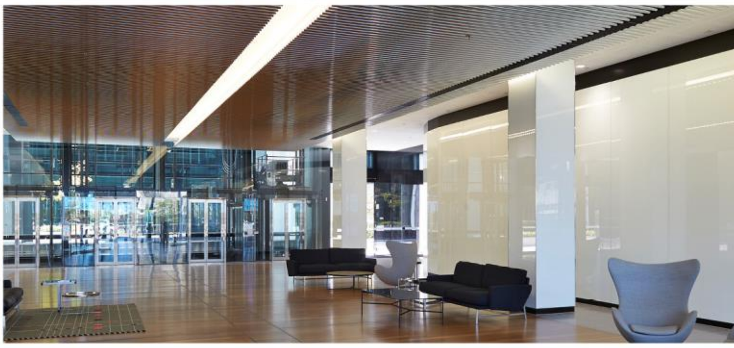
CorVal

INFORMATION MEMORANDUM CORVAL WORKZONE TRUST



IMPORTANT INFORMATION

This Information Memorandum (IM) is dated 6 September 2016 and has been issued by CorVal Partners Limited ACN 130 628 830 (Trustee or CorVal). CorVal is the holder of Australian Financial Services Licence No. 326118.

This IM is not a prospectus or a product disclosure statement, and therefore does not have to comply with the relevant provisions of the Corporations Act 2001 dealing with disclosure documents.

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This IM outlines some of the key points in relation to the investment. The matters included in this IM do not constitute a comprehensive statement of the costs, benefits, risks and other characteristics of the investment.

Potential investors should read this IM in its entirety, obtain advice from a suitably qualified professional advisor and make their own assessment of the investment before deciding to invest.

This IM does not constitute advice on legal, taxation and investment matters and does not take into account the investment objectives or the personal financial circumstances of any person to whom it is provided.

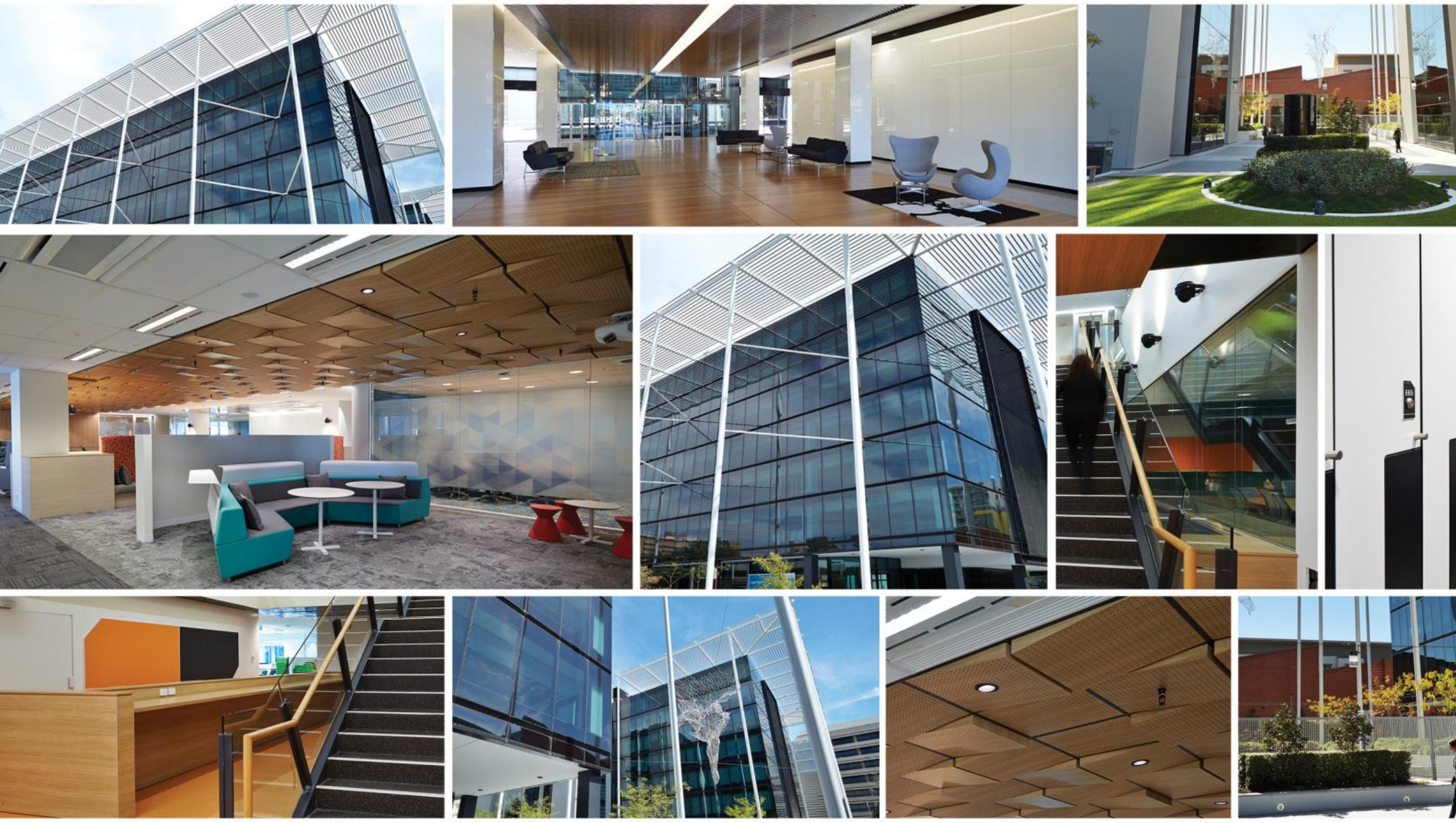
Disclaimer
Whilst this IM includes information about the nature of the investment, the Property and other matters, it is not exhaustive in its contents and should not be considered as such.

All projections and forecasts in this IM are for illustrative purposes only. They are based on the opinions of, and the assumptions and qualifications made by the directors of CorVal as at the date of this IM. Actual results may be materially affected by changes in economic and other circumstances.

Any reliance placed upon the accuracy of projections, forecasts and other information provided in this IM, and the appropriateness of opinions, assumptions and qualifications used, is a matter for your own commercial judgement. No representation or warranty is made that any projections, forecasts, values, assumptions or estimates contained in this IM can or will be achieved.

CorVal and its directors, officers, employees, advisers and representatives give no warranty and make no representation in respect of the contents of this IM, nor do they accept any responsibility for the accuracy, reliability or completeness of the information provided in this IM.

Investors
Investment is only available to investors who are “wholesale clients” within the requirements of section 761G of the Corporations Act 2001 (Cth) or who are otherwise entitled to invest – see section 14 for more detail.



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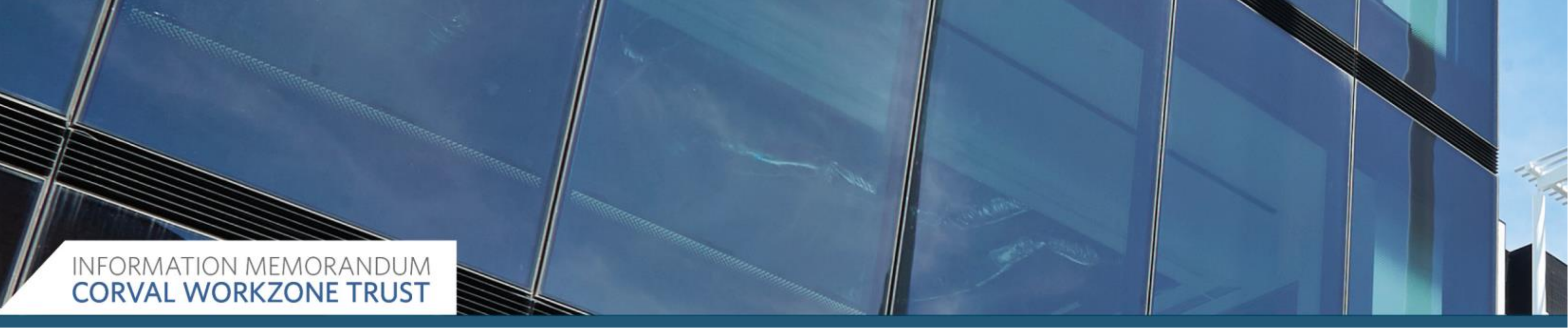


1 EXECUTIVE SUMMARY

CorVal Partners Limited (**CorVal**) is pleased to present to Investors the opportunity to invest in the CorVal WorkZone Trust (**Trust**).

The Trust is a single asset trust that, subject to the completion of due diligence to the satisfaction of CorVal and successful equity raising under this IM, will acquire 1 Nash Street, Perth, WA (**"Property"**) for $68.25m.

The Property comprises a near new building completed in 2013 that provides 12,362 sqm of office space over a ground level and six upper levels, with parking for 83 basement car bays. The office accommodation is of a high A-grade standard, with a side-core, large efficient floors plates, and natural light from all four sides. There are also state of the art end-of-trip facilities, landscaped surrounds and the building is on track to achieve a minimum 5 Star National Australian Built Environmental Rating System ("**NABERS**") Energy Rating.

The Property is located within Perth's City Fringe office/mixed use precinct, with this location supported by convenient road and rail transport links.

The Property is being acquired on the basis that it is 100% leased, with a long Weighted Average Lease Expiry (WALE) of 9 years. The Property is currently 68% leased, with two vacant floors, however the Vendor has recently agreed terms with Telstra to lease all remaining vacant space for a 10-year term. The acquisition of the Property by the Trust is subject to Telstra entering into a binding lease agreement.

The major tenant is CBP Contractors ("**CBP"**) (previously Leightons) which leases levels 1-3 (5,851 sqm / 47% of NLA) and underpins the income until its lease expiry date in August 2025. The other two existing tenants are JDSI Consulting Engineers ("**JDSI**") which leases level 6 (1,951 sqm / 16% of NLA) and British Petroleum ("**BP**") which leases a ground floor office suite (661 sqm / 5% of NLA). Telstra will lease levels 4-5 (3,900 sqm / 32% of NLA), with the lease to commence in August 2017.

The total equity raising for the Trust is $41.6m (47% level of gearing), which together with loan funds will be used to fund the acquisition of the Property, meet related property acquisition costs and other Trust costs.

To maintain an alignment of interest with Investors, an entity associated with RF Capital (Andrew Roberts who is a 50% shareholder in CorVal) will commit to subscribe for between 10% and 50% of the total equity in the Trust. Directors and senior executives of CorVal will also be seeking to subscribe for equity in the Trust.

OFFER HIGHLIGHTS

		Section
Trust equity IRR [a]	11.3%. There is the potential for this to be exceeded under different assumptions	9, 10
Trust distributions [a] [b]	The projected Trust Earning Per Unit (EPU) is forecast to average 12.0% over the investment term. The EPU for the 8 months to 30 June 2017 is forecast to be 7.4%, increasing to 11.0% for FY18, once the lease to Telstra commences. Subject to the performance of the Trust over this period, Distributions Per Unit (DPU) will be paid in line with, or marginally below the EPU, thereby providing Investors with an attractive income yield in the current low interest rate environment.	10
Trust equity raise	$41.6 m	
CorVal co-investment	Between 10% to 50%	
Tax depreciation	Indicative tax depreciation benefits provided by an independent consultant indicate an average tax deferral level of 65% over the first 5 years. FY17 FY18 FY19 FY20 FY21	
	100% 84% 56% 48% 38%	
Purchase price metrics	The purchase price reflects an initial property yield, (on commencement of the Telstra lease) of 9.73% and $5,521 per sqm of NLA. These are considered to be attractive metrics for an A-Grade office building located in a CBD fringe location. An independent valuation report for the Property has been prepared by Colliers that supports this purchase price.	2
Discount to replacement cost	The Property purchase price represents a discount to total development costs of approximately 25%. Total development costs are estimated at $90-95m, comprising construction costs of $65m plus site value, financing and leasing costs. This is considered a significant discount given the building is only 3 years old.	
Minimal capital expenditure	There is forecast to be minimal base building capital expenditure over the investment term given the buildings age and condition.	9

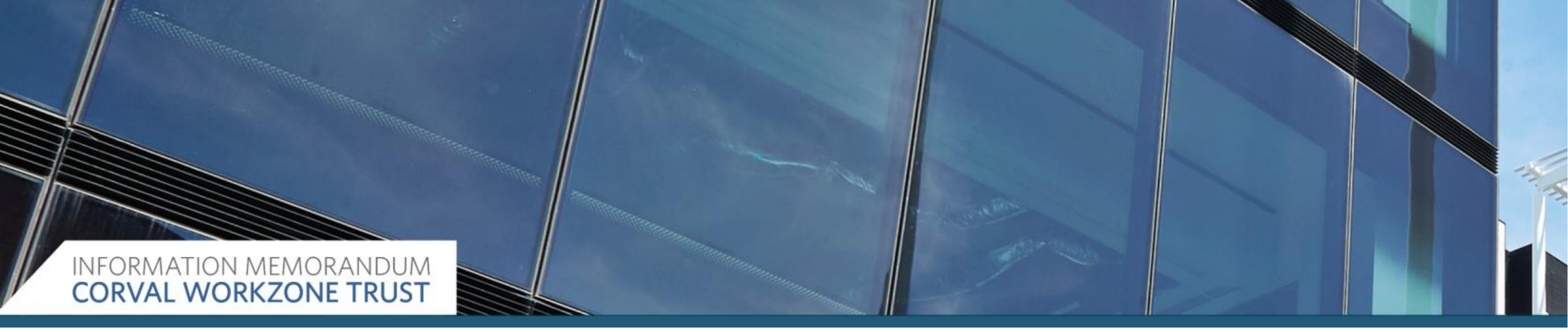
		Section
	This is supported by SGA, an external consultant appointed to undertake physical due diligence on the Property, which is forecasting a total of $0.80m over a 10 year period.	
Counter cyclical investment	The Perth office market has seen effective rents fall by more than 50% since their peak in 2012, which in turn, has seen property values decrease dramatically and create opportunistic buying conditions. The WorkZone East acquisition provides exposure to this market through a high quality A-Grade building, which benefits from long term secure income and offers the potential for upside, as market conditions rebound.	4
Security of income	The Property is being acquired on the basis that it is 100% leased, with a WALE of 9 years[c]. The WALE is underpinned by medium to long term leases, which reduces the investments direct exposure to the current Perth office market conditions and allows for the Property to be held until such time as market conditions are forecast to improve, whilst still maintaining relatively attractive earnings / distributions. The major tenants are CPB Contractors and Telstra, which account for 59% and 22% of the gross property income respectively. CPB is the construction arm of CIMIC Group, which generated revenue of $5.2b and net profits of $260.0m in the 6 months to June 2016. CIMIC Group is listed on the ASX and has a current market cap of circa $10b. Telstra is Australia's largest telecommunication company with a market cap of circa $64b.	3
Property features	The Property is a newly constructed A-Grade building, which provides high-quality "campus style" office accommodation. Each upper level office floor is approximately 1,950 sqm, with excellent levels of natural light from all four sides and a side core. The floors are highly efficient and can be easily sub divided. The office space suits larger users seeking cost effective accommodation, in close proximity to retail and transport amenities. The building has been built to a high specification and includes a number of features, such as an expansive ground level foyer, glass lifts and lift core, landscaped plaza area and full end of trip facilities. Further, the building has been designed and built to a 5-Star Green Star rating and is targeting a 5-star National Australian Built Environmental Rating System (NABERS) rating.	2

