



**FOR THE ISSUE OF MAYFLOWER CAPITAL PTY LTD  
REDEEMABLE PREFERENCE SHARES**

Artist impression of the area at 845 Mt Cottrell Rd  
Rockbank, Melbourne, VIC 3335  
MAYFLOWER CAPITAL PTY LTD  
FEBRUARY 2018  
[smartcapitalprojects.net.au](http://smartcapitalprojects.net.au)

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# 1. PROPOSED TIMETABLE

Event	Date
Information Memorandum date	5 February 2018
Offer opens	5 February 2018
Offer closes <i>(unless the offer is fully subscribed earlier)</i>	3 July 2019
Anticipated date of issue of new redeemable preference shares	17 July 2019
Shareholding statements available	16 August 2019
Project expected completion date	20 December 2019
Expected dividend date	31 January 2020
Expected redeemable preference share repurchase date	31 January 2020

All dates and times are subject to change and are indicative only. All times are Australian Eastern Standard Time (AEST). The Company reserves the right to vary these dates and times without prior notice. It may close the offer early, withdraw the offer, or accept late Applications. Applicants are encouraged to submit their Application Forms as soon as possible.

## 2. LETTER FROM THE DIRECTOR



Dear Investor,

On behalf of the Company, it is my pleasure to offer you the opportunity to invest in the redeemable preference shares of Mayflower Capital Pty Ltd.

The property market and real estate projects have long been a key source of wealth creation for multiple generations of Australians. Over the years the industry has shown resilience and delivered substantial growth in property value. However, the significant amount of capital required to purchase a property acts as an enormous barrier for many Australians to invest in this market and benefit from its growth potential. Sometimes people have pooled funds with their friends and family members to invest in property development projects. But the investment feasibility, scalability and management of such projects has often been a concern for investors.

Mayflower Capital Pty Ltd is very excited to offer you the opportunity to invest in the residential development market by purchasing redeemable preference shares of the company from as little as \$30,000. Funds raised through this issue of shares will be invested in the creation of 74 lots in Melbourne's Western Growth Corridor suburb of Rockbank.

The mechanism of the investment will see Mayflower Capital Pty Ltd providing debt capital to the Developer of the project. This structure secures our interest above the interest of the ordinary shareholders of the Developer. Furthermore, your investment in the Preference Shares of this company with a fixed rate of return gives you senior claim on the profits of the company over and above the claims of common shareholders. While this is a unique investment opportunity, like any investments, it has its inherent risks. The principals of the development company have executed a number of similar projects in Queensland successfully, however certain market conditions can lead to the project running into challenges and the investment returns not being delivered including a potential loss of invested amount. This Information Memorandum has been prepared to provide you a thorough understanding of the investment structure and associated risks.

Investors participating in this offer will get preferential rights to purchase the lots of their choice once the development is complete. The returns from the investment they make can be rebated from the sales price of the lots in question. Investors can also choose to be paid out in cash and not go for the lot purchase.

I highly encourage you to read this Information Memorandum carefully and seek independent financial advice before making your investment decision. We are very excited to be able to facilitate this project that will contribute to the economy and community of Rockbank, as well as provide our shareholders a vehicle for direct investment in real estate development project.

I look forward to writing to you soon to share the progress of this project.



**JAMES ATTWOOD**

Managing Director

**Mayflower Capital Pty Ltd**

### 3. INVESTMENT OVERVIEW <sup>1/2</sup>

The following tables summarise the key features of an investment in the redeemable preference shares and refers to the sections of the Information Memorandum where you can find further information. You should read this Information Memorandum in full to properly understand your investment in the Company.

MATTER	SUMMARY
<b>What is being offered?</b>	The Company is seeking to raise up to \$5,500,000 by offering investors the opportunity to purchase redeemable preference shares in the Company under the Offer.
<b>Investment objective</b>	To provide you with investment exposure to a property development project with a 24 month investment time frame.
<b>Issue price</b>	The redeemable preference shares are being issued at \$1.00 each.
<b>Face value</b>	Face value \$1.00 per redeemable preference share.
<b>Minimum investment per investor</b>	The minimum investment is \$30,000 being an Application for 30,000 redeemable preference shares. Thereafter, Applications must be for multiples of 1,000 redeemable preference shares.
<b>Minimum total subscription</b>	We will only proceed with an Offer where valid applications have been received for at least 1,100,000 redeemable preference shares.
<b>Purpose</b>	The purpose of the issue is to enable the Company to lend the funds raised to The Mayflower Rockbank Pty Ltd ATF The Mayflower Unit Trust ("SPV") which will assist them to complete construction and bringing to market 74 lots at 845 Mt Cottrell Rd, Rockbank, VIC 3335 ("land").
<b>Risks</b>	All investments carry a risk. There are a number of risks associated with an investment in the Company. There are key risks that may impact on the value of your investment in the Company (see section 13).

