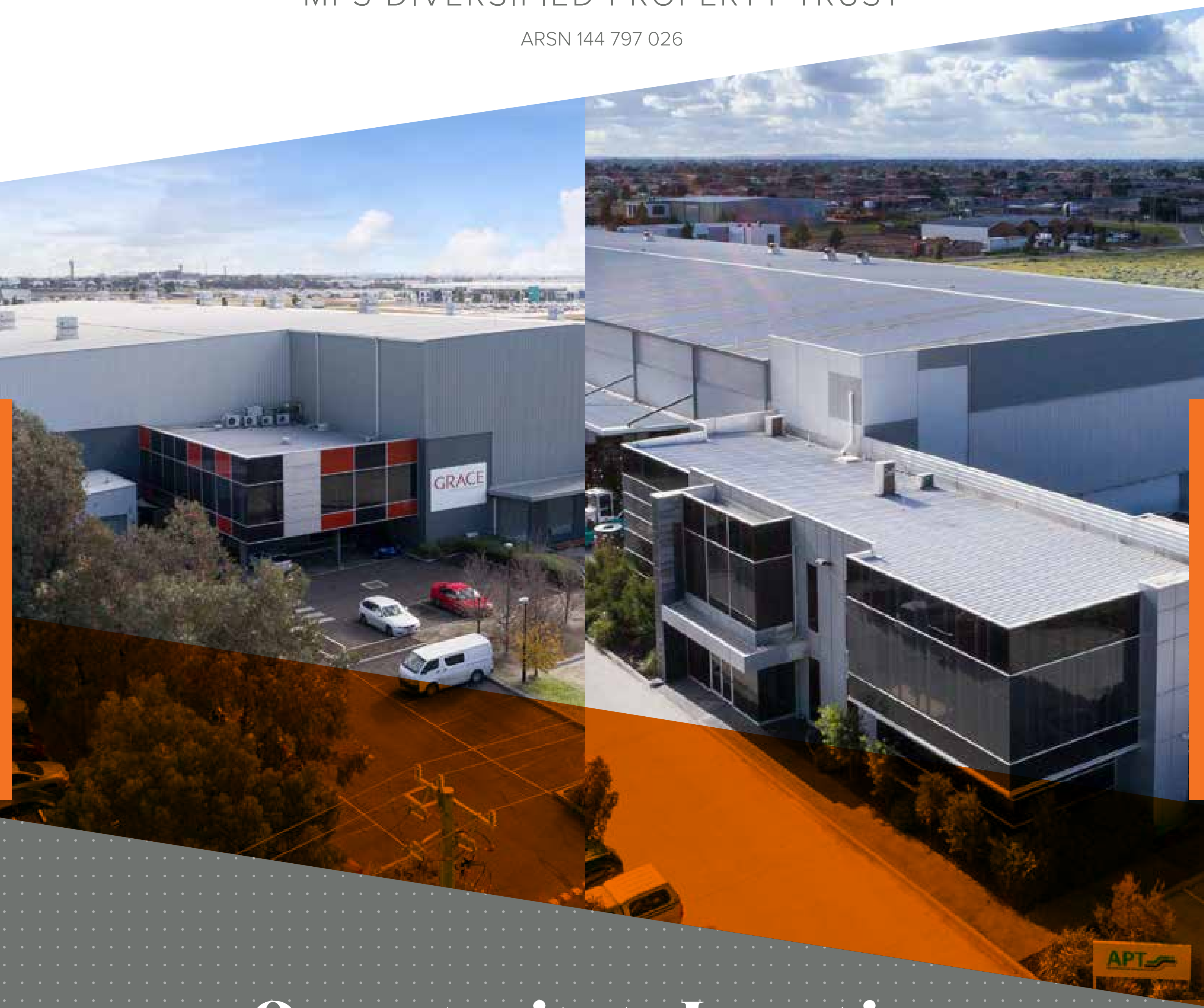
MAIR

PROPERTY FUNDS

MPS DIVERSIFIED PROPERTY TRUST

ARSN 144 797 026



Opportunity to Invest in a Multiple Asset Trust

(Purchase of Fifth Asset and Sixth Asset)

PRODUCT DISCLOSURE STATEMENT

Responsible Entity Mair Property Securities Ltd ACN 091 623 862 AFS Licence No. 238386

Manager Mair Property Funds Limited ACN 151 957 676

Contents

Important Information

Issuer

The issuer of Units in the MPS Diversified Property Trust ARSN 144 797 026 (Trust) is Mair Property Securities Ltd ACN 091 623 862 (Responsible Entity). The Responsible Entity holds an AFS Licence (No. 238386).

Manager

The Responsible Entity has appointed Mair Property Funds Limited ACN 151 957 676 (Manager) as the manager of the Trust under an investment management agreement which delegates the day-to-day investment management of the Trust to the Manager.

This document

This product disclosure statement (PDS), issued by us, is dated 4 August 2017. This PDS relates to the Offer of Units in the Trust. This PDS has not been lodged with ASIC and is not required by the Corporations Act to be lodged with ASIC. The Responsible Entity will notify ASIC that this PDS is in use in accordance with section 1015D of the Corporations Act. ASIC takes no responsibility for the contents of this PDS.

No performance guarantee

None of the Responsible Entity, the Manager, nor any of their directors, related parties or associates, guarantee the performance or success of the Offer, the repayment of capital or any particular rate of capital or income return.

No investment advice or recommendation

Neither the Responsible Entity nor the Manager are authorised to give any personal financial product advice. This PDS contains important information, however it does not take into account your investment objectives, financial situation or particular needs. Accordingly, before you invest, you should read this PDS (and any supplementary product disclosure statement and website updates) carefully and in its entirety, and, if you consider it necessary or appropriate, obtain independent financial and taxation advice about whether an investment in the Trust is suitable for you.