		Section
Property location and public transport	The Property is located in the fringe of the Perth CBD, approximately 650m from the Perth city mall precinct and 900 sqm from St George Terrace, Perth CBD's main street. The development immediately surrounding the Property comprises a mix of uses, with a number of major office buildings and residential development. Retail amenity is provided at the Northbridge food and beverage precinct which is located some 300m west of the Property. The Property is well serviced by public transport with McIver Station adjacent to the Property, and the Perth Central Railway and Bus Terminal within 500m. Vehicular access to the city's freeway network is also easily accessible via nearby on and off ramps at Roe Street, Newcastle Street and Lord Street.	2
Experienced manager	The Trust is managed by a quality, experienced investment manager who is aligned with the Investors through a material co-investment in the Trust.	7
Simple structure	Single property asset housed in an unlisted trust structure, thereby providing an attractive negative correlation to equity markets and other asset classes, as well as generating a significant yield premium to the current low interest rates available on cash deposits.	8

(a) Net of base fees and Trust expenses but before any performance fee. The projected returns are based on the opinions of, and the assumptions and qualifications made by, the directors of CorVal as at the date of this IM. Actual results may be materially affected by changes in economic and other circumstances. See section 9 for the assumptions around the returns, section 12 for the various risk factors and section 10 for some sensitivity analysis around the projected returns.

(b) Whilst it is CorVal's intention to maintain a DPU in line with EPU over the investment term of the Trust, this remains subject to the performance of the Trust. The DPU payout ratio may be lower than EPU should the Trust be required to reduce the level of gearing over the term of the investment. This may occur if market conditions do not recover as anticipated which could put downward pressure on the value of the asset, particularly as the duration of the leases to CBP and JDSI shorten, with the prospect for the above market rents under these leases reverting to lower market levels.

(c) As at 31 October 2016



TENANCY PROFILE OVERVIEW

The Property is being acquired on the basis that it is 100% leased to the following tenants:

- CBP Contractors (“CBP”) previously known as Leightons and part of the CIMIC Group is the major tenant, leasing levels 1-3 (5,851 sqm), with an expiry in August 2025. CBP accounts for 59% of the gross income;
- JDSI Consulting Engineers (“JDSI”), a local engineering firm that focuses on civil engineering, leases level 6 until February 2025. JDSI accounts for 15% of the gross income;
- BP leases the ground floor office space until October 2021 and accounts for 4% of the gross income;
- Telstra has recently signed a heads of terms to lease levels 4-5 (3,900 sqm), with the lease to commence in August 2017 and an expiry in July 2027. Telstra accounts for 22% of the gross income.

All leases are structured on a fully net basis, with property outgoings recovered from the tenants based on the proportion of NLA occupied. The CBP lease has strong fixed 4.00% per annum increases, whilst JDSI and BP have 3.50% and 3.25% increases respectively and the terms agreed with Telstra include 2.75% fixed annual increases.

CPB and JDSI are currently paying net rentals of $679 and $466 per sqm respectively which are considered to be above current market rents, which are estimated to be in the range of $310-350 per sqm. This is a result of these lease deals being struck in 2013 and 2015, since which time face rents in Perth have fallen dramatically.

CBP is not currently in occupation of its 3 floors and has sub-leased levels 1 and 2 to the WA Government. Level 3 is not occupied by CBP and is available for sub-lease. CorVal considers this to present an opportunity to add value over the short to medium term by potentially negotiating an early lease surrender payment from CBP and the Trust then re-leasing this space.

INVESTMENT STRATEGY

The Trust investment strategy revolves around making a counter cyclical investment in the Perth market and gaining exposure to this market through the acquisition of a high quality A-Grade property. The Perth office market represents a significant pricing discount to other Australian markets as a result of the current subdued leasing conditions, which has allowed for the Property to be secured at attractive pricing.

The investment is underpinned by long term, secure income, which is forecast to generate an EPU of 7.4% for the period to 30 June 2017. This EPU is then forecast to increase to 11.0% for FY18, once the Telstra lease commences in August 2017. Importantly, the income is secured through leases that are in place for the medium to long term, providing a level of protection against market conditions over this time and allowing time for the market to recover.

Subject to the overall performance of the Trust, the funds management strategy will include distributing the bulk of the Trust earnings to Investors on a quarterly basis to maximise the DPU paid to Investors.

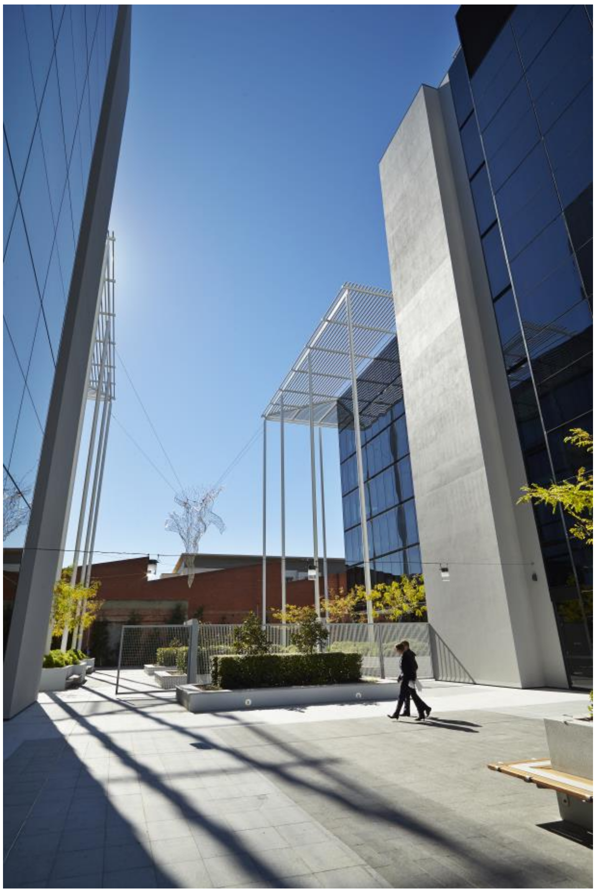
The Base Case assumes the Property is to be held for a 9-year period. This hold period allows time for market conditions to improve and captures the major lease expiries which fall in 2025. The timing on the sale of the Property will be largely dependent upon future market conditions and there is the potential for this hold period to be shorter if they improve quicker than forecast.

MARKET OVERVIEW

The Perth CBD is Australia’s fifth largest office market, providing 1.8 million sqm of office accommodation. The market comprises a large combination of A and B Grade stock accounting for 43.5% and 24.7% of total stock in the market. Premium Grade stock accounts for 17.5% by NLA, whilst C and D Grade stock no longer represent a large portion of the market due to rezoning and withdrawal of obsolete and aging stock in recent years for development to alternative uses.

According to the latest PCA statistics, Perth CBD vacancy was 21.8% per cent as at July 2016, up from 16.6% 12 months prior. Sub-lease availability, which is generally viewed as a barometer of business confidence, moderated throughout 2014 but has since risen in 2015 and 2016, currently representing 4.3% of total stock.

JLL reports that investment yields have remained largely unchanged in the Perth market over the past 12 months.



FINANCIAL SNAPSHOT

Subject to the assumptions outlined in section 9 and the risks outlined in section 12, the projected financial returns are presented below:

	Note	Projected Trust *Earnings Yield**	Projected Trust *Distribution Yield**
Period to end 30.6.17 (8 months)	a	7.4%	7.0%
Period to end 30.6.18	a	11.0%	10.5%
Period to end 30.6.19	a	11.9%	11.5%
Period to end 30.6.20	a	12.2%	12.0%
Period to end 30.6.21	a	12.6%	12.0%
Period to end 30.6.22	a	13.2%	12.5%
Period to end 30.6.23	a	13.8%	13.5%
Period to end 30.6.24	a	14.5%	14.0%
Period to end 30.6.24	a	14.6%	14.0%
Period to end 30.6.25 (6 months)	a	8.9%	8.5%
Average Yield over the Investment Term		**12.0%**	**11.6%**
Projected Trust Equity IRR			***11.3%p.a.**
Initial investment			($500,000)
Projected Trust earnings*			$559,975
Projected net sale proceeds*			$401,466
Total cash available for distribution			$961,441
Multiple			**1.92 x**

* Net of base fees and Trust expenses but before any performance fee. The projected returns are based on the opinions of, and the assumptions and qualifications made by, the directors of CorVal as at the date of this IM. Actual results may be materially affected by changes in economic and other circumstances. See section 9 for the assumptions around the returns, section 12 for the various risk factors and section 10 for some sensitivity analysis around the projected returns.

Whilst it is CorVal's intention to maintain a DPU in line with EPU over the investment term of the Trust, this remains subject to the performance of the Trust. The DPU payout ratio may be lower than EPU should the Trust be required to reduce the level of gearing over the term of the investment. This may occur if market conditions do not recover as anticipated which could put downward pressure on the value of the asset, particularly as the duration of the leases to CBP and JDSI shorten, with the prospect for the above market rents under these leases reverting to lower market levels.

The forecast Investor returns are subject to the following key assumptions:

Property disposal date	Dec 2025
Forecast hold period	9 years
Net Property disposal price [1]	$81.4 m
Disposal price per sqm	$6,610
Capital expenditure over the investment period [2]	
- Owner make good and upgrade costs	$1.6 m
- Tenant incentives	$11.1 m
- Leasing commissions	$0.5 m
- Owner capital expenditure	$1.2 m
TOTAL CAPITAL EXPENDITURE	**$14.4 m**
Property disposal yield (market)	7.00%

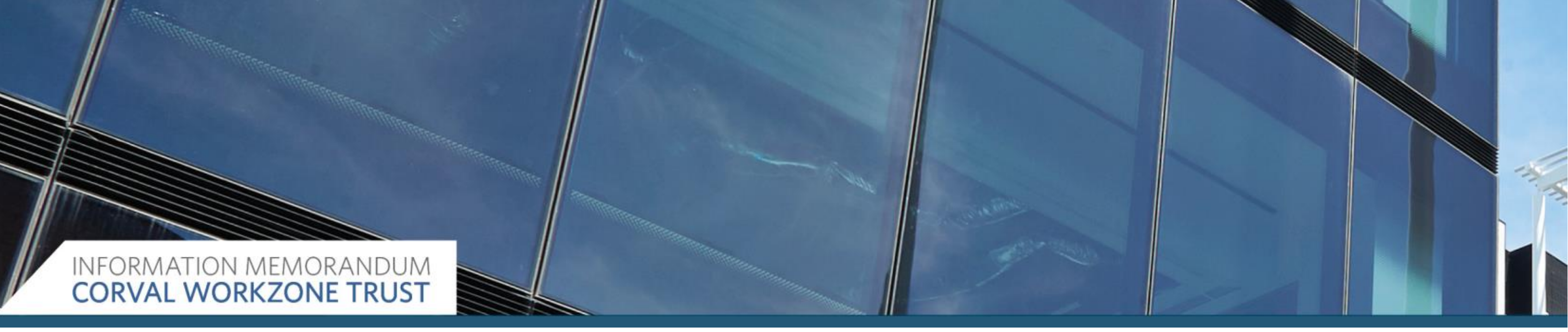
1. Adjusted by $0.3 m for forecast outstanding rent abatements at the time of disposal
2. Refer to section 9 for further details.

KEY DATES

For Investors to secure a position within the Trust, a non-refundable deposit equivalent to 10% of their proposed investment will be required.

The key dates for the offer are as follows (each of which are indicative only and CorVal reserves the right to change without notice):

Receipt of Application Form and 10% non-refundable deposit	27 September 2016
Payment of balance of application monies	12 October 2016
Completion of Sale and Allotment of units to Investors	17 October 2016



2 PROPERTY OVERVIEW

LOCATION OVERVIEW

The Property is one of two buildings within the newly built WorkZone development. The other building is WorkZone West which is a similar building but slightly larger than the Property. The complex occupies a site in between Pier and Nash Streets.

The WorkZone complex is located in the Perth CBD Fringe, approximately 650 metres north east of Perth's main retail mall and the GPO, and 900m from St Georges Terrace where the major CBD buildings are located. The location benefits from proximity to the Northbridge cultural, entertainment and food & beverage precinct.

The surrounding properties generally comprises a mix of commercial and residential uses. The major office buildings in the immediate vicinity include; Telstra's current headquarters at 80 Stirling Street, Police and Nurses Building at 130 Stirling Street, Hatch Building at 144 Stirling Street and the ATO at 45 Francis Street.

The Property is well serviced by transport links, with McIver Station being adjacent to the Property and the Perth Central Station and Bus Terminal located some 500m away. Easy and convenient access is also provided to the city's freeway network via nearby on and off ramps at Roe Street, Newcastle Street and Lord Street.

