

CorVal

INFORMATION MEMORANDUM CORVAL CORPORATE CENTRE TRUST





IMPORTANT INFORMATION



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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.

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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 15 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 Corporate Centre 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 the Gold Coast Corporate Centre, Bundall (**Property**) for \$89.0 million.

The improvements on the Property comprise:

- the 16 level Corporate Centre One (**CC1**) A grade office tower constructed in 1989, comprising 11,577 sqm and 256 car bays;
- the newer 11 level Wyndham Corporate Centre (**WCC**) A grade office tower constructed in 2009, comprising 7,998 sqm and 244 car bays;
- a 276 space on grade car park;
- 123 additional non-income generating car bays; and
- a 24-hour fitness centre over 1,536 sqm.

Collectively, the Property provides 21,111 sqm of office accommodation, 899 car bays at an attractive parking ratio of 1 bay per 23 sqm of office NLA and a 24-hour fitness centre. The Property is also over seven separate titles on a significant corner site of 26,821 sqm.

Over 16,420 sqm of the site is currently considered to be underutilised with the potential for this area to be developed into a higher and better uses such as residential or retail over time. In support of this, there is a Planning Application which has been previously submitted to the City of Gold Coast council by the vendor for 420 units and a 3,850 sqm retail center to be developed at the Property. Preliminary initial indications from the council are that they are supportive of this initiative.

Importantly, in preparing the Trust financial forecasts for the Property that are outlined in this IM, no assumption has been made that any development works are carried out by the Trust, should this Planning Application be approved.

As the Property is individually titled with seven separate lots, this allows for the Property to be split up and components to be sold down individually over time. The benefit of a divestment of the Property on this basis, is that it makes the individual lot sizes on disposal smaller and more liquid, and therefore, potentially appeal to a broader pool of purchasers.

Across the two office buildings, the current occupancy rate is 81%, with a total of 26 tenants and a blended weighted average lease expiry (WALE) of 2.7 years with almost all of this vacant space subject to a one year rent guarantee from the vendor.

The fundamentals of the Gold Coast office market are continuing to improve, with increasing tenant demand, no major supply additions forecast and the better-quality office buildings in the market now close to being fully leased. An immediate asset management priority for CorVal will be to lease the vacant space within the Property, which has been a focus during our due diligence period to date through discussions with the various external leasing agents in the market.

The large number of existing tenants across the Property provides a diversified income stream with the opportunity to add value through active asset management. The tenants who currently occupy the Property are generally major corporates or locally based professional firms, including the Commonwealth Bank of Australia,

Wyndham Vacation Resorts, Regus, Professional Investment Services, KPMG, Hickey Lawyers and Crowe Horwath.

Based upon a relatively moderate 40% level of Trust gearing, the total equity raising for the Trust is \$62.0m, and to maintain an alignment of interest in the Trust, the CorVal senior management team and RF Capital (the family office of Andrew Roberts) will subscribe for no less than 5% of the Trust equity raising.

OFFER HIGHLIGHTS

		Section
Projected Trust equity IRR ^(a)	11.6%.	10,11
Projected Trust distributions ^{(a) (b)}	<p>The projected Trust Earning Per Unit (EPU) is forecast to average 8.6% over the five year investment term.</p> <p>Subject to the performance of the Trust, it is CorVal's intention to conservatively manage the Trust cashflows such that Distributions Per Unit (DPU) to be paid to Investors each year will be smoothed to be in line with the average projected Trust EPU over the investment term.</p>	10
Trust equity raise	\$62.0 m (40% gearing)	
CorVal co-investment	No less than 5% of the Trust equity	
Purchase price metrics	<p>The purchase price of \$89.0m reflects:</p> <ul style="list-style-type: none"> - 9.43% initial yield (inclusive of one year rental guarantee over the vacant space); - 8.59% fully let yield on assessed market rents; and - \$4,216 per sqm of NLA. <p>The \$89.0m purchase price is also inclusive of the 16,420 sqm of land which is currently underutilised and offers the potential for separation and an earlier disposal or further development (see section 5).</p> <p>An independent valuation report for the Property has been prepared by CBRE that supports the purchase price.</p>	2

Seven individual titles and sell down	<p>The Property is currently individually titled across seven different lots, which are utilised for the following purposes;</p> <ul style="list-style-type: none"> - Lots 1 and 2 comprise 8,078 sqm of land used for on grade parking across 276 bays which are leased to Secure Parking. These lots are considered to have the most development potential given they are largely unimproved and any development on these lots would benefit from views. Further, no car bays on the lots are leased directly to the office tenants and the ability exists to break the Secure Parking lease. - Lots 3 and 4 contain CC1 and associated parking. - Lots 5 and 6 contain WCC and associated parking. - Lot 7 is improved with a gym which is leased for a nominal rent and is also considered to have development potential. <p>The benefit of these individual titles is that it allows for the components of the Property to be sold down individually, as opposed to the whole of the Property being sold in one line, if this is considered by CorVal to generate the greatest return for Investors in due course.</p>	5
High quality office improvements	<p>The underlying fundamentals of the CC1 and WCC office buildings are considered to be strong.</p> <p>CC1 comprises a 16 level A-Grade office building completed in 1989, which benefits from good levels of natural light via three quarter height windows to all sides, with views of Surfers Paradise and the surrounding Gold Coast area. The floor-to-ceiling heights are above average and the floors are highly efficient allowing for sub division into mutiple tenancies.</p> <p>WCC is a modern A-Grade office building completed in 2009. The building has relatively large 1,031 sqm floorplates and a side core configuration which is designed to appeal to the larger occupiers. Further, the building has been designed and built to a 5-Star Green Star rating and a 4.5-star National Australian Built Environmental Rating System (NABERS) rating.</p> <p>There is a substantial amount of parking on the Property with a total of 899 car bays providing an attractive ratio of 1 car bay per 23 sqm of NLA.</p>	2



Value-add potential	<p>There are a number of value-add strategies which will be pursued by CorVal, including;</p> <ul style="list-style-type: none"> - a pro-active leasing strategy focused on leasing the existing vacancy within the Property, achieving lease renewals with the existing tenants and driving rents within the Property; - undertaking capital expenditure projects to improve the on-floor office accommodation quality through rolling refurbishments and upgrade base building services as required; - formulating strategies to realise the development potential of the site. In the first instance, this is likely to involve progressing with the Planning Application which has already been submitted through to an approval stage; and - a disposal strategy focused on maximising the eventual sale proceeds for the Property and returns to investors, which may include selling down the various components of the Property through individual lot sales. 	5
Gold Coast office market fundamentals	<p>The Gold Coast office leasing market conditions continue to improve and are forecast to strengthen further over the short to medium term.</p> <p>The latest Property Council of Australia (PCA) statistics recorded positive net absorption of 10,088 sqm across the Gold Coast market for the 6 months until January 2017, with the total vacancy rate decreasing from 14.3% to 12.2% over this period.</p> <p>More recently, there have also been a number leasing deals in the two other major office buildings on the Gold Coast, namely the Rocket at Robina and 50 Cavill Avenue, which are now both close to full, thereby reducing the direct competition with the Property.</p> <p>Within the Property itself, there has been a total of 12 leasing transactions over the 18 months across 4,431 sqm of space, along with sound levels of leasing inquiry from new tenants looking to lease space within the Property.</p> <p>See section 4 for further details on the Gold Coast leasing market and leasing within the Property.</p>	4

Diverse tenant profile comprising major corporates	<p>The building is currently occupied by 26 tenants with no one tenant accounting for more than 25% of the overall income. This diverse profile means the success of the investment is less reliant on the retention of any major tenant or tenants.</p> <p>Historically, the Property has been the favoured office building on the Gold Coast for major corporates, who are seeking high quality office accommdoation, but do not want to be located within busier Surfers Paradise, Broadbeach or Southport precincts.</p> <p>This is demonstated by current tenant profile, which includes Wyndham Vacation Resorts, Regus, KPMG, Commonwealth Bank of Australia, Suncorp, ANZ Banking Group, Hickey Lawyers, HLB Mann Judd and Crowe Horwath.</p>	3										
Discount to replacement cost	<p>The Property purchase price represents a discount to the estimated total development cost for the Property of approximately 27%.</p> <p>Total development costs are estimated at \$110-115m, comprising construction costs of \$94.4m, plus a \$19.4m site value, financing and leasing costs.</p>											
Minimal capital expenditure	<p>An independent CBRE Building Depreciation and Cost Consultancy report outlines forecast capital expenditure of \$1.95 m over a five year period, which have been allowed for in preparing the Trust’s forecast financial information.</p>	10										
Tax depreciation	<p>Indicative tax depreciation benefits provided by an independent consultant indicate an average tax deferral level of 52% over the first 5 years.</p> <table><tr><td>FY18</td><td>FY19</td><td>FY20</td><td>FY21</td><td>FY22</td></tr><tr><td>55%</td><td>67%</td><td>49%</td><td>44%</td><td>44%</td></tr></table>	FY18	FY19	FY20	FY21	FY22	55%	67%	49%	44%	44%	
FY18	FY19	FY20	FY21	FY22								
55%	67%	49%	44%	44%								
Property location	<p>The Property is situated within Bundall, one of the Gold Coast’s major commercial precincts.</p> <p>The Property is prominently positioned on the corner of Slatyer Avenue and Bundall Road, 1.5km from Surfers Paradise and 2.5km from the Southport.</p>	2										
Experienced manager	<p>The Trust is managed by a quality, experienced investment manager who is aligned with the Investors through a material co-investment in the Trust.</p>	8										
Simple structure	<p>Single property asset housed in an unlisted trust structure, which is expected to provide 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.</p>	9										

- (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 10 for the assumptions around the returns, section 13 for the various risk factors and section 11 for some sensitivity analysis around the projected returns.
- (b) It is CorVal's intention to conservatively manage the Trust cashflows and in doing so, the intention is to maintain a distribution per unit (DPU) which is marginally lower than the average earning per unit (EPU) over the investment term. The funds retained over the period may be used to pay down debt, partially fund any property expansion works or be paid to investors in future years through increased income distributions.