### 3. INVESTMENT OVERVIEW <sup>2/2</sup>

MATTER	SUMMARY									
Dividends	<p>On completion of construction of the land subdivision, it will be sold on the market at the best available price. The SPV intends to use the receipts from the sale of the property to repay the loan and associated interest to the Company. The expected time for the completion for this project is 24 months. It is however likely that the project may finish sooner. It is also possible that weather and other factors may delay the completion of this project. In both scenarios investors preferred dividend return is fixed based on the amount they invest and the term invested. The Company will pay any dividends only out of proceeds received as interest from the loan made to the SPV (development company explained further down). This loan payment can be done using the proceeds from the sale of the lots and the SPV may extend the project time frame until such sales are achieved.</p> <table><tr><th>Minimum amount invested</th><th>Maximum amount invested</th><th>Absolute dividend payable after project completion</th></tr><tr><td>\$30,000</td><td>\$499,000</td><td>40%</td></tr><tr><td>\$500,000</td><td>\$5,500,000</td><td>60%</td></tr></table> <p>Investors participating in this offer will get preferential rights to purchase the lots of their choice once the development is complete. The returns from the investment they make can be rebated from the sales price of the lots in question. Investors can also choose to be paid out in cash and not go for the lot purchase.</p>	Minimum amount invested	Maximum amount invested	Absolute dividend payable after project completion	\$30,000	\$499,000	40%	\$500,000	\$5,500,000	60%
Minimum amount invested	Maximum amount invested	Absolute dividend payable after project completion								
\$30,000	\$499,000	40%								
\$500,000	\$5,500,000	60%								
Repurchase	<p>On payment of the dividends the redeemable preference shares will be repurchased by the Company at the same issue price of \$1 per share. Investors who participate as part of this offer will exit the share register at this point.</p>									
Transfer	<p>You may transfer your redeemable preference shares to another person but there will be no established secondary market (e.g. stock exchange) for the Company.</p>									
Benefits	<p>The benefits of investing in the Company include:</p> <p>a) Participation with small amounts in a property development project b) Fixed preference returns which will be paid out before any returns are paid out to the ordinary shareholders</p>									
Reporting investors	<p>You will receive:</p> <p>a) Confirmation of your investment in redeemable preference shares; b) An annual periodic statement; and c) Updates on the progress of the project including construction, sales etc.</p> <p>All information and communication will be accessible exclusively via the company's website at <a href="http://www.smartcapitalprojects.net.au">www.smartcapitalprojects.net.au</a></p>									

## 4. PURPOSE OF THE ISSUE AND USE OF FUNDS

The purpose of the issue is to enable the Company to lend the funds raised to The Mayflower Rockbank Pty Ltd ATF The Mayflower Unit Trust ("SPV") which will assist them to complete construction and bringing to market 74 lots at 845 Mt Cottrell Rd, Rockbank, VIC 3335 ("land") and the sale on the open market at the best possible price

Investor funds will be used to settle the property and pay external consulting fees required for approvals, additional construction finance will be sought in the form of a first mortgage once this is done.

### 4.1. INVESTMENT OBJECTIVE

The Company's investment objective is to generate returns for investors by assisting the Main SPV, via provision of a loan from the Company.

### 4.2. CAPITAL STRUCTURE

The effect of the offer on the capital structure of the Company, assuming all redeemable preference shares offered under the Information Memorandum are issued, is set out below.

Shareholder	Number
Ordinary shares currently on issue	100
Redeemable preference shares to be issued pursuant to the offer	5,500,000

## 5. REPORTING

You will receive written confirmation of your purchase of preference shares as well as the following regular updates:

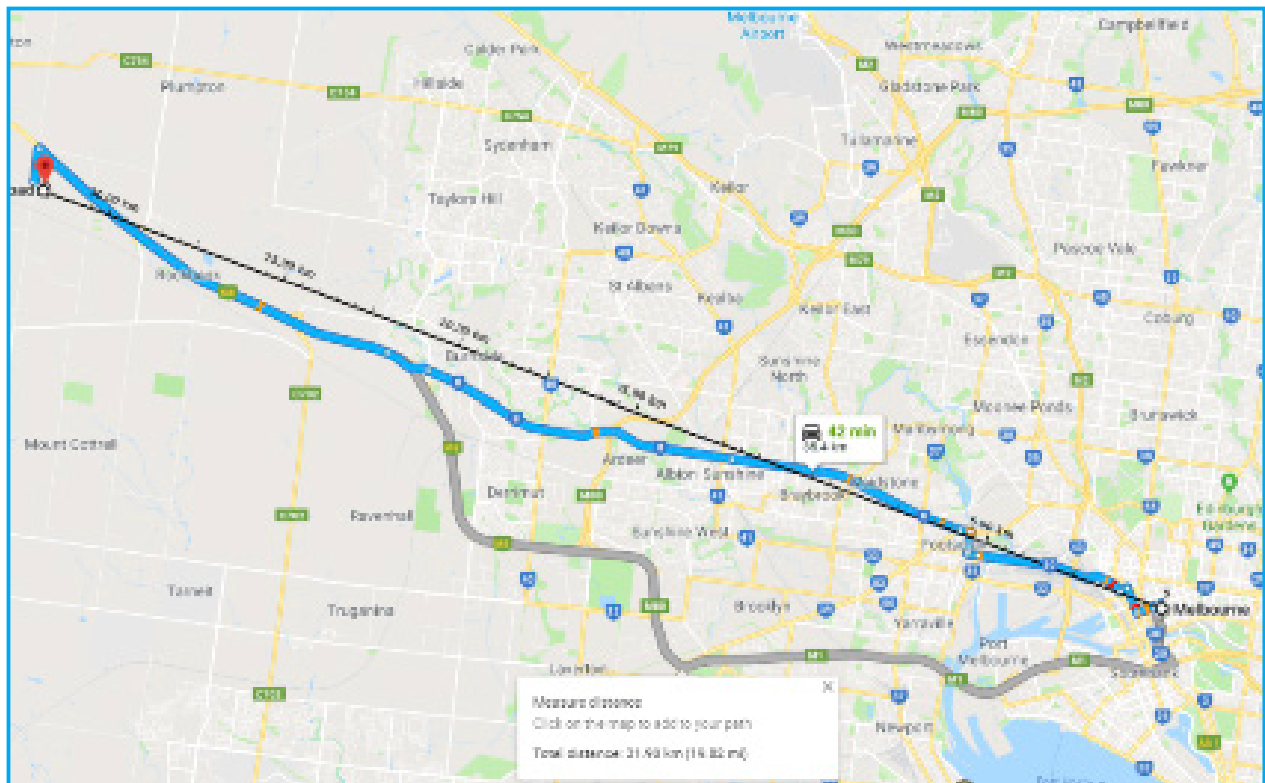
- A half-yearly update on key investor information containing information relating to your redeemable preference shares and the status of the Company's operations;
- An annual periodic statement; and
- Regular updates in the form of pictures and videos related to the construction and sales of the project.

## 6. LOCATION OVERVIEW



Credit: Google Maps

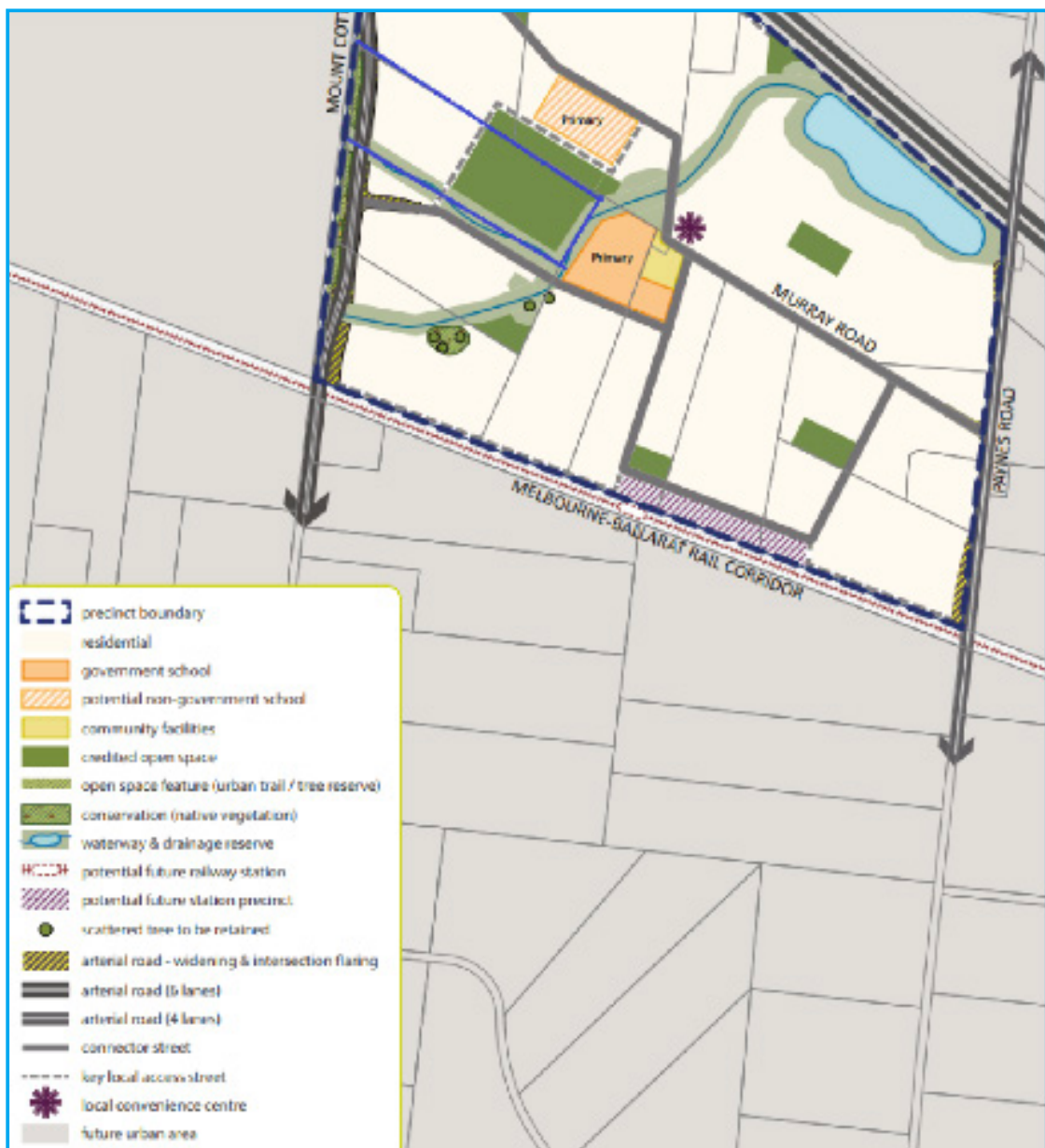
The Land is located at 845 Mt Cottrell Rd, Rockbank, VIC 3335, 35 KM Northwest of Melbourne CBD.



Credit: Google Maps

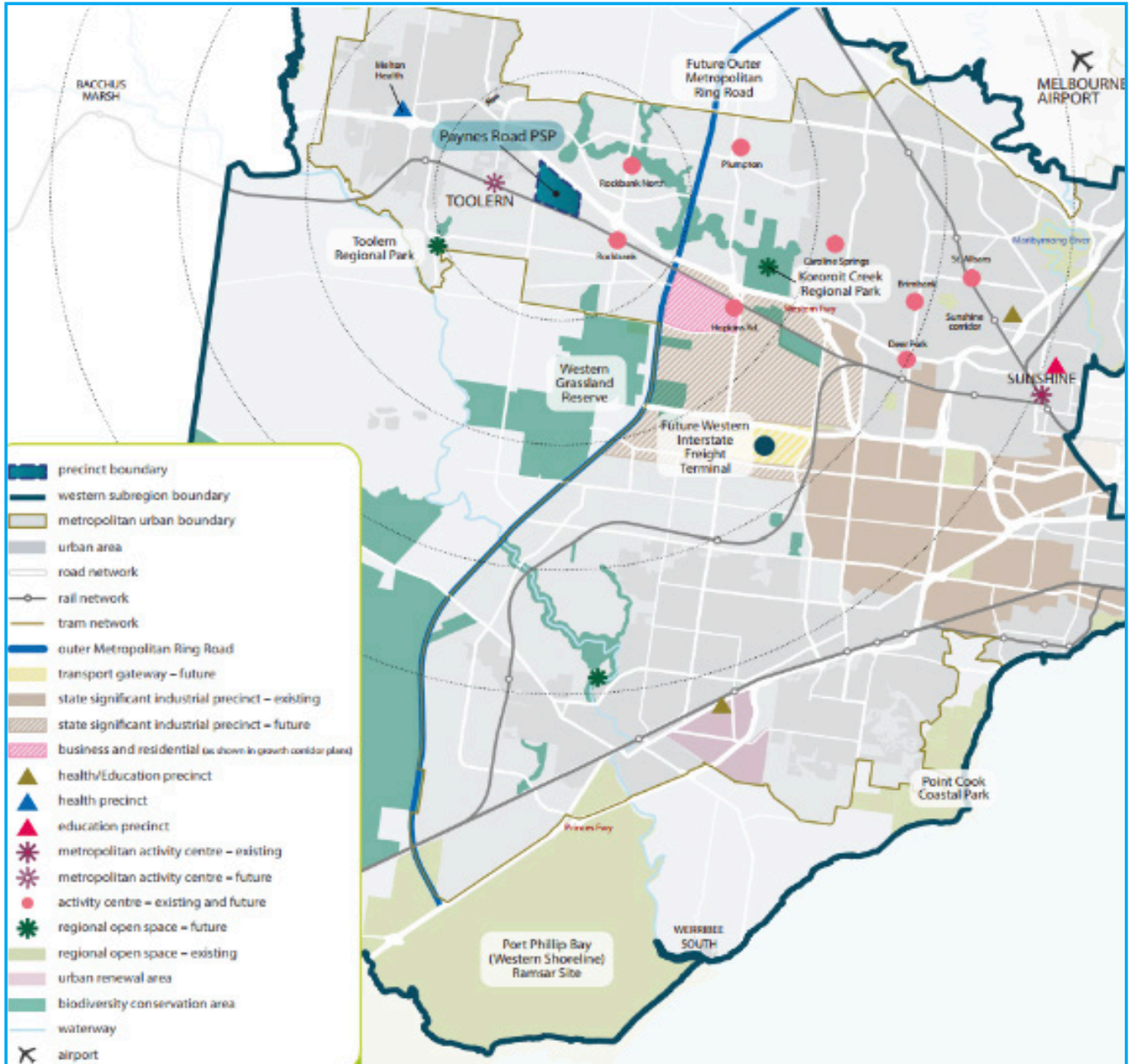


## 6.1. REPRESENTATIVE IMAGE OF THE SUBURB



## 6.2. INTRODUCTION TO THE AREA

As one of Melbourne's newest suburbs, development hot spot Rockbank presents an exciting opportunity for buyers and investors. 35 km Northwest of Melbourne CBD, house and land packages account for the majority of property on offer in the area, while there are also some established homes up for grabs.



## 6.3. REGIONAL AND LOCATIONAL CONTEXT

With neighbouring suburbs Caroline Springs and Melton already well established, there is easy access to all amenities, while new shops, parks and schools are on the cards for the developing suburb. Rockbank Primary School has been in operation since 1968. The school is currently the main educational facility in the suburb, however, continued major development with estates such as Woodlea, Thornhill park, Welsh Development, Accolade etc guarantees there will be plenty of new schools opening in the coming years. There is also a range of schools in the surrounding areas. New shopping malls including Westfield are proposed in the vicinity along with Bacchus Marsh Grammar School.

The site is adjoining the Thornhill park estate which means it already has services next door thus reducing the time frame required for development.

## 6.4. DWELLING PRICES

The property is situated 35 km West of the Melbourne CBD in the West Growth Corridor. Surrounding developments are selling off the plan 12-18 months before registration of title, demand for land at Woodlea (1.5 km away) has been unprecedented, with Woodlea receiving the title of Australia's fastest selling community for the December 2016 quarter via the National Land Survey Program (NLSP).

## 6.5. COMPARABLES

Address	Sale Price	Size
10 Edgeware Street, Rockbank, VIC 3335	\$315,000	294m <sup>2</sup>
43 Wiltshire Boulevard, Rockbank, VIC 3335	\$315,000	448m <sup>2</sup>
1286 Greigs Road, Rockbank, VIC 3335	\$325,000	462m <sup>2</sup>

## 6.6. ENHANCED CONNECTIVITY

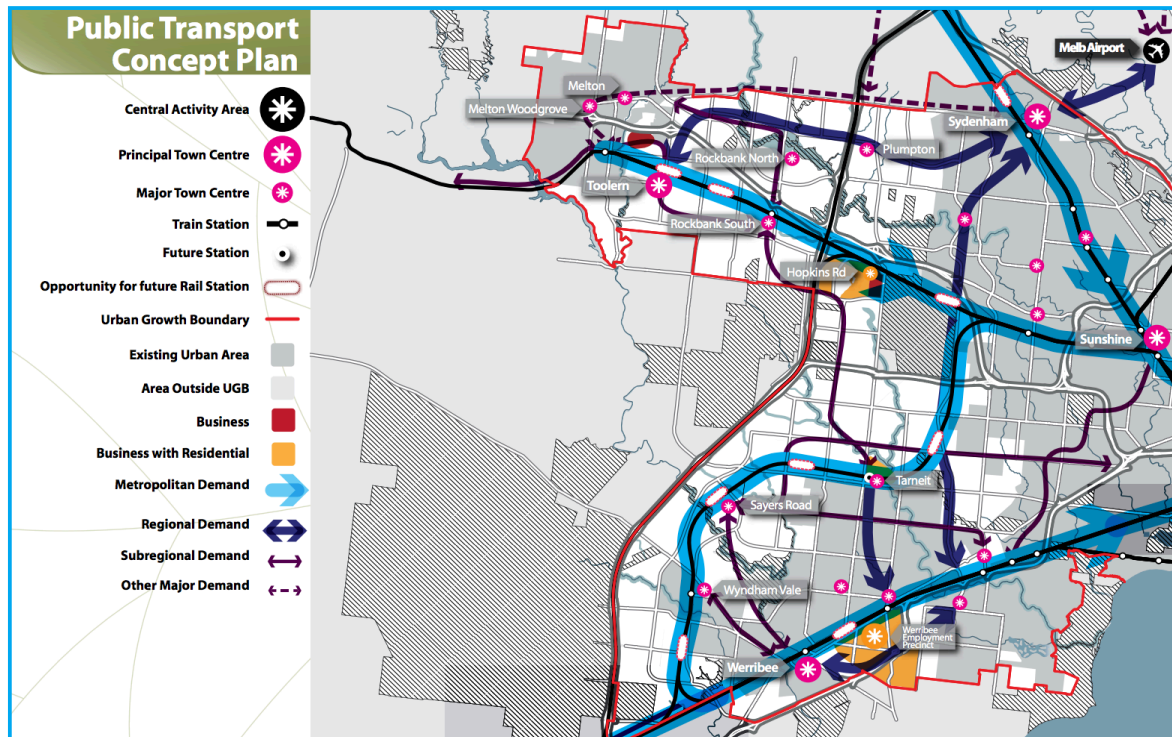
Rockbank have raised the bar, pioneering a new 'Smart Community' initiative, officially unveiled by the Victorian Premier in October 2016. This innovative project is being undertaken in conjunction with Victoria Police and City of Melton investing in a network of 'smart street lights' throughout the community that offers video surveillance and wi-fi to beam footage in real time to the various authorities to improving safety and security response times.

Modelled on world-leading 'Smart Cities' like Barcelona, New York and Singapore it creates local learning, job opportunities, enhanced safety for the 'Rockbank community capabilities'. The goal has been to create a safe environment to deliver unprecedented safety enhancement measures through the smart street light technology.

In addition, the Victorian Government have allocated a 'half a billion dollar upgrade' to the Ballarat train line, including improvements to Rockbank train station with work set to begin in 2018 and completed in 2019. This includes extending Rockbank station's existing platforms with a sealed car park to be built on the southside of Rockbank Station, which is close to the Western Freeway and Melton Highway and will link to the trail system, connecting cyclists and hikers with the district beyond.

Most significant is the way residents can move around the community, accessing public transport, green spaces, green pedestrian linkages, local shops and services with ease. Every home is within walking distance of a park, the feature rain garden, 4 giant feature tree houses, obstacle courses, kick about space, contemporary picnic shelters with barbecues, tables and seating, play equipment.

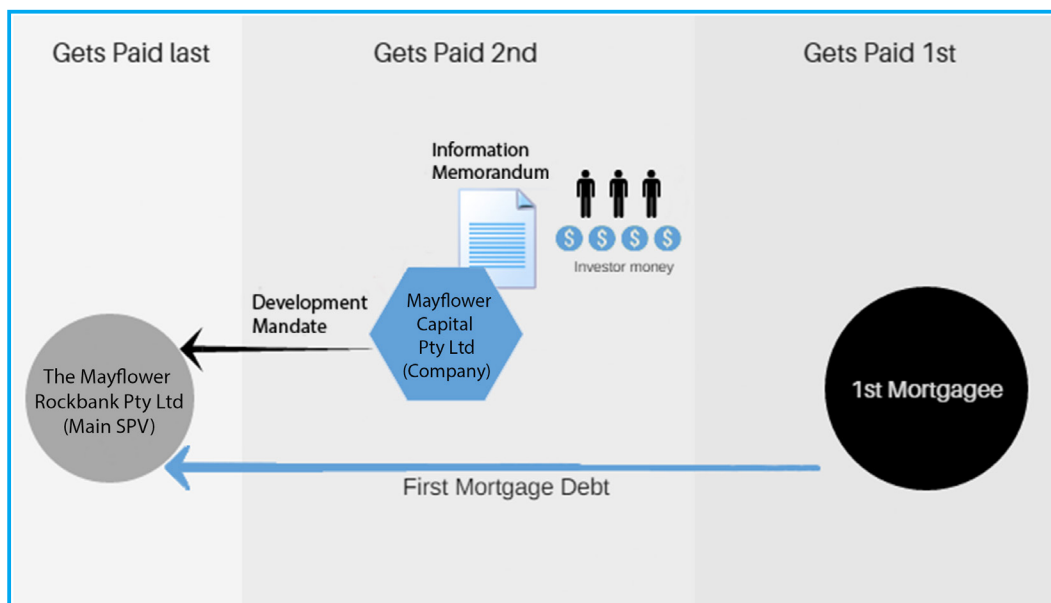




## 7. OPERATIONAL DETAILS

### 7.1. OPERATIONAL STRUCTURE

The actual responsibility of executing the project and achieving sales of the Property is with The Mayflower Rockbank Pty Ltd ATF The Mayflower Unit Trust ("Main SPV"). It takes on any debt and investments necessary and is responsible for the actual development and is hence described as the Main SPV. SPV is an acronym used in various projects that means Special Purpose Vehicle. These entities are formed purely for the purposes of executing the project and are dissolved at the completion. Hence the term "Special Purpose Vehicle" or SPV. The Company acts as Fundraising SPV lends investor monies to the Main SPV in the form of second ranking or mezzanine debt.



## 7.2. STATUS OF THE SPV CONSTRUCTION LOAN FIRST MORTGAGE NEGOTIATIONS

The SPV intends to borrow funds which will be used to settle, develop, construct and sell the property.

The SPV intends to deploy \$500,000 of its own equity to the Development and take \$10,469,843 from the first mortgagee (senior lender) as senior debt and \$5,500,000 from the Company (being raised as part of this offer).

If only minimum subscription of \$1,100,000 is achieved then the SPV will have to seek additional money from the first mortgage for \$14,869,843 to cover the shortfall. This will increase the Loan to Value Ratio (LVR) and it will also mean that the additional borrowing will rank ahead of investors who participate as part of this offer. Loan to Value Ratio is a metric used in Property Development to denote the amount of debt or leverage in the project. It is calculated as the total loan divided by end value of the project on sale. The higher the LVR the more riskier the project as the loan ranks ahead (is paid first) of all equity investor payments.

	Company funds	Developer Equity	First Mortgage	Expected End Value	First Mortgage Loan to Value Ratio	Loan to Value Ratio including Investor funds being treated as Loan
Minimum Subscription	\$1,100,000	\$500,000	\$14,869,843	\$28,680,000	51.8%	55.6%
Maximum Subscription	\$5,500,000	\$500,000	\$10,469,843	\$28,680,000	36.5%	55.6%

In the scenario that sufficient funds (including senior lending plus money raised via this offer) are not available to cover the total expected cost of Development, then the Investor money will be refunded in its entirety and the project will not proceed.

## 8. PAYOUTS AND LOT SELECTION

On completion of construction of the land subdivision, it will be sold on the market at the best available price. The SPV intends to use the receipts from the sale of the property to repay the loan and associated interest to the Company. The expected time for the completion for this project is 24 months. It is however likely that the project may finish sooner. It is also possible that weather and other factors may delay the completion of this project. In both scenarios investors Preference dividend return is fixed based on the amount they invest. The Company will pay any Dividends only out of proceeds received as interest from the loan made to the SPV (Development company explained further down). This loan payment can be done using the proceeds from the sale of the lots and the SPV may extend the project time frame until such sales are achieved.

Minimum amount invested	Maximum amount invested	Absolute dividend payable after project completion
\$30,000	\$499,000	40%
\$500,000	\$5,500,000	60%

Investors participating in this offer will get preferential rights to purchase the lots of their choice once the development is complete. The returns from the investment they make can be rebated from the sales price of the lots in question. Investors can also choose to be paid out in cash and not go for the lot purchase.

## 8.1. PAYOUT ORDER

On completion of sales, the receipts will be distributed in the following order:

1. Any first mortgage debt incurred by the SPV;
2. Any set percentage returns to equity partners (preference shares);
3. Any remaining proceeds will then be retained by the SPV.

## 8.2. LOT SELECTION

Participating investors will be given the rights to choose the lots they want to purchase, before an offer is made to the general public. Such an offer will be made once Development Approval is achieved, investors will then be able to make a contract of purchase for the lots in question. Within investors the priority order will be first in first served and where there is a conflict within that (2 or more investors investing at the same time) the larger of those two will get the rights to make the first call.

# 9. PROJECT FINANCIALS

## 9.1. LAND PURCHASE

845 Mt Cottrell Rd, Rockbank, VIC 3335 was purchased by the Main SPV The Mayflower Rockbank Pty Ltd ATF The Mayflower Unit Trust for a total of \$8,900,000 to be paid:

PAYMENT	VALUE	DATE
Land Purchase (Deposit)	\$890,000	2 March 2018
Land Purchase (Instalment)	\$890,000	3 July 2018
Land Purchase (Instalment)	\$445,000	5 January 2019
Land Purchase (Settlement)	\$6,675,000	3 July 2019

## 9.2. SALE PRICE

The SPV has provided the following price for the sale of the Property.

2279-2283 WESTERN HIGHWAY, ROCKBANK	NUMBER OF LOTS	EXPECTED PRICE
Land Subdivision & Sports ground	74	\$28,680,000

Note that this is projected price.

DESCRIPTION	AMOUNT	QTY	RATE	START
Stage 1 (sports ground)	\$5,000,000	1	\$5,000,000	October 2019
Stage 2 (37 blocks)	\$11,655,000	37	\$315,000	November 2019
Stage 3 (37 blocks)	\$12,025,000	37	\$325,000	December 2019

## 10. MARKETING STRATEGY

The Company exists for the sole purpose of investing in the construction of the project and will have only one client with whom lending contracts have been put in place. The SPV will employ standard marketing efforts to achieve sale of the Property and we anticipate 100% pre-sales of each stage before civil construction starts.

## 11. EXPENSES

Since the Company was incorporated for the sole purpose of raising funds to lend to the SPV which shares the management, all expenses will be borne by the Company management and will be compensated for only after investor returns have been paid.

## 12. MANAGEMENT

### 12.1. MAYFLOWER CAPITAL PTY LTD

MAYFLOWER CAPITAL PTY LTD is a private company incorporated in Victoria.

### 12.2. DIRECTORS / MANAGEMENT

#### 12.2.1. JAMES ATTWOOD

*Director/Operations Manager - QBCC Licenced Builder & Plumber*



James is a licensed builder with over 25 years building industry experience. Since becoming a qualified builder, James has worked in the Brisbane area, building, renovating and designing residential and commercial premises. As the owner of an award winning Brisbane based renovation Company for 20 years, James has built a reputation for delivering quality work and establishing trusting relationships with his clients. Over the years his underlying philosophy has been simple ; "To earn the trust of my clients by delivering agreed outcomes for each and every client". It remains the same today. James and his Company have received the following awards:



#### 12.2.2. BRENT L STEVENS

*Development Manager - Certificate III & IV in Construction*



Brent has been in the development, civil & construction industry for 22 years. Shortly after completing his carpentry apprenticeship, he started his own business and relocated to Sydney to perform contract work on the Olympic village. Once the Olympics concluded, Brent became a qualified builder and ran his own construction Company for 9 years. In 2011, he was offered a position in Brisbane to manage the civil and construction division of a development company, who specialise in syndicated property developments. During his six years working there, he managed the development process of over \$50M worth of properties and became the director of the civil company. Brent oversaw the opportunity assessment and development management division and became a board member of SMSF Property Australia Pty Ltd.

#### 12.2.3. CRAIG CAMERON

*Capital Manager - B.A International Rel., Dip Financial Services - Planning*



Craig has worked in Financial Services for over a decade. His professional experience is across holistic financial advice, funds management, stock broking, private banking, private equity and property development investment. Craig has worked in global financial institutions, SME and boutique investment companies, with client Funds Under Management from \$3M - \$70M. Craig has a passion for investing, portfolio management and wealth creation strategies, which will support his studies in an Investment Management Specialisation from the University of Geneva.

Craig's role as Capital Manager for Smart Capital Property & Development, will be to work with investors and partners to deliver great projects and returns.



## 13. RISKS OF INVESTING

All investments are subject to risk and there are a number of risks which can impact on the performance of your investment, should they occur. Investments may not perform as expected resulting in a loss of capital or income or a failure to meet your investment objectives. Due to a number of potential risks it is possible that dividends are not paid at all or that investors lose all of their capital.

Before you decide to invest, you should give consideration to risk factors, as well as other information contained in this Information Memorandum.

## 14. HOW TO INVEST

### 14.1. APPLICATION FORM

Investors can make applications via the platform:

<https://smartcapital.estatebaron.com>

### 14.2. BANK DETAILS

Account Name	MAYFLOWER CAPITAL PTY LTD
BSB	064 121
Account Number	1031 4917
Reference	MF (INVESTOR NAME)
Bank	COMMONWEALTH BANK OF AUSTRALIA