BUILDING OVERVIEW

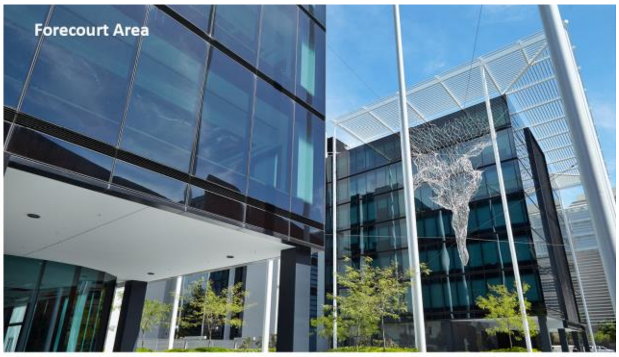
The Property is a modern, seven level A-grade office building, with basement car parking for 83 vehicles (ratio of a car bay per 149 sqm of NLA) that was recently completed in 2013. The building was built by Leightons (who is also the major tenant in both WorkZone East and WorkZone West) to a high specification.

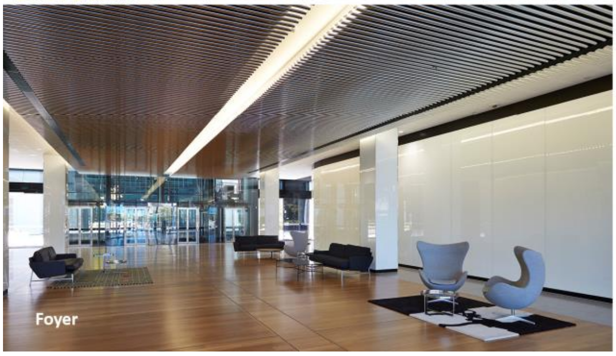
The building offers market leading sustainability credentials with chilled-beam air-conditioning, grey water recycling infrastructure, state-of-the-art energy and building management systems and end-of-trip facilities. There is a landscaped forecourt area in-between the two WorkZone buildings.

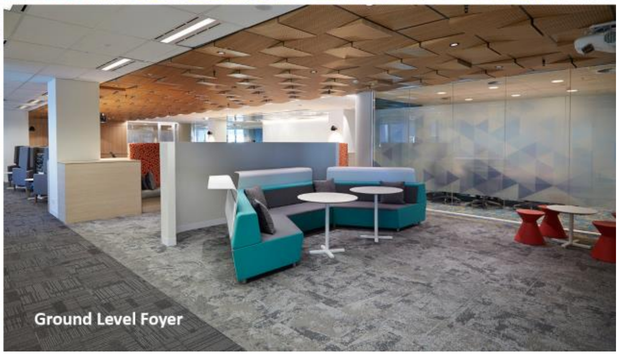
The office floor plates average 1,950 sqm, which benefit from excellent natural light to all sides of the building and this, along with the side core configuration, enables the floors to be efficiently sub-divided.

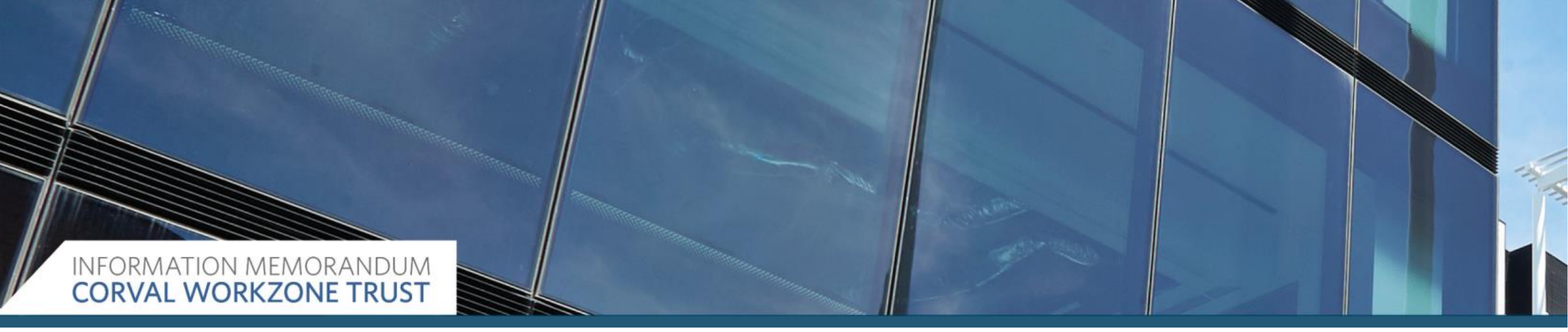
The parking ratio is 149:1, which is slightly below what is favorable in the market, however the area is well serviced by public transport and cycling tracks.


Front Facade


Forecourt Area


Foyer


Ground Level Foyer



KEY PROPERTY INFORMATION, PURCHASE PRICE METRICS AND ASSUMPTIONS

	Note	
Key Property information:		
Address		1 Nash Street, Perth
Net lettable area (NLA)		12,362 sqm
Parking bays		83
Year built		2013
Occupancy		100%
WALE by Income (as at 31 October 2016)		9.0 years
Freehold / leasehold		Freehold
Purchase price metrics:		
Acquisition price		$68.25m
Telstra leasing costs to be borne by the Trust	a	$6.45m
Initial Yield	b	8.9%
Core Cap Rate	c	8.0%
Rate Per Sqm		$5,521
Key Property assumptions:		
Average net passing office rent		$511 per sqm
Average net market office rent		$335 per sqm
Annual market rent growth over investment year term		2.5%
Office tenant incentive on new tenant (% of net rent)		30-55%
Office tenant incentives on renewals (% of net rent)		25-50%
Retention		100%
New lease term		8 years
Owner capital expenditure upon lease expiry	d	$150 per sqm

Notes:

a In addition to the purchase price the Trust is required to fund the Telstra incentive ($6.05m) which at Telstra election can be used as a fitout contribution or rent abatement. It is assumed $3.90m will utilised as a fitout contribution (based on $1,000 per sqm) and the $2.15m balance is a rent abatement spread evenly over the lease term. In addition to this, there is a leasing fee ($0.26m) and the installation of internal stairs ($0.15m).

b The quoted initial yield has been calculated by dividing the passing net income upon the commencement of the Telstra lease of $6.63m p.a. by the total acquisition cost of $74.7m (purchase price including Telstra leasing costs).

c Calculated by capitalising the assumed net market income of $4.44m at 8.0% to arrive at core value of $55.7m, adding the present value of the over-renting ($19.01m) and deducting the Telstra leasing cost ($6.46m), so as to arrive at the $68.25m purchase price.

d Applied to all office areas upon each lease expiry

3 TENANCY PROFILE

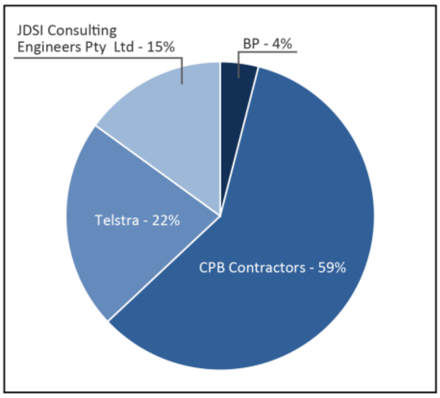
The Property is being acquired on the basis that it is 100% leased to four tenants with a WALE of 9 years by income. The major tenant is CBP Contracts which provides 59% of the passing gross income, with the other tenants being Telstra, JDSI and BP.

All tenants have leases structured on a net basis where the property outgoings are recovered from the tenants based on the proportion of NLA occupied. The CBP lease has strong fixed 4.00% per annum increases, whilst JDSI and BP have 3.50% and 3.25% increases respectively and the terms agreed with Telstra include 2.75% fixed annual increases.

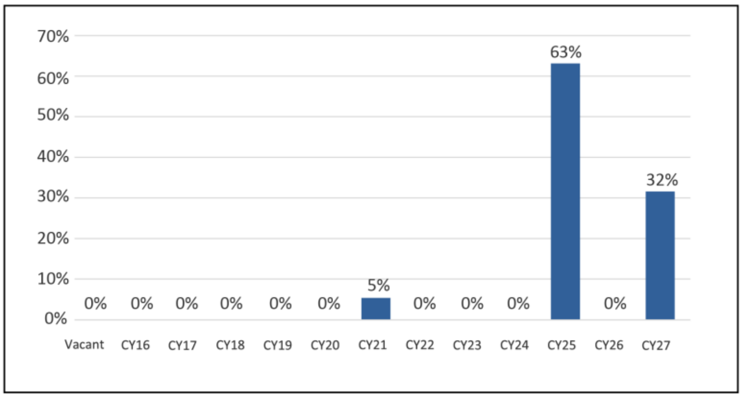
A summary of the tenancy profile is provided below, with the full tenancy schedule included in Appendix 2:

Tenant	Tenancy	Gross Income	% of Property Gross Income	Lease expiry
CPB Contractors	Level 1-3	4.84	59%	Aug-25
Telstra	Levels 4-5	1.75	22%	Jul-27
JDSI	Level 6	1.21	15%	Feb-25
BP	Ground	0.33	4%	Oct-21
TOTAL GROSS INCOME		**8.13**	**100%**	

TENANT PROFILE



LEASE EXPIRY PROFILE BY NLA



A profile on each of the tenants is provided below:

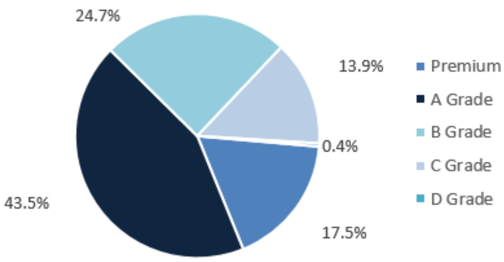
CPB CONTRACTORS	CPB Contractors is the CIMIC Group's construction company, with a team of around 18,000 people working at operations across Australia, New Zealand, Papua New Guinea, Asia and India. CPB Contractors' expertise spans all key sectors of the construction industry, including roads, rail, tunneling, defense and building. CIMIC Group has a market capitalisation of approximately $10.0b and reported a net profits of $265.2m for the 6 months to 30 June 2016 ($530.4m on an annualised basis). CPB is the largest and most profitable division of CIMIC with revenue of $3.4b and profit of $260.0m for the 6 month to 30 June 2016 ($6.8b and $520.0m on an annulised basis). As at 30 June 2016, the construction division had $13.2b of work in hand.
TELSTRA	Telstra is Australia's largest telecommunications and media company which builds and operates telecommunications networks and markets voice, mobile, internet access, pay television and other entertainment products and services. Telstra also offers its services globally, with a focus on the Asia-Pacific region. Telstra currently has a market capitalisation of approximately $64.3b and employs over 36,000 people across 22 different countries.
JDSI	JDSI Consulting Engineers is a privately owned company that specialises in planning, design and construction solutions for land development and infrastructure projects. The company works with private and government organisations on large scale urban developments, as well as projects throughout regional Western Australia
BP AUSTRALIA	BP is involved in the exploration and production of oil, natural gas and liquefied natural gas and the refining, transportation and marketing of petroleum and lubricant products. BP is a multinational with a market capitalisation in excess of $100b.

4 MARKET OVERVIEW

MACQUARIE PARK OVERVIEW

The Perth CBD is Australia's fifth largest office market, providing 1.8 million sqm of office accommodation. The market comprises a large combination of A and B Grade stock accounting for 43.5% and 24.7% of total stock in the market. Premium Grade stock accounts for 17.5% by NLA, whilst C and D Grade stock no longer represent a large portion of the market due to rezoning and withdrawal of obsolete and aging stock in recent years for development to alternative uses.

PERTH OFFICE STOCK BY PROPORTION



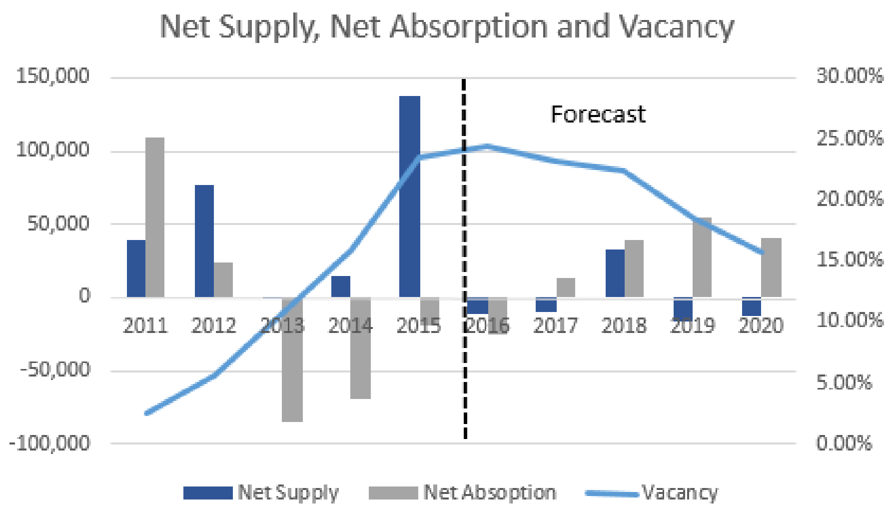
The Perth office market experienced high levels of new supply during 2015, with the second half delivering 113,463 sqm. This included the delivery of three buildings in Kings Square (KS2, KS3 and KS4 – 37,457 sqm), Brookfield Place 2 (33,600 sqm), the Old Treasury Tower (30,196 sqm) and 999 Hay Street (10,760 sqm). Of this new stock an estimated 87,569 sqm (77%) is being fitted out for occupancy. Another 6,428 sqm is occupied, leaving 19,471 sqm uncommitted or vacant sub-lease space. Vacancy is forecast to peak in 2016 following the completion of KS1 (22,612 sqm) as there are no significant office development is forecast to complete until 2018.

According to the latest PCA statistics, Perth CBD vacancy was 21.8% as at July 2016, up from 16.6% twelve months prior. Perth currently has the highest vacancy rate in Australia, above Brisbane (16.9%), Adelaide (15.8%), Canberra (13.0%), Melbourne (7.0%) and Sydney (5.6%). Sub-lease availability which is generally viewed as a barometer of business confidence, moderated throughout 2014 but has since risen in 2015 and 2016, currently representing 5.3% of total stock.

RENTS AND INCENTIVES

Net absorption was negative 24,390 sqm over the year to 2016 Q1, which was an improvement on the previous year when negative net absorption of 61,846 sqm was recorded. The Perth market continues to be a tenant favorable market, with vacancy likely to persist above 20% throughout 2016. Prime gross effective rents decreased by 5.1% this quarter to average $466 per sqm. Since the most recent peak (2Q12), prime gross effective rents have fallen by 43.1%. Average prime gross incentives are now sitting at 45% or 54 months' rent free on a 10-year lease.

The chart below, which is based on JLL's historical data and current forecasts, shows vacancy rates peaking in 2016 and stabilizing around the current level for 2017 and 2018 before starting to decline from 2019, once net absorption is assumed to recover.



RECENT LEASING TRANSACTIONS

The table below summarises the most comparable leasing transactions within the Perth market:

Property	NLA (sqm)	Tenant	Start date	Term (years)	Rent (Net)	Incentive (Net)	Comparison
120 Roe Street, Northbridge	1,814	Not Disclosed	Jun-15	5.0	$295	10%	Inferior
7 Tully Road, East Perth	683	Not Disclosed	Sep-15	1.3	$250	Not Disclosed	Inferior
45 St Georges Terrace, Perth	1,089	Crowe Howath	Dec-15	7.0	$470	29%	Superior
823 Wellington Street	1,187	Centacare Employment	July-15	7.0	$325	16%	Inferior
1-5 Havelock Street, West Perth	1,236	Frasers Property	Feb-16	8.0	$375	30%	Inferior
1 William Street, Perth	2,192	Empired	Nov-15	5.0	$575	44%	Superior
1 Adelaide Terrace, Perth	6,487	Minister for Works	Apr-15	7.0	$525	31%	Superior
863 Hay Street, Perth	1,143	Allion Legal	Nov-15	5.0	$600	35%	Superior
WorkZone – East	661	BP	Nov-16	5.0	$350	48%	-
WorkZone - East	1,951	JDSI	Mar-15	10.0	$450	30%	-
Workzone - East	1,950	Telstra (HoA)	Aug-17	10.0	$310	50%	-

There have been limited directly comparable transactions, however the Base Case has assumed current net face rents of $335 per sqm. This is in line with the BP lease deal and marginally higher than the terms agreed with Telstra. CorVal considers the deal with Telstra to be slightly below market terms as it has been agreed to by the Vendor of the Property to secure the sale.

INVESTMENT TRANSACTIONS AND YIELDS

There were five major CBD transactions in the March quarter, totaling $533.6m. This is a significant increase on transactions volumes recorded in 2015. Prime yields ranged between 6.00% and 8.25%, whilst secondary grade yields ranged between 8.25% and 9.75%. Interest from counter cyclical buyers and syndicates has been evident during the first half of 2016 and is likely to continue throughout the year. Despite the downturn in the leasing cycle, prime investment yields in Perth remain below the 10-year historical average of 7.56%, sitting at an indicative yield of 7.13%. It should be noted, that the Perth average of 7.13% hides a very wide range in cap rates of 6.00% to 8.25%, depending on the age, location and leasing profile of the properties.

The table below summarises the major sales in the Perth CBD and fringe markets:

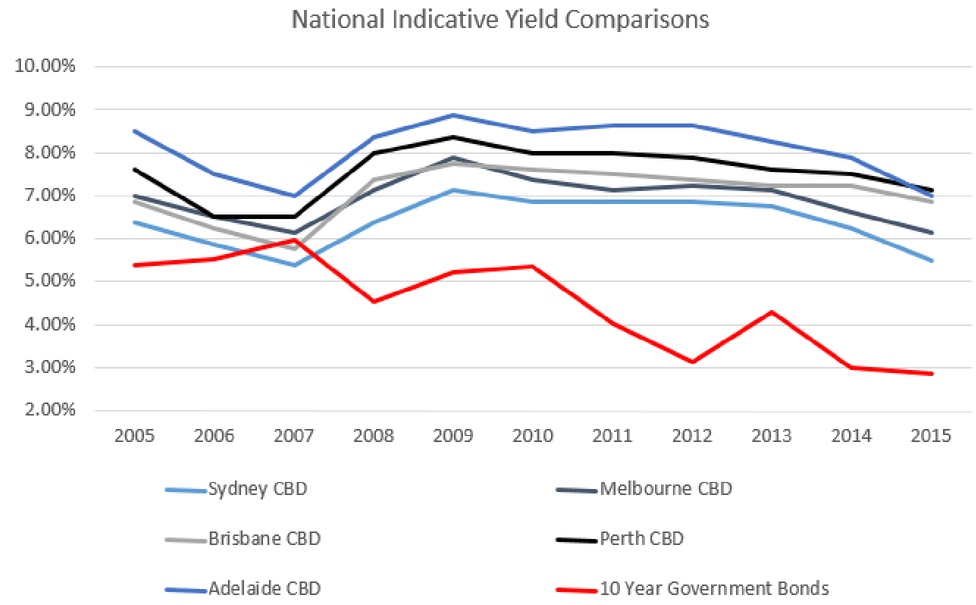
Address	Sales Date	Area (sqm)	Price ($m)	Price ($/sqm)	Initial Yield	Equivalent Yield	WALE (years)
45 Francis St, Northbridge	Sep-15	22,014	101.0	4,588	12.11%	7.77%	6.3
53 Ord Street, West Perth	Jul-15	6,863	59.0	8,596	7.59%	7.12%	7.5
12-14 The Esplanade, Perth	Dec-15	7,957	51.0	6,410	8.14%	8.50%	2.6
190 St Georges Terrace, Perth	Dec-15	9,339	63.9	6,842	9.18%	7.69%	3.6
Eastpoint Plaza, 233-237 Adelaide Tce	Under Contract	11,515	52.0	4,500	12.01%	8.20%	3.0
81 St Georges Terrace, Perth	Under Contract	11,860	79.5	6,700	Undisclosed	7.00%	9.5
Exchange Plaza, 2 The Esplanade	Under Contract	34,285	103.0	6,000	Undisclosed	7.75%	3.2
219-221 St Georges Terrace, Perth	Under Contract	31,516	220.0	6,980	Undisclosed	8.00%	5.3
WorkZone East	**Oct-16**	**12,362**	**68.3**	**$5,521**	**8.87%**	**7.97%**	**9.0**

1. Equivalent yield is the core market cap rate to derive a value which takes into account the profit rent, capex and incentives and downtime.

The Base Case has adopted an exit capitalisation rate of 7.00% which is close to the midpoint of the upper and lower spreads, reflecting the fact that WorkZone East is a modern, well-leased building but is situated in a fringe location. It should also be noted that the assumed terminal value in the Base Case of $6,610 per sqm remains below estimated replacement costs in today's dollars.

CAPITAL MARKETS

The chart below illustrates the spread between 10-year government bond yields and the national capitalisation rate for each of Australia's major CBD office markets. Capitalisation rates in Perth are currently the highest of all of Australia's major CBD office markets at 7.13% and show a spread over bond yield well above the historic average.



Average capitalisation rates in the Perth market reached their peak in 2007 at 6.50%, at which time the spread to 10-year Government bonds was approximately 52 basis points, in comparison to the current market where the spread is approximately 429 basis points. The spread between Perth CBD and Sydney CBD cap rates is also at its highest level since 2008.

5 INVESTMENT STRATEGY

The Trust investment strategy revolves around making a counter cyclical investment in the Perth market and gaining exposure to this market through the acquisition of a high quality A-Grade property. The Perth market represents a significant pricing discount to other Australian markets as a result of the current subdued leasing conditions, which has allowed for the Property to be secured at attractive pricing.

The investment is underpinned by long term, secure income, which is forecast to generate an EPU of 7.4% (annualised) for the period to 30 June 2017. This EPU is then forecast to increase to 11.0% for FY18, once the Telstra lease commences in August 2017. Importantly, the income is secured by leases that are in place for the medium to long term, providing a level of protection against market conditions over this time and allowing time for the market to recover.

Subject to the overall performance of the Trust, the funds management strategy will include distributing the bulk of the Trust earnings to Investors on a quarterly basis to maximise the DPU paid to Investors.

The Base Case assumes the Property is to be held for a 9-year period. This hold period allows time for market conditions to improve and captures the major lease expiries in 2025. The timing on the sale of the Property will be largely dependent upon future market conditions and there is the potential for this hold period to be shorter if they improve quicker than forecast.

COMPLETION OF DUE DILIGENCE

Exchange of contracts and completion of the sale is subject to the completion of due diligence to the satisfaction of CorVal. As at the date of this IM, the majority of due diligence has been completed and no material issues have been identified which would warrant not proceeding with the acquisition.

An update on the status of due diligence matters is outlined below, along with due diligence to be completed prior to exchange of contracts.

Due Diligence Matter	Appointed Consultant	Status	To be Completed Prior to Exchange
Legal Due Diligence	King Wood Mallesons	A draft property due diligence report has been provided which includes a reviews the title and lease documents. Draft contract of sale provided by the Vendor and is in the process of being negotiated.	Report to be finalised and satisfactory sign off letter to be provided. Satisfactory contract of sale to be negotiated and agreed.
Valuation Report	Colliers	Draft valuation provided which supports the purchase price.	Report to be progressed to final.
Technical / Physical Due Diligence Report	SGA	Draft report provided outlining the condition of the property and forecast capital expenditure.	Report to be progressed to final.

A credit approved term sheet to provide the required debt funding will also be procured prior to progressing to unconditional exchange. Discussion with financiers to provide this funding are well progressed.

ASSET MANAGEMENT AND LEASING STRATEGY

Leasing Strategy

There are no lease expiries occurring over the short term or vacant tenancies, therefore any leasing will be required at the time of the expiries in 2021 and 2025. The focus at this time will be on retention of the existing tenants, particularly JDSI, BP and Telstra who are all on first generation leases.

Should any of these tenants vacate, the prospects of re-leasing this space is forecast to be reasonably good, given market conditions are expected to have improved by this time and the WorkZone complex has a strong leasing track record. This includes;

- CIMIC (CBP) originally pre-committing to WorkZone West (15,602 sqm) and the majority of WorkZone East (5,851 sqm);
- CIMIC sub-leasing space in WorkZone West building to multiple tenants including Vocus and NBN (6,152 sqm);
- CIMIC sub-leasing two floors to the WA Government in WorkZone East (3,900 sqm); and,
- Telstra, JDSI and BP leasing space direct within WorkZone East (6,511 sqm).

This total of 38,016 sqm of leased space and the majority of this leasing was completed in a difficult leasing environment (excluding the CIMIC pre-commitment).

The appeal of the WorkZone complex is that it provides larger users with high quality, yet low cost accommodation and large “campus” style office floor plates. The Base Case underwriting assumes market rents of $335 per sqm p.a. net which reflects a significant discount compared to similar accommodation in the CBD where rents are $500-$600 per sqm p.a. net for compareable A-Grade space.

Sub Lease Space

The sub leasing and non-occupation of floors by CBP is considered to present opportunities to add value. This includes;

- Negotiating with CBP a surrender payment to the Trust in regards to Level 3 which is leased by CBP but not occupied. This surrender payment would be in return for the Trust taking on the direct vacancy and releasing CBP from their remaining rent obligations over the existing lease term. Any surrender payment would be required to factor in sufficient downtime to re-lease the space, letting up costs and a profit / risk margin to the Trust;
- Levels 1 and 2 are sub leased by CBP to the WA Government on a sub-lease term that has a coterminous expiry to the direct lease from CBP to the Trust (August 2025). The WA Government pays a sub-lease rent of circa $1.37m in total which is $1.28m below the rent of $2.65m paid by CBP to the Trust. CBP therefore has a fixed liability or loss of $1.28m per annum (plus any fixed increases in the rent) over the term of the lease. There may therefore be an opportunity to convert the sub leases from the WA Government into a direct lease to the Trust, with the Trust taking on the lower rent, and in return negotiate an upfront surrender payment from CBP, to extinguish its lease liability. This payment would be based upon the difference in the rents over the term of the leases and an agreed discounted rate which would be below the Trust’s returns / cost of capital, thereby providing upside to the Trust.

Base Building Capital Expenditure

The level of capex required on the asset is minimal with SGA forecasting a total capital expenditure allowance of $0.8m over a ten-year period. The Base Case has conservatively assumed a total allowance of $1.04m (plus $0.15m associated with the internal stairs for Telstra). This low level of forecast base building capital is reflective of the age of the building.

FUNDS MANAGEMENT STRATEGY

The strategy that will be implemented with respect to the capital structure and ongoing fund management for the Trust includes:

- an initial gearing level of 45%-50% to be utilised to settle the asset and fund the Telstra incentive and leasing costs, which is considered appropriate for a Property with a relatively long WALE;
- subject to the performance of the Trust, it is CorVal's intention to distribute free Trust earnings over the term of the Trust, thereby providing Investors with an attractive annualised distribution yield (this is forecast to average 11.6% p.a. over the indicative nine year investment period); and
- maximize the Trust equity IRR delivered to Investors over the Trust term through the combination of an uplift in the value of the Property, enhanced by the attractive cost of capital on the Trust loan facility and future income distributions paid to Investors.

An initial $0.16 m working capital balance has also been allowed for in the Trust equity raising to be held by the Trust as a prudent cash balance to be held throughout the investment term to meet any unforeseen capital needs.

6 SWOT ANALYSIS

STRENGTHS AND OPPORTUNITIES

- Attractive forecast average Trust EPU of 12.0% annualised over the indicative nine-year term of the Trust (subject to the risks and assumptions outlined in this IM).
- Projected Base Case Scenario Trust equity IRR of 11.3% p.a.
- Strong tax depreciation benefits.
- The acquisition reflects attractive price metrics reflective of the counter-cyclical nature of the investment. This includes an initial yield of 8.9% and $5,521 per sqm of NLA.
- Multi let asset with the income underpinned by strong lease covenants to Telstra and CBP. The property benefits from a 9 year WALE.
- Modern A-Grade building which was completed in 2013 to high standard. Given the age of the building there is forecast to be minimal capital expenditure over the investment term.
- The building provides high quality office space with large flexible floor plates, a side service core and natural light from all four sides. The space is also cost effective for tenants.
- The building has market leading sustainability credentials, it has been awarded a 5-star Green Star energy rating and is forecast to achieve a 5 star NABERS energy rating.
- The building has a number of ancillary features, including high quality end of trip facilities and a common court yard with Work Zone West.
- The WorkZone complex has a strong leasing track record and it has been proven space can be leased in the buildings in difficult market conditions.
- Property is located on the fringe of the Perth CBD with surrounding transport and retail amenity.
- Given the cyclical nature of the Perth market, there is the potential for the market to recover quicker and more substantially than what has been factored into the Base Case underwriting. This would lead to the forecast IRR being exceeded.
- The opportunity exists to negotiate direct deals with the CPB sub-tenants over the medium term. This would involve negotiating a new, potentially longer term lease with the WA Government, which is currently sub-leasing levels 1 & 2 from CPB. This would enhance the underlying tenant covenant and result in a surrender premium being paid by CPB, subject to such a deal being accretive to Investors.

WEAKNESSES AND THREATS

- The current state of the Perth leasing market is weak, however this is considered to be partially offset by there being limited direct short term exposure to the market and these market conditions being factored into the price.
- The Property is situated on the north-eastern periphery of the Perth CBD, which is not a core office location. Despite this, the location provides cost effective space for tenants who don’t require a prime CBD location.
- The parking ratio is 149:1, which is slightly below what is favorable in the market, however the area is well serviced by public transport and cycling tracks.
- Telstra has a first right of refusal to lease any space that becomes vacant in the Property. The lease terms on which Telstra can lease this space under this first right are to be based upon either, the terms offered to the prospective tenant which is considering taking the space at the time, or the existing Telstra lease terms for Level 4 and 5, whichever is more favourable to Telstra. This effectively creates a “cap” equal to the existing Telstra lease terms. However, this only comes into effect if Telstra are seeking to expand into any vacant space within the building. There are also some concerns associated with the covenant strength of JDSI (see Section 12).
- The JDSI and CBP tenancies are over-rented (see Section 12).

7 CORVAL

CorVal is a specialist property fund manager and investor, with over $1.1 billion of property funds and assets under management or mandate, whose executives and shareholders have a long and deep history in the Australian property industry. The senior executive management team of Rob Rayner, Ian O'Toole and Kerr Bray have collective industry experience in excess of 65 years over a number of different property cycles.

Our objective is to provide investors with access to Australian real estate opportunities that deliver strong risk-adjusted returns, by investing in simple investment vehicles that offer complete transparency, an absolute focus on performance and a strong alignment of interests.

Our aim is to deliver real estate investment solutions for institutional, wholesale and retail investors through the establishment of tailored unlisted property investment vehicles including joint ventures, clubs and funds.

We are licensed by ASIC, with a focused business model designed to:

- develop uncomplicated unlisted property funds, housing quality property assets;
- deliver attractive risk-adjusted returns to our investors;
- ensure an absolute focus on performance;
- place the interests of our investors first; and
- maintain material alignment of interests by co-investing alongside our investors where possible.

The business is owned:

- 50% by the senior executive management team; and
- 50% by our major shareholder, Andrew Roberts, who is the eldest of three siblings within the Roberts family, who held a beneficial interest in the ASX-listed Multiplex Group, prior to its takeover by the North-American based Brookfield Asset Management. As part of this takeover, the Roberts family interest was sold for approximately $1.1 billion.

The CorVal business has a number of key competitive advantages, including:

- access to attractive investment opportunities by leveraging off the historic experience and market position of our stakeholders;
- the ability to move quickly to acquire property assets, through access to the financial strength of our major shareholder;
- no conflicts of interest when sourcing opportunities as CorVal does not operate funds with competing investment strategies;
- a disciplined business model that is focused upon performance, rather than growing or maintaining funds under management;
- an emphasis on recycling investor capital, by aiming to sell property assets when considered most appropriate to do so; and
- the capacity to create unlisted investment vehicles that respond to the property investment preferences of our investors.

Rob Rayner will be the Fund Manager for the Trust and have direct responsibility for the delivery of the Investor returns.

OUR INVESTMENT APPROACH

CorVal develops investment vehicles in partnership with investors that are designed to meet their specific requirements.

The over-riding objective is to provide investors with vehicles that pursue a strategy aimed at meeting investors' risk-return profile within a simple structure that offers transparency and a strong alignment of interest.

As both investment manager and co-investor, we employ a disciplined approach to real estate investing that is focused on understanding and evaluating investment risk. A detailed knowledge of the markets, and an understanding of the property fundamentals that drive long term value, enable risks to be quantified.

Based on this assessment, we are well positioned to make investments that deliver an appropriate risk-adjusted return. Each investment is assessed from a macro perspective with a focus on economic fundamentals including interest rates, inflation and capital flows as well as the micro factors including local market supply and demand and the property specifications.

In assessing each investment opportunity and determining the appropriate strategy, CorVal addresses the following key areas:

- entry price and timing;
- strategy, including opportunities to add value through active management;
- growth potential, driven by real estate fundamentals;
- risks and mitigating factors;
- hold period/exit strategy;
- funding; and
- sustainability and responsible investing.

OUR DIRECTORS

Kevin Neville – Non-Executive Chairman

Kevin is the previous Managing Partner of Moore Stephens, Accountants and Advisors, in Melbourne and former Chairman of Moore Stephens Australasia. Kevin has over 30 years of professional accountancy experience and has been an audit partner with Moore Stephens since 1985.

Rob Rayner – Executive Director

Rob is a Director of CorVal and has over 20 years experience in the Australian financial services and property industry.

Rob has a wide-ranging background in the property funds management industry, and has been involved with the re-structuring, establishment and on-going management of over $3 billion in funds, through senior positions held with Armstrong Jones (prior to being acquired by ING Real Estate) and Brookfield Multiplex.

Rob was also responsible for the successful establishment of the Acumen Capital funds management business in 2000 prior to its acquisition by the Multiplex Group in 2003 to form that group's funds management platform.

Within the CorVal business, Rob is responsible for the creation and marketing of new funds, together with the ongoing management and investor communications for these funds.

Ian O'Toole – Executive Director

Ian is a Director of CorVal and has over 35 years experience in the Australian property industry. He has extensive experience in the acquisition, due diligence, asset management and development of property portfolios of up to $7 billion in value, through various senior positions held within ING Real Estate, Brookfield Multiplex and other Australian property groups.

Since leaving Brookfield Multiplex in 2007, Ian has been working with Andrew Roberts on the procurement of property assets, including Industry House (10 Binara Street, Canberra) and the new Australian Red Cross Blood Service NSW/ACT headquarters (17 O'Riordan Street, Alexandria), together with the establishment of CorVal in conjunction with Rob Rayner and Andrew Roberts.

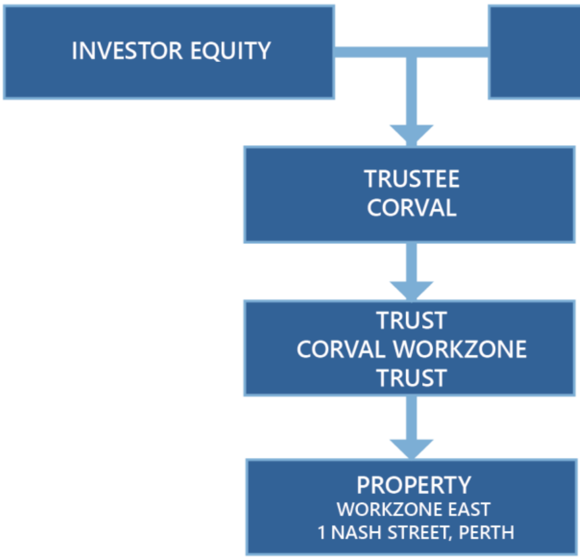
Within the CorVal business, Ian is responsible for the acquisition and overall performance of property assets held within property funds.

8 INVESTMENT STRUCTURE

The Property will be acquired by the Trust, which will be an unlisted unregistered wholesale managed investment scheme and investors will be issued units in the Trust.

The trustee of the Trust will:

- hold the assets of the Trust;
- borrow funds on behalf of the Trust;
- provide asset management services to the Property; and
- provide funds management and administration services to the Trust.



TERM OF THE TRUST

An investment in the Trust should be viewed as a medium term investment of no less than seven to ten years, although the Property, may be disposed of earlier than this if market conditions favour a sale. Conversely, the term of the Trust could potentially be longer than ten years for a number of reasons, including market conditions and the ability to dispose of the Property on attractive terms

In any event, we must sell the Property as soon as we consider it to be in the best interests of Investors to do so after the seventh anniversary of the close of this offer.

Market conditions at the time and the availability of a willing buyer at a price we consider reasonable in that market will be key drivers as to the precise timing of the sale.

Could the term of the Trust be less than seven to ten years?
Yes it could, either we could sell the asset earlier than seven years, or alternatively, Investors may requisition a meeting to consider and vote on an early realisation of the Property inside the initial seven to ten year term.

Although the intention is to hold the Property for no less than seven to ten years, we would consider selling the Property if we considered that the sale would maximise Investor returns having regard to market conditions (both at that time and anticipated market conditions moving forward) and the position of the Property in comparison to the market-place. Again, market conditions are key, as well as the availability of a willing buyer at a price we consider reasonable.

If the Property is unsold at the expiry of the ten year of ownership, an Investor meeting will be convened and a vote will be taken as to whether to sell the Property at that time or to extend the Trust for a further term. The decision to sell, or extend the term of the Trust, will be by a resolution that has the support of 50% or greater of those Investors that vote.

In addition, Investors may requisition a meeting at any time during the initial seven to ten year Trust term to vote on an early sale of the Property. To achieve an early sale of the Property will require a resolution that has the support of 50% or greater of those Investors that vote.

Key Undertakings of the Trust
CorVal provides the following undertakings:

- no Investor may own 50% or more of the units in the Trust; and
- the Trust will not acquire directly or indirectly any further property assets or property securities.

9 FORECAST FINANCIAL INFORMATION

The forecast financial information has been presented in an abbreviated form, so this section does not include all the disclosures as required by the Australian equivalents to International Financial Reporting Standards (AIFRS).

The forecasts have been prepared on the basis of the best estimate assumptions and key accounting policies set out in this section.

Many factors which affect the forecasts are outside of CorVal's control so CorVal does not give any assurance the forecasts will be achieved or the Trust will be able to make distributions during or after the forecast period at the distribution levels forecast. Actual results may differ materially.

SOURCE AND APPLICATION OF FUNDS

	note	**$ m**
Source of Funds:		
Investor Equity		41.60
Debt	a	32.08
		73.68
Application of Funds:		
Property purchase price		68.25
Stamp duty		3.52
Property acquisition and due diligence costs		0.11
Finance fees	b	0.27
CorVal acquisition fee	c	1.37
Working capital/retained equity		0.16
		73.68

Notes:

a Based upon an initial 47% LVR (see section 11)

b Includes 0.50% loan establishment fee and estimated legal fees

c 2% of the Property purchase price (see section 13)

PROPERTY CAPITAL EXPENDITURE

Total capital expenditure allowed for in the Trust cashflows is summarised below:

	FY17*	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	TOTAL
Allowed for:											
On floor refurbishment	0.00	0.00	0.00	0.00	0.00	0.11	0.00	0.00	0.36	1.10	1.57
Tenant incentives (note a)	3.90	0.00	0.00	0.00	0.00	0.48	0.00	0.00	1.66	5.08	11.12
Leasing commissions	0.26	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.07	0.20	0.55
Owners capital expenditure (note b)	0.20	0.05	0.05	0.05	0.05	0.17	0.17	0.18	0.18	0.09	1.19
	4.36	**0.05**	**0.05**	**0.05**	**0.05**	**0.78**	**0.17**	**0.18**	**2.27**	**6.47**	**14.43**
Funded by:											
Property cashflows / retained equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loan funding (note c)	4.36	0.05	0.05	0.05	0.05	0.78	0.17	0.18	2.27	6.47	14.43
	4.36	**0.05**	**0.05**	**0.05**	**0.05**	**0.78**	**0.17**	**0.18**	**2.27**	**6.47**	**14.43**

Notes:

* 8 months to 30 June 17.

a Assumed incentives comprise a mix of up front capital incentives and rent abatements. Any unexpired abatements at the time of the disposal have assumed to be taken off the gross disposal price (i.e. paid out by the Trust).

b An external consultant was appointed to provide a ten-year capital expenditure forecast, which forecast a total of $0.80m over this ten-year term, which is reflective of the age of the building and its plant and equipment. CorVal modelling conservatively assumes more than this, allowing for inflation and contingencies, totaling $1.04m over the assumed hold period. The table above includes a cost of $150k associated with the funding of internal stairs for Telstra.

c Capital expenditure is assumed to be debt funded over the investment term.

FINAL PROJECTION - DISCOUNTED CASH FLOW MODEL - GEARED ANNUAL CASH FLOW

Financial Year Ending	IRR	31-Oct-2016	Jun-2017 (8 mths)	Jun-2018	Jun-2019	Jun-2020	Jun-2021	Jun-2022	Jun-2023	Jun-2024	Jun-2025	Jun-2026 (6 mths)
Rental Income		-	3,576,824	6,713,954	7,069,771	7,328,915	7,597,726	7,913,771	8,223,423	8,526,256	8,791,810	3,706,190
Recoveries		-	688,292	1,505,303	1,584,593	1,624,207	1,664,813	1,645,644	1,655,631	1,697,021	1,642,778	445,682
Tenant Incentives (rebates)		-	-	(196,625)	(214,500)	(214,500)	(214,500)	(214,500)	(214,500)	(214,500)	(214,500)	(107,250)
Gross Income		-	4,265,116	8,022,632	8,439,863	8,738,623	9,048,039	9,344,915	9,664,553	10,008,777	10,220,088	4,044,622
Statutory Expenses		-	(1,005,427)	(1,545,844)	(1,584,490)	(1,624,102)	(1,664,704)	(1,706,322)	(1,748,980)	(1,792,705)	(1,837,522)	(941,730)
Operating Expenses		-	-	-	-	-	-	-	-	-	-	-
Other Expenses / Income		-	-	-	-	-	-	-	-	-	-	-
Net Outgoings		-	(1,005,427)	(1,545,844)	(1,584,490)	(1,624,102)	(1,664,704)	(1,706,322)	(1,748,980)	(1,792,705)	(1,837,522)	(941,730)
NET OPERATING INCOME		**-**	**3,259,689**	**6,476,788**	**6,855,373**	**7,114,521**	**7,383,334**	**7,638,593**	**7,915,573**	**8,216,073**	**8,382,566**	**3,102,892**
Capital Upgrades		-	-	-	-	-	-	(112,111)	-	-	(356,529)	(1,096,008)
Tenant Incentives (capital contribution)		-	(3,900,000)	-	-	-	-	(484,982)	-	-	(1,657,585)	(5,077,059)
Leasing Commissions		-	(256,685)	(1,042)	-	-	-	(19,533)	-	-	(65,782)	(199,523)
Non Recoverable Capital Expenditure		-	(200,000)	(50,000)	(50,000)	(50,000)	(50,000)	(175,000)	(175,000)	(175,000)	(175,000)	(87,500)
TOTAL CAPEX		**-**	**(4,356,685)**	**(51,042)**	**(50,000)**	**(50,000)**	**(50,000)**	**(791,627)**	**(175,000)**	**(175,000)**	**(2,254,896)**	**(6,460,090)**
Purchase Price		(68,250,000)	-	-	-	-	-	-	-	-	-	-
Acquisition Costs (excluding acquisition fee)		(3,632,440)	-	-	-	-	-	-	-	-	-	-
Disposal Price		-	-	-	-	-	-	-	-	-	-	81,365,726
Disposal Costs		-	-	-	-	-	-	-	-	-	-	(1,634,107)
INVESTMENT CASH FLOWS		**(71,882,440)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**79,731,619**
NET PROPERTY CASH FLOWS	**9.1%**	**(71,882,440)**	**(1,096,996)**	**6,425,746**	**6,805,373**	**7,064,521**	**7,333,334**	**6,846,966**	**7,740,573**	**8,041,073**	**6,127,670**	**76,374,421**
Acquisition Debt - drawdown		32,077,500	-	-	-	-	-	-	-	-	-	-
Acquisition Debt - establishment costs		(267,888)	-	-	-	(182,780)	-	-	(187,499)	-	-	-
Acquisition Debt - repayment		-	-	-	-	-	-	-	-	-	-	(32,077,500)
Acquisition Debt - interest expense		-	(855,400)	(1,283,100)	(1,283,100)	(1,390,025)	(1,443,488)	(1,443,488)	(1,443,488)	(1,443,488)	(1,443,488)	(721,744)
Capex Debt - drawdown		-	4,356,685	51,042	50,000	50,000	50,000	791,627	175,000	175,000	2,254,896	6,460,090
Capex Debt - establishment costs		-	-	-	-	-	-	-	-	-	(45,000)	-
Capex Debt - repayment		-	-	-	-	-	-	-	-	-	-	(14,414,340)
Capex Debt - interest expense		-	(47,073)	(175,208)	(177,226)	(194,189)	(203,879)	(224,894)	(244,330)	(252,205)	(283,479)	(251,483)
Capex Debt - commitment fee		-	(26,149)	(21,198)	(20,694)	(20,194)	(19,694)	(15,024)	(10,704)	(8,954)	(77,178)	(17,612)
Working Capital		(162,172)	-	-	-	-	-	-	-	-	-	162,172
NET FINANCING CASH FLOWS		**31,647,441**	**3,428,064**	**(1,428,464)**	**(1,431,019)**	**(1,737,188)**	**(1,617,060)**	**(891,778)**	**(1,711,021)**	**(1,529,647)**	**405,752**	**(40,860,416)**
NET GEARED PROPERTY CASH FLOWS		**(40,235,000)**	**2,331,068**	**4,997,282**	**5,374,354**	**5,327,333**	**5,716,274**	**5,955,188**	**6,029,552**	**6,511,426**	**6,533,422**	**35,514,005**
Interest Income		-	20,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	15,000
Acquisition Fee		(1,365,000)	-	-	-	-	-	-	-	-	-	-
Asset Management Fee		-	(273,000)	(413,240)	(421,505)	(429,935)	(438,534)	(447,305)	(456,251)	(465,376)	(474,683)	(240,890)
Fund Operating Costs		-	(33,333)	(51,250)	(52,531)	(53,845)	(55,191)	(56,570)	(57,985)	(59,434)	(60,920)	(31,222)
NET CASH FLOWS (before performance fee)	**11.3%**	**(41,600,000)**	**2,044,735**	**4,562,792**	**4,930,318**	**4,873,553**	**5,252,550**	**5,481,313**	**5,545,317**	**6,016,616**	**6,027,819**	**35,256,894**
Earnings per Unit			*7.4%*	*11.0%*	*11.9%*	*12.2%*	*12.6%*	*13.2%*	*13.8%*	*14.5%*	*14.6%*	*8.9%*
Projected Distributions per Unit			*7.0%*	*10.5%*	*11.5%*	*12.0%*	*12.0%*	*12.5%*	*13.5%*	*14.0%*	*14.0%*	*8.5%*
ICR			3.2	4.1	4.3	4.2	4.2	4.3	4.4	4.5	4.4	2.9

KEY PROPERTY ASSUMPTIONS

The forecast Investor returns are subject to the following key property assumptions:

Property disposal date	Dec 2025
Hold Period	9.1 years
Property disposal price (net)*	$81.37m
Disposal price per sqm	$6,610
Property disposal yield (market) **	7.00%
Property disposal yield (passing) ***	6.66%

* after adjusting for $0.34m of outstanding incentives (gross price of $81.70m)
** on projected market income
*** on projected passing income

KEY FINANCIAL ASSUMPTIONS

(a) Net operating income
Based on the existing leases and assumptions made for future market rentals, future lease expiries/ renewals and leasing activity.

(b) Capital expenditure
Non-recoverable capital expenditure allowances have been made which are in excess of the independent consultant's reports. In addition, allowances have been made for capital expenditure upon lease expiries, tenant incentives and leasing agent commissions.

(c) Stamp Duty
Based upon legal advice from King and Wood Mallesons.

(d) Trust acquisition costs
CorVal acquisition fee (see section 13), legal fees, valuation fee, physical due diligence costs and an allowance for other due diligence related acquisition costs.

(e) Disposal price
See property disposal assumptions in the previous table.

(f) Disposal costs
2% of projected sale price.

(g) Acquisition / capital expenditure loan facilities
It is anticipated the Trust will have a minimum $36.43 m three-year term loan acquisition facility on settlement of the Property (see section 11). It is forecast this will be drawn to $32.10m at the acquisition (47% LVR on $68.25m acquisition price), with the remaining $4.33m to be utilised to meet the incentive and leasing costs associated with the Telstra deal.

The Trust intends to seek an additional capital expenditure loan facility to fund future capital expenditure, the bulk of which is projected to relate to works for tenant renewals (which will increase the value of the asset).

The base interest rate and bank margin assumptions that have been adopted are as follows:

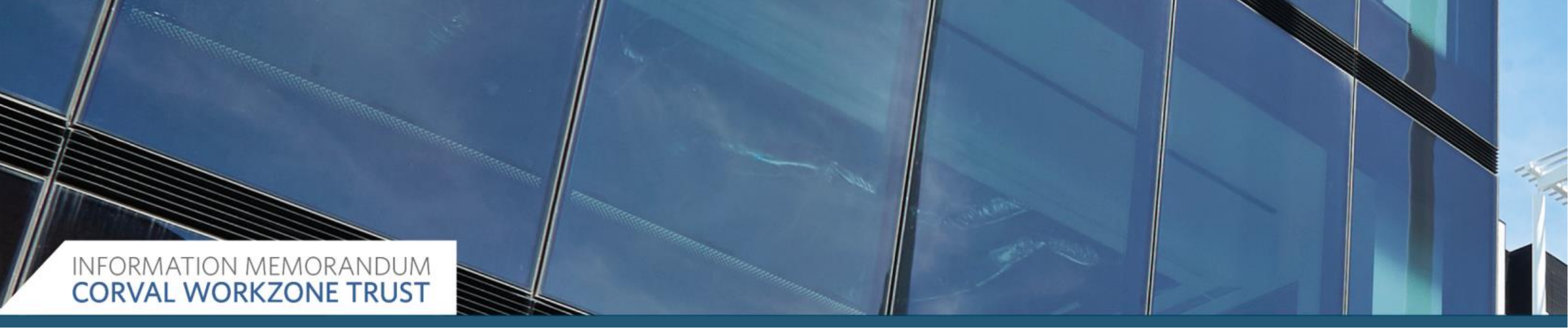
	TERM LOAN FACILITY	CAPEX FACILITY
Base interest rate:		
- settlement to November 2019 (3 years)	2.00%	2.00%
- November 2019 to disposal	2.50%	2.50%
Bank interest margin:		
- settlement to November 2019 (3 years)	2.00%	2.00%
- November 2019 to disposal	2.00%	2.00%
Total interest rate:		
- settlement to November 2019 (3 years)	4.00%	4.00%
- November 2019 to disposal	4.50%	4.50%

Allowance has also been made in the financial projections for a 1.0% line fee on any undrawn capital expenditure facility and bank establishment fees upon each assumed new debt draw/renewal.

(h) Interest income
Assumed to be $30,000 per annum.

(i) Asset management fee
Calculated at 0.6% per annum on the projected Trust total assets.

(j) Fund operating costs
Assumed to be $50,000 per annum (increased by 2.5% per annum), for annual Trust expenses, such as audit fees, tax fees, valuation fees and legal fees.



10 SENSITIVITY ANALYSIS

BASE CASE

The following sensitivities are based on varying key assumptions, namely rental growth, assessed market rents, retention rates and exit yield. The exit yield is the assumption which has the greatest impact on total returns.

The returns shown in the below sensitivity tables are net equity IRR's after base management fee and Trust expenses but before any performance fee.

MARKET RENTAL GROWTH VERSUS EXIT SALES YIELD

	Average Annual Net Rental Growth		
Exit Sale Yield	1.25%	2.50%	5.00%
8.00%	6.9%	9.3%	13.4%
7.50%	7.9%	10.3%	14.3%
7.00%	9.0%	11.3%	15.3%
6.50%	10.1%	12.3%	16.3%
6.00%	11.2%	13.4%	17.4%

RETENTION RATE VERSUS EXIT SALES YIELD

	Market Rents		
Exit Sale Yield	$300 per sqm	$335 per sqm	$370 per sqm
8.00%	7.9%	9.3%	10.6%
7.50%	8.9%	10.3%	11.5%
7.00%	9.9%	11.3%	12.5%
6.50%	11.0%	12.3%	13.5%
6.00%	12.1%	13.4%	14.7%

11 GEARING

LOAN FACILITY

Discussions regarding the procurement of the Trust term loan facility (**Loan**) are progressed with financiers. CorVal will require an acceptable credit approved term sheet prior to unconditional exchange of contacts.

The key terms of the Loan CorVal is seeking are:

	Note	
Facility limit	a	$37.35 m
Term		3 years
Pricing (over 90 day BBSY)		2.00%
Establishment fee		0.50%
LVR	b	50%
LVR covenant		50%-55%
ICR covenant	c	2.0 x
Repayment		Interest only

Notes:

a Based upon a 50% LVR on the gross purchase price of $74.70m ($68.25m purchase price plus $6.45m of leasing costs involved in the Telstra deal).

b This limit allows for the assumed fit-out component of the Telstra incentive to be funded from debt.

c Based upon the forecast net operating income for the Trust (see section 11) and base interest rate assumptions on Trust borrowings (see note (g) in "Key financial assumptions" in section 9), the forecast ICR coverage for the Trust is:

	30.6.17	30.6.18	30.6.19	30.6.20	30.6.21	30.6.22	30.6.23	30.6.24	30.6.25
Covenant	2.00 x	2.00 x	2.00 x	2.00 x	2.00 x	2.00 x	2.00 x	2.00 x	2.00 x
Projection	3.2 x	4.1 x	4.3 x	4.2 x	4.2 x	4.3 x	4.4 x	4.5 x	4.4 x

SECURITY

Security for the Loan will be:

- first registered real property mortgage given by the trustee as trustee of the over the Property; and
- general securities agreement over the assets and undertakings of the Trust.

INTEREST RATE HEDGING

As at the date of this IM, it is the intention for the Trust to enter into either a fixed interest rate swap for either a three or five year term. Should a five-year term be elected, the Trust lender will have a right to break this swap should the loan term not be extended by the lender beyond the initial three year loan term. In this situation, and prior to the Trust lender exercising their right to break the swap, the Trust will have the prior opportunity to novate this swap to another bank lender.

CorVal also reserves the right to elect to not fixed the interest rate on the Trust loan facility in favour of variable interest rate exposure and/or fixed a component of the interest rate exposure and keep the balance as a variable interest rate exposure.

12 RISK FACTORS

Like any investment, there are risks associated with investing in the Trust. By their very nature, the risks involved with property investments cannot be exhaustively categorised. There are a number of risk factors that could affect the performance of the Trust, the level of income distributions and the repayment of your capital. Many risk factors fall outside our control and cannot be completely mitigated.

The following is a non-exhaustive list of the main risks associated with investment in the Trust. You should consider and weigh them up carefully and make your own assessment as to whether you are comfortable with them. There are also more specific Property related risks outlined in the SWOT in Section 6.

Distributions are not guaranteed and neither is the return of your capital.

PROPERTY MARKET AND OTHER PROPERTY RELATED RISKS

An investment in the Trust comes with risks associated with investing in commercial property. These include, but are not limited to:

- a downturn in the value of the Property, and in the property market in general, which can be caused or exacerbated by many factors, including for example restrictions on the availability of credit both locally and even globally;
- increased competition for the Property, from new or existing office properties in the property markets in which the asset is located, which could attempt to attract the tenants;
- a downturn in the economy (at either a local or global level, or both, such as for example the recent events commonly referred to as the “global financial crisis”); and
- amendments to laws having a detrimental effect on the Trust or the Property.

The value of the Property could go down, depending on factors such as market conditions and the level of income (which in turn depends to a large extent on compliance by the tenants with the terms of their leases). When the Property is sold, there is always a risk that it cannot be sold for a price which delivers a capital gain to Investors.

There is also the risk that independent valuations obtained for the Property may not be accurate or may not end-up representing the amount it can be sold for at a particular point in time.

PERTH OFFICE MARKET RISK

The Perth office market has been directly affected by the decline in resource prices which has led to a decline in tenant demand and subsequent increase in the vacancy rate. Market conditions are currently subdued which naturally heightens the risk of the investment.

The general consensus from market commentators is the market is now at, or close to the bottom of the cycle, and it is forecast there will to be a modest recovery over the medium to long term. This is consistent with what has been assumed in the Trust projections.

However, there remains a risk the market doesn’t recover as forecast which would have a detrimental impact on the projected returns, as it may result in; new lease deals being completed on inferior terms to that assumed in the Trust forecasts, prolonged vacancy periods and the ultimate disposal value of the Property being less than what has been assumed.

RISKS ASSOCIATED WITH THE TRUST FINANCIAL PROJECTION

Section 9 contains information about the Trust financial projections. As explained earlier in this IM, achievement of the projections and forecasts in this IM are not promised nor guaranteed by CorVal or by anyone else. The projections and forecasts are based on a number of assumptions, and those assumptions may not turn out to be correct, or they might be impacted by many factors outside of our control. Whilst we consider that at the date of this IM, the assumptions on which the projections and forecasts are based are reasonable, circumstances can change and it is not possible to accurately predict future events or unforeseen circumstances. This section explains just some of the factors which could adversely impact the achievement of the projections and forecasts (such as for example unforeseen capital expenditure requirements, or breaches of the leases with the tenants in the Property).

CAPITAL EXPENDITURE

The need for unforeseen property capital expenditure over the life of the Trust, and how this expenditure will be funded, may have an adverse impact on returns. As part of our acquisition due diligence, we have commissioned an independent technical (or physical) due diligence specialist to prepare a report that provides their estimates of the potential capital expenditure requirements at the Property over the next ten-year period. Allowances for capital expenditure in excess of this estimate has been allowed for in the Trust projected cashflows (see section 9).

PASSING RENTS THAT ARE ABOVE CURRENT MARKET RENTS

The Perth market has seen rents decline significantly since this Property was constructed and the leases were agreed between 2013-2015. As a result, the rent that CPB and JDSI are currently paying of $679 per sqm p.a. and $466 per sqm p.a. are considered to be above current market rents, which are estimated to be in the range of $310-350 per sqm p.a. There is therefore a risk that if these tenants were to default under their leases, the net income from this investment would decline, even once the space is re-leased, as the rents would revert to the lower market rental level. There is also a risk that the value of the Property will decline as these over-rented leases shorten in duration.

In addition, when these leases expire in 2025, the rents will revert to the market rents at that time, which may be significantly lower than the passing rents at that time. The Base Case underwriting has sought to address this by adopting current market rents of $335 per sqm, with modest growth over the investment period of 2.5% per annum. As a result, it is assumed that the rents revert to approximately $420 per sqm in 2025, which is arguably conservative, given it is 30% below the rent agreed in 2013 with CPB.

TENANCY RISKS

The Property has multiple tenants, however the loss of any tenant that is not replaced within a timely manner has the potential to have a material adverse impact on the performance of the Trust. Similarly, a delay in finding suitable tenants at the projected rents may also have a material adverse-effect on the performance of the Trust. It may be difficult to re-lease the Property quickly, or on as favourable terms as those enjoyed with the existing tenants. Appendix 1 provides a summary of the key property assumptions.

If Property tenants failed to honour their lease obligations, then this could have a detrimental impact on the Trust. It could result in a reduction to the distributions available to be paid, or in extreme circumstances, a failure by the Trust to meet its interest obligations on bank borrowings.

The projections and forecasts set out in section 9 assume (among other things) the tenants honour their leases and pay all rent and any other amounts, as and when due. Any failure by tenants to do so is likely to mean the projections and forecasts are not met.

Specific Tenant Risk - JDSI
JDSI Consulting Engineers is a privately owned company that leases level 6 of the Property and contributes 15% of gross income, pursuant to a 10-year lease that expires in February 2025. As part of due diligence, CorVal interviewed this tenant and reviewed the financial information that it provided to the Vendor at the time it entered into its lease. The financial information showed it to be profitable but, like almost all consulting business', had limited balance sheet tangible assets. From the JDSI tenant interview, the tenant indicated that it was currently seeking to sub-lease part of level 6, but despite this, they confirmed they remained profitable and believed they would be able to meet their lease obligations. This tenant is currently in full compliance with its lease obligations and the Base Case has assumed that JDSI meets its lease obligations for the duration of its lease. Should JDSI deault or fail to meet its rent obligations in fully, this will have a negative impact on the Trust projections and forecasts.

BORROWING RISKS
The Trust will borrow money to partially fund the purchase of the Property. Gearing comes with risk, and gearing a property investment can increase the potential for capital losses, as well as gains. In the event the Trust is unable to service its respective borrowings, through for example tenant defaults, then distributions may be reduced or suspended and the lender may enforce its security over the Property. This may include the lender exercising its power to sell the Property, which may lead to the Property being sold for a lower price than would have been obtained had the Property been sold voluntarily by the Trust in the ordinary course of business.

REFINANCING
The Trust loan facility will be for an initial three-year term from the date of settlement and there can be no guarantee the loan facility will be either renewed, or if renewed, done so on terms at least as favourable as the current loan terms. The loan facility will contain various lending covenants and review requirements. If the facility is not renewed, or additional conditions are imposed, this may impact on the return to Investors.

BREACH OF BANKING COVENANTS
The Trust will procure debt funding to complete the acquisition of the Property (see section 11). The bank will impose lending covenants that include, amongst other things, LVR and ICR ratios. In the event of a breach of any bank covenant, that is not remedied, the bank will have the right to take certain measures which may include, but not be limited to, withholding income from the Property, or in the most serious instances, the forced sale of the Property.

INTEREST RATES
Interest rates may rise or fall over the duration of the Trust. The forecast base interest rates adopted in the Trust financial projections are outlined in section 11 under "Acquisition / capital expenditure loan facilities". **There is no guarantee these interest rates will be achieved**.

TAX

Changes to tax law and policy (including for example any changes in relation to how income of the Trust is taxed or in relation to the deductibility of expenses, or changes to stamp duty law) might adversely impact the Trust and Investors' returns. You should obtain independent tax advice in respect of an investment in the Trust however it is not possible to predict future changes to tax law or policy.

REGULATORY CHANGES

The introduction of new, or amendment of existing, legislation may have a detrimental effect on the Property and the returns from the Trust.

THE PROPERTY IS DESTROYED

While the Trust owns the Property, we will put in place the normal commercial insurance policies to cover damage or destruction due to fire, theft, loss of rent, vandalism and other commercially viable insurable events. However in the event of damage or destruction, there may be consequential loss of income and expenses incurred.

INSURANCE RISKS

Various factors might influence the cost of maintaining insurance over the Property or the extent of cover available. Increased insurance costs, or limits on cover, can have a negative impact on the performance of the Trust. There are also some potential losses that cannot be insured.

NO LIQUIDITY

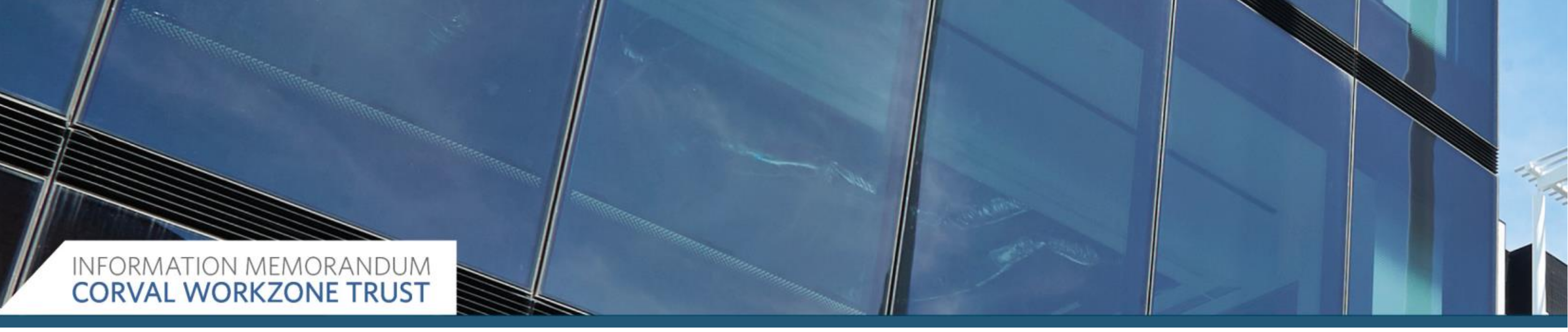
This is intended to be a fixed-term investment. You will not be able to withdraw from the Trust during its life. There will also not be a secondary market for Units. The Trust will not be listed on the ASX.

ENVIRONMENTAL

Whilst the Property is currently considered to comply with all environmental laws, there may be issues arise in the future which require corrective action or unexpected expenditure.

GENERAL

An investment in this Trust is subject to investment risk, including the loss of income and capital.
CorVal does not guarantee the performance of the Trust or return of capital.



13 FEES

The Trustee is entitled to receive certain fees in consideration for services provided to the Trust.

PROPERTY ACQUISITION FEE

Property acquisition fee of 2% (plus GST) of the gross purchase price for the Property payable as consideration for the work performed in acquiring the Property, carrying out necessary due diligence and completing the acquisition of the Property. This fee will be paid upon allotment of units to new Investors.

ASSET AND FUND MANAGEMENT FEE

Ongoing asset and fund management fee of 0.6% per annum (plus GST) of the gross value of the Trust assets from time to time. This fee will accrue monthly and be paid to CorVal quarterly in arrears.

PROPERTY DISPOSAL FEE

Property disposal fee of 2% (plus GST) payable as consideration for the work performed in disposing of the Property, carrying out necessary due diligence and completing the disposal of the Property. This figure is inclusive of an external real estate agents fee for professional services rendered in the disposal of the Property. This fee will be paid at settlement of the disposal of the Property.

PERFORMANCE FEE

We will be entitled to a performance fee on realisation of the Property and wind-up of the Trust, provided the total IRR received by Investors over the life of the Trust has exceeded 10% (based on all distributions they have received over the life of the Trust, including actual or expected distributions from the net proceeds from the realisation of Trust assets and before tax). Our performance fee will be 20% (plus GST) of the amount by which the IRR to Investors exceeds 10%.

In the event the trustee of the Trust is removed, then the performance fee calculation will be performed at that point based on the value of the Property at that time, and any performance fee entitlement will be paid to the outgoing trustee (if applicable).

GST

The fees outlined in this section are exclusive of GST.

14 INVESTORS AND MINIMUM INVESTMENT

The targeted minimum investment per investor is $250,000, subject to CorVal's discretion to accept lesser amounts.

The Trust will not be a registered managed investment scheme, and as a result, only wholesale clients (as defined in the Corporations Act) can invest.

It follows that an investor in the Trust generally needs to fall within one of the categories below. If you don't fall into one of these categories, we may still have some ability to accept you, so please contact us.

The main categories:

1. The investor has an accountant's certificate that shows that they have net assets of at least $2.5 million or gross income for each of the last two financial years of at least $250,000. The certificate must not be more than two years old.	In calculating the $2.5 million or $250,000, the investor can include the net assets or gross income (as relevant) of any company or trust it controls. See the next page for the meaning of "control". See Accountant's Certificate.
2. The investor is a company or trust controlled by someone who has an accountant's certificate as mentioned in number 1.	See the next page for the meaning of "control". See Accountant's Certificate.
3. The investor is a person considered by their adviser to have the requisite investing experience.	See the Adviser's Certificate.
4. The investor is a person considered by the Trustee to have the requisite investing experience.	Guidance can be taken from the Adviser's Certificate.
5. The investor invests at least $500,000 at one time (excluding superannuation monies).	
6. The investor invests at least $500,000 together with an "associate" at one time (excluding superannuation monies).	Reasons the investor and someone else can be associated include: the other person is a trustee of a trust in relation to which the investor benefits or is capable of benefiting the other person is a person with whom the investor is acting in concert, or proposes to act concert, in respect of the investment; or the other person is a person with whom the investor is, or is proposing to become, associated, whether formally or informally, in any other way in respect of the investment

7. The investor and a body corporate which the investor controls together invest at least $500,000 in aggregate.	See below for the meaning of “control”.
8. The investor is a business which is not a small business.	A small business is one that employs less than 100 employees if the business is or includes the manufacture of goods, or otherwise is a business which employs less than 20 people.
9. The investor is a subsidiary or holding company of another body corporate which is a “wholesale client”.	
10. The investor is a financial services licensee.	
11. The investor is the trustee of a superannuation fund with net assets of at least $10 million.	
12. The investor controls at least $10 million	Including any amount held by an associate or under a trust the investor manages.

WHAT IS “CONTROL”?

“Control” means you have the capacity to determine the outcome of decisions about the company or Trust’s financial and operating policies.

The practical influence you can exert (rather than the rights you can enforce) is the issue to be considered and any practice or pattern of behaviour affecting the company or trust’s financial or operating policies is to be taken into account (even if it involves a breach of an agreement or a breach of trust).

However you do not control a company or trust merely because you and a third entity jointly have the capacity to determine the outcome of decisions about the company or trust’s financial and operating policies.

If you have the capacity to influence decisions about the company or trust’s financial and operating policies and are under a legal obligation to exercise that capacity for the benefit of someone other than your members, you are taken not to control the company or trust.

15 ADDITIONAL INFORMATION

REPORTING

We intend to report to you on at least a quarterly basis. Our reporting will comprise the following:

- a confirmation on receipt of your application;
- an investment confirmation upon issuing units;
- quarterly income distribution detailing your investment and distributions paid to you;
- periodic performance update reports; and
- an annual tax statement detailing information required for inclusion in your annual income tax return.

Annual and half-year financial reports will be available from CorVal. They will not be sent to you unless requested.

TRUST DEED

The Trust Deed is the primary document that governs the way the Trust operates and sets out many of the rights, liabilities and responsibilities of both CorVal and Investors.

Each Unit gives you an equal and undivided interest in the Trust. However, a Unit does not give you an interest in any particular part of the Trust.

Subject to the Trust Deed, as an Investor you have the following rights:

- the right to share in any distributions;
- the right to attend and vote at meetings of Investors; and
- the right to participate in the proceeds of winding up of the Trust.

The Trust Deed contains provisions about convening and conducting meetings of Investors.

We can amend the Trust Deed without Investors' approval provided we reasonably consider the change will not adversely affect Investors' rights. The Trust Deed can also be amended by a special resolution passed by Investors.

A copy of the Trust Deed is available free of charge from us if you requested by an Investor.

ANTI-MONEY LAUNDERING LAW AND OUR OBLIGATIONS

Australia has laws governing money laundering and the financing of terrorism.

We are required to identify new Investors and report 'suspicious' matters (the law defines this) to the regulator. Those Investors who have not invested with CorVal previously will need to complete the appropriate identification form. They are available on our website under "Investor Information" and then "Forms" to be downloaded, completed and then returned to us before the offer closes.

All Investors must provide us with all information regarding you and your investment which the law requires, for example, regarding your identity or the source or use of invested moneys. If you choose not to provide us with this information, we can decline to continue to provide services.

We will not issue you with Units unless satisfactory identification documents are provided.

16 CONCLUSION AND TRANSACTION TIMING

CorVal believes this investment provides Investors with an attractive direct property investment that is managed by an experienced and aligned investment manager. The counter cyclical nature of the acquisition allows for the Property to be acquired well below replacement cost and on attractive price metrics, with the benefit of a diversified tenancy profile with medium to long term leases in place, thereby limiting the direct exposure to the subdued Perth market as it is anticipated to recover over the medium term. The existing leases in place, combined with the high yielding nature of the Property, are forecast to generate an attractive forecast EPU of 12.0% and Trust equity IRR of 11.3% over the investment term.

Applications from Investors will be accepted on a "first come first served basis", with a target date for the allotment of units to Investors of 17 October 2016.

The information contained in this IM is based on the terms which have been agreed and due diligence completed. The establishment of the Trust is subject to achieving the required equity raising of $41.6m.

For Investors to secure a position within the Trust, a non-refundable deposit equivalent to 10% of their proposed investment will be required.

The key dates for the offer are as follows (each of which are indicative only and CorVal reserves the right to change without notice):

Receipt of Application Form and 10% non-refundable deposit	27 September 2016
Payment of balance of application monies	12 October 2016
Completion of Sale and Allotment of units to Investors	17 October 2016

FURTHER INFORMATION

If you require any further information please contact Rob Rayner on either (02) 8203 8408, 0412 555 633 or rob.rayner@corval.com.au

CorVal
Level 13, 9 Hunter Street, Sydney NSW 2000

Phone +61 2 8203 8400

APPENDIX 1 – PROPERTY ASSUMPTIONS

(BASE CASE SCENARIO)

Purchase Assumptions

Acquisition Date (month end)	Oct-2016	
Purchase Price	68,250,000	
- stamp duty + transfer fee	3,522,440	WA
- acquisition fee	1,365,000	2.00%
- legal costs	50,000	
- valuation	10,000	
- physical	25,000	
- other due diligence costs	25,000	
Total Acquisition Costs	4,997,440	7.32%
Total Investment Cost	73,247,440	

Total Acquisition Cost (including Teltra incentives and capex)

Purchase Price	68,250,000
Telstra Incentive	6,045,000
Telstra Capex	150,000
Telstra Leasing Fee	256,685
Total Acquisition Costs	74,701,685

Acquisition Metrics

		Price per sqm	
Lettable Area	12,362	5,521	
		Yield on Price	*Yield on Total Cost*
Passing Net Income	6,626,654	9.71%	8.87%
Yield on Fully Leased Net Income	6,633,854	9.72%	8.88%
Yield on Net Market Income	4,440,003	6.51%	5.94%

Disposal Assumptions

Disposal Date	Dec-2025	
Disposal Yield	7.00%	
Average Gross Market Rent at Disposal Date	584	
Average Net Market Rent at Disposal Date	440	
Total Market Net Income	5,719,375	
Gross Disposal Price	81,705,351	
Forecast Outstanding Incentives	339,625	
Net Disposal Price	81,365,726	
Disposal Costs	1,634,107	2.00%
Disposal Price per sqm	6,610	
Disposal Yield on Passing Net Rent	6.66%	
Passing Net Rent on Disposal	5,439,666	
Hold Period	9.1	years
Forecast WALE	6.0	years
% of Expiries Captured	68%	

Geared IRR
11.3%

Leasing Assumptions

Downtime (months)	12	
New Lease Assumptions		
- lease term (years)	8	
- annual rent reviews	3.5%	
- incentive applied to gross or net	N	(enter G or N)
- incentive split	0%	monthly abatement over lease term
	100%	upfront capital contribution
Leasing Fees		
- new lease	15.0%	
- renewal	7.5%	
Current Market Rent Assumptions	see Rent Roll	

Calander Year Ending		*Dec-2016*	*Dec-2017*	*Dec-2018*	*Dec-2019*	*Dec-2020*	*Dec-2021*	*Dec-2022*	*Dec-2023*	*Dec-2024*	*Dec-2025*
Annual Rent Growth	*2.50%*	0.00%	0.00%	0.00%	2.00%	3.50%	3.50%	3.50%	3.50%	4.50%	4.50%
Financial Year Ending		*Jun-2016*	*Jun-2017*	*Jun-2018*	*Jun-2019*	*Jun-2020*	*Jun-2021*	*Jun-2022*	*Jun-2023*	*Jun-2024*	*Jun-2025*
Tenant Incentives (Office/Industrial)											
- new lease		55.0%	55.0%	55.0%	55.0%	40.0%	30.0%	30.0%	30.0%	30.0%	30.0%
- renewal		46.8%	46.8%	46.8%	46.8%	34.0%	25.5%	25.5%	25.5%	25.5%	25.5%
Retail Incentives		10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Capex on expiry (per sqm)		150	154	158	162	166	170	174	178	183	187
Cost Inflation		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

Outgoings and Non Reoverable Capex

	Jun-2015	*Per sqm*
Statutory Expenses	1,508,140	122
Operating Expenses	-	
Other Expenses / Income	-	
Net Outgoings	1,508,140	
Cost Inflation	2.50%	

Financial Year Ending	*Jun-2016*	*Jun-2017*	*Jun-2018*	*Jun-2019*	*Jun-2020*	*Jun-2021*	*Jun-2022*	*Jun-2023*	*Jun-2024*	*Jul-2025*
Other Non Recoverable Capex (Total)	50,000	50,000	50,000	50,000	50,000	175,000	175,000	175,000	175,000	175,000

APPENDIX 2 –SUMMARY TENANCY SCHEDULE

SUMMARY TENANCY SCHEDULE

Tenancy Profile	Tenancy	Lettable Area / Car Spaces	Rent	Recoveries	Gross Rent	Net Rent ($psm)	Expiry
BP	Ground	661	0.23	0.08	0.31	$350	31-Oct-21
CBP	Level 1-3	5,851	3.97	0.71	4.68	$679	29-Aug-25
Telstra (HoA)	Level 4-5	3,900	1.21	0.48	1.69	$310	31-Jul-27
JDSI	Level 6	1,951	0.91	0.24	1.15	$466	28-Feb-25
BP	Car parking	6	0.02	-	0.02	$3,600	31-Oct-21
CBP	Car parking	39	0.16	-	0.16	$4,050	29-Aug-25
Telstra (HoA)	Car parking	21	0.07	-	0.07	$3,300	31-Jul-27
JDSI	Car parking	15	0.06	-	0.06	$3,726	28-Feb-25

CorVal

APPLICATION FORM

CORVAL WORKZONE TRUST

1. DETAILS OF INVESTOR

Name of Investor			
Mailing Address			
Telephone	Home	Work	
	Mobile	Fax	
Email			
DOB			
TFN			
ACN/ABN			

2. BANK ACCOUNT DETAILS FOR PAYMENT OF DISTRIBUTIONS

Name of Account			
Bank			
Branch			
BSB		Account Number	

3. ADVISOR DETAILS (if applicable)

Name of Advisor		
Dealer Name		
Mailing Address		
Telephone	Home	Work
	Mobile	Fax
Email		

APPLICATION FORM
CORVAL WORKZONE TRUST

4. APPLICATION

I/we apply for Units in the Trust to the value of

Please make your cheque payable to **"CorVal Workzone Trust".**

By signing this application form, I/we agree to be bound by the terms and conditions of the trust deed establishing the **CorVal Workzone Trust** and to observe and perform all the obligations imposed on me/us by that trust deed. I/we acknowledge that we have read the contents of this IM dated **6 September 2016** and accept that there are risks associated with this investment. I/we acknowledge that this application once submitted is irrevocable.

I/we also declare that the details inserted in this application form are complete and accurate. If a sole signatory signing on behalf of a company, I confirm that I am signing as sole director and sole secretary of the company or as duly authorised representative or agent of the company. If investing as a trustee, on behalf of a superannuation fund or trust, I/we confirm that I am/we are acting in accordance with my/our designated powers and authority under the trust deed. In the case of a superannuation fund, I/we also confirm that it is a complying fund under the Superannuation Industry (Supervision) Act 1993. If this application is signed under Power of attorney, I/we submit a certified copy of the Power of Attorney with this application.

The first tranche of funds, being $ (10%) payable to **CorVal Workzone Trust**, is attached.

I/we also understand and acknowledge that the remaining 90% is due, and paid in the same manner, no later than **12 October 2016** and that my/our failure to pay this amount in full by the due date may result in my/our deposit and my/our Units being forfeited.

Application monies can be paid by Electronic Funds Transfer to the following bank account:

Bank	St George
Account name	CorVal Partners Limited as trustee for the CorVal Workzone Trust
BSB	112-879
Account number	449477360

SIGNATURE

Signature 1 or Director 1 or
Sole Director and Sole Secretary

Signature 2 or Director 2 Secretary

Pring name and office held

Print name and office held

Date

Date

Please send completed application forms and application monies to:
CorVal Partners Limited
Level 13, 9 Hunter Street
Sydney NSW 2000

Privacy
By completing the application form, you are providing personal information to CorVal. Your personal information will be used to process your application and, if your application is successful, to administer and report on your unit holding in the **CorVal Workzone Trust.** Your personal information may also be provided to other persons to enable CorVal to provide these services to you or to persons that you authorise to act on your behalf in relation to your investment. We may also disclose your personal information to others as permitted under the law and we may send you information regarding other investment opportunities.

If you do not provide all or part of the information required by the application form, CorVal will not be able to accept your application and you will not be able to acquire units in the **CorVal Workzone Trust.**

If any of your personal details change, please contact CorVal at the address stated in this application form. You can also contact CorVal to find out what personal information is held about you or if you have a complaint about the way in which your personal information has been handled.

The applicant acknowledges that CorVal does not guarantee the performance of the Trust or return of capital. The applicant further acknowledges that the subscription is subject to investment risk, including the loss of income and capital.

ACCOUNTANT'S CERTIFICATE

CORVAL WORKZONE TRUST

Accountants can use this form to certify an applicant is a wholesale client and so able to invest.

1. ACCOUNTANT'S DETAILS

Name of Accountant

Mailing Address

Telephone

Home

Work

Mobile

Fax

Email

Firm Name

Investor Name

EXPLANATIONS

In this certificate:

- required net assets means net assets of at least $2,500,000;
- required gross income means for each of the last two financial years at least $250,000 gross income a year; and
- control means the person has the capacity to determine the outcome of decisions about the corporate trustee's financial and operating policies.

The practical influence the person can exert (rather than the rights they can enforce) is the issue to be considered and any practice or pattern of behaviour affecting the financial or operating policies is to be taken into account (even if it involves a breach of an agreement or a breach of trust). However a person does not control a company or trust merely because they and a third entity jointly have the capacity to determine the outcome of decisions about the company or trust's financial and operating policies. If the person has the capacity to influence decisions about the company or trust's financial and operating policies and are under a legal obligation to exercise that capacity for the benefit of someone other than its members, they are taken not to control the company or trust.

ACCOUNTANT'S CERTIFICATION

I am an accountant qualified as the Corporations Act requires to give this certificate.

I certify that:

- the investor themselves has the required net assets or the required gross income; or
- together with any trusts or companies the applicant controls, the applicant has the required net assets or the required gross income; or
- the applicant is a trust or company controlled by a person who has the required net assets or the required gross income.

SIGNATURE

Accountant's Signature

Date

CorVal

ADVISER'S CERTIFICATE

CORVAL WORKZONE TRUST

Advisers can use this form to certify an applicant is a wholesale client and so able to invest.

1. ADVISER'S DETAILS

Name of Adviser		
Mailing Address		
Telephone	Home	Work
	Mobile	Fax
Email		
Firm Name		
Investor Name		

SIGNATURE

Investor's Signature

Date

By signing above, the investor acknowledges that before investing they:

- have not been given a product disclosure statement nor any other document that would be required to be given to the client under the relevant chapter of the Corporations Act if interests in the relevant trust were provided to the client as a retail client; and
- have no other obligation owed to them under the relevant chapter of the Corporations Act that we, or they would have, if the relevant trust was provided to the client as a retail client.

ADVISER CERTIFICATION

As the holder of an AFSL, or on behalf of the licensee identified above, I certify that I am satisfied on reasonable grounds that the applicant has previous experience in using financial services and investing in financial products that allows the applicant to assess:

- the merits of the Trust;
- the value of the interests in the Trust;
- the risks associated with holding interests in the Trust;
- the applicant's own information needs; and
- the adequacy of the information given by us and (if different) the product issuer.

I confirm the applicant has been given a written statement of my reasons for being so satisfied.

SIGNATURE

Adviser's Signature

Date