TENANCY PROFILE OVERVIEW

The Property is 81% leased to 26 tenants with a WALE of circa 2.7 years. The major tenants are:

Tenant	Building	Sqm/% of Income	Lease Expiry	Tenant Overview
Wyndham Vacation Resorts	WCC	4,730 sqm/ 24.9%	June 2021	Wyndham Vacation Resorts is a subsidiary of Wyndham Worldwide hospitality company with market capitalisation of approximately \$US9.9 b.
Regus	WCC	1,641 sqm/ 7.9%	September 2021	The company was founded in 1989 and is a serviced office provider. The company is part of International Workplace Group which currently has a market capitalisation of approximately \$US3.1 b.
Professional Investment Services	CC1	1,328 sqm/ 6.6%	October 2018	PIS is a wholly owned subsidiary of Centrepont Alliance Limited (CAF), an ASX company with an approximate market capitalisation of \$1.3 b.

In addition to the above, a number of other well recognised tenants lease space at the Property, including, KPMG, Commonwealth Bank of Australia, Suncorp, ANZ Banking Group, Hickey Lawyers, HLB Mann Judd and Crowe Horwath. The residual of the operators within the Property include a combination of smaller service providers, business consultants and IT companies.

The majority of leases within the building are structured on a net basis, whereby property outgoings are recovered from the tenants on a proportion of NLA basis. All leases include for the provision of annual rent reviews ranging from CPI to 5.00%.

The majority of tenants within both buildings occupy car spaces on direct licenses which are generally co-terminus with the head lease. Secure parking also occupies 326 car bays under a management agreement which terminates upon settlement. CorVal has engaged with Secure and is in the early stages of securing a new three to five year license prior to settlement.

A condition of the Trust's purchase agreement with the vendor is that a 12 month rental guarantee over 3,874 sqm of vacant space and 59 vacant car bays is also provided at settlement by the vendor.

INVESTMENT STRATEGY

The Trust investment strategy revolves around progressively leasing the vacant areas across the Property, working with existing tenants to maximise tenant retention and implementing a targeted capital expenditure program over the investment term to assist with the leasing of vacant areas and increasing the Property's net income, thereby maximising both the value of the Property and the Trust EPU over time.

The Planning Application which has been submitted by the vendor to the City of Gold Coast council will also be progressed and fully considered in time for opportunities to add further value to the Trust Property.

Subject to the overall performance of the Trust, the distribution strategy will be to make distributions in line with the Trust EPU on a quarterly basis.

The Trust financial projections assume* the Property is sold in June 2022, with market values adopted for each component of the Property, as follows:

Lot	Property Component	Disposal date	Disposal basis / assumption	Disposal consideration
1 and 2	Surplus land / car parking	June 2022	\$1,600 per sqm of site area	\$12.9m
3 and 4	CC1 and associated on grade parking	June 2022	8.00% disposal yield	\$60.9m
5 and 6	WCC and associated on grade parking	June 2022	7.50% disposal yield	\$45.0m
7	EMF Fitness Centre	June 2022	\$1,000 per sqm of site area	\$1.5m
				\$120.3m

* This is as at the date of this IM and is subject to further due diligence by CorVal, further consideration of the Planning Application that has been submitted to the City of Gold Coast council and the development outcomes that may be possible from this, all of which is subject to future economic and property market considerations, together with a careful consideration of the implications on the existing improvements at the Property should any future development activities take place under the Planning Application.



MARKET OVERVIEW

The Gold Coast office market comprised of 473,000 sqm of stock as at January 2017. The key drivers of the Gold Coast Economy are service related, including retail / accommodation, the construction industry and health care / social services. The office market comprises five major precincts as monitored by the Property Council of Australia, which are; Broadbeach (29,941 sqm), Bundall (85,100 sqm), Robina / Varsity Lakes (137,824 sqm), Southport (148,655 sqm) and Surfers Paradise (71,447 sqm).

Office fundamentals within the Gold Coast market have remained robust in recent times with several key drivers providing support for this being:

- the first stage of the Gold Coast Light Rail which links the Gold Coast Hospital to Helensvale and through to Broadbeach;
- planning and development in the lead up to the Commonwealth Games;
- development sites continue to be sought after, particularly for residential and hotels/leisure projects, generating occupier demand from developers and companies servicing the development sector;
- lower AUD has supported strengthening in both international and domestic visitation; and
- net absorption over the six months to January 2017 totalled 10,088 sqm.

The Bundall office precinct benefits from being centrally located on the Gold Coast, whilst not being within the denser mixed use precincts of Broadbeach, Southport and Surfers Paradise. Bundall has a reasonably tight concentration of office stock, giving it more of a CBD characteristic compared to the other precincts, where the office accommodation is generally spread out. The Gold Coast City Council has recently acquired Waterside East and West, which are located on the opposite side of canal from the Property, and which the Council will owner occupation. Having the Council as a future long term occupier is considered to reflect the appeal of the precinct, its central location and will assist in cementing it as the key office precinct moving forward.

Given the limited availability of A Grade space, lack of new supply and continued strength in the leasing market, it is forecast net absorption will continue over the short to medium term.

GOLD COAST 2018 COMMONWEALTH GAMES

The Commonwealth Games is one of the largest elite multi-sports events in the world. The Gold Coast 2018 Commonwealth Games is set to be one of the largest international sporting events staged in Australia for a decade, with more than 6,500 athletes competing from over 70 nations.

The Commonwealth Games is expected to be televised to a global audience in excess of 1.5 billion and is forecast to deliver up to 30,000 new jobs and approximately \$2 billion in economic investment.

More than \$13.5 billion in major infrastructure projects are planned or underway, including Queensland's first light rail network, an integrated health and knowledge precinct and world class sporting infrastructure in preparation for the Gold Coast to host the games.

The Gold Coast Cultural Precinct, which is located 250 metres south east of the Property, is currently under construction and Stage 1 is due for completion in 2018. The master plan for the precinct includes; a performing arts centre, art museum, waterfront dining options, ferry terminal, commercial space and retail accommodation. Once it is fully complete, it is anticipated to become a major tourist destination and will provide retail amenity to Bundall precinct.

FINANCIAL SNAPSHOT

As at the date of this IM, negotiations are taking place with a number of Australian banks to provide the required loan facility, which form the basis of the bank finance assumptions as contained in this IM.

Subject to the assumptions outlined in section 10 and the risks outlined in section 13, the projected financial returns from an investment are presented below:

	Note	Projected Trust Earnings Yield*	Projected Trust Distribution Yield*
Period to end 30.6.18	a/b	9.60%	8.25%
Period to end 30.6.19	a/b	7.40%	8.25%
Period to end 30.6.20	a/b	9.30%	8.50%
Period to end 30.6.21	a/b	9.20%	8.75%
Period to end 30.6.22	a/b	7.80%	8.75%
Average yield over the Investment Term		8.60%	8.50%
Projected Trust Equity IRR			11.6%*
Initial investment			(\$500,000)
Projected Trust earnings*			\$216,690
Projected net sale proceeds*			\$569,401
Total cash available for distribution			\$786,091
Multiple			1.57 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 10 for the assumptions around the returns, section 13 for the various risk factors and section 11 for some sensitivity analysis around the projected returns.

- a It is CorVal's intention to conservatively manage the Trust cashflows, and in doing so, it is CorVal's intention to conservatively manage the Trust cashflows such that Distributions Per Unit (DPU) to be paid to Investors each year will be smoothed to be in line with the average Trust EPU over the investment term. The funds retained over this period may be used to pay down debt or be paid to investors in future years through increased income distributions.
- b Remains subject to the performance of the Trust.



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

Property disposal date	Jun 2022
Total gross disposal price	\$120.4m
Disposal price per sqm of NLA	\$5,601
Capital expenditure over the investment period ¹ :	
- Owner make good and upgrade costs	\$3.0 m
- Tenant incentives	\$3.9 m
- Leasing commissions	\$1.0 m
- Owner capital expenditure	\$2.7 m
	\$10.6 m

1. Refer to Section 10 for more 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	16 June 2017
Payment of balance of application monies	23 June 2017
Completion of Sale and Allotment of units to Investors	30 June 2017

2 PROPERTY OVERVIEW

LOCATION OVERVIEW

The Property is situated within Bundall, one of the Gold Coast's major commercial precincts. The Property is prominently positioned on the corner of Slatyer Avenue and Bundall Road, 1.5 kilometres from Surfers Paradise, 2.5 kilometres from the Southport CBD and within proximity to major public transport nodes.

The Property is situated approximately 80 kilometres south of Brisbane and 1.5 kilometres west of the beach, shopping and attractions, while its location provided an ease of access to the M1 motorway, Coolangatta Airport and the surrounding suburbs. Given its surrounds, the Property lends itself to a variety of potential uses.

A bus stop is situated to the immediate north of the Property on Slatyer Avenue providing access from Nerang (west) through to Surfers Paradise and Broadbeach (east). Commuters using public transport can also link up with the bus service in Surfers Paradise after using the Light Rail which serves as a transport option from the Gold Coast Hospital to the north through to Broadbeach to the south.

The image below shows the location of the Property in relation to the Broader Gold Coast commercial precinct.

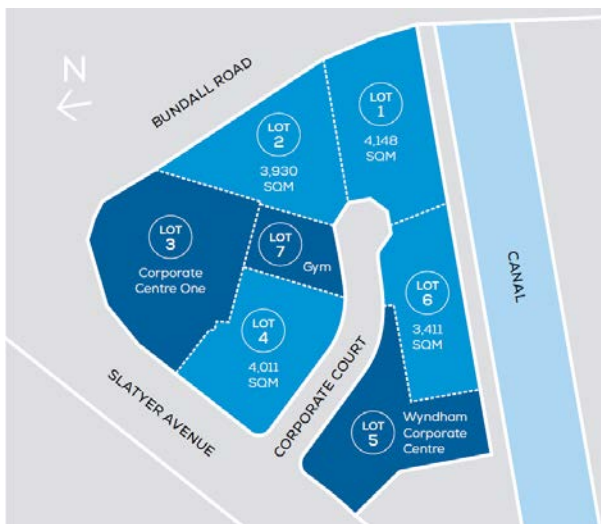


BUILDING OVERVIEW



In its entirety, the Property provides 21,111 sqm of office accommodation, 899 car bays, and a 24-hour fitness centre. These improvements are across seven separate titles on a significant corner site of 26,821 sqm.

The layout of the Property across these individual Lots and a summary of the current uses is outlined below;



CORPORATE CENTRE 1 (LOT 3) AND LOT 4

CC1 was developed in 1989, and comprises 11,577 sqm of NLA over 15 office floors, with ground floor retail and 171 car bays (in addition to a significant amount of visitor parking). The building has a 3.0 star NABERS Energy Rating. There is scope for this to improve as the level of occupancy in the building increases.

All tenancies benefit from good levels of natural light, with all sides of the building featuring unobstructed views from the Gold Coast Hinterland to the Surfers Paradise skyline and beaches.

The floor plates are approximately 700 sqm, offering an attractive sized single floor option and given the central core configuration, the floor plate also efficiently subdivides into smaller tenancies with minimal loss of lettable area. This allows the building to cater for multiple tenant sizes, which is important in the Gold Coast market as a high proportion of tenants are in the 100-500 sqm size bracket.

There are currently seven full-floor tenants in occupation of the building, with the balance of the floors split into two to five tenancies per floor. In total, there are 22 tenants within the building providing a diverse income stream.

Lot 4 is associated with CC1 as it is currently utilized by the tenants of CC1 for on grade parking, Lot 4 provides a total of 85 car bays.

CC1 sits on Lot 3 which comprises 5,640 sqm of land and Lot 4 comprises 4,011 sqm of land.



CC1 – External



C1 – Typical Office Space



CC1 – Ground Floor Lobby



CC1 – Upper Level Eastern Outlook



WYNDHAM CORPORATE CENTRE (LOT 5) AND LOT 6

Completed in 2009, WCC is a modern 11 level commercial tower, incorporating 7,998 sqm of NLA over eight office levels and with three levels of above ground carparking at the bottom of the building.

The parking within the building, together with the on-grade parking next to the building, provides a total of 166 lettable car bays on this component of the site.

WCC is the Asia Pacific Headquarters to Wyndham Resorts, as well as being occupied by Suncorp Bank and Regus. There is also a high-quality café at the ground level which is the main on site retail amenity for the tenants of the Property.

WCC is energy efficient and has strong environmental ratings, being a 4.5 Star NABERS Rating and 5 Green Star Rating.

The floors are approximately 1,031 sqm, with a side core configuration and which are designed to cater for larger tenants in the market. The office accommodation benefits from good levels of natural light from three sides.

Lot 6 is associated with WCC as it is currently utilised by Wyndham for on grade parking providing a total of 78 car bays.

WCC sits on Lot 5 which comprises 4,161 sqm of land and Lot 6 comprises 3,411 sqm of land.



WCC Eastern Elevation



WCC Level Floor

LOTS 1 AND 2 – ON GRADE PARKING

Lots 1 and 2 are currently used as on grade parking and provide 276 car bays. These car bays are leased to Secure Parking for approximately \$378,000 per annum.

Lots 1 and 2 have a combined site area of 8,078 sqm.

These two lots are considered to be the most developable and could suit a medium to high density residential use. This is due to the substantial site area, the existing underutilised use for car parking and potential for any new development on these lots to benefit from attractive views. This creates the opportunity to dispose of these lots separately to a developer, which may maximise the price achieved for the lots, but would also result in the loss of the car bays and income generated from them.

Whilst this is considered possible as no office tenants directly lease any car bays on these lots, the potential exists to break the existing Secure lease for a redevelopment and to therefore potentially generate additional value for Trust Investors. The removal of these car bays will however adversely impact on the current car parking arrangements at the site, which could have a flow on affect to the two existing office buildings. Further, new car parking will be required with any residential development, which may cause congestion issues. Given restrictions such as these, an appropriate development scheme is required that replaces any car bays that are lost from any redevelopment of this area of the site prior to having certainty around any future development options.

EMF FITNESS – LOT 7

EMF Fitness Centre has recently taken occupation after an extensive refurbishment and renovation to the former tenancy. The gymnasium is state of the art, including a 25 metre lap pool and altitude training facilities over 1,536 sqm.



KEY PROPERTY INFORMATION AND ASSUMPTIONS

Key Property information:	
Address	Gold Coast Corporate Centre, Cnr Slatyer Ave & Bundall Rd, Bundall, Gold Coast
Net lettable area (NLA)	21,111 sqm
Parking bays	899
Year built	1989 (CC1) 2009 (WCC)
WALE by Income (as at 1 July 2017)	2.7 years
Freehold / leasehold	Freehold
Key Property assumptions:	
Average gross passing office rent (CC1)	\$494 per sqm
Average gross passing office rent (WCC)	\$518 per sqm
Average gross market rent (CC1)	\$455 per sqm
Average gross market rent (WCC)	\$460 per sqm
Average gross market retail rent	\$350 per sqm
Annual market rent growth	2.50%
Level of office tenant incentives (% of net rent)	20.0%-25.0%
Level of retail tenant incentives (% of net rent)	20.0%
New lease term	5 years
Owner capital expenditure upon lease expiry*	\$100 - \$200 per sqm

*based on the condition of the tenancy.

3 TENANCY PROFILE

There is 4,082 sqm of space currently vacant across both buildings (19.3% of the NLA), of which 3,874 sqm is subject to a 12 month rent guarantee from the Property vendor. Including this rent guarantee, the blended WALE for the Property is 2.7 years to a total of 26 tenants, thereby providing a diverse income stream across a number of tenants.

The larger tenants in the CC1 building include:

- Professional Investment Services (11.5% of NLA and Oct 2018 lease expiry);
- Hickey Lawyers (8.2% of NLA and Jun 2022 lease expiry);
- Ramsden Lawyers (8.1% of NLA and Nov 2018 lease expiry); and
- KPMG (7.4% of NLA and April 2021 lease expiry).

The WCC is leased to full floor tenants, with the major occupants being:

- Wyndham Vacation Resorts (59.0% of NLA and Jun 2021 lease expiry); and
- Regus (20.5% of NLA and Sep 2021 lease expiry).

The average gross passing rents across CC1 and WCC are \$494 per sqm and \$518 per sqm respectively, which are marginally above our assessed gross market rent for both buildings of \$455 per sqm and \$460 per sqm respectively.

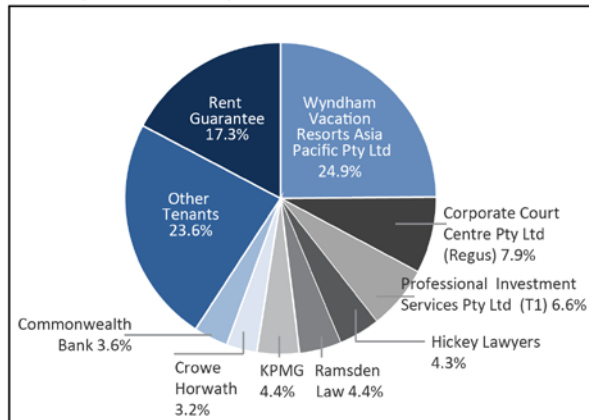
The majority of leases are structured on a net basis, whereby the tenant is responsible for its proportion of outgoings recoveries. All leases are subject to annual rent reviews ranging from CPI to 5%.

A summary of the major tenant income and expiry profiles is provided below:

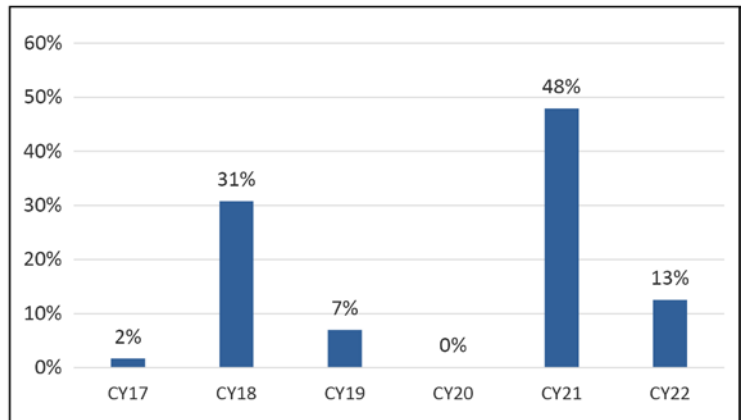
Tenant	Tenancy	Gross Income	% of Property Gross Income	Lease expiry
Wyndham Vacation Resorts	WCC – Gnd, 3, 5-8	\$2.8 m	24.9%	Jun 21
Regus	WCC – Levels 9 & 10	\$0.9 m	7.9%	Sep 21
Professional Investment Services	CC1 – Levels 13 & 14	\$0.7 m	6.6%	Oct 18
Hickey Lawyers	CC1 – Levels 4 & 6	\$0.5 m	4.3%	Jun 22
KPMG	CC1 – Level 11 & 12	\$0.5 m	4.4%	Apr 21
Crowe Horwath	CC1 – Level 2	\$0.4 m	3.2%	May 22
			51.3%	



TENANT DIVERSIFICATION CC1 (BY INCOME)



LEASE EXPIRY PROFILE BY NLA



A profile on each of the major tenants is provided below:

Wyndham Vacation Resorts	Regus	Professional Investment Services
 <p>Wyndham Vacation Reports Asia Pacific develops, markets and sells Wyndham timeshare through vacation ownership interests across a network of 28 vacation ownership resorts in the Asia Pacific Region, serving more than 53,000 owners in Australia, New Zealand, Fiji and Thailand in its WorldMark South Pacific Club by Wyndham.</p> <p>The parent company Wyndham Worldwide Corporation has a market capitalisation of approximately \$9.9 billion.</p>	 <p>Regus is the world's largest provider of flexible workspace solutions. Its network included almost 3,000 business centres, spanning almost 900 cities across 120 countries.</p> <p>Through a variety of office tenants, as well as its growing mobile, virtual office, and workplace recovery businesses, it enables people and businesses to work where, when and how they want at a range of price points.</p>	 <p>PIS is an independently owned network of financial advisors and accountants, whose core operations are the provision of financial advice and the distribution of financial and risk products. In December 2011, PIS became a wholly owned subsidiary of Centrepont Alliance Limited (CAF), an ASX company.</p> <p>Having grown at rapid rate, PIS occupied a number of smaller suites throughout CCB1, with these separate suites being consolidated into 2 floors in 2013.</p>
Hickey Lawyers	KPMG	Crowe Horwath Australasia
 <p>Founded in 1993, Hickey Lawyers is a national and well established law firm particularly in the fields of property, development, business and tourism.</p> <p>Led by nine partners, Hickey Lawyers has a strong track record, focusing on total project management.</p> <p>Hickey Lawyers have been an occupant of the Corporate Centre Building One for over 8 years.</p>	 <p>KPMG is one of the world's leading professional services networks. It comprises over 189,000 people in member firms in more than 150 countries. In Australia KPMG employs approximately 6,700 people, including over 400 partners, operating out of 13 offices.</p> <p>KPMG deliver a wide range of audit, tax and advisory services to many of Australia's fastest growing and leading business enterprises as well as government bodies. KPMG were a foundation tenant in Corporate Centre Building having been in occupation of the building since it was completed.</p>	 <p>Crowe Horwath Australasia is a subsidiary of Crow Horwath LLP and is a public accounting, consulting and technology firm with offices across the globe.</p> <p>Crow Horwath Australasia has over 110 offices throughout Australia and New Zealand, employing over 3,000 advisors and professionals.</p>



4 MARKET OVERVIEW

From the most recent Property Council of Australia research, the Gold Coast office vacancy rate as at January 2017 was at 12.2%, down from 14.3% recorded in July 2016. Anecdotal evidence suggests the vacancy rate will fall further once the next July 2017 PCA figures are published, with leasing agents suggesting it will be in the vicinity of 10%.

Strong economic fundamentals and business growth within the Gold Coast market were the key drivers behind the strong levels of net absorption. The pick-up in business confidence has seen vacant office space leased at rental rates achieved prior to the recent global financial crisis. One of the most prevalent trends over the 6 months to January 2017 was the flight to quality with the vacancy for A Grade stock declining from 18.7% to 12.9%, with the B Grade vacancy also decreasing, albeit at a lower rate from 12.3% to 11.1%.

The table below demonstrates the recent positive activity within the Gold Coast office leasing market, together with the availability of stock:

Precinct	Vacancy Jan – 17 (%)	Vacancy Jan – 16 (%)	Total Area Vacant Jan – 17 (sqm)	Net Absorption 6 months to Jan-17
Broachbeach	10.8	8.8	3,244	605
Bundall	14.1	16.9	11,997	2,370
Robina / Varsity Lakes	6.9	10.0	9,458	4,999
Southport	13.2	15.5	19,609	2,724
Surfers Paradise	18.4	19.3	13,159	600
Total	12.2	14.3	57,467	10,088

The tightest market as at January 2017 is the Robina – Varsity Lakes market, recording a vacancy rate of 6.9% down from 10%. Contributing to the fall, the National Disability Insurance agency chose The Rocket office building in Robina for its new regional headquarters of 2,786 sqm. It is believed the agency will pay a gross face rate of \$495 psm on a 10 year lease term.

Southport also recorded a decline in vacancy falling from 15.5% in July 2016 to 13.2% in January 2017. Some of the larger deals included the New York Film Academy (2,000 sqm) at Southport Central, Department of Housing and Public Works (837 sqm) at Bartercard House, Endeavour College of Natural Medicine (1,276 sqm) at Nexus and Eagle Academy at 56 Nerang Street.

Knight Frank has forecast the reduction in vacancies will continue over the short to medium term given there is no new commercial space planned for the next five years. The supply of new office space on the Gold Coast has been historically low with no new supply delivered to the market since 2010.

All sectors of the Gold Coast office market are performing well with take-up of space from both the small and medium enterprises sector and State and Federal Governments. Given the lack of new supply of office space, rental growth is anticipated across the majority of markets for at least the next 12 to 18 months.

The table below details the current vacancy as at 31 December 2016, as well as the asking rentals, for the Property and the main competing A Grade office buildings within the Gold Coast region.

A Grade Market Comparison	Corporate Centre One, Bundall (CC1)	Wyndham Corporate Centre, Bundall (WCC)	50 Cavill Avenue, Surfers Paradise	The Rocket, Robina
Total NLA (sqm)	11,577	7,998	16,580	11,280
Current vacancy (sqm) – at Dec '16	2,497	1,042	4,808	1,299
Gross rent per sqm	\$454 - \$465	\$460	\$457 - \$510	\$500
Parking charges	\$2,400	\$2,400	\$1,800	\$1,980

The Property is well priced within the market, with gross asking rents sitting marginally below that of its peer group, being 50 Cavill Avenue and The Rocket. The Property has historically attracted the larger national corporate companies who are either opposed to having a Surfers Paradise address or being located towards the outer suburbs of Robina.

RENTAL EVIDENCE

The table below summarises some of the more recent leasing transactions across the Gold Coast office markets.

Property	NLA (sqm)	Tenant	Start date	Term (years)	Rent (Gross)	Incentive (Gross)
Corporate Centre 1 (HOA)	700	Crowe Howath	Jul-17	5	\$453	29%
Corporate Centre 1	212	Synergy Resource Management	Dec-16	5	\$473	19%
Corporate Centre 1 (HOA)	152	Turner and Townsend	Jan-17	3	\$463	25%
50 Cavill Avenue (Level 3)	103	Egali	Apr-17	5	\$457	19%
50 Cavill Avenue (Level 10)	212	KJB Legal	Jun-17	3	\$477	21%
50 Cavill Avenue (Level 19)	410	Oliver Hume	Jan-17	5	\$494	20%
Corporate Centre 1	198	Elston Partners	Feb-17	5	\$463	14%
Corporate Centre 1	130	EC Pohl & Co	Feb-17	5	\$478	14%
The Rocket, Robina	91	Financial Services	Mar-17	3	\$503	8%
The Rocket, Robina	149	Medical Services	Feb-17	3	\$503	8%
The Rocket, Robina	81	Medical Services	Jan-17	3	\$493	11%
The Rocket, Robina	2,798	Federal Government	Dec-16	10	\$495	Confidential

Market evidence within the table above demonstrates a gross rental range of \$453 - \$503 per sqm and incentive range of 8% - 29%. In preparing the Trust financial forecasts, an average gross market rent of \$455 for CC1 has been adopted and \$460 per sqm for WCC, with adoptive incentives in the range of 20% - 25%.

SALES EVIDENCE

The table below summarises the major comparable investment sales over the last few years:

Property	Sale Date	Area (sqm)	Price (\$m)	Price (\$/sqm)	Initial Yield	Equivalent Yield	WALE (years)
183 Varsity Parade, Varsity Lakes	Feb-17	3,153	\$11.8	\$3,742	8.20%	7.82%	2.3
2 Investigator Drive, Robina	Jul-16	4,423	\$26.2	\$5,929	7.71%	7.66%	3.6
Bartercard House, Southport	Nov-15	3,158	\$11.6	\$3,673	7.41%	8.33%	6.9
50 Cavill Avenue, Surfers Paradise	Dec-15	16,652	\$48.8	\$2,928	4.64%	8.50%	2.5
The Rocket, Robina	Jul-15	12,814	\$70.1	\$5,467	8.78%	8.21%	2.5
Foxtel Building, Robina	Apr-15	9,565	\$46.0	\$4,809	7.80%	7.78%	8.5
Gold Coast Corporate Centre	Jul-17	21,111	\$89.0	\$4,216	9.58%	8.50%	2.8

The sale prices psm indicated in the above table for comparable sales demonstrate a range of \$2,928 to \$5,929 per sqm of NLA, which compares favourably to the Trust purchase price for the Property of \$89m, or \$4,216 per sqm of NLA (which also includes an extra ordinary number of 899 car bays and possible surplus land).

The most comparable sale is considered to be 50 Cavill Avenue, Surfers Paradise, which was bought well in 2015, with the property sold by receivers in softer market conditions. Despite this, the metrics still compare favourably to the Trust Property with the same equivalent yield and the Property reflecting a far higher initial yield. The rate per sqm reflected by 50 Cavill Avenue was \$2,928 per sqm, which is below the \$4,216 per sqm, however, 50 Cavill Avenue was purchased with a 50% vacancy and requiring significantly more capital expenditure.

5 UNDERUTILISED SITE AREA AND EXISTING PLANNING APPLICATION

UNDERUTILISED SITE AREA

As at the date of this IM, approximately 16,420 sqm of the Property's total 26,821 sqm site area is potentially underutilised, with the capacity for this area of the site to possibly have a higher and better use than the existing use.

The components of the Property which may fall into this category are the lots that are currently used for parking (Lots 1, 2, 4 and 6) and the existing fitness centre (Lot 7).

