on the date of settlement of the Offer.

In addition to the fee described above, the Responsible Entity will reimburse the Lead Manager for certain other agreed costs and expenses incurred by the Lead Manager in relation to the Offer.

Termination events

The Lead Manager may terminate the Offer Management Agreement at any time after the date of the Offer Management Agreement until 2:00pm of the date of settlement of the Offer (without any cost or liability by notice to the Responsible Entity), if any of the following events occur:

- in the Lead Manager's reasonable opinion, a statement in any of the Offer Documents or public information is or becomes misleading or deceptive or is likely to mislead or deceive, or a matter required to be included is omitted from a PDS;
- there occurs a new circumstance that arises after the PDS is lodged that would have been required to be included in the PDS if it had arisen before lodgement;
- the Responsible Entity, in the reasonable opinion of the Lead Manager, is required to issue, a supplementary PDS to comply with section 1016E of the Corporations Act;
- at any time the S&P/ASX 300 or S&P/ASX 300 A-REIT Index falls to a level that is 90% or less of the level as at 5:00pm on the business day immediately preceding the Institutional Offer opening date ("Commencement Date") and is at or below that level at the close of trading:
  - for two consecutive business days during any time after the Commencement Date; or
  - on the business day immediately prior to, either, the settlement date;
- any of the escrow deeds are withdrawn, varied, terminated, rescinded, altered or amended, breached or failed to be complied with;
- any forecast (including without limitation any financial forecast) that appears in the Offer Document is, or becomes (in the reasonable opinion of the Lead Manager) incapable of being met within the relevant forecast period;
- the Responsible Entity or any of its respective directors or officers (as those terms are defined in the Corporations Act) are engaging in, or have engaged, in any fraudulent conduct or activity whether or not in connection with the Offer;
- approval is refused or not granted, or approval is granted subject to conditions other than customary conditions, to:
  - the Fund's admission to the Official List of ASX on or before the date of listing approval is granted;
  - the quotation of the Units on ASX or for the Units to be traded settled through CHESS on or before the quotation date; or
  - if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld or ASX indicates to the Responsible Entity that approval is likely to be withdrawn, qualified (other than by customary conditions) or withheld;
- any of the following notifications are made in respect of the Offer:
  - ASIC issues an order (including an interim order) under section 1020E of the Corporations Act and any such order becomes public and is not withdrawn within two Business Days of when it is made, or if it is made within two Business Days of the settlement date, it has not been withdrawn by the settlement date;
  - ASIC holds a hearing under section 1020E(4) of the Corporations Act;
  - an application is made by ASIC for an order under Part 9.5 in relation to the Offer or a PDS, or ASIC commences any investigation or hearing under Part 3 of the ASIC Act in relation to the Offer or a PDS and any such application, inquiry or hearing becomes public and is not withdrawn within two Business Days of when it is made, or if it is made within two Business Days of the settlement date, it has not been withdrawn by the settlement date;
  - any person (other than the Lead Manager) who has previously consented to the inclusion of its name in any PDS withdraws that consent;
- the Responsible Entity does not provide a closing certificate as and when required by the Offer Management Agreement;
- *if any of the obligations of the relevant parties under any of the material contracts (referred to in Section 13 of this PDS) are not capable of being performed in accordance with their terms (in the reasonable opinion of the Lead Manager) or if all or any part of any of such contracts:
  - is amended or varied without the consent of the Lead Manager (acting reasonably);
  - is terminated;
  - is breached;
  - ceases to have effect, otherwise than in accordance with its terms; or
  - is or becomes void, voidable, illegal, invalid or unenforceable or of limited force or effect (other than by reason only of a party waiving any of its rights) or capable of being terminated, rescinded or avoided, or its performance is or becomes illegal;

- the Responsible Entity withdraws a PDS or the Offer;
- any member of Aventus Property Group becomes insolvent, or there is an act or omission which is likely to result in a member of Aventus Property Group becoming insolvent;
- an event specified in the timetable up to and including the settlement date is delayed by more than two Business Days (other than any delay agreed between the Responsible Entity and the Lead Manager);
- the Responsible Entity breaches, or defaults under, any provision, undertaking, covenant or ratio of a material debt or financing arrangement or any related documentation to which that entity is a party which has, or may have, a material adverse effect on the Group;
- there occurs:
  - an event of default;
  - a review event which gives a lender or financier the right to accelerate or requirement repayment of the debt or financing; or
  - other similar event,

  under or with respect to any such debt or financing arrangement or related documentation;
- the Responsible Entity:
  - alters the issued capital of the Fund or any other members of Aventus Property Group; or
  - disposes or attempts to dispose of a substantial part (directly or indirectly) of the business or property of the Fund or a member of Aventus Property Group;

  without the prior written consent of the Lead Manager;
- the Responsible Entity is prevented from allotting and issuing the Units within the time required by the PDS, the ASX Listing Rules, by applicable laws, an order of a court of competent jurisdiction or a governmental authority;
- if a regulatory body withdraws, revokes or in any material respect amends any regulatory approvals required for the Responsible Entity to perform its obligations under this agreement or to carry out the transactions contemplated by the Offer Documents;
- there is an event or occurrence, including any statute, order, rule, regulation, directive or request (including one compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any governmental agency which makes it illegal for the Lead Manager to satisfy an obligation under this agreement, or to market, promote or settle the Offer;
- *a change in the board of Directors occur or a person specifically referenced in Section 5.4 of this PDS vacates his office;
- any of the following occur:
  - Directors or directors or proposed directors of Aventus Capital Limited named in the pathfinder or the PDS, or the Chief Executive Officer or Chief Financial Officer and Fund Manager, is charged with an indictable offence;
  - any governmental agency charges or commences any court proceedings or public action against the Responsible Entity, the Manager or the guarantor, or any of their respective directors or announces that it intends to take action; or
  - any director of the Responsible Entity, the Manager or the guarantor is disqualified from managing a corporation under Part 2D.6;
- *the due diligence report or verification material or any other information supplied by or on behalf of the Responsible Entity to the Lead Manager in relation to the group, the Offer is (or is likely to), or becomes (or becomes likely to be), misleading or deceptive, including by way of omission;
- *any adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of the Fund and the group (insofar as the position in relation to an entity in the group affects the overall position of the Fund), including any adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Fund or the group from those respectively disclosed in any PDS or the public information;
- *there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia, New Zealand, the United States, Canada, the United Kingdom, Japan, Hong Kong or any member state of the European Union or any State or Territory of Australia a new law, or the Reserve Bank of Australia or New Zealand, or any Commonwealth or State authority, including ASIC, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of this Offer Management Agreement);
- *any AFSL, or other licence, approval or permit required by the Responsible Entity to perform its business as responsible entity of the Fund is terminated, rescinded or withdrawn or otherwise amended or varied in manner that materially impedes the Responsible Entity's ability to discharge its obligations under this Offer Management Agreement and/or to the Fund;
- *a representation, warranty or undertaking or obligation contained in this Offer Management Agreement on the part of the Responsible Entity is breached, becomes not true or correct or is not performed;
- *the Responsible Entity defaults on any of its obligations under this Offer Management Agreement;
- the Fund's Constitution is varied without the prior written consent of the Lead Manager;
- *hostilities not presently existing commence (whether war has been declared or not) or an escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, China, Indonesia, Hong Kong, New Zealand, Singapore, the United Kingdom, Canada, Japan, North Korea, South Korea, Israel, Syria, Russia any member state of the European Union or the United States, or a major terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries;
- *a statement in any Closing Certificate is false, misleading, inaccurate or untrue or incorrect; and

- *any of the following occurs:
  - a general moratorium on commercial banking activities in Australia, Hong Kong, China, Japan, Singapore, Canada, the United Kingdom, a member state of the European Union or the United States is declared by the relevant central banking authority in those countries, or there is a disruption in commercial banking or security settlement or clearance services in any of those countries;
  - any adverse effect on the financial markets in Australia, Japan, China, Canada, Singapore, Hong Kong, a member state of the European Union, the United Kingdom or the United States, or in foreign exchange rates or any development involving a prospective change in political, financial or economic conditions in any of those countries; or
  - trading in all securities quoted or listed on ASX, New York Stock Exchange the London Stock Exchange, Tokyo Stock Exchange or Hong Kong Stock Exchange is suspended or limited in a material respect for at least one day (or a substantial part of one day) on which that exchange is open for trading.

Termination events subject to materiality

If an event referred to above marked with an asterisk (*) occurs, the Lead Manager may not terminate unless it has reasonable grounds to believe that the event:

- has or is likely to have a materially adverse effect on:
  - the success or settlement or marketing of the Offer or on the ability of the Lead Manager to market or promote or settle the Offer or on the likely price at which the Units will trade on ASX; or
  - the willingness of investors to subscribe for the Units;
- will, or is likely to, give rise to a liability of the Lead Manager under, or result in, a contravention by the Lead Manager or its affiliates of, or the Lead Manager or its affiliates being involved in a contravention of, any applicable law.

Representations, warranties, undertakings and other terms

The Offer Management Agreement contains certain standard representations, warranties and undertakings by the Responsible Entity to the Lead Manager as well as common conditions precedent (including execution of the restructure documents, conducting due diligence, lodgement of the PDS, the entry into voluntary escrow deeds, and ASIC and ASX granting the waivers and necessary modifications to enable the Offer to proceed in accordance with the timetable).

The representations and warranties given by the Responsible Entity include, but are not limited to, matters such as the, power and authorisations, financial information, disclosure in this PDS and other public information, the conduct of the Offer and compliance with laws, ASX Listing Rules and other legally binding requirements. The Responsible Entity has also provided additional representations and warranties in connection with matters including, but not limited to, their assets, material contracts, litigation, eligibility for Completion, compliance with all applicable environmental laws, title to all real and personal property, no pending or threatened condemnation proceedings, no labour problem or dispute involving any of the employees and internal accounting controls.

The Responsible Entity's undertakings include that each will not, during the period following the date of the Offer Management Agreement until 120 days after Completion:

- issue, transfer or allot, or agree to issue, transfer or allot; or
- indicate in any way that it may or will issue, transfer or allot, or agree to issue, transfer or allot;

any units or other securities that are convertible or exchangeable into equity, or that represent the right to receive equity, of the Fund or any group member, or enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of securities of that type however settled, other than pursuant to the Offer, the Proposed Transaction, this Offer Management Agreement, an employee securities or option plan described in the pathfinder or the PDS, a non-underwritten dividend reinvestment or a bonus share plan described in the pathfinder or the PDS or a proposed transaction fully and fairly disclosed in the pathfinder or the PDS.

Indemnity

Subject to certain exclusions relating to among other things, fraud, wilful default or gross negligence of the Lead Manager and certain closely related parties, the Responsible Entity unconditionally and irrevocably indemnifies the Lead Manager and certain closely related parties against all losses suffered in connection with the Proposed Transaction.

13.9 DEBT FACILITIES

Commonwealth Bank of Australia, Australia and New Zealand Banking Group Limited, and National Australia Bank Limited (the "Lenders") have entered into facility agreement relating to secured three and five year revolving credit facilities (the "Debt Facilities"). The borrower under the Debt Facilities will initially be the Fund.

13.9.1 Key features

The Debt Facilities are provided under two tranches, facility A and facility B, the key features of which are as follows:

	Facility A	Facility B
Type of facility	Revolving cash advance facility	Revolving cash advance facility
Amount*	A$200,000,000	A$200,000,000
Term	5 years	3 years
Repayment	Interest only with a lump sum payment of all amounts outstanding at the end of the term.	As per facility A
Purpose	To fund the acquisition of certain initial properties; to assist with the refinance of existing debt facilities in connection with the IPO; to pay for related financing and IPO transaction fees, costs and expenses; and for working capital, real estate investment and general corporate purposes from time to time, including for the purposes of funding capital expenditure, real estate investments and acquisitions.	As per facility A

* An additional tranche of up to A$100,000,000 may be added in the future subject to the satisfaction of certain conditions. No commitment is provided by the banks for this additional tranche and there is no certainty that it will be available.

13.9.2 Guarantees

The Debt Facilities will be guaranteed by the Fund, and certain Participating Assets and their trustees (each a "Guarantor").

13.9.3 Security

The security from the Fund and the Guarantors will include a first ranking real property mortgage in respect of each property in the Portfolio, first ranking general security deed over all the assets of the Guarantors and a first ranking specific security deed over all shares and units held by the Guarantors, in each case as security for their obligations under the Debt Facilities. Aventus Capital Limited will provide a limited recourse share mortgage over shares held by it in the trustees of certain of the Participating Assets.

13.9.4 Interest rate and payments

The Debt Facilities will attract a variable rate of interest, comprising the applicable base rate for borrowings in Australian dollars (BBSY) plus a margin.

Interest will be payable on the last day of each interest period by reference to one, two, three or six month periods, as selected by the borrower or any other period agreed between the borrower and the facilities agent. A default interest rate will be payable on overdue amounts.

13.9.5 Facility Fees

Fees payable in connection with the Debt Facilities are market for facilities of this type and include the following:

- an establishment fee payable on or before Financial Close;
- a commitment fee on the undrawn facility limit payable quarterly in arrears from Financial Close until the last day of the availability period for the Debt Facilities; and
- agency and security trustee fees.

13.9.6 Financial covenants

The Debt Facilities will include an interest cover ratio, a loan to value ratio and a total liabilities to total tangible assets ratio. Each ratio will apply at all times. Each ratio will be tested semi-annually.

A breach of a financial covenant will be an event of default under the Debt Facilities.

13.9.7 Other covenants and representations and warranties

The Debt Facilities will include affirmative and negative covenants which are usual for facilities of their nature, including the following:

- provision of financial statements to the Lenders;
- provision of currency tenancy schedules;
- provision of valuations acceptable to the lenders;
- negative pledge;
- compliance with agreed interest rate hedging policy;
- requirement to maintain insurances;
- restrictions on providing financial accommodation, making acquisitions, making disposals and making distributions in each case other than as permitted;
- a regime in respect of (and including termination of) material documents such as property, asset and /or funds management agreements; and
- a change in the ownership of the trustee of certain of the Participating Assets.

The Debt Facilities will also include representations and warranties usual for facilities of its nature.

13.9.8 Events of Default

The Debt Facilities will contain certain events of default which are usual for facilities of their nature.

13.9.9 Review Event

A review event will occur under the Debt Facilities where:

- any person acquires, directly or indirectly, the beneficial ownership of more than 50% of the ordinary voting power or voting Units in the Fund;
- the Fund is delisted or suspended for a consecutive period of 10 business days or more (for reasons other than there being an imminent announcement of major acquisition or merger transaction);
- there is a change of control of the responsible entity of the Fund or there is a change to the responsible entity of the Fund (but not including a change in responsible entity from OMIFL to Aventus Capital Limited) or;
- there is a change in the persons control, or one or more persons acquire control of, the Manager or the trustee of a trust (other than the Fund)

13.9.10 Optional prepayment

A permanent voluntary prepayment of the Debt Facilities in whole or in part will be permitted on three business days' notice but if in part in a minimum amount and in multiples of $500,000.

13.10 VOLUNTARY ESCROW DEED

Entities associated with Brett Blundy and Darren Holland have entered into a voluntary escrow deed in relation to all of the Units issued to those entities in connection with the implementation of the Proposed Transaction (and, in the case of entities associated with Brett Blundy, any Units acquired under the Offer). Entities associated with Bruce Carter have entered into a voluntary escrow deed in relation to any Units acquired under the Offer. Under each voluntary escrow deed, the relevant Escrowed Unitholder agrees, subject to certain limited exceptions, not to deal in those Units from completion of the Offer until:

- in respect of 50% of the Escrowed Units held by the Escrowed Unitholder at completion of the Offer, after the announcement of the Fund's audited financial results for the year ending 30 June 2016.
- in respect of the remaining 50% of the Escrowed Units held by the Escrowed Unitholder after the announcement of the Fund's audited financial results for the half year ending 31 December 2016, provided however that the Escrowed Unitholders may be released, early from the escrow obligations in respect of the remaining 50% of Escrowed Units if both of the following conditions are satisfied:
  - the Fund's audited financial results for the year ending 30 June 2016 have been released to ASX; and
  - the volume-weighted average Unit price (Company VWAP) for any period of 10 consecutive trading days occurring after the release of those financial results, exceeds the Offer Price by at least 15%.

The restriction on dealing is broadly defined and includes, among other things, selling, transferring or otherwise disposing of any interest in the Units, encumbering or granting a security interest over the Units, doing, or omitting to do, any act where the act or omission would have the effect of transferring effective ownership or control of any the Units or agreeing to do any of those things.

Any of the Escrowed Unitholders may be released early from these escrow obligations to enable:

- the Escrowed Unitholder to accept an offer under a takeover bid in relation to its Units if holders of at least half of the Units the subject of the bid that are not escrowed have accepted the takeover bid; and
- the Units held by the Escrowed Unitholder to be transferred or redeemed as part of a trust scheme approved by Unitholders.

Summary of escrow arrangements

	Number of Escrowed Units (on completion of the Offer)	Escrowed Units (as a % of Units on issue on completion of the Offer)
Entities associated with Brett Blundy[1]	115,248,640	33.6%
Entities associated with Darren Holland	1,597,294	0.5%
Entities associated with Bruce Carter	263,939	0.1%
Total	**117,109,873**	**34.1%**

1. Including up to 12.5 million Units to be subscribed for by entities associated with Brett Blundy under the Offer.

14

// ADDITIONAL INFORMATION

14.1 ASX WAIVERS AND CONFIRMATIONS

The following in principle confirmations and waivers have been sought from ASX:

- Confirmation that the structure of the Fund is appropriate for a listed entity for the purposes of ASX Listing Rule 1.1 (condition 1);
- Confirmation that the Fund has a substantial portion of its assets that are tangible assets or assets with a readily ascertainable value such that the restrictions in Appendix 9B should not apply;
- Waiver from ASX Listing Rules 7.1 and 10.11 to enable the responsible entity for the Fund to issue Units to the Manager lieu of performance fees;
- Waiver from ASX Listing Rule 10.1 in relation to the proposed arrangements under the Kotara Call Option and Pre-emptive Deed; and
- Confirmation that ASX will grant a conditional market in respect of the Units.

14.2 ASIC RELIEF

The following modifications of the Corporations Act have been sought from ASIC:

- Modification of section 609 of the Corporations Act so that the takeover provisions of the Corporations Act will not apply to certain relevant interests that the Responsible Entity would otherwise acquire in the Units to be issued to Existing Management by reason of the voluntary escrow arrangements in relation to those Units, as described in Section 13.9; and
- Modification of section 1020B(2) of the Corporations Act to allow Unitholders to sell Units on a conditional market

14.3 LITIGATION AND CLAIMS

Neither Aventus Capital Limited, OMIFL nor the Fund is a party to any current litigation material to the financial standing of Aventus Capital Limited, OMIFL or the Fund and the directors of Aventus Capital Limited and OMIFL have no such knowledge of any such potential litigation.

14.4 ENVIRONMENT AND ETHICAL CONSIDERATIONS

OMIFL as the responsible entity of the Fund and Aventus Property Group do not take into account labour standards or environmental, social or ethical considerations for the purpose of selecting, retaining or authorising investments for the Fund. Environmental factors are addressed as part of normal property due diligence.

14.5 COMPLAINTS

OMIFL has procedures in place to properly consider and deal with any complaints received in accordance with clause 18 of the Constitution of the Fund. OMIFL will acknowledge a complaint, investigate it and decide what action needs to be taken. OMIFL will notify a complainant of its decision together with any remedies that are available under the constitution of the Fund or other avenues of redress or appeal.

If you have a complaint in relation to the Fund, please contact the Compliance Officer at Level 11, 20 Hunter Street, Sydney, New South Wales 2000. OMIFL will ensure that the complaint receives proper consideration and will communicate with the complainant as soon as possible (and in any event within 45 days after receipt of the complaint).

If your complaint is not resolved within 45 days, you may have the right to complain to the Financial Ombudsman Service Limited (FOS). The FOS's contact details are:

Financial Ombudsman Service Limited
GPO Box 3
Melbourne VIC 3001
Telephone: 1300 780 808
Email: info@fos.org.au

If you are after investment advice you should contact your financial adviser.

14.6 CONSENTS

The persons listed in the table below have given and have not, before the lodgement of this PDS with ASIC, withdrawn their written consent to:

- Be named in this PDS in the form and context in which they are named;
- The inclusion of their respective reports or statements noted next to their names and the references to those reports or statements in the form and context in which they are included in this PDS; and
- The inclusion of other statements in this PDS which are based on or referable to statements made in those reports or statements, or which are based on or referable to other statements made by those persons in the form and context in which they are included:

Name of Person	Named as	Report or Statement
Ernst & Young Transaction Advisory Services Limited	Investigating Accountant	Independent Limited Assurance Report set out in Section 7
Macquarie Capital (Australia) Limited	Lead Manager	Not applicable
Morgans Financial Limited	Co-Lead Manager	Not applicable
Macquarie Equities Limited	Co-Manager	Not applicable
Taylor Collison Limited	Co-Manager	Not applicable
BIS Shrapnel	Independent Market Expert	Independent Market Report set out in Section 4
CBRE	Valuer	Valuation Summary set out in Section 8
Colliers	Valuer	Valuation Summary set out in Section 8
Knight Frank	Valuer	Valuation Summary set out in Section 8
Jones Lang LaSalle	Valuer	Valuation Summary set out in Section 8
Herbert Smith Freehills	Legal Adviser	Not applicable
Ernst & Young	Tax Adviser and Auditor	Taxation Report set out in Section 10
Link Market Services Limited	Registry	Not applicable

None of the persons referred to above has made any statement that is included in this PDS or any statement on which this PDS is based, other than any statement or report included in this PDS with the consent of that person as specified above.

Each of the persons referred to above:

- has not authorised or caused the issue of this PDS, and makes no representation or warranty, express or implied, as to the fairness, accuracy or completeness of the information contained in this PDS; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in or omissions from this PDS other than references to its name or a statement or report included in this PDS with the consent of that person as specified above.

Each Director and each director of Aventus Capital Limited has given and has not, before lodgement of this PDS with ASIC, withdrawn their consent to be named in this PDS as a Director or a director of Aventus Capital Limited in the form and context in which they are named and for the statements made by and on behalf of them to be included in this PDS. Each Director as at the date of this PDS has consented to the lodgement of this PDS with ASIC.

14.7 COPIES OF DOCUMENTS

The following documents are available for inspection at the offices of the Responsible Entity between 9.00am and 5.00pm (AEST) on Business Days in Sydney, New South Wales. Alternatively, a copy of the following documents may be requested (to be provided free of charge) by contacting the Compliance Officer on +61 2 8277 0000:

- the Constitution;
- the Fund's compliance plan; and
- the Fund's policy regarding the exercise of discretions under the Constitution which affect Unit price calculations, valuation policy, and other matters.

14.8 PERSONAL INFORMATION

The Responsible Entity will take all reasonable steps to protect your personal information. The Responsible Entity will use your personal information for:

- processing your Application for Units;
- administering the Fund (including calculation of entitlements and Distributions, and ownership and interests in Units); and
- any purpose related to the above purposes.

Your personal information may be disclosed to related entities of the Responsible Entity and any organisation (such as an accountant or auditor) involved with the administration of the Fund for any of the above purposes.

The provision of the personal information requested is needed to allow your Application to be processed. By completing the Application Form, you consent, for the purposes of the Spam Act 2003 (Cwlth) to receiving commercial e-mails from the Responsible Entity, related entities of the Responsible Entity or any other entity involved with the administration of the Fund.

You can get access to and correct the personal information about you that the Responsible Entity holds or a copy of the Responsible Entity's privacy policy by contacting its Compliance Officer on +61 2 8277 0000.

14.9 PROPOSED CHANGE OF RESPONSIBLE ENTITY

14.9.1 Replacement of OMIFL as Responsible Entity

It is proposed that OMIFL act as Responsible Entity for the Fund until Aventus Capital Limited obtains an AFSL and Completion has occurred that will permit it to act as the responsible entity. Aventus Capital Limited cannot act as the responsible entity until it obtains an AFSL.

OMIFL holds an AFSL and is able to act as responsible entity for the Fund.

14.9.2 Risks of Change of Responsible Entity

Aventus Capital Limited anticipates that it will obtain the required AFSL within 12 months after the date of this PDS. However, there is a risk that Aventus Capital Limited's AFSL application will be delayed or refused. In that case, OMIFL would continue to act as the responsible entity of the Fund in accordance with the constitution of the Fund and Corporations Act.

Unitholders themselves may at any time call a meeting to vote and remove the responsible entity and choose a new responsible entity. In each case the resolution must be passed by greater than 50% of the votes cast by Unitholders entitled to vote on the resolution if the Fund is listed, or 75% of total votes that may be cast if the Fund is not listed.

As set out in Section 13.1 of this PDS, it is proposed that Aventus Property Group will provide certain management services to the Responsible Entity. This will ensure that there is a substantial continuity in operation of the Fund.

The fees, costs and expenses relating to OMIFL as responsible entity, and the fees, costs and expenses relating to a subsequent responsible entity (including, if appointed, Aventus Capital Limited) are set out in Section 12.

15

// GLOSSARY

THE GOOD GUYS
Repco
fernwood
Lincraft
Where ideas come to life.
FANTASTIC
FURNITURE
peninsula
Home
Bedshed
THE GOOD GUYS
Lincraft
Harvey Norman
BestFriends
HOWARDS STORAGE WORLD
petstock
P
ATM

Term	Meaning
$** or **A$ or **cents**	Australian currency
1H17	Six months ending 31 December 2016
AASB	Australian Accounting Standards Board
ABN	Australian Business Number
Acquired Assets	Sunshine Coast Home (to be acquired by Aventus Sunshine Coast Unit Trust), Tuggerah Super Centre (to be acquired by Aventus Tuggerah Unit Trust) and the units in the Mile End Trust, being the owner of the Mile End Property, known as Mile End Stage 3.
Acquisition Agreements	The Acquisition Agreements between the relevant vendors and the Responsible Entity (and others, as applicable) in respect of the acquisitions of Acquired Assets and Participating Assets
AEST	Australian Eastern Standard Time
AFSL	Australian Financial Services Licence as issued under the Corporations Act
Applicant(s)	A person who has applied for Units under this PDS
Application(s)	An application for Units under the Offer described in this PDS
Application Form	Each of the paper and electronic application forms attached to, or accompanying, this PDS by which an Application may be made
Application Monies	The monies paid by an Applicant to apply for Units under this PDS
ARSN	Australian Registered Scheme Number
ASIC	Australian Securities and Investment Commission
ASX	ASX Limited (ABN 98 008 624 691) or the financial market operated by the company (whichever the context requires)
ASX Listing Rules	The official listing rules of ASX as modified from time to time by any express written confirmation, waiver or exemption given by ASX
ASX Settlement Rules	The settlement and operating rules of ASX Settlement
Auditor	Ernst & Young
Australian Accounting Standards or **AAS**	The Australian Accounting Standards and other authoritative announcements issued by the AASB
Aventus Property Group	Aventus Property Group Pty Limited and its subsidiaries
BBJ Thompson Road Unit Sale Agreement	The unit sale agreement between the Responsible Entity, JD Marnabeck Pty Ltd as trustee for the JD Marnabeck Trust and BBJ Thompsons Road Pty Ltd as trustee for the BBJ Thompsons Road Unit Trust and the unit sale agreement between the Responsible Entity, Cranbourne Pty Ltd as trustee of Cranbourne Unit Trust and BBJ Thompsons Road Pty Ltd as trustee of the BBJ Thompsons Road Unit Trust as described in Sections 13.5.5 and 13.5.6
Base Fee	The fee payable to the Manager pursuant to the Management Services Agreement as outlined in Section 13.1
BBRC Property	Comprises BBRC Funds Management Pty Limited (ACN 117 904 275) and BBRC Property Management Pty Limited (ACN 151 410 089)
BIS Shrapnel	BIS Shrapnel Pty Limited

Term	Meaning
Board	The Directors of OMIFL
BPAY®	Registered trading name of BPAY Pty Limited (ABN 69 079 137 518)
Broker(s)	Each broker appointed by the Lead Manager to act as a participating broker to the Broker Firm Offer
Broker Firm Offer	The Offer of Units under this PDS to eligible investors who have received a firm allocation from their broker described in Section 9.6
Business Day(s)	A day other than a Saturday or Sunday on which trading banks are open for general banking business in Sydney and Melbourne and the ASX is conducting trading in Sydney and Melbourne
Capitalisation Rate(s) or **Cap Rate(s)**	The return of a property or portfolio of properties calculated by dividing the level of Net Operating Income of that property or portfolio by the assessed independent valuation of that property or portfolio
CBRE	CBRE Valuations Pty Limited
CHESS	Clearing House Electronic Subregister System
Class Ruling	A Class Ruling from the ATO covering the position where the Existing Investors elect to receive Units in the Fund as part of the Proposed Transaction. The Class Ruling sets out the class of investor that may be entitled to benefit from CGT rollover relief
Colliers	Colliers International (WA) Pty Limited
Co-Lead Manager	Morgans Financial Limited
Co-Managers	Macquarie Equities Limited and Taylor Collison Limited
Completion	The completion of the issue of Units pursuant to the Offer under the Offer Management Agreement and implementation of the Proposed Transaction
Corporations Act	Corporations Act 2001 (Cth)
CPI	The All Groups Consumer Price Index, as issued by the Australian Bureau of Statistics as a general indicator of the rate of change in prices paid for consumer goods and services
Cranbourne Home Purchase Agreement	The agreement between BB Retail Capital Pty Ltd as trustee for the Blundy Family Trust, Coloskye Pty Ltd as trustee of the Allofus Trust and the Responsible Entity as described in Section 13.5.4
DA or **Development Approval**	A legal document that allows a party to undertake a development
Debt Facilities	The Fund's $400 million syndicated, secured facilities described in Section 13.9
Director(s)	A member of the Board of OMIFL
Distribution(s)	The amount payable to Unitholders by the Fund at the discretion of the Directors in accordance with the Fund Constitution
Distribution Yield(s)	The rate of return derived by dividing the Distribution per Unit by the Offer Price
DRP	Distribution reinvestment plan
Escrowed Unitholders	Entities associated with Brett Blundy, Darren Holland and Bruce Carter
Escrowed Units	The Units held by the Escrowed Unitholders that may not be sold during the Escrow Period as set out in the relevant Voluntary Escrow Deed, described in Section 13.10

Term	Meaning
Escrow Period	The period where Units in the Fund may not be sold by the Escrowed Unitholders, as set out in Section 13.10
Existing Investors	An investor in one or more of trusts forming part of the Participating Assets and Acquired Assets
Existing Management	Brett Blundy and Darren Holland
Exposure Period	The seven day period after the date of lodgement of this PDS with ASIC (or a further seven day period if determined by ASIC) in which the Corporations Act prohibits the Responsible Entity from processing Applications
FFO	A proxy for cash available for distribution, being net profit adjusted for non-cash items, and one-off and non-recurring items
Financial Close	The date on which completion occurs under the facility agreement relating to the Debt Facilities
FFO Yield	The rate of return derived by dividing the FFO per Unit by the Offer Price
Financial Information	The Pro Forma Historical Financial Information and Forecast Financial Information collectively
FIRB	Foreign Investment Review Board
Forecast Financial Information	The Pro Forma Forecast Financial Information and Forecast Financial Information collectively
Forecast Period	The period from 20 October 2015 to 31 December 2016
Fund	Aventus Retail Property Fund (ARSN 608 000 764)
Fund Constitution	The constitution of the Fund dated 28 July 2015, as amended
GAV or **gross asset value**	Gross asset value of the Fund's properties as determined in the Fund's Constitution
Gearing	The ratio of total borrowings less cash divided by total assets less cash
GLA or **Gross Lettable Area**	The total lettable floor area in square metres
GST	Goods and Services tax imposed under the A New Tax System (Goods and Services Tax) Act 1999 (Cth) and the related imposition of the Commonwealth of Australia
Implementation Pack	The document outlining the steps to be taken to implement the Proposed Transaction as described in Section 13.4
Independent Market Report	The report prepared by BIS Shrapnel outlined in Section 4
Independent Property Valuation	The valuations prepared by the relevant Valuer contained in Section 8
Institutional Investor(s)	A person to whom offers and issues of Units may lawfully be made without the need for disclosure under Part 7.9 of the Corporations Act or without any other lodgement, registration or approval with or by a government agency (other than one with which the Responsible Entity, in its absolute discretion, is willing to comply)
Institutional Offer	The Offer under this PDS to certain Institutional Investors to apply for Units described in Section 9.10
Initial public offering or **IPO**	Offer of Units under the Institutional Offer, Broker Firm Offer, and Priority Offer
Investigating Accountant	Ernst & Young Transaction Advisory Services Limited
Jones Lang LaSalle	Jones Lang LaSalle Advisory Services Pty Limited

Term	Meaning
Knight Frank	• in respect of Belrose Super Centre, Caringbah Home, Kotara Home (South) and Tuggerah Super Centre means Valuation Services (NSW) Pty Limited • in respect of Sunshine Coast Home means Valuation Services (QLD) Pty Limited
Kotara Call Option and Pre-emptive Deed	The agreement between BB Retail Capital Pty Ltd as trustee of the Blundy Family Trust, Kotara Homemaker Centre Pty Ltd as trustee of the BB Retail Property Trust No.2 and the Responsible Entity, as described in Section 13.6
Lead Manager	Macquarie Capital (Australia) Limited
Legal Adviser	Herbert Smith Freehills
Lenders	Comprises Commonwealth Bank of Australia, Australia and New Zealand Banking Group Limited and National Australia Bank Limited
LFR	Large format retail
Managed Investment Trust or **MIT**	A trust which is a managed investment trust as defined by section 12-400 of Schedule 1 of the Taxation Administration At 1953 (Cth)
Management Services Agreement	The Management Services Agreement between the Responsible Entity and the Manager outlined in Section 13.1
Manager	Aventus Funds Management Pty Limited (ACN 606 747 675))
Net Operating Income	The sum of the amounts payable by a tenant to the Fund under the terms of their lease and amounts received under the Rental Guarantees less any direct property expenses and outgoings for the Fund's Portfolio
Net Tangible Assets or **NTA**	Total assets less any liabilities and less any intangible assets
Offer	Offer of Units under the Institutional Offer, Broker Firm Offer and Priority Offer
Offer Information Line	1300 868 464 (within Australia) or +61 1300 868 464 (outside Australia) from 8:30am to 5:30pm (AEST) Monday to Friday
Offer Management Agreement	The Offer Management Agreement between the Responsible Entity, Aventus Property Group Pty Ltd and the Lead Manager date on or around 30 September 2015, as described in Section 13.8
Offer Period	The period from the date the Broker Firm Offer and Priority Offer open to the date Broker Firm Offer, and Priority Offer close
Offer Price	The price at which each Unit is issued under the Offer, which is $2.00 per Unit
Official List	Has the meaning given in the ASX Listing Rules
OMIFL or **Responsible Entity**	One Managed Investment Funds Limited as responsible entity of the Fund