Information

No one is authorised to provide any information or to make any representation in connection with the Offer, which is not contained in this PDS. No such information or representation may be relied on as having been authorised by us.

Electronic PDS

An electronic version of this PDS appears at www.mair.com.au. If you have received this PDS electronically, then the Responsible Entity will give you a paper copy free of charge, on request. Please telephone the Responsible Entity on 08 9321 5566.

Availability of Offer

The Offer under this PDS is available to persons receiving the PDS within Australia. This PDS does not constitute and should not be construed as an offer, invitation or recommendation by the Responsible Entity or the Manager to apply for Units in any state, country, or jurisdiction where such offer, invitation or recommendation may not be lawfully made.

Our website

Where this PDS indicates certain information is available on the Responsible Entity's website, we recommend you view that information before making a decision whether to invest. In addition, information contained in this PDS may change from time to time. If the change will be materially adverse to the Offer and the Offer is still open, then in accordance with the Corporations Act, the Responsible Entity will issue a supplementary product disclosure statement. However, if the change will not be materially adverse to the Offer, then a supplementary product disclosure statement will not be issued. Updated information will be available from our website and upon request, we will provide you with a paper copy of any updated information free of charge.

Risks

There are risks associated with investing in the Trust. See Section 6 for more information.

Glossary and photographs

Throughout this PDS, certain defined terms are used. Terms are defined in Section 12 of this PDS (if necessary). Photographs are of Trust Properties.

Letter from the Manager

Dear Investor

MPS Diversified Property Trust ("Trust"): Current Distributions of 8 cents per Unit per annum

We are pleased to advise Investors that the Trust has entered into conditional contracts to acquire two high quality warehouses in Melbourne and is inviting your investment in this established Trust to fund the acquisition of these new properties.

The Trust was formed to acquire a diversified portfolio of income producing commercial property investments and has successfully purchased four properties spread across three states giving investment diversity by location and tenancy.

The new properties are being purchased due to the construction quality, location, flexibility and excellent lease terms. They provide a 14 year lease and an eight year lease, which together will increase the weighted average lease expiry by income of the Trust to approximately 7 years immediately following acquisition of the new properties. The new properties are consistent with the Trust's focus on providing a regular income stream as well as the potential for capital growth.

Details of the Trust's existing four properties and the proposed two new properties are outlined in this PDS.

The two new properties are a modern industrial facility located at 2-14 Independent Way, Ravenhall, Victoria (referred to in this PDS as the Fifth Asset) and a high clearance industrial warehouse located at 22-24 Salta Drive, Altona North, Victoria (referred to in this PDS as the Sixth Asset).

Borrowings of the Trust are limited to a maximum gearing ratio of 60%, with a target ratio of 50% to mitigate against the loss of Investors' equity, whilst benefiting from the lower interest rates on offer.

The Trust offers retail investors who believe in the traditional investment principles of simplicity, transparency and investing for the long term, an opportunity to invest into mainstream property assets with a minimum investment amount of $50,000. As an Investor, you will be represented by an experienced team of investment professionals.

You are invited to make an application for Units in the Trust which is expected to close for further investment following the purchase of these new assets.

We look forward to your participation in the Trust and remind you to read this PDS in its entirety, and to seek independent advice before investing.

David Ellwood

Managing Director

Mair Property Funds Limited

Section 1 Key Features

1.1 Key Dates

Offer opens	4 August 2017
Minimum Subscription Date	21 August 2017
Allotment Date	23 August 2017
Additional Subscription Date	31 August 2017
Allotment Date	4 September 2017
Settlement Date of the Fifth Asset	9 October 2017
Settlement Date of the Sixth Asset	23 October 2017

The above key dates are indicative only and may be subject to change. Subject to relevant law the Responsible Entity reserves the right to vary the dates at any time without prior notice.

1.2. Key Features

This section provides only a summary of the key features of the Offer. It is not intended to be exhaustive. For more detailed information please refer to the relevant section of the PDS noted in the column on the right. You should read the whole of this PDS to make an informed decision about whether to invest in the Trust.

Feature	Overview	Refer to section
Key features of the Offer		
Minimum Offer Amount and Additional Offer Amount	The Offer is to raise a minimum amount of $3,298,990 (Minimum Offer Amount) which must be raised by 21 August 2017 (Minimum Subscription Date) to acquire the Fifth Asset. The Offer also aims to raise an additional amount of $6,922,750 (Additional Offer Amount) by 31 August 2017 (Additional Subscription Date) to acquire the Sixth Asset. The Responsible Entity may bring forward or extend the above dates at its discretion. If the minimum offer amount is not raised then the Trust will not aquire the Fifth Asset or the Sixth Asset. If the minimum offer amount is raised but the additional offer amount is not raised, then the Trust will aquire the Fifth Asset only and will not acquire the Sixth Asset.	2.2
Use of Offer proceeds	The money raised under the Offer will be used as follows: • The Minimum Offer Amount to partially fund the acquisition of the Fifth Asset. • The Additional Offer Amount to partially fund the acquisition of the Sixth Asset. • To meet the costs of the Offer. The Minimum Offer Amount will be allocated towards the purchase of the Fifth Asset and Units will be issued two Business Days after the Minimum Subscription Date. The Additional Offer Amount will be allocated to the purchase the Sixth Asset and Units will be issued two Business Days after the Additional Subscription Date. In the event the purchase of the Fifth Asset does not proceed, the Minimum Offer Amount may, at the Responsible Entity's discretion, be used to purchase the Sixth Asset, provided sufficient equity is otherwise raised.	2.2

Fifth Asset	The Fifth Asset is located at 2-14 Independent Way, Ravenhall, Victoria. