Core Property
Fund Research & Ratings
www.coreprop.com.au

Unlisted Property Trust Report

MPG Regional Cities Property Trust

September 2018

Diversified regional property fund with social infrastructure/ government tenancies, targeting 7.0%+ distributions

MPG Regional Cities Property Trust

Contents

About Core Property Research

Core Property Research Pty Ltd was established in July 2017 to provide market leading and insightful research on the property funds sector for its clients and investors. Our ratings and research cover sector level research, ratings and recommendations on listed and unlisted property funds, and is built upon the extensive research experience of its staff.

The Core Property team collectively, has over 50 years' experience across property, financial services and investment markets. The team has also evaluated over 500 different funds across multiple sectors and a range of investment structures over the last decade.

IMPORTANT NOTICE

This document is published by Core Property Research Pty Ltd ABN 31 620 084 880 ("Core Property) and should be read before making any investment decision about the product(s). This publication has been prepared by Core Property which is an Authorised Representative ASIC number 001257225 of Odyssey Capital Funds Management LTD (AFSL No. 297283).

For further information, please refer to the Disclaimer & Disclosure notice at the end of this document.

Copyright © 2018 Core Property Research Pty Ltd

MPG Regional Cities Property Trust

September 2018

The MPG Regional Cities Property Trust (the "Trust") is the latest offering from MPG Funds Management Limited (the "*RE*" or *MPG*) which is part of the McMullin Property Group, founded by the late Ian McMullin (founder of Spotless Group). The Trust provides an opportunity to invest in a portfolio of properties located along the eastern seaboard of Australia in regional cities that are benefitting from new infrastructure spend and the resulting growth in their respective local economies.

The Trust was launched in February 2018 with four properties. The RE is seeking to raise $25M through the issue of 25M units at $1.00 per unit ("the Offer"). The funds raised will be used, in combination with additional debt to expand the portfolio to $66.4M consisting of eight properties valued at $58.1M. The RE will also invest $8.3M (~12% of the portfolio) in the MPG Retail Brands Trust (a fund managed by the RE), which is targeting a 7.25% yield in FY19. The units will be acquired from McMullin Group's holdings, with an agreement to buy back the units at the issue price or higher if the Trust requires funds for further acquisitions or to pay down debt.

Post completion of the transaction, the portfolio metrics are robust: (1) 100% occupancy; (2) a long Weighted Average Lease Expiry (WALE) of 8.5 years; (3) around 88% of the rental income is sourced from government/government funded tenants (such as Centrelink, Medicare and the Victorian Environmental Protection Agency); (4) contracted annual rent increases of 3.1%; and (5) a distribution profile that is predictable and sustainable over the initial term of the Trust.

The Trust's proposed debt facility of $29.1M will have a Loan to Valuation Ratio (LVR) of 45% against a bank LVR covenant of 55%. The debt facility runs for three years and MPG is currently in discussions with the financier to extend this to five years. The initial Interest Cover Ratio (ICR) of 2.75x is above the bank ICR covenant of 2.0x.

Fees paid by the Trust are in line with industry peers and funds rated by Core Property.

The Manager is forecasting annualised distributions of 7.0% p.a. in FY19 and FY20. Core Property expects distribution yields to rise to 8.1% p.a. towards the end of the Trust's term.

Based on the Manager's forecasts, Core Property estimates the Fund to deliver an Internal Rate of Return (IRR) of between 7.4% - 9.9% (midpoint 8.7%) over the initial seven-year term. The analysis includes the potential that investors may receive a capital gain or loss, based on market conditions and the properties identified in the PDS.

The initial term of the Trust is seven years (to September 2025). During the first three years, the Manager may raise further equity to consider acquisitions up to $20M, provided the new properties can deliver comparable returns to the existing portfolio. At the end of seven years, investors will be offered an opportunity to exit or extend the Trust term for a further seven years. However, if a sale of assets is required, investors may be required to remain in the Trust for up to 10-years.

MPG maintains and complies with a written policy on related party transactions, including the assessment and approval processes for transactions and arrangements to manage conflicts of interest.

Investor Suitability

In Core Property's opinion, this product would be best suited to investors who are seeking an attractive 7.0%+ income yield, supported by a portfolio of regional properties with resilient characteristics including government and childcare tenancies.

The Trust is illiquid and, apart from a Limited Withdrawal facility in 2023 onwards (equal to 2% of the net assets in the Trust), investors should be prepared to remain invested for a minimum 7-10 year term.

Recommended

See the Appendix for a description of our ratings. The above rating must be viewed in the context of comparable Funds and not across all products

Trust Details	
Offer Open:	17 September 2018
Offer Close[1]:	31 December 2018
Min. Investment:	$10,000, multiples of $5,000 thereafter
Unit Entry Price:	$1.00
Net Tangible Asset per unit:	$0.88
Liquidity:	Illiquid[2]
FY19 Forecast Distributions:	7.00 cpu[3]
Distribution Frequency:	Quarterly
Investment Period:	7 years from 30 September 2018

1. Indicative only. The RE has reserved the right to close the Offer early of extend the Offer.
2. The RE intends to offer a Limited Withdrawal Facility from 1 July 2023, equivalent to 2.0% of the net asset value of the Trust.
3. Based on the RE's forecasts for FY19.

Trust Contact Details

Brett Gorman
bgorman@mpgfm.com.au
Phone: 03 9831 8920

Note: This report is based on the MPG Regional Cities Property Trust Product Disclosure Statement dated 17 September 2018, together with other information provided by MPG funds management.

Copyright © 2018 Core Property Research Pty Ltd

Key Considerations

Management: The Trust is managed by MPG Funds Management, which was established in 2002 and currently has over $550M in funds under management. MPG Funds Management is part of the McMullin Property Group (founded by Ian McMullin, founder of Spotless Group) which has been involved in over $1.5B of property development over the past 40 years.

Trust Term: The Trust will have an initial term of seven years to September 2025. Approximately six months prior to the end of the current investment term, investors will be given the option to exit or elect to extend the Trust for a further seven years. Investors who choose to exit the Trust will be given the option to do so, however this may take up to 3 years if an asset sale is required.

Trust Strategy: The Trust predominantly invests in properties with social infrastructure tenants which currently includes government tenants and childcare centres. Properties are located on the eastern seaboard of Australia in fast growing regional cities with long term population growth, underpinning future price appreciation.

Property Portfolio: Funds raised will be used to increase the portfolio to $66.4M consisting of eight properties valued at $58.1M, plus $8.3M in units in the related MPG Retail Brands Property Trust (RBPT). Core Property believes that the portfolio has unique attributes and to an extent insulated from the pricing volatility created by macro-economic headwinds. Some of these attributes include: (1) contracted rent escalations with government/ government funded tenants; and (2) long duration leases to tenants with low risk of default.

Investment in MPG Retail Brands Trust: The Trust intends to hold $8.3M, or 12% of the portfolio in the MPG Retail Brands Property Trust (RBPT) targeting 7.25% distributions in FY19. The units are to be acquired from McMullin Group at $1.00 per unit with an agreement allowing the Trust to sell back to McMullin Group at the greater of $1.00 per unit or the NTA per unit and provides liquidity for the Trust for additional acquisitions or to pay down debt if required.

Future Acquisitions: The Trust may consider future acquisitions (<$20M) that fit its criteria provided the properties have the potential for long term returns comparable to the existing portfolio. Core Property's review is based on the properties identified in the current PDS.

Debt Profile: The Trust has a three-year debt facility for $29.1M with an initial drawn down of $26.2M to fund the current acquisitions. The initial Loan to Valuation Ratio (LVR) of 45% is below the bank LVR covenant of 55%. The Trust intends to hedge at least 50% of the debt for the next three years, at an all-in interest rate of 4.17%. The initial Coverage Ratio (ICR) of 2.75x is above the ICR covenant of 2.0x.

Initial NTA: The initial NTA is estimated at $0.88 per unit, as the RE writes off the acquisition costs (stamp duty, equity raising and other due diligence costs).

Distributions are forecast at 7.0% p.a. in FY19 and FY20, increasing to ~8.1% p.a. in FY25, based on the Manager's assumptions.

Fees: Core Property considers the fees to be in line with industry peers.

Total Returns: Core Property estimates the Trust to deliver an IRR of between 7.4% and 9.9% (midpoint 8.7%) based on the Trusts sensitivities (+/- 50 bps sensitivity to the cost of debt and capitalisation rates, see the Financial Analysis section).

Related Party Transactions: The Trust forms part of the McMullin Group and will be acquiring units in the MPG Retail Brands Property Trust from McMullin Group as part of its investment strategy. Units will be acquired at the prevailing unit price and will comply with RG46 requirements with respect to the transactions with McMullin Group.

Illiquid investment: Investors should consider an investment in the Trust to be illiquid. The RE has indicated that it intends to offer a Limited Withdrawal Facility annually from 1 July 2023, which is anticipated to be 2.0% of the net asset value of the Trust calculated at the time of the Offer.

Investment Scorecard

Management Quality

★★★★☆

Governance

★★★☆☆

Portfolio

★★★★☆

Income Return

★★★★☆

Total Return

★★★☆☆

Gearing

★★★☆☆

Liquidity

★☆☆☆☆

Fees

★★★☆☆

Trust Structure

A closed ended unlisted property trust investing in a diversified portfolio of direct properties, unlisted and listed property funds and cash.

Management

The RE, MPG Funds Management Ltd and parent entity McMullin Group have over 40 years of commercial property investment, management and development experience.

30 September 2018	Direct Property	
Target allocation:	Social Infrastructure Property Regional Property and other MPG Investments Cash/Listed A-REIT's	70-80% 0-25% 5-20%
Valuation:	$66.4M based on the purchase price	
Property Location:	VIC, NSW, QLD	
Property Sector:	Commercial / Retail / Childcare	
Key Tenant:	Commonwealth of Australia (61%), The State Government of Victoria (21%), United Children (9%) and Centre for Non-Violence (6%).	
Occupancy	100%	
WALE:	8.5 years as at 17 September 2018	

Return Profile

Forecast Distribution:	FY19: 7.00 cents per unit FY20: 7.00 cents per unit
Distribution Frequency:	Quarterly, in arrears
Tax advantage:	FY19: est. 73% tax deferred FY20: est. 100% tax deferred
Estimated Levered IRR (pre-tax, net of fees):	7.4% - 9.9% (midpoint 8.7%)
Investment Period:	7 years to September 2025 (Initial Term)

Risk Profile

Property/Market Risk:	Capital at risk will depend on a portfolio of eight properties in VIC, NSW and QLD. The portfolio may change over time through acquisitions. Investors will be exposed to a potential capital gain or loss, based on market conditions.
Interest Rate Movements:	Interest rates are expected to be hedged for at least 50% of the debt in the Trust. Any change in the cost of borrowings may impact the distributable income in the remaining term of the Trust.
Property Specific Risks:	Property investments are exposed to a change in vacancy rates, prevailing market rents, and economic supply and demand.

For a more detailed list of the key risks, refer to the "Investment Considerations and Risks" section of the Product Disclosure Statement.

Fees Paid

Fees charged by the Trust are in line with what Core Property has seen in the market (see Figure 6: Fees in Perspective).

Entry Fees:	Nil
Exit Fees:	Nil
Contribution Fee:	2.0% of the amount invested in the Trust. The Fee represents the estimated impact of the Establishment Fee[1] (2%) and Debt Arrangement Fee (1% of new debt) on the proposed acquisition of properties.
Property Disposal Fee:	2.00% plus GST of the net proceeds of any Asset.
Replacement Fee:	2.00% of the value of GAV of the Trust is payable to the RE.
Management Expenses & Fees:	Estimated at 0.75% p.a. of the Gross Asset Value (GAV)[2]
Performance Fee:	A fee of 15% of the outperformance over a 10% internal rate of return at the expiry of each term.

Note 1: The Trust Deed allows an Establishment Fee of up to 5% of the initial purchase price of the asset, however the RE has confirmed that it will charge a maximum 2.0% for the Trust.
Note 2: The RE has confirmed that it does not charge additional management fees on related property funds that it manages.

Debt Metrics

Initial Debt / Facility Limit:	$26.2M / $29.1M
Loan Period:	Expiry April 2021[1]
LVR / Loan Covenant:	45% / 55%
ICR / ICR Covenant:	2.75x / 2.00x

[1]MPG is currently in discussions with the financer to extend this term by a further two years.

Legal

Offer Document:	Product Disclosure Statement, 17 September 2018
Wrapper:	Unlisted Property Trust
Manager & Responsible Entity:	MPG Funds Management Ltd (ACN 102 843 809) AFSL 227114
Custodian:	The Trust Company Limited (ACN 004 027 749)

Copyright © 2018 Core Property Research Pty Ltd

Overview

The MPG Regional Cities Property Trust ("the Trust") was established to provide an investment in a diversified portfolio of properties secured by social infrastructure tenants and located in some of Australia's fastest growing regional cities on the eastern seaboard.

The Trust's Responsible Entity is MPG Funds Management Ltd ("RE" or "MPG") which is owned by interests associated by the McMullin Property Group, which has over 40 years' experience in property development and was founded by the late Ian McMullin (founder of Spotless Group).

The Trust currently has a portfolio of four properties valued at $22.2M and is seeking to raise $25.0M through the issue of 25.0M units at $1.00 per unit ("the Offer"). The proceeds will be used to expand the portfolio to eight properties valued at $58.1M, with 100% occupancy with predominantly government tenants (88% of income) and a WALE of 8.5 years.

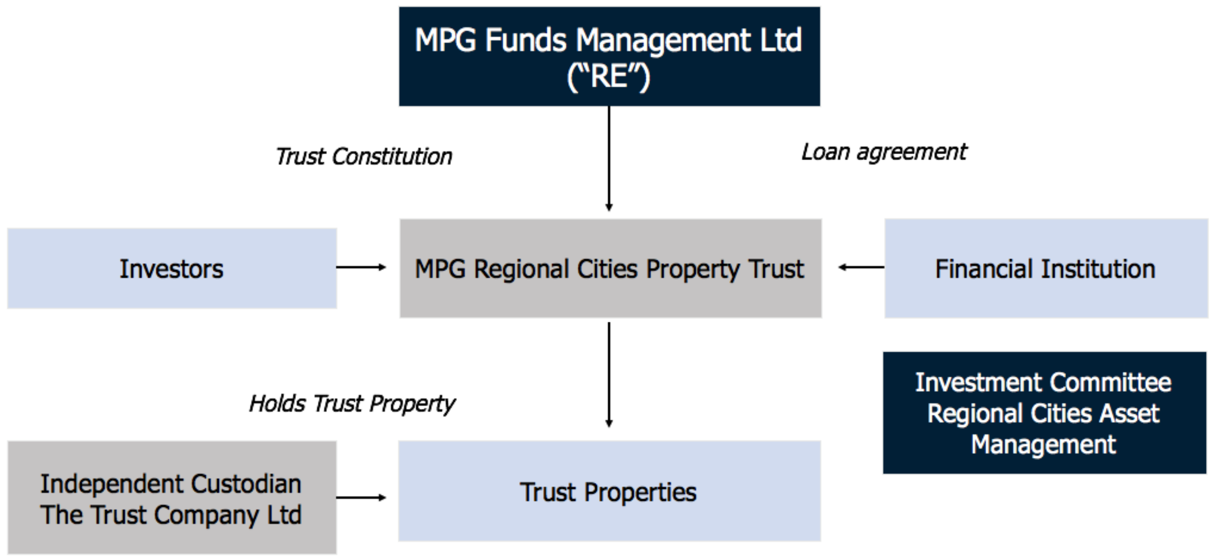
A further $8.3M, or 12% of the portfolio, will be invested in the related MPG Retail Brands Property Trust ("RBPT") which will be acquired from McMullin Group's existing holdings. The purchase of RBPT units provides the Trust with an attractive yield (7.25% in FY19) and liquidity for the Trust to sell the units back to McMullin to fund further acquisitions, or to repay bank debt if required.

The RE may consider further acquisitions during the first three years with acquisitions likely to target social infrastructure properties under $20M, provided the property is capable of achieving comparable long term returns to the existing portfolio.

The Trust is targeting distributions of 7.0% in FY19 and FY20, which are estimated to increase to ~8.1% p.a. in FY25, based on the Manager's forecasts.

The Trust will have an initial term of seven years to September 2025. The RE intends to offer a Limited Withdrawal Facility annually from July 2023 onwards, equivalent to 2% of the net asset value of the Trust. At the end of 7-years investors will be provided an opportunity to exit the Trust or extend for a further 7-year term. Investors wishing to exit Trust at the end of seven years will be able to do so, however, if the Trust does not have liquidity to fund the repurchase of units, investors may need to wait up to an additional three years for the Trust to sell its assets.

Figure 1: Trust structure



Source: MPG, Core Property

Copyright © 2018 Core Property Research Pty Ltd

Trust Strategy & Background

The Trust was formed from the MPG Property Fund which was established in October 2012. In February 2018 the Fund was restructured as the MPG Regional Cities Property Trust. A capital raising was undertaken at $1.00 per unit, to establish the current investment portfolio.

The core investment objective of the Trust is to generate regular tax advantaged income returns form a diversified portfolio of social infrastructure and other assets that have the potential for capital growth. Social infrastructure properties are that that accommodate a social service which includes the sectors of Health, Education, Housing, Civic and Utilities, Public Transport and Corrections and Justice.

Properties will be located on the eastern seaboard of Australia in regional cities with a population in excess of 25,000 people and growing at greater than 1% p.a. The targeted regional cities will ideally have demonstrated government infrastructure spend, higher education facilities, transport and a growing local economy.

The target portfolio allocations are set out in the table below.

Figure 2: Target portfolio allocation

Investment Class	Target Allocation
Social Infrastructure Property	70 – 80%
Regional Property and other MPG Investments	0 – 25%
Cash/Listed A-REITs	5 -20%

Source: MPG

The Existing Portfolio consists of $30.2M of assets, consisting of four properties valued at $22.2M, units in the MPG Retail Brands Property Trust valued at $5.2M, Cash at bank of $2.7M and $0.2M of Other assets. Core Property notes the PDS for the capital raising in February 2018 was forecasting distributions of 6.75% in FY18, increasing to 6.8% in FY19. The current offer is forecasting distributions to increase to 7.0% (pro rata) in FY19.

Unit Issue Price: The Trust currently has 21.8M units on issue, which were issued at $1.00 per unit. The current Net Tangible Asset (NTA) of $0.89 per unit represents the impact of acquisitions costs on the unit price. New units in the Trust will be issued at $1.00 which provides an equitable allocation of acquisition costs to new investors. Assuming a full subscription of units under the Offer, the Manager estimates the NTA to be $0.88 per unit at June 2019.

Future Property Acquisitions: MPG will continue to seek additional properties that fit the investment strategy of the Trust and expects that acquisition will be undertaken during the first three years of the Trust and held for the remaining four years. Core Property expects any acquisitions requiring a further capital raising would be undertaken on similar terms to the current Offer, to ensure an equitable allocation of acquisition costs to new investors.

MPG advised that any further acquisitions would require to fit the investment strategy, which targets social infrastructure properties up to $20M with each additional property must be capable of achieving comparable long term returns to the existing portfolio. Core Property's review of the Trust is based on the properties identified in the current PDS.

Distribution Reinvestment Plan: The Trust currently operates a distribution reinvestment plan that allows unitholders to reinvest all or part of their distributions in the Trust through the issue of new units. The new units are issued at the prevailing Withdrawal Price on the payment date and is subject to a $1.00 minimum issue price.

Buy/Sell Spread: There is a buy spread for investment in the Trust to meet costs associate with the proposed acquisition of the initial properties. The RE may introduce a buy spread for future offers that will apply to Application monies to reflect its estimate of the average cost of acquiring the investment in which it is mandated to invest. No sell spread is currently applicable on withdrawal from the Trust.

Copyright © 2018 Core Property Research Pty Ltd

Sources & Application of funds

The PDS sets out the sources and application of funds under the terms of the Offer.

Core Property notes the following:

- The Trust has existing cash in the bank of $2.4M, which will be used as part of the RE's plan to increase the Trust's investment in property securities/unlisted funds via the acquisition of units in the MPG Retail Brands Property Trust; and
- Acquisition Costs of $2.4M includes $2.0M of stamp duty costs (of 5.4% of the acquisition price of the properties).

Figure 3: Source and Application of Funds

	$M	% of purchase price	% of total funds
Sources of funds			
Existing Cash held	2.4	6.6%	5.6%
Equity subscriptions	25.0	69.5%	58.8%
Bank debt	15.1	42.0%	35.6%
Total sources of funds	**42.5**	**118.2%**	**100.0%**
Application of funds			
Purchase price	36.0	100.0%	84.6%
Acquisition Costs	2.4	6.7%	5.7%
Debt Establishment Costs	0.2	0.5%	0.4%
Fund Establishment Costs	0.8	2.3%	2.0%
Investment in property securities/unlisted funds	3.1	8.6%	7.3%
Total application of funds	**42.5**	**118.2%**	**100.0%**

Source: MPG, Core Property

Copyright © 2018 Core Property Research Pty Ltd

Debt Facility & Metrics

The Trust has received indicative terms for a debt facility of $29.1M to assist in funding the acquisitions. The debt facility will expire April 2021 and the Trust is in discussions to extend this for a further two years. Based on the debt facility, the Loan To Valuation Ratio (LVR) will be 45%, against a bank LVR covenant of 55%. Core Property calculates the valuation of the properties can withstand an 18% fall before the LVR covenant is breached. If this were to occur, Core Property notes the Trust has $8.3M in units in the MPG Retail Brands Property Trust, which may be called upon to fund the purchase of additional properties or to pay down debt. These units were acquired from the McMullin Group with an agreement to be sold back at the $1.00 per unit issue price or NTA, whichever the greater.

The Manager anticipates the Interest Coverage Ratio (ICR) will be 2.75x over the forecast period, which is above the ICR covenant of 2.00x specified in the Debt Facility. Core Property calculates the Trust can withstand a 27% decline in income before it breaches the ICR covenant.

Figure 4: Debt Metrics

Details	**Metric**
Bank	TBA
Security	First ranked mortgage secured against the directly owned properties, with general security agreement over all assets in the Trust.
Debt Facility Limit/ drawn debt	$29.1M/ $26.2M
Loan Period	To April 2021 with repayment in full.
% Hedged	50% (target minimum)
All-in cost of Debt	4.17%
LVR / Peak LVR/ LVR Covenant	45% / 45%/ 55%
Initial interest covered ratio (Lowest ICR)/ ICR covenant	2.75x / 2.0x
Amount by which valuation will have to fall to breach LVR covenant	18%
Decrease in rent income to breach ICR covenant	27%

Source: Core Property, MPG

Copyright © 2018 Core Property Research Pty Ltd

Liquidity / exit strategy

The initial term of the Trust is seven years to September 2025. The RE has advised that it intends to make a Limited Withdrawal Facility as well as offer unitholders an opportunity to exit the Trust at the end of the current term.

Limited Withdrawal Facility

The RE intends to make a Limited Withdrawal Offer on an annual basis from 1 July 2023, which is anticipated to be 2.0% of the net asset value of the trust calculated at the time of the Offer. The Offer will be made to all unitholders. If there are requests for more than the amount being offered, each unitholder will be offered a pro rata entitlement to redeem their units. The RE expects to fund the Withdrawal Facilities through the issue of new units, liquid investments such as cash, fixed interest or listed securities, or through an increase in bank debt or selling assets.

At the end of the current term

When approaching the end of the investment term, the RE will provide a Term Extension Proposal Letter, offering investors an opportunity to sell their Units or extend the term of their investment. This exit procedure will include a first right of refusal to existing investors wishing to continue the investment. As a result of this first right refusal it may take up to 12 months from the date of the Term Extension Proposal Letter to exit the Trust. The RE's determined price per Unit will be based on Net Asset Value of the trust from an independent valuation, less estimated selling costs determined by the RE.

- If 100% of investors wish to exit the Trust, the Trust will be wound up, its assets realised, and the net proceeds will be distributed to Unitholders.
- If all investors wish to remain in the Trust, then the Trust will continue for the extended period Investors who do not respond to the Term Extension Proposal will be deemed to have elected to remain in the investment for the extended period.
- If some investors wish to remain and some investors wish to exit the Trust, then the following process will be undertaken:
    - Investors who wish to withdraw will have their units offered to other existing unitholders in proportion to their existing unit holdings. Existing unitholders will have 60 days to respond to the offer.
    - If the units are not fully subscribed for by the existing unitholders, the remaining units will be offered as a Secondary offer to existing unitholders on a "first come, first served" basis. Unitholders will have 60 days to accept the offer.
    - If the Secondary Offer is not fully subscribed, the RE may invite applications from other parties. As a result of this process, it may take up to 12 months from the date of the term Extension Proposal Letter to exit the Trust (or longer if the Trust must be wound up as described below).
    - If any units remain unpurchased after six months from the date of the Secondary Offer, the RE will resolve to wind up the Trust and distribute proceeds to unitholders. The RE has two years to realise the assets (or longer if reasonably necessary). As such, it may take up to three years (or longer if necessary) from the date of the Withdrawal Offer contained in the Term Extension Proposal to the realisation of the assets.

There is no other means of providing liquidity in the Trust and investors should treat the Trust as an illiquid investment.

Copyright © 2018 Core Property Research Pty Ltd

Fees Charged by the Trust

Overall, Core Property considers the fees charged by the Trust to be in line with what is typically seen in the market.

- The Trust does not charge an Entry fee for new investors. Investors who wish to sell a portion of their units or exit the Trust are not also not charged any Withdrawal of Exit Fees.
- New investors in the Trust will incur a Contribution Fee of 2%. This Fee is deducted from amounts contributed to the Trust and represents the estimated impact of the Establishment Fee (acquisition costs) and Debt Arrangement Fee payable in respect of the proposed acquisitions.
- Management Fees of 0.75% p.a. of GAV (or 1.23% of the Net Asset Value (NAV)) of the Trust) are at the low end of what Core Property has typically seen in the industry (0.7% - 1.1% of GAV).
- The RE has confirmed that it does not charge any additional fees on funds that it already manages. As such, there is no double counting of fees on the investment in the MPG Retail Brands Property Trust.
- In the event that the RE is replaced, it is entitled to charge a fee of 2.00% of the GAV of the Trust (Replacement Fee). The RE may be replaced if a resolution is approved by unitholders entitled to vote and together hold more than 75% of all units on issue of the Trust.

Figure 5: Summary of Fees charged by the Trust

Fee Type	Fee Charged	Core Property Comment
Entry/Establishment Fee:	Nil	
Exit/Withdrawal Fee:	Nil	
Contribution Fee:	2.00% of contributed amount.	This fee is deducted from amounts contributed. The fee represents the estimated impacts of the Establishment (Acquisition) Fee (2% of the purchase price of new assets[1]) and Debt Arrangement Fee (1.0% of any new debt arranged).
End Fee (Disposal Fee):	A fee of 2.0% plus GST of the net sale proceeds of any asset, payable if the net sale price exceeds the purchase price of the individual asset.	Industry average is to charge 1.0% - 2.0% of the sale price of the property.
Management Fee:	0.75% of Gross Asset Value, comprising: • Base management fee of 0.55% p.a. of the Gross Asset Value (excluding investments in property trusts); • Indirect costs associated with investment in property trusts managed by MPG to 0.55%; and • Other costs and expenses estimated at 0.20% p.a. of GAV.	This is at the low end of what we have typically seen in the industry (0.7% - 1.1% p.a. of GAV).
Performance Fee:	15% of the Fund's outperformance over a 10% internal rate of return at the expiry of each term.	Core Property considers the Performance Fee to be appropriate for the Fund.
Replacement Fee:	A fee of 2.00% of the value of the Gross Assets of the Trust is payable to the RE.	Payable if the RE is replaced.

Note 1: The Trust Deed allows for an Establishment Fee of up to 5.0% of the purchase price, however the RE has confirmed that it will charge a maximum 2.0% for the Trust.
Source: MPG, Core Property

All-in fee analysis

Core Property has analysed the fees that accrue to the RE over the term of the Fund as a percentage of all cash flow generated after deducting interest costs but before management fees. This analysis is based on the proposed portfolio as provided by the RE.

Core Property estimates that MPG is entitled to 7.7% of the total cash flow. Core Property considers the fees paid to the Manager to be at the mid-point when compared to similar products, which are typically around 7% - 9%.

In terms of the fees paid to the Manager, Core Property estimates that 21.6% of the estimated fee is paid upfront and the remainder relates to ongoing management fees.

Core Property stresses that these are estimates of how much investors will receive and not guaranteed amounts. For further details, please refer to the *Financial Analysis* section.

Figure 6: Fees in Perspective – over an estimated seven-year period

Core Property estimates that for every $1.00 of equity invested the Fund can return:	Amount per $1.00 unit
Principal repayment to investors:	$1.00
Income and capital gains to investors:	$0.61
Total cash to investors:	**$1.61**
Acquisition fee:	$0.03
Base management fee:	$0.07
Disposal fee:	$0.03
Fees for the RE (excluding disposal/admin):	**$0.14**
Total cash generated by Fund:	**$1.75**
Fees = % of total cash generated (before fees)	7.7%
Fees= % of gains (before fees)	18.0%
Up-front fee vs total fees	21.6%

Source: Core Property estimates

The Investment Portfolio

The Trust currently holds a portfolio of $30.2M in assets, consisting of four properties valued at $22.2M located Victoria (Bendigo, Echuca and Geelong) and NSW (Newcastle), in addition to $5.2M of units in the MPG Retail Brands Property Trust and $2.8M of Cash at Bank/Other Assets.

The RE intends to increase the portfolio to $66.4M of assets through the acquisition of four properties for $36.0M combined with a $3.1M increase in units in the MPG Retail Brands Property Trust, a reduction in Cash and additional borrowings.

The proposed portfolio will improve portfolio diversification with the largest asset accounting for 24% of the portfolio.

Approximately 69% of the portfolio is held in Office assets. The majority of tenants are government or government funded agencies, which combined account for around 88% of income.

The Trust has a policy to undertake an independent valuation of its properties every three years.

The table below provides a summary of the portfolio and proposed acquisitions.

Figure 7: Portfolio Summary – Current (September 2018) and Planned Acquisitions

Portfolio	Sector	NLA - sqm	Investment Value	Portfolio weight %	Occupancy %	Cap rate %	WALE-years
Current Portfolio							
96-98 Pall Mall, Bendigo VIC	Office/Retail	1,448	$6.4M	10%	100%	6.35%	5.4 yrs
United Children Childcare: 134-142 Bailey St Grovedale, Geelong VIC	Childcare	713	$5.9M	9%	100%	6.50%	13.6 yrs
Centrelink & Medicare Office: 69 Heygarth St, Echuca VIC	Office	970	$3.9M	6%	100%	7.25%	4.2 yrs
Centrelink & Medicare Office: 70 Robert St Wallsend, Newcastle NSW	Office	1,204	$6.0M	9%	100%	7.00%	3.6 yrs
Units in MPG Retail Brands Property Trust	Units in Trust	n/a	$5.2M	8%	n/a	n/a	n/a
Cash at bank/Other assets	Cash/Other	n/a	$2.8M	4%	n/a	n/a	n/a
Current Portfolio (Sept 2018)		**4,335**	**$30.2M**	**45%**	**100%**		
Proposed Acquisitions							
APVMA Building (under construction) 102 Taylor St and 91 Beardy St, Armidale NSW	Office	2,745	$15.9M	24%	100%	6.75%	13.6 yrs
EPA Building: 8-12 Seymour St, Traralagon VIC	Office	2,619	$12.0M	18%	100%	7.25%	6.5 yrs
Centrelink & Medicare Office: 6-10 Hunter St Pialba, Hervey Bay QLD	Office	1,097	$4.2M	6%	100%	7.50%	4.8 yrs
Centrelink & Medicare Office: 207-215 Lennox St, Maryborough QLD	Office	964	$3.9M	6%	100%	7.50%	4.6 yrs
Additional Units in MPG Retail Brands Property Trust	Units in Trust	n/a	$3.1M	4%	n/a	n/a	n/a
Reduction in Cash at Bank/Other Assets	Cash/Other	n/a	($2.8M)	(4%)	n/a	n/a	n/a
Proposed Portfolio		**11,760**	**$66.4M**	**100%**	**100%**	**7.14%**	**8.5 yrs**

Source: MPG

Copyright © 2018 Core Property Research Pty Ltd

Direct Properties

The following is a summary of the four existing properties in the portfolio, plus the four properties expected to be acquired.

Current Properties

Office/ Retail Building: 96-98 Pall Mall, Bendigo VIC – 10% of the Direct Property portfolio

As at September 2018	
Book Value	$6.4M
Capitalisation Rate	6.35%
Lettable Area (sqm)	1,448 sqm
Occupancy-by NLA	100.0%
WALE	5.7 years
Major Tenants (by income): Centre for Non Violence (Expiry 31 March 2026), Zambrero's (Expiry 31 March 2021), Honeyeater Hair (Expiry 31 October 2019)	

A property is a 1,499sqm two-level modern office/retail building, located in the heart of Bendigo's central business district. Originally built in 1963, the property underwent a $3.5M redevelopment in 2014/15. The first and second floors are leased to the Centre for Non-Violence, a government funded not for profit organization, with 7.5 years remaining on the lease and 2x5 year options. The ground floor is leased to Zambero's Mexican fast food and Honeyeater Hairdressers. Greater Bendigo is Victoria's third largest urban centre with a growing population of over 116,658, forecast to grow to 155,596 by 2036.

United Children Childcare Centre: 134-142 Bailey St Grovedale, Geelong VIC – 9% of the Direct Property portfolio

As at September 2018	
Book Value	$5.9M
Capitalisation Rate	6.5%
Lettable Area (sqm)	713 sqm
Occupancy-by NLA	100%
WALE	13.60 years
Major Tenants (by income): United Childcare (Expiry 31 March 2032)	

The United Children Childcare Centre is custom built, and opened in 2017. The property is in close proximity to a train station providing parents with access to an easy commute to Melbourne CBD. Grovedale, Geelong, Victoria's second largest city, according to ID Demographic Resources, the population of the City of Greater Geelong is 247,068 and is forecast to grow to 325,779 to 2036. United Children have signed an initial lease of 15 years from April 2017 with 15+15 options.

Copyright © 2018 Core Property Research Pty Ltd

Centrelink & Medicare Office: 69 Heygarth St, Echuca VIC – 6% of the Direct Property portfolio

As at September 2018	
Book Value	$3.85M
Capitalisation Rate	7.25%
Lettable Area (sqm)	970 sqm
Occupancy-by NLA	100%
WALE	4.2 years
Major Tenants (by income): Centrelink & Medicare (Expiry 30 November 2022)	

The single level 970 sqm commercial office is situated on a 1,621sqm site, constructed in 2010. The property is in Echuca's central business district, located in the Campaspe Shire, 2.5 hours drive north of Melbourne Vic. The Campaspe Shire has a population of 37,769 which is forecast to grow 13% to 42,706 by 2036, supported by strong industries including tourism, retail, dairy farming and other agriculture. The property has good levels of natural light and is leased to the Commonwealth of Australia Department of Human Services, as offices for Centrelink, Medicare and the NDIS. The current lease has 4.25 years remaining with a three-year option. The property was recently refurbished in 2016 to a six-star NABERs rating.

Centrelink & Medicare Office: 70 Robert St Wallsend, Newcastle NSW - 9% of the Direct Property portfolio

As at September 2018	
Book Value	$6.0M
Capitalisation Rate	7.00%
Lettable Area (sqm)	1,204 sqm
Occupancy-by NLA	100%
WALE	3.6 years
Major Tenants (by income): Commonwealth of Australia Centrelink & Medicare (Expiry 26 April 2022)	

A single level, commercial office building, with basement parking for 15 cars. The property is located in Wallsend, approximately 11km from the Newcastle CBD and is fully occupied by The Commonwealth of Australia (Centrelink and Medicare offices) with lease expiry in 3.65 years with 2x3 year options.

Copyright © 2018 Core Property Research Pty Ltd

Proposed Acquisitions

APVMA Building: 102 Taylor St and 91 Beardy St, Armidale NSW - 24% of the Direct Property portfolio

As at September 2018	
Book Value	$15.89M
Capitalisation Rate	6.75%
Lettable Area (sqm)	3,091 sqm
Occupancy-by NLA	100%
WALE	13.6 years
Major Tenants (by income): Commonwealth of Australia APVMA (Expiry 30 June 2034) DHS (Expiry 30 June 2029)	

The property comprises a two-storey commercial office building under construction at 91 Beardy St and 102 Taylor St, Armidale which the trust will acquire upon completion, estimated in mid-2019. The development will comprise of 2 separate tenancies; over two levels as well as 2 car parking areas; car parking at grade for 37 spaces and basement car parking for 38 spaces. On completion, the property will be leased to the Commonwealth of Australia for the Australian Pesticides Veterinary Medicines Authority (APVMA) on a 15-year lease, as well as the Department of Human Services (DHS) on a 10-year lease.

EPA Building: 8-12 Seymour St, Traralagon VIC - 18% of the Direct Property portfolio

As at September 2018	
Book Value	$11.97M
Capitalisation Rate	7.25%
Lettable Area (sqm)	2,619 sqm
Occupancy-by NLA	100%
WALE	6.5 years
Major Tenants (by income): State Government of Victoria (Expiry 17 June 2025)	

A three-storey commercial office building, located in Traralgon, Victoria, approximately 160km from Melbourne, Victoria. The property is located in the main business area on a 1,500 sqm black with 2,619 sqm of lettable area with a 5-star green rating.

Copyright © 2018 Core Property Research Pty Ltd

Centrelink & Medicare Office: 6-10 Hunter St Pialba, Hervey Bay QLD - 6% of the Direct Property portfolio

As at September 2018	
Book Value	$4.2M
Capitalisation Rate	7.50%
Lettable Area (sqm)	1,097 sqm
Occupancy-by NLA	100%
WALE	4.8 years
Major Tenants (by income): Commonwealth of Australia Centrelink & Medicare (Expiry 30 June 2023)	

A single level office building, comprising of 1,097 sqm of lettable area. The property is located in the suburb of Pialba, approximately 2km north east of Hervey Bay's main retail and commercial precinct. Major tenants, The Commonwealth of Australia have a remaining 4.83 years remaining on the lease with 2x3-year options.

Centrelink & Medicare Office: 207-215 Lennox St, Maryborough QLD - 6% of the Direct Property portfolio

As at September 2018	
Book Value	$3.85M
Capitalisation Rate	7.50%
Lettable Area (sqm)	964 sqm
Occupancy-by NLA	100%
WALE	4.6 years
Major Tenants (by income): Commonwealth of Australia Centrelink & Medicare (Expiry 25 March 2023)	

A single level office building, comprising of 2,020 sqm of lettable area. The property is located in Maryborough's central business district. A well positioned location, directly across the road from Maryborough Railway Station and adjacent to Maryborough City Hall. Major tenants, The Commonwealth of Australia have a remaining 4.6 years remaining on the lease with additional three-year options.

Copyright © 2018 Core Property Research Pty Ltd

Leases, tenants and income

The portfolio contains eight properties in the social infrastructure sector with 88% leased to government or government funded tenants. The portfolio has a WALE of 8.5 years as at 30 September 2018. Around 41% of the tenant leases within the direct portfolio have lease expiries of more than the initial 7-year investment period. The top four tenants of the Trust by Net Lettable Area include:

- The Commonwealth of Australia (61% of NLA),
- The State Government of Victoria (21% of NLA),
- United Children (9% of NLA),
- Centre for Non-Violence (6% of NLA).

The weighted average occupancy (as a percentage of NLA) will be 100% at 30 September 2018.

Figure 8: Lease expiry profile

Source: MPG

Capex

The Manager has not included any capital expenditure over the forecast period based on the independent valuations reports undertaken for the acquisition of the properties.

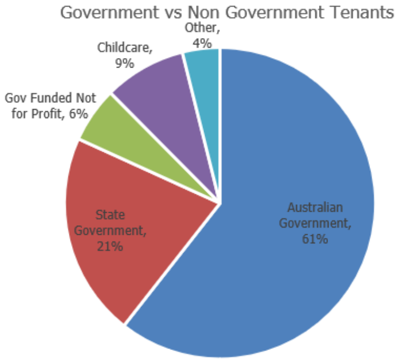
Core Property notes that capital expenditure is normally required in order to maintain properties. To the extent that future capex may be required, this may impact potential profits and cash distributions to investors.

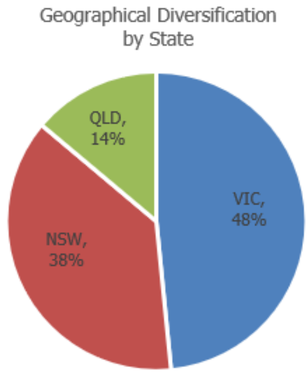
Diversification

The Trust's direct properties are diversified across the office, retail and childcare sectors, with over 62% of rent by gross income expiring after 30 June 2024[1]. The Trust has a slight weighting towards VIC assets (48% of the portfolio) with the remainder of assets spread across NSW (38% of the portfolio) and QLD (14% of the portfolio). The Trust will continue to target social infrastructure assets with government tenants.

The following is a summary of the portfolio tenants and geographic diversification

Figure 9: Diversification metrics – as at September 2018





Note 1: Assuming the properties are acquired by the Trust as at 30 September. Source: MPG

Unlisted Investments – MPG Retail Brands Property Trust

The MPG Retail Brands Property Trust ('RPBT") is an unlisted property trust managed by the RE. RBPT was established in 2007 and has a portfolio of $104M of retail properties in NSW, VIC, QLD, SA and Tasmania.

The Trust currently owns 5.2M units in RPBT which were acquired from McMullin Group, who hold a further 19.8M of units in RBPT. Following the capital raising the Trust intends to acquire up to 3.1M of additional units from McMullin Group by June 2019. The total investment of 8.3M units in RPBT will be acquired at a price of $1.00 per unit, being the issue price of the units under RBPT's recent capital raisings and takes into account property acquisition costs.

A written agreement exists between McMullin Group and the Trust whereby the Trust will have the ability to sell its units back to McMullin Group in order to fund potential acquisitions or to pay down debt if required. The agreement provides liquidity for the Trust as well as capital protection as the units are to be sold back at the greater of $1.00 per unit or the prevailing unit price at the time. The current NTA of RBPT is $0.94 per unit and it is targeting distributions of 7.25 cpu for the FY19 period.

Copyright © 2018 Core Property Research Pty Ltd

Financial Analysis

Core Property has undertaken a financial forecast of the Trust, based on a review of the current portfolio as well as discussions with the Manager. The forecast below is based on certain assumptions that may change as a result of market conditions and the changing performance of the properties.

Core Property's calculations provide an indicative expectation of the performance of the Fund as the calculations are based the planned acquisitions and assumes no further properties are purchased or sold over the initial 7-year term of the Trust. The key assumptions in our forecasts are:

- Based on PDS assumptions for acquisition of properties, debt costs and capital expenditure.
- Assumes $2.4M of acquisition costs in FY19 as written off, as per PDS.

A summary of the forecasts is presented below.

Figure 10: Profit & Loss Forecast & Balance Sheet

Profit & Loss - Forecast $M	**9 months to 30 June 2019**	**12 months to 30 June 2020**
Net Property Income	2.2	4.1
Distributions from Trusts	1.0	0.6
Straight-lining of rent	0.5	0.9
Total Revenue	**3.8**	**5.7**
Expenses	(0.9)	(1.5)
Amortisation of Borrowing Costs	(0.1)	(0.1)
Fair value adjustment of property (acquisition costs)	(2.4)	-
Net Profit	**0.4**	**4.1**
Straight-lining of rent	(0.5)	(0.9)
Amortisation of Borrowing Costs	0.1	0.1
Fair value adjustment of property (acquisition costs)	2.4	-
Cash Available for Distribution	**2.4**	**3.2**
Distributions to Unitholders	**2.4**	**3.2**
Distributions per unit	**7.0 cpu**	**7.0 cpu**
% Cash Distribution Yield	**7.0%**	**7.0%**
% Tax advantaged (estimated)	73%	100%

Balance Sheet – $M	**17 Sept 2018**	**New Acquisitions**	**On settlement June 2019**
Cash	2.7	(2.7)	-
Other Assets	0.2	(0.2)	-
Investment Properties	22.2	36.0	58.1
Other Investments	5.2	3.1	8.3
Total Assets	**30.2**	**36.2**	**66.4**
Bank Borrowings	10.9	14.9	25.8
Other liabilities	0.5	(0.5)	-
Total Liabilities	**11.3**	**14.5**	**25.8**
Net Assets	**18.8**	**21.8**	**40.6**
Debt/ Total assets	**36.0%**		**38.9%**
NTA per unit			**$0.88**

Source: MPG, Core Property

Copyright © 2018 Core Property Research Pty Ltd

Expected Future Performance (IRR Sensitivity)

Core Property has estimated the total return from the Fund based on the assumptions provided by the RE.

Using these assumptions Core Property expects the Fund to deliver a 7-year Internal Rate of Return (IRR) in the range of 7.4% - 9.9% (midpoint 8.7%).

Investors should be aware the sensitivities include the potential for the valuation of the assets to increase or decrease (depending on market conditions) which will result in either a capital gain or loss for investors.

Our calculations are based on the assumption that 50% of debt is hedged for the full 7-years of the Trust, which reduces the impact that interest rates have on the IRR. A change in the terminal capitalisation rate has a more material impact on IRR.

The table below summarises our expected IRRs.

Figure 11: Pre-tax, 7-year IRR (after fees) sensitivity analysis

Terminal cap rate	Cost of debt				
	3.17%	3.67%	4.17%	4.67%	5.17%
6.64%	10.1%	9.9%	9.8%	9.7%	9.6%
6.89%	9.5%	9.4%	9.2%	9.1%	9.0%
7.14% (base)	8.9%	8.8%	**8.7%**	8.5%	8.4%
7.39%	8.4%	8.2%	8.1%	8.0%	7.8%
7.64%	7.8%	7.7%	7.6%	7.4%	7.3%

Source: Core Property

Copyright © 2018 Core Property Research Pty Ltd

Management & Corporate Governance

McMullin Property Group

McMullin Property Group was founded by the late Ian McMullin (founder of Spotless Group) and is a property developer, funds manager, property manager and investor. The Group has been responsible for over $1.5B of property development over the past 40 years. In December 2002, the McMullin Group established MPG Funds Management Ltd ("MPG") as a specialist property funds manager. Since 2002 MPG has managed over $550M of unlisted property funds.

Background of the RE

MPG Funds Management Ltd ("MPG") is the Responsible Entity ("RE") of the Trust. Its main responsibility is to operate and manage the Trust in accordance with the constitution and the Corporations Act. The RE was established in December 2002 and has an Australian Financial Services License (AFSL 227114) to act as a RE for managed investment schemes. As the RE, MPG is responsible for the application and redemption of units, valuation and management of Trust assets, administration and payment of income distributions from the Trust. MPG is owned by interests associated with McMullin Property Group and is currently the RE for 13 other direct property funds.

Board of the Responsible Entity

Core Property has reviewed the composition of the RE board and believes that it has the relevant skills and experience to operate the Trust successfully. Each Director has demonstrable property and investment management skills. We summarise the background of the directors and key managers, as provided in the PDS.

Figure 12: The Board of the Responsible Entity

Name & Role	Experience
Trevor Gorman Chairman	Trevor has over 30 years commercial experience, including 19 years' as a partner at Deloitte Touche Tohmatsu. During this time he was Managing Partner of the Victorian Growth Solutions Division. Trevor is currently the Chief Executive Officer of the McMullin Property Group and manages net assets of over $250M. Trevor is a Fellow of the Institute of Chartered Accountants.
Eddie Paulsen Non-Executive Director	Eddie has held senior positions in the financial services and funds management industries for over 30 years. Much of this has been with National Mutual Group (now AXA, and part of the AMP Group) where he has held a number of CEO and Executive Director positions. This has included a funds management company, which included the listed National Mutual Property Trust as well as other unlisted property and equity trusts, a Public Trustee company and Financial Planning Group.
Brett Gorman Director / Secretary	Brett is a Chartered Accountant and Licensed Real Estate Agent. And has significant experience in establishing and operating managed investment schemes. Prior to MPG, Brett held positions with Deloitte Touche Tohmatsu in Corporate Finance, Audit and Growth Solutions divisions. He has a Graduate Diploma in Applied Finance and Investment, as well as a Bachelor of Commerce degree. Brett is a Fellow of the Financial Services Institute of Australia, Registered Tax Agent and is a holder of a Public Practice Certificate.

Source: MPG

Compliance and Governance

The RE has a Compliance Plan which has been lodged with ASIC, as required by the Corporations Act. The Compliance Plan outlines the policies and procedures for the RE to administer the Trust's assets, engagement of external service providers, valuation practices, borrowings and reporting to unitholders. The Compliance Committee consists of three members, including two external members, and meets half yearly.

The Trust complies with all the disclosures and benchmarks prescribed under the ASIC Regulatory Guide 46 'Unlisted property schemes: Improving disclosure for retail investors'.

Copyright © 2018 Core Property Research Pty Ltd

Related Party Transactions

The Trust has in place a Related Party Transaction and Conflicts of Interest Policy which is required to comply with RG46 requirements. All related party transactions will be approved by the Board of Directors of MPG and are undertaken on an arm's length basis under normal terms and conditions.

In addition, the RE also received fees payable and compensation as required for the management of the Trust under its Constitution (see section on Fees).

Past Performance

MPG has provided a summary of returns on its syndicates (including 2 syndicates which have been wound up), which is summarised in the table below.

Investors should note that that past performance is not a reliable indicator of future performance as each fund, and its respective underlying property, has its own specific risks and attributes.

Figure 13: Selected performance of MPG managed investments

Fund	Period to June 2018 (years)	Total Distributions (cpu)	NTA at 30 June 2018[1]	Total Return p.a. (Straight Line)
MPG Hardware Trust	6	$0.47	$2.00	24.4%
MPG Motor Vehicle Dealership Trust[2]	9	$0.83	$2.30	21.3%
MPG BW Trust	4	$0.29	$1.53	20.4%
MPG BW Trust 2	4	$0.26	$1.41	16.9%
Epping Trade Centre Project[3]	3	$0.21	$1.21	14.3%
MPG KM Trust	3	$0.22	$1.11	11.0%
MPG Hardware Trust 2	3	$0.19	$1.09	9.3%
MPG Bulky Goods Retail Trust	14	$1.09	$1.21	9.3%
Village Travel Centre	4	$0.33	$1.02	8.8%
MPG Seaford Meadows Property Trust	4	$0.31	$1.00	7.6%
MPG Retail Brands Property Trust	12	$0.88	$0.94	6.8%
MPG Tweed Hub Trust	1	$0.07	$0.94	1.2%
MPG BW Newstead Trust	2	$0.10	$0.88	-1.0%
Unweighted Average				**11.6%**

Note 1: All funds had an Issue Price of $1.00 per unit.
Note 2: The MPG Motor Vehicle Dealership Trust was wound up in 2014. Returns are for the 9 years from inception to wind up.
Note 3: The Epping Trade Centre Project Trust was wound up in 2015. Returns are for the 3 years from inception to wind up.
Source: MPG

Copyright © 2018 Core Property Research Pty Ltd

Appendix – Ratings Process

Core Property has developed a framework for rating property and property related investment product offerings in Australia. The methodology gives consideration to a number of qualitative and quantitative factors. Essentially, the evaluation process includes the following key factors: product and underlying portfolio construction; strength and depth of management team, product structure, risk management, financial analysis, and likely outcomes.

It is important for financial planners and investors to view the recommendation and rating in the context of comparable products only and not across all products rated by Core Property.

The Ratings

Financial Advisers and investors should note that for all ratings categories, the product may not suit the risk/return profiles of all investors.

Rating	Definition
Highly Recommended	This is the highest rating provided by Core Property and is indicative of the product exceeding the requirements of our review process across a number of parameters.
Recommended	Indicates that the product has an above average grade profile across a number of Core Property's parameters and has the potential to deliver above average risk adjusted total returns.
Approved	Indicates that the product has met the aggregate requirements of Core Property's criteria. The product has an acceptable risk/return trade-off and is potentially able to generate risk-adjusted returns in line with stated investment objectives.
Speculative	Core Property believes this is a product that has a number of positive attributes; however, there are a number of risks that make investing in this product a speculative proposal. While Core Property does not rule out investing in this product, investors should be very aware of, and be comfortable with the specific risks. The product may provide unique diversification opportunities, although concerns over one or more features mean that it may not be suitable for most investors.
Not Approved	Indicates that the product has failed to meet the minimum aggregate requirements of Core Property's criteria. While the product may have some positive attributes, Trusts in this category are considered high risk.

This report has been commissioned, and, as such, Core Property has received a fee for its publication. Under no circumstances has Core Property been influenced, either directly or indirectly, in making statements and / or recommendations contained in this report.

Copyright © 2018 Core Property Research Pty Ltd

Disclaimer & Disclosure

Core Property has received a fee from the Manager for researching the product(s) which has then been subject to a detailed review and assessment by Core Property and its analysts to produce this report. In compiling this report, Core Property's views remain fully independent of influence or conflicts of interest. Our team of analysts undertake an objective analysis of the offer and conclusions are presented to senior officers for review.

The company specified in the Report (the "Participant") has provided Core Property with information about its activities. Whilst the information contained in this publication has been prepared with all reasonable care from sources that Core Property believes are reliable, no responsibility or liability is accepted by Core Property for any errors, omissions or misstatements however caused.

Any opinions, forecasts or recommendations reflects the judgement and assumptions of Core Property as at the date of publication and may change without notice. Core Property and the Participant, their officers, agents and employees exclude all liability whatsoever, in negligence or otherwise, for any loss or damage relating to this document to the full extent permitted by law.

This publication is not and should not be construed as, personal financial product advice, an offer to sell or the solicitation of an offer to purchase or subscribe for any investment. Any opinion contained in the Report is unsolicited general information (general financial product advice) only. Neither Core Property nor the participant is aware that any recipient intends to rely on this Report or of the manner in which a recipient intends to use it. In preparing our information, it is not possible to take into consideration the investment objectives, financial situation or particular needs of any individual recipient. Investors should obtain individual financial advice from their investment advisor to determine whether opinions or recommendations (if any) contained in this publication are appropriate to their investment objectives. Investors should obtain a copy of, and consider the PDS/ Information Memorandum, which can be obtained by contacting the issuer.

This publication is not for public circulation or reproduction whether in whole or in part and is not to be disclosed to any person other than the intended recipient, without obtaining the prior written consent of Core Property. This report is intended for the residents of Australia. It is not intended for any person(s) who is resident of any other country. Core Property and/or the Participant, their officers, employees or its related bodies corporate may, from time to time hold positions in any securities included in this Report and may buy or sell such securities or engage in other transactions involving such securities. Core Property and the Participant, their directors and associates declare that from time to time they may hold interests in and/or earn brokerage, fees or other benefits from the securities mentioned in this publication.

Core Property discloses that from time to time it or its officers, employees and related bodies corporate may have an interest in the securities, directly or indirectly, which are the subject of these statements and/or recommendations (if any) and may buy or sell securities in the companies mentioned in this publication; may effect transactions which may not be consistent with the statements and/or recommendations (if any) in this publication; may have directorships in the companies mentioned in this publication; and/or may perform paid services for the companies that are the subject of such statements and/or recommendations (if any). However, under no circumstances has Core Property been influenced, either directly or indirectly, in making any statements and/or recommendations (if any) contained in this Report.

The information contained in this publication must be read in conjunction with the Legal Notice that can be located at http://www.coreprop.com.au/Public/Disclaimer.

For more information regarding our services please refer to our website www.coreprop.com.au.

Copyright © 2018 Core Property Research Pty Ltd

Core Property
Fund Research & Ratings
www.coreprop.com.au