To best illustrate this, if the market yield that is being paid for all of the Property of 8.59% (which generates the purchase price for the whole of the Property of \$89.0 m) was then individually applied to the income that is currently being generated from these respective lots, the following analysis is generated:

	Lots 1 and 2	Lot 4	Lot 6	Lot 7	TOTAL
Market Yield	8.59%	8.59%	8.59%	8.59%	8.59%
Net Income	\$361k	\$103k	\$93k	(\$12k)	\$545k
Allocated Value	\$4.20m	\$1.19m	\$1.08m	(\$0.13m)	\$6.34m
Site Area	8,078 sqm	4,011 sqm	3,411 sqm	1,520 sqm	16,420 sqm
Rate per sqm of Site Area	\$520	\$297	\$316	(\$89)	\$386
Existing Use	276 on grade car bays currently leased by Secure Parking	85 on grade car bays associated with CC1	78 on grade car bays associated with WCC	EMF fitness centre	-

The rates per sqm of site area reflected in this analysis average only \$386 per sqm, which is well below the market rates for this same area which are currently considered to be in the range of \$750 - \$1,500 per sqm, depending on a number of factors such as the position on the site, potential views and best suited end use.

Whilst it is considered unlikely all of this underutilised land will be able to developed to its higher and best use, or sold off at these market rates, the opportunity may exist to devise a development scheme that allows for some of this potential to be realised.

This may include the following options:

- the sale of certain lots (for example, lots 1 and 2) for market rates to developers;
- the further development of lots for additional car parking or retail space; and
- the potential development of further office space, which would be subject to securing tenant pre-commitments, funding and Investor approval.

Any development scheme would however need to taken into account the restrictions of the site and impacts on the residual of the site. For instance, if Lots 1 and 2 were sold to a developer, there would the loss of 276 car bays which may impact on the remaining office buildings if they cannot be replaced through for example the development of a multi-deck car-park facility.

Investors should note that none of these development options have been assumed in preparing the Trust financial forecasts.



Investors should therefore not factor in any potential uplift in returns from development works that may proceed at the Property, as this is uncertain and many future factors need to be considered, including, but not restricted to, council approval for the works to proceed, impacts upon the existing Property, funding, tenant pre-commitments and a financial feasibility to determine the impact upon Investor returns, all of which as at the date of this IM are uncertain.

EXISTING PLANNING APPLICATION

In support of unlocking the future development potential of the site, the vendor has lodged a Planning Application with the City of Gold Coast City council, which includes adding 3,850 sqm of retail accommodation and 420 residential units to the site. This is currently being assessed by council, however the pre-lodgment meeting minutes suggest, and the vendor has advised, it likely the council will support this application.

The master plan for the site and artists impressions are outlined below;

Master Plan



Subject to planning approval

SITE MASTERPLAN

- | | |
|---------------------------------------|--|
| A EXISTING CORPORATE CENTRE TOWER | K NOTIONAL STAGING LINE |
| B PROPOSED SUPERMARKET | L PLAZA AND CONNECTION TO WATER EDGE |
| C RETAIL TENANCIES | M ARCHITECTURALLY ICONIC SHOWROOM |
| D PUBLIC PLAZA & RETAIL ARRIVAL SPACE | N RESIDENTIAL APARTMENTS |
| E CORPORATE COURT ACCESS ROAD | O RESIDENTS' RECREATION ZONE |
| F BASEMENT ACCESS | P PEDESTRIAN ARRIVAL PLAZA |
| G BACK OF HOUSE | Q PEDESTRIAN LINK |
| H IMPROVED WATER EDGE PROMENADE | R ACTIVATED GROUND LEVEL AT PROMINENT APEX CORNER I.E. GYM, ARTS STUDIO ETC. |
| I PROPOSED RESIDENTIAL TOWER | |
| J WYNHAM BUILDING | |

Artists Impressions



The aim of the Masterplan is to gain approval for a fully integrated mixed-use site, incorporating office, retail, residential uses, together with public space and local infrastructure upgrades.

Given the work completed by the vendor on the scheme to date and that it is currently being assessed by council, it would be CorVal's initial intention to progress this scheme through to the approval stage. From there, alterations will be considered, once CorVal has established its own strategy to maximise the development potential of the site.





6 INVESTMENT STRATEGY

The Trust investment strategy revolves around progressively leasing the vacant areas across the Property, working with existing tenants to maximise tenant retention and implementing a targeted capital expenditure program over the investment term to assist with the leasing of vacant areas and increasing the Property's net income, thereby maximising both the value of the Property and the Trust EPU over time.

The Planning Application which has been submitted by the vendor will also be progressed to seek to maximise the future value of the Property over time.

CorVal will then focus upon the optimum time and approach to dispose of the Property, either in one line or individual lots, so as to maximise the end sale proceeds and returns to Investors over the investment term for the Trust.

COMPLETION OF DUE DILIGENCE, EXCHANGE AND SETTLEMENT

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 Malesons	A draft property due diligence report has been provided which includes a review of the title and lease documents.	Report to be finalised and satisfactory sign off letter to be provided.
		Draft contract of sale provided by the Vendor and is in the process of being negotiated.	Satisfactory contract of sale to be negotiated and agreed.
Valuation Report	CBRE	Draft valuation provided which supports the purchase price.	Report to be progressed to final.
Technical / Physical Due Diligence Report	CBRE	Draft comments provided which haven't identified any material issues. Capital expenditure forecast issued which has been adopted in the Trust financial projections.	Final report to be provided.

ASSET MANAGEMENT STRATEGY

LEASING STRATEGY

The asset management strategy will have a major emphasis on the retention of existing tenants and leasing the vacant space at the Property. From CorVal's discussions with the major external leasing agents in the Gold Coast office market, they have highlighted the fundamentals of the Gold Coast office market continue to improve with confidence and demand being fundamentally driven by an upturn in business sentiment.

This is due partly to a number of the major infrastructure projects that have been developed as part of the Commonwealth Games, however the broader economy continues to improve due to basic business fundamentals which are supported by ongoing population and tourism growth, together with a strengthening in the education and health sectors.

The external leasing agents believe that with the continual improvement in business confidence, together with the lack of any new supply, should support the growth in the office sector across all grades, but specifically the premium end of the marketplace, with the Trust Property precinct being a major beneficiary from this overall market improvement.

The vendor has agreed to provide a 12 month rental guarantee over 3,874 sqm of vacant space within CC1 and WCC, together with the vacant car bays. The Trust financial projections have assumed that 1,178 sqm of the current vacant office space will be leased within the 12-month rental guarantee period, with the balance of vacant space (2,903 sqm) to be leased within 6 to 12 months after the expiration of the rental guarantee.

Our leasing strategy is detailed below:

Strategy	Comment
Tenant engagement	Proactively engage with tenants well in advance of their lease expiry with the aim of reducing downtime on the basis that there is a lack of A Grade space available for lease within the Gold Coast office market.
Speculative fitouts	Discussions with leasing teams at Knight Frank (appointed agents) and CBRE in regards to leasing strategy have revealed that the provision of speculative fitouts will greatly assist in reducing downtime. This involves building the fitout prior to securing a tenant for the space to allow tenants to visualise the space and make it as easy as possible for them to move in quickly with minimal hassle. The cost of the fitout will be deducted as a dollar amount from the incentive provided to the tenant.
Competitive market rents	Average market rents assumed within the Base Case are \$455 psm gross with 25% incentives allowed for any vacant space, which we consider to be a conservative assumption. A number of the more recent leasing transactions within the Property have been completed at rents of \$463/\$473 psm gross, in particular Ramsden Law (Level 5) and Hickey Lawyers (Level 6). By not being aggressive on the level of commencing rent, this will assist with leasing the vacant space within the Property.
Negotiate new car parking licence with Secure Parking	Secure Parking is currently in occupation of 241 on Lots 1 and 2 and 85 spaces on Lot 4. They currently pay the existing owner profit rent of approximately \$390,000 under the national portfolio management agreement. We understand that this agreement will terminate at settlement. CorVal have engaged with Secure and are in the early stages of securing a new license agreement prior to settlement in line with this level of profit rent.

BASE BUILDING CAPITAL EXPENDITURE

From our due diligence inquiries, the level of capital expenditure required across the Property is considered to be moderate, as the building has generally been kept in good repair by the vendor. A number of major upgrades to the plant and equipment has been undertaken in recent times, including to the lifts and air-conditioning plant.

CorVal has commissioned CBRE to provide a technical due diligence report, which forecasts a total base building capital expenditure allowance of \$1.95m over the five-year investment period. The majority of the capital expenditure relates to minor works, the major items include the replacement of a chiller, the fire sprinkler water tank, further lift works, upgrades to the older style bathrooms and lift lobbies in CC1.

In addition to the capital expenditure forecast by CBRE, a contingency allowance of \$0.75m has been made by CorVal for any unforeseen capital expenditure or cosmetic projects to upgrade the building.

The table below summarises the capital expenditure allowances which have been accounted for within the Trust financial projections.

CBRE Technical DD Report	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
Building Fabric	\$10,000	\$10,000	\$43,333	\$43,333	\$43,333	\$150,000
Mechanical Services	\$185,000	\$185,000	\$41,667	\$41,667	\$41,667	\$495,000
Electrical Services	\$9,000	\$9,000	-	-	-	\$18,000
Fire Services	-	-	\$33,333	\$33,333	\$33,333	\$99,999
Hydraulics Services	-	-	\$9,333	\$9,333	\$9,333	\$27,999
Vertical Transportation	-	-	\$166,667	\$166,667	\$166,667	\$500,001
Bathroom Upgrades	150,000	150,000	-	-	-	300,000
Lift Lobby Upgrades	150,000	150,000	-	-	-	300,000
Building Regulations / BCA	\$26,500	\$26,500	-	-	-	\$53,000
Environmental / Hazmats	\$2,500	\$2,500	-	-	-	\$5,000
CBRE Base Building Forecast Total	\$533,000	\$533,000	\$294,333	\$294,333	\$294,333	\$1,949,000
Add CorVal contingency allowance	\$300,000	\$300,000	50,000	50,000	50,000	\$750,000
Total Capital Expenditure	\$833,000	\$833,000	\$344,333	\$344,333	\$344,333	\$2,699,000

ON FLOOR CAPITAL EXPENDITURE ALLOWANCE

CorVal intends to undertake rolling refurbishments of the on-floor office accommodation at the time of lease expiries, in order to improve its condition and presentation. This could include replacement of the lights with high quality energy efficient lighting, installation of new carpets and the installation of new ceilings. The extent of these works will be dependent on the condition of the tenancy and whether it is vacant or occupied (generally more works are required when the tenancy is vacant).

CorVal has allowed \$200 per sqm at the time of each lease expiry in for CC1 these works and \$100 per sqm for WCC given it is newer. This allowance has also been applied to all the existing vacancy in CC1.

DISPOSAL STRATEGY

As the Property sits across seven different lots, it provides the Trust with future flexibility on how, and when, the Property is ultimately realised so as to maximise returns for Investors.

For example, each of the two commercial office properties, CC1 and WCC sit on their respective separate titles, thereby allowing each of these individual properties to be disposed of separately, which in turn has the added benefit of reducing the lot size upon disposal, thereby potentially appealing to a larger number of buyers.

The same comments potentially apply to the sale of the other lots that make up the Property, whereby for example these lots may eventually be disposed of to developers or other end users that may have an alternate use for the respective lots.

As can be seen, the Trust has significant optionality on the eventual disposal of the Property, in that it may be realised in one line, in the same way the Trust has agreed to purchase the Property, or it may be disposed of by individual lots, all of which will be more fully considered when the decision is made to dispose of the Property.

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 40% to be utilised to settle the asset together with an initial 5% capital expenditure facility to fund the capital expenditure needs of the Trust for first few years of the Trust term;
- 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 that is forecast to average 8.50% over intended five-year term of the Trust; and
- maximise the Trust equity IRR delivered to Investors over the Trust term through the combination of an uplift in the value of the Property over time, enhanced by the attractive cost of capital on the Trust loan facility and future income distributions paid to Investors.

An initial \$1.0 m working capital balance has also been allowed for in the Trust equity raising to be held by the Trust to also assist with funding some of the early stage capital expenditure needs of the Trust, together with providing a prudent initial working capital balance.



7 SWOT ANALYSIS

STRENGTHS AND OPPORTUNITIES

- Projected Base Case forecast Trust equity IRR of 11.6% (subject to the risks and assumptions outlined in this IM).
- Forecast five year average Trust EPU and DPU (post capital expenditure funding) of 8.60% and 8.50% respectively (subject to the risks and assumptions outlined in this IM).
- Attractive Property purchase price metrics of 9.43% passing initial yield (inclusive of the one year rental guarantee over the vacant space), 8.59% fully let yield on assessed market rents and \$4,216 per sqm of NLA.
- The Property purchase price represents a discount to the estimated total development cost for the Property of approximately 27%.
- High number of car bays at 899, providing an attractive car parking ratio of 1 bay per 23 sqm of office NLA, which will therefore assist with both the retention of existing tenants and the leasing of existing vacant office space.
- Significant corner site of 26,821 sqm, with the potential for surplus land to be used for a higher and better use over time.
- Future development options under the existing Planning Application before the City of Gold Coast council.
- Lease the vacant office space within the Property ahead of Trust forecasts, to further enhance the returns to Trust investors.
- Moderate level of Trust gearing with an initial 40% term loan facility (see section 12 for further details on the Trust's gearing).
- CC1 and WCC are two of very few institutional grade office buildings within the Gold Coast region which attract medium to large size corporates.
- Wyndham Corporate Centre is a modern building boasting a 4.5 NABERS rating and 5 Star Green Rating.
- Both towers benefit from abundant natural light and unobstructed views of the Surfers Paradise city skyline, ocean and the broader Gold Coast district.
- Diversified income stream across a range of quality tenants, including, Wyndham Vacation Resorts, Regus, KPMG, Hickey Lawyers, Suncorp and the Commonwealth Bank of Australia.
- Strong renewal history and tenant covenants within both office buildings.
- The outlook for new office supply remains limited.
- Limited competing buildings with 1,000 sqm+ floorplates such as those in WCC.
- The Region is benefitting from recent infrastructure upgrades such as the Gold Coast Light Rail and M1 Motorway widening, together with further short term impetus from the Gold Coast hosting the Commonwealth Games in 2018. This includes the Gold Coast cultural precinct which is in the immediate vicinity of the Property and is forecast to enhance the amenity area.
- Opportunity to dispose of individual lots at a premium to the 'in-one-line disposal price'.
- Improve the NABERS ratings within the CC1 through a targeted capital expenditure program and leasing of vacant office space.

WEAKNESSES AND THREATS

- The Gold Coast economy is primarily reliant on tourism, retail trade and residential construction. These economic drivers are all vulnerable to shocks in both the domestic and the global economy, and therefore, this market in comparison to other domestic commercial property markets can be more cyclical. This in turn may have an adverse impact upon the level of tenant demand for new leasing inquiry, ongoing profitability of existing tenants and the liquidity of the Property upon disposal.
- High level of existing vacancy across CC1 and WCC at 19.3% (4,082 sqm), albeit the majority of this is subject to a one year rent guarantee from the vendor.
- Limited depth in larger tenant market for floorplates over 1,000 sqm.
- The investment represents a relatively large lot size for this sub-market which could limit investor interest in the future sale in a 'in-one-line' basis.
- The Secure Parking Management Agreement will terminate upon settlement of the Property, relinquishing approximately \$390,000 of annual income, although initial discussions with Secure Parking has indicated a strong willingness by this tenant to renew the agreement with any new owner.
- If a major tenant leaves the Bundall precinct, this will have a large impact on the vacancy rate given the size of the larger tenants in comparison to the size of the market.



8 CORVAL

CorVal is a specialist property fund manager and investor, 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 25 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.

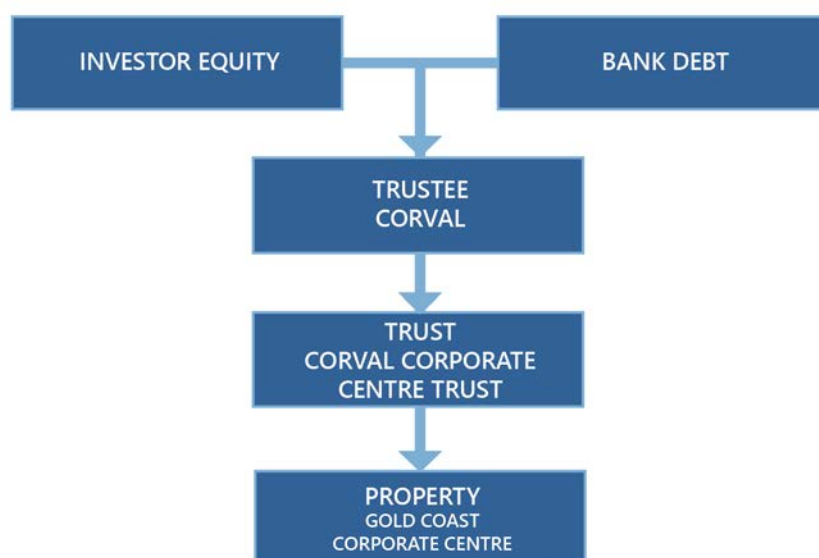
Within the CorVal business, Ian is responsible for the acquisition and overall performance of property assets held within property funds.

9 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 five 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 five years for a number of reasons, including market conditions, the ability to dispose of the Property on attractive terms, the ability to provide certainty around vacant possession if the Property is to be sold as a development site and the capacity to attract long-term tenants to the Property.

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 FIVE YEARS?

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

Although the intention is to hold the Property for no less than five 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 seventh 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 five 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.

10 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		62.0
Debt		35.6
		<u>97.6</u>
Application of Funds:		
Property purchase price		89.00
Stamp duty		5.38
Property acquisition and due diligence costs		0.28
Finance fees	a	0.16
CorVal acquisition fee	b	1.78
Working capital/retained equity		1.00
		<u>97.6</u>

Notes:

- a Includes 0.22% loan establishment fee
- b 2% of the Property purchase price (see section 14)

PROPERTY CAPITAL EXPENDITURE

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

	note	FY18	FY19	FY20	FY21	FY22	TOTAL
Allowed for:							
Capital Upgrades		0.11	1.24	0.19	0.89	0.63	3.06
Tenant Incentives	a	0.00	0.83	0.81	1.57	0.65	3.86
Leasing Commissions		0.06	0.22	0.26	0.35	0.14	1.03
Owners Capital Expenditure	b	0.83	0.83	0.34	0.34	0.34	2.68
		1.00	3.12	1.60	3.15	1.76	10.63
Funded by:							
Property cashflows/retained equity		-	-	-	-	-	-
Loan funding	c	1.00	3.12	1.60	3.15	1.76	10.63
		1.00	3.12	1.60	3.15	1.76	10.63

Notes:

- 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.
- b An external consultant was appointed to provide a ten-year capital expenditure forecast, which forecast a total of \$1.95 m over the 5-year investment period, which is reflective of the age of the building and its plant and equipment. In addition to the capital expenditure forecast by CBRE, a contingency allowance of \$0.75 m has been made by CorVal for any unforeseen capital expenditure or cosmetic projects to upgrade the building.
- c Despite the Trust having a commencing working capital balance of \$1 m, all of the forecast capital expenditure is conservatively projected to be debt funded from the initial \$5 m capital expenditure loan facility the Trust is anticipated to have in place with a bank under the credit tested loan facility term sheet the Trust has been provided with as at the date of this IM (see section 12 for further details). Capital expenditure in excess of this initial \$5 m loan facility has been assumed to also be debt funded under a further capital expenditure loan facility the Trust will seek to put in place from FY 2020 onwards.

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

Financial Year Ending	IRR	30-Jun-2017	Jun-2018	Jun-2019	Jun-2020	Jun-2021	Jun-2022
Rental Income		-	9,310,645	8,370,442	10,132,090	10,629,861	11,306,539
Recoveries		-	1,641,461	1,474,981	1,291,557	1,182,015	265,649
Rental Abatements		-	-	(108,081)	(315,328)	(370,451)	(716,835)
Gross Income		-	10,952,106	9,737,343	11,108,320	11,441,425	10,855,353
Statutory Expenses		-	(2,666,741)	(2,733,410)	(2,801,745)	(2,871,788)	(2,943,583)
Operating Expenses		-	-	-	-	-	-
Other Expenses / Income		-	-	-	-	-	-
Net Outgoings		-	(2,666,741)	(2,733,410)	(2,801,745)	(2,871,788)	(2,943,583)
NET OPERATING INCOME		-	8,285,365	7,003,933	8,306,575	8,569,636	7,911,770
Capital Upgrades		-	(106,820)	(1,244,895)	(189,638)	(864,980)	(632,254)
Tenant Incentives		-	-	(827,474)	(809,330)	(1,576,220)	(647,342)
Leasing Commissions		-	(55,467)	(216,805)	(261,412)	(354,870)	(138,041)
Non Recoverable Capital Expenditure		-	(833,000)	(833,000)	(344,333)	(344,333)	(344,333)
TOTAL CAPEX		-	(995,287)	(3,122,174)	(1,604,713)	(3,140,404)	(1,761,971)
Purchase Price		(89,000,000)	-	-	-	-	-
Acquisition Costs (excluding acquisition fee)		(5,655,641)	-	-	-	-	-
Disposal Price		-	-	-	-	-	118,248,241
Disposal Costs		-	-	-	-	-	(2,409,488)
INVESTMENT CASH FLOWS		(94,655,641)	-	-	-	-	115,838,752
NET PROPERTY CASH FLOWS	10.4%	(94,655,641)	7,290,078	3,881,759	6,701,862	5,429,233	121,988,552
Acquisition Debt - drawdown		35,600,000	-	-	-	-	-
Acquisition Debt - establishment costs		(156,800)	-	-	-	-	-
Acquisition Debt - repayment		-	-	-	-	-	(35,600,000)
Acquisition Debt - interest expense		-	(1,602,000)	(1,602,000)	(1,624,250)	(1,869,000)	(1,869,000)
Capex Debt - drawdown		-	995,287	3,122,174	1,604,713	3,140,404	1,761,971
Capex Debt - establishment costs		(15,000)	-	-	-	-	-
Capex Debt - repayment		-	-	-	-	-	(10,624,549)
Capex Debt - interest expense		-	(26,569)	(151,622)	(277,703)	(317,749)	(508,400)
Capex Debt - commitment fee		-	(113,833)	(87,036)	(60,018)	(51,437)	(10,583)
Working Capital		(1,000,000)	-	-	-	-	1,000,000
NET FINANCING CASH FLOWS		34,428,200	(747,114)	1,281,516	(357,259)	902,218	(45,850,561)
NET GEARED PROPERTY CASH FLOWS		(60,227,441)	6,542,964	5,163,275	6,344,604	6,331,450	76,137,991
Interest Income		-	25,000	25,000	25,000	25,000	25,000
Acquisition Fee		(1,780,000)	-	-	-	-	-
Asset Management Fee		-	(534,000)	(543,721)	(565,470)	(588,088)	(611,612)
Fund Operating Costs		-	(60,000)	(61,500)	(63,038)	(64,613)	(66,229)
NET CASH FLOWS (before performance fee)	11.6%	(62,007,441)	5,973,964	4,583,054	5,741,097	5,703,748	75,485,150

KEY PROPERTY ASSUMPTIONS

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

Property disposal date	June 2022
Hold Period	5.0 years
Property disposal price (net)*	\$118.2 m
Disposal price per sqm	\$5,601

* after adjusting for \$2.2 m of outstanding incentives (gross price of \$120.4m)

KEY FINANCIAL ASSUMPTIONS

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 14), 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

The Trust will have two loan facilities upon settlement of the Property, namely:

- 3 year term loan facility for \$35.6 m (40% LTV); and
- \$5 m capital expenditure facility.

Beyond the initial capital expenditure facility, and depending upon the level of actual capital expenditure incurred by the Trust covering tenant lease incentive payments, capital upgrades upon tenant lease expiries, leasing commissions and owners capital expenditure, all of which are anticipated to add further value to the Property over time, a further capital expenditure loan facility is intended to be applied for by the Trust.

The base interest rate and bank margin assumptions that have been adopted for both the term loan facility and the initial capital expenditure loan facility are as follows:

	Term loan facility	Cap-ex facility
Base interest rate:		
- settlement to June 2020 (3 years)	2.25%	3.00%
- June 2020 to disposal	3.00%	3.00%
Bank interest margin:		
- settlement to June 2020 (3 years)	2.25%	2.25%
- June 2020 to disposal	2.25%	2.25%
Total interest rate:		
- settlement to June 2020 (3 years)	4.50%	5.25%
- June 2020 to disposal	5.25%	5.25%

Allowance has also been made in the financial projections for a line fee of 1.125% fee on any undrawn capital expenditure facility and bank establishment fees upon each assumed new debt draw/renewal.

(g) Interest income

Assumed to be \$25,000 per annum.

(h) Asset management fee

Calculated at 0.6% per annum on the projected Trust total assets.

(i) Fund operating costs

Assumed to be \$60,000 per annum (increased by 2.5% per annum), for annual Trust expenses, such as audit fees, tax fees, valuation fees and legal fees.

11 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

Exit Sale Yield CC1 / WCC	Average Annual Rental Growth		
	2.00%	2.50%	3.00%
7.50% / 7.00%	12.5%	13.4%	14.3%
7.75% / 7.25%	11.6%	12.5%	13.4%
8.00% / 7.50%	10.7%	11.6%	12.5%
8.25% / 7.75%	9.8%	10.7%	11.7%
8.50% / 8.00%	9.0%	9.9%	10.8%

ASSESSED GROSS MARKET OFFICE RENT VERSUS EXIT SALES YIELD

Exit Sale Yield CC1 / WCC	Current Average Gross Market Face Rents		
	5% lower (\$433)	Base case (\$455)	5% higher (\$478)
7.50% / 7.00%	11.6%	13.4%	15.0%
7.75% / 7.25%	10.7%	12.5%	14.1%
8.00% / 7.50%	9.8%	11.6%	13.2%
8.25% / 7.75%	8.9%	10.7%	12.4%
8.50% / 8.00%	8.1%	9.9%	11.5%

RETENTION RATE VERSUS EXIT SALES YIELD

Exit Sale Yield CC1 / WCC	Retention Rates		
	All Tenants Vacate (0%)	50% Retention	All Tenants Renew (100%)
7.50% / 7.00%	11.4%	12.9%	14.2%
7.75% / 7.25%	10.4%	11.9%	13.3%
8.00% / 7.50%	9.5%	11.0%	12.4%
8.25% / 7.75%	8.6%	10.2%	11.6%
8.50% / 8.00%	7.7%	9.3%	10.7%

12 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		\$35.6 m
Term		3 years
Pricing (over 90 day BBSY)		2.25%
Establishment fee		0.30%
LVR at settlement		40%
LVR covenant	a	50%
ICR covenant	b	2.0 x
Repayment		Interest only
Notes		

- a The value of the Property would need to fall by \$17.8 m, or by 20.0% from the agreed purchase price for the Property of \$89.0 m to breach the LVR covenant.
- b Based upon the forecast net operating income for the Trust (see section 10) and base interest rate assumptions on Trust borrowings (see note (g) in "Key financial assumptions" in section 10), the forecast ICR coverage for the Trust is:

	<u>30.6.17</u>	<u>30.6.18</u>	<u>30.6.19</u>	<u>30.6.20</u>	<u>30.6.21</u>	<u>30.6.22</u>
Covenant	2.00 x	2.00 x	2.00 x	2.00 x	2.00 x	2.00 x
Projection	4.80 x	3.80 x	4.20 x	3.80 x	4.80 x	3.30 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 a three-year term on the term loan facility and not implement any interest rate hedging on the capital expenditure loan facility.

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



13 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.

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.

GOLD COAST MARKET RISK

The Gold Coast economy is primarily reliant on tourism, retail trade and residential construction. These economic drivers are all vulnerable to shocks in both the domestic and the global economy, and therefore, this market in comparison to other domestic commercial property markets can be more cyclical. This in turn may have an adverse impact upon the level of tenant demand for new leasing inquiry, ongoing profitability of existing tenants and the liquidity of the Property upon disposal.

CITY OF GOLD COAST PLANNING APPLICATION

The Property vendor has submitted a Planning Application with the City of Gold Coast council, which includes the addition of 3,850 sqm of retail accommodation and 420 residential units to the site. Whilst we understand from our initial due diligence inquiries the council is supportive of this initiative, there is no guarantee approval for this will eventually be granted, nor will there be any uplift in the value of the Property should these development works proceed should the Planning Application be

approved (either by the Trust or individual sites at the Property be sold to a developer who in turn proceeded with any such development works).

In preparing the Trust financial projections, no allowance has been made for any development works or value uplift to take place solely by virtue of the development works proceeding, and nor should Investors assume any such works will proceed or value uplift be generated when considering this investment.

RISKS ASSOCIATED WITH THE TRUST FINANCIAL PROJECTION

Section 10 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 10).

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 10 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.



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 12). 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 10 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.



14 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 the latter of allotment of units to new Investors or 1 July 2017.

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.

15 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.	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.
The certificate must not be more than two years old.	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: <ul style="list-style-type: none"> - 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.

16 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.



17 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. An investment in the Trust provides Investors with an attractive projected Trust equity IRR of 11.6% and a Trust EPU that averages 8.6% over a five year period.

The Property is also being acquired at a 27% discount to its estimated replacement cost on a significant corner site of 26,821 sqm with the potential for any surplus land to be used for a higher and better use over time.

Based upon the agreed purchase price for the Property of \$89 m, the purchase metrics for the Property are similarly attractive at a 9.43% passing initial yield (inclusive of the one year rental guarantee over the vacant space), 8.59% fully let yield on assessed market rents and \$4,216 per sqm of NLA.

CorVal has also adopted a conservative approach in structuring the Trust with a low initial 40% level of gearing with strong headroom in relation to the loan covenant of 50% gearing.

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 30 June 2017.

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 \$62.0m.

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	16 June 2017
Payment of balance of application monies	23 June 2017
Completion of Sale and Allotment of units to Investors	30 June 2017

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

18 STEPS TO INVEST

a) Read this document in full

Read this Information Memorandum in full, paying close attention to the Important Information set out on the inside cover of this Information Memorandum.

b) Consider the offer

Pay particular attention to all of the risk factors in section 13 and other information concerning the Trust and its Property. These risks need to be considered in light of your particular investment objectives and financial situation and needs.

c) Consult your professional adviser

Consult a financial, taxation or other professional adviser before deciding whether to invest in the Trust.

d) Complete the Application Form and provide a cheque or EFT and any other required documents

For **EXISTING** investors that have previously invested with CorVal, you will need to:

- complete the Application Form;
- provide a cheque or EFT equal to **10%** of the application amount on your Application Form by no later than 16 June 2017; and
- pay the balance of your application monies by no later than 23 June 2017.

For **NEW** investors that haven't previously invested with CorVal, you will need to:

- complete the Application Form;
- provide a cheque or EFT equal to **10%** of the application amount on your Application Form by no later than 16 June 2017;
- pay the balance of your application monies by no later than 23 June 2017;
- complete either the Accountant's Certificate **or** the Adviser's Certificate;
- complete the required Identification Form that is relevant to your investing entity (e.g., individual, trust, company or superannuation fund). These can found on our website (www.corval.com.au) under the section headed "Investor Information" and then "Forms"; and
- provide the appropriate certified copies of any supporting documents that may be required on your Identification Form.

e) Mail your completed Application Form, cheque and any other required forms / documents

Please send these to:
CorVal Partners Limited
Level 13
9 Hunter Street
Sydney 2000

Cheques should be payable to the CorVal Corporate Centre Trust.

APPENDIX 1 – PROPERTY ASSUMPTIONS

Purchase Assumptions

Acquisition Date (month end)	Jun-2017	
Purchase Price	89,000,000	
- stamp duty + transfer fee	5,380,641	QLD
- acquisition fee	1,780,000	2.00%
- legal costs	125,000	
- valuation	20,000	
- physical	60,000	
- other due diligence costs	70,000	
Total Acquisition Costs	7,435,641	8.35%
Total Investment Cost	96,435,641	
Acquisition Metrics		
		Price per sqm
Lettable Area	21,111	4,216
Site Area	26,821	3,318
		Yield on Price
Passing Net Income (fully let)	8,312,485	9.34%
Passing Net Income (excl rent guarantees)	6,583,219	7.41%
Yield on Net Market Income	7,567,531	8.50%
Allocated \$22m to Lots 1 and 2		
Passing Net Income	7,934,339	10.30%
Yield on Net Market Income	7,206,885	9.36%
Rate Per Sqm of NLA		3,647

Hypothetical Price Apportionment and Individual Lot Summary

	CC1 / Lot 3	CC2 / Lot 5	EFC / Lot 7	Lot 6	Lots 1 and 2	Lot 4
Allocated Price (based on market income)	48,729,647	33,870,591	136,119	1,088,809	4,241,475	1,205,597
Yield on Net Income Passing Income	9.09%	8.80%	8.50%	8.50%	8.92%	8.50%
Yield on Net Market Income	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%
Rate Per Sqm of NLA	4,289	4,235	89	n/a	n/a	n/a
Rate Per Sqm of Site Area	6,640	6,140	90	319	525	353
Net Passing Income	4,429,954	3,320,870	11,574	92,580	378,146	102,510
Net Market Income	4,143,406	2,879,964	11,574	92,580	360,646	102,510
NLA	11,577 sqm	7,998 sqm	1,537 sqm	n/a	n/a	n/a
Site Area	5,640 sqm	4,161 sqm	1,520 sqm	3,411 sqm	8,078 sqm	3,411
Car Bays	170 car bays	166 car bays	n/a	78 bays	276 bays	85
Car Parking Ratio	68 :1	48 :1	n/a	n/a	n/a	n/a
Vacant / Rent Guarantee	2,734 sqm	1,042 sqm	n/a	n/a	n/a	n/a
% Vacant	23.6%	13.0%	n/a	n/a	n/a	n/a
Outgoings						
Description	Main office building	Smaller newer building	Gym	78 external car bays lease as part of CC2	276 external car bays occupied by Secure	external car bays mainly associated with CC1

Disposal Assumptions

	CC1 / Lot 3	CC2 / Lot 5	EFC / Lot 7	Lot 6	Lots 1 and 2	Lot 4
Disposal Date	Jun-2022	Jun-2022	Jun-2020	Jun-2022	Jun-2020	Jun-2022
Hold Period	4.9 years	4.9 years	2.9 years	4.9 years	2.9 years	4.9
Disposal Yield	8.00%	7.50%	-0.82%	7.50%	3.21%	8.00%
Disposal Rate Per Sqm of Site Area	10,390 per sqm	10,441 per sqm	1,000 per sqm	390 per sqm	1,500 per sqm	405
Forecast Net Income	4,687,884	3,258,415	12,464	99,698	388,376	110,392
Gross Disposal Price	58,598,546	43,445,527	1,520,000	1,325,310	12,117,000	1,379,901
Rate Per Sqm of NLA	5,062 of NLA	5,432 of NLA	989 of NLA	n/a	n/a	n/a
Rate Per Sqm of Site Area	10,390 of site area	10,441 of site area	1,000 of site area	390 of site area	1,500 of site area	405
Forecast WALE	2.1 years	3.7 years				
Forecast Outstanding Incentives	712,652	1,477,988	54,675	-	-	-
Net Disposal Value	57,885,894	41,967,539	1,465,325	1,325,310	12,117,000	1,379,901
Disposal Fee (2%)	1,171,971	868,911	30,400	26,586	242,340	27,598
Proportion of Value	49.5%	36.7%	1.3%	1.1%	10.2%	1.2%

Leasing Assumptions

Downtime (months)	12									
New Lease Assumptions										
- lease term (years)	5									
- annual rent reviews	3.5%									
- incentive applied to gross or net	N (enter G or N)									
- incentive split	50% monthly abatement over lease term									
	50% upfront / capital									
Leasing Fees										
- new lease	20.0%									
- renewal	10.0%									
Current Market Rent Assumptions										
	see Rent Roll									
Colander Year Ending										
Annual Rent Growth	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Financial Year Ending										
Tenant Incentives (Office/Industrial)										
- new lease	25.00%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
- renewal	20.00%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Retail Incentives		20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Capex on expiry (per sqm)	200	205	210	215	221	226	232	238	244	250
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 Recoverable Capex

	Total	CC1 / Lot 3	CC2 / Lot 5	EFC / Lot 7	Lot 6	Lots 1 and 2	Lot 4
Operating Expenses	1,921,280	1,078,427	612,385	25,268	-	-	-
Statutory Outgoings	810,461	461,294	269,011	80,156	-	-	-
Other Expenses / Income							
Net Outgoings	2,731,741	1,540,721	1,081,396	105,424	-	-	-
Cost Inflation	2.50%	133					
Financial Year Ending							
Other Non Recoverable Capex (Total)	Jun-2018	Jun-2019	Jun-2020	Jun-2021	Jun-2022	Jun-2023	Jun-2024
	829,200	829,200	354,200	354,200	354,200	178,750	178,750

APPLICATION FORM

CORVAL CORPORATE CENTRE TRUST

1. DETAILS OF INVESTOR

Name of Investor	<input type="text"/>		
Mailing Address	<input type="text"/>		
Telephone	<input type="text" value="Home"/>	<input type="text" value="Work"/>	
	<input type="text" value="Mobile"/>	<input type="text" value="Fax"/>	
Email	<input type="text"/>		
DOB	<input type="text"/>		
TFN	<input type="text"/>		
ACN/ABN	<input type="text"/>		

2. BANK ACCOUNT DETAILS FOR PAYMENT OF DISTRIBUTIONS

Name of Account	<input type="text"/>		
Bank	<input type="text"/>		
Branch	<input type="text"/>		
BSB	<input type="text"/>	Account Number	<input type="text"/>

3. ADVISOR DETAILS (if applicable)

Name of Advisor	<input type="text"/>		
Dealer Name	<input type="text"/>		
Mailing Address	<input type="text"/>		
Telephone	<input type="text" value="Home"/>	<input type="text" value="Work"/>	
	<input type="text" value="Mobile"/>	<input type="text" value="Fax"/>	
Email	<input type="text"/>		

APPLICATION FORM

CORVAL CORPORATE CENTRE TRUST

4. APPLICATION

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

Please make your cheque payable to **"CorVal Corporate Centre Trust"**.

By signing this application form, I/we agree to be bound by the terms and conditions of the trust deed establishing the **CorVal Corporate Centre 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 **on or about 29 May 2017** 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 Corporate Centre Trust"**, is attached.

I/we also understand and acknowledge that the remaining 90% is due, and paid in the same manner, no later than **23 June 2017** 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 Corporate Centre Trust
BSB	112-879
Account number	47-028-3893

SIGNATURE

Signature 1 or Director 1 or
Sole Director and Sole Secretary

Signature 2 or Director 2 Secretary

Print 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 Corporate Centre 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 Corporate Centre 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 CORPORATE CENTRE 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	<input type="text"/>		
Mailing Address	<input type="text"/>		
Telephone	<input type="text"/>	<input type="text"/>	
	<input type="text"/>	<input type="text"/>	
Email	<input type="text"/>		
Firm Name	<input type="text"/>		
Investor Name	<input type="text"/>		

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

ADVISER'S CERTIFICATE

CORVAL CORPORATE CENTRE 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