Term	Meaning
Participating Assets	All assets comprised in the Portfolio other than Acquired Assets, being Cranbourne Home (to be acquired by Aventus Cranbourne Unit Trust) and units in the holding trust for each of the following assets: • Ballarat Home • Belrose Super Centre; • Caringbah Home; • Highlands Hub; • Jindalee Home; • Peninsula Home; • Cranbourne Expansion; • Mile End Home; • Midland Home; • Tweed Hub; and • Warners Bay Home. Note that Ballarat Home, Highlands Hub, Tweed Hub and Warners Bay Home will be acquired through acquisition of their head trust (BBRC Diversified Retail Fund).
PDS	This Product Disclosure Statement, dated 30 September 2015 in respect of the Offer
Performance Fee	The fee payable to the Manager pursuant to the Management Services Agreement as outlined in Section 13.1
Portfolio	14 LFR centres comprising 13 assets to be acquired as part of the acquisitions of Participating Assets and 3 assets to be acquired as part of the acquisitions of Acquired Assets. Mile End Home is described in this PDS as one property and comprises two asset acquisitions (including Mile End Stage 3) as part of the Portfolio Acquisitions. Cranbourne Home is described in this PDS as one property and comprises two asset acquisitions (including Cranbourne Expansion) as part the Portfolio Acquisitions
Portfolio Acquisitions	The acquisitions of the Participating Assets and Acquired Assets in accordance with the Implementation Pack and Acquisition Agreements
Priority Offer	The offer of Units under this PDS to selected Australian resident investors as described in Section 9.7
Pro Forma Balance Sheet	Pro forma historical consolidated balance sheet as at 30 June 2015, as set out in Section 6.4.1
Pro Forma Historical Financial Information	Pro forma historical Financial Information, as set out in Section 6.4
Pro Forma Forecast Financial Information	Pro forma forecast consolidated income statements for the period from 20 October 2015 to 30 June 2016, as set out in Section 6.3.1
Property Manager	Aventus Property Management Pty Limited (ACN 606 747 666)
Property and Development Management Agreement	The Property and Development Management Agreement between the Property Manager, the Responsible Entity and trustees of sub trusts of the Fund outlined in Section 13.2
Proposed Transaction	The completion of the Portfolio Acquisitions and issue of Units or payment of cash to Existing Investors and the vendors under the Acquisition Agreements and the Implementation Pack, in accordance with their elections
Registry	Link Market Services Limited (ABN 54 023 214 537)
Reimbursement Agreement	The agreement between Aventus Sunshine Coast Pty Ltd and Sunshine Coast Homemaker Pty Ltd as described in Section 13.5.1
REIT	Real Estate Investment Trust
Rental Guarantees	Arrangements agreed with vendors of certain assets in the Portfolio to provide rental support for certain vacancies as outlined in Section 13.3

Term	Meaning
Retail Investor	A person who is a resident of Australia and is not otherwise treated as an Institutional Investor or a person who is a sophisticated or professional investor resident in New Zealand and is not otherwise treated as an Institutional Investor
Statutory Forecast Financial Information	Forecast consolidated income statements for the period from 20 October 2015 to 30 June 2016 and the half year ending 31 December 2016 and the forecast distribution statements for the period from 20 October 2015 to 30 June 2016 and the half year ending 31 December 2016, as set out in Section 6.3
sqm	Square metres
Taxation Adviser	Ernst & Young
Unitholder(s)	Any person or entity who holds a Unit in the Fund
Unitholder Meeting	A meeting of all Unitholders to vote on matters as detailed in the Fund's Constitution
Unit(s)	An ordinary fully paid unit in the Fund
US Securities Act	United States Securities Act of 1933, as amended
Valuer(s)	CBRE, Colliers, Knight Frank and Jones Lang LaSalle
Voluntary Escrow Deed	The voluntary escrow deeds between the Responsible Entity and the Escrowed Unitholders as described in Section 13.10
WACR	Weighted average capitalisation rate
WALE	Weighted average lease expiry for a property or portfolio by gross rental income as at 30 June 2015
Website	The website in relation to the offer being www.aventusproperty.com.au

16. CORPORATE DIRECTORY

RESPONSIBLE ENTITY
One Managed Investment Funds Limited
ABN 47 117 400 987
AFSL 297042
Level 11
20 Hunter Street
Sydney NSW 2000

Aventus Property Group Pty Ltd
Level 14
71 Macquarie Street
Sydney NSW 2000
ABN 21 117 904 275

AVENTUS RETAIL PROPERTY FUND
ARSN 608 000 764

LEGAL ADVISER
Herbert Smith Freehills
ANZ Tower
161 Castlereagh Street
Sydney NSW 2000

TAXATION ADVISER
Ernst & Young
The EY Centre
680 George Street
Sydney NSW 2000

INVESTIGATING ACCOUNTANT
Ernst & Young Transaction Advisory Services Limited
The EY Centre
680 George Street
Sydney NSW 2000

FUND AUDITOR
Ernst & Young
The EY Centre
680 George Street
Sydney NSW 2000

LEAD MANAGER AND BOOKRUNNER
Macquarie Capital (Australia) Limited
Level 4
50 Martin Place
Sydney NSW 2000

CO-LEAD MANAGER
Morgans Financial Limited
Level 29
123 Eagle Street
Brisbane QLD 4001

CO-MANAGERS
Macquarie Equities Limited
1 Shelley Street
Sydney NSW 2000

Taylor Collison Limited
Level 16
211 Victoria Square
Adelaide SA 3000

REGISTRY
Link Market Services Limited
Level 12
680 George Street
Sydney NSW 2000

OFFER INFORMATION LINE
Within Australia 1300 868 464
Outside of Australia +61 1300 868 464

THE FUND'S WEBSITE
www.aventusproperty.com.au

JB HI-FI
HOME
Officeworks
Open Box

cranbourne
Home
Lincraft
pillow talk
cranbourne
Home
is where the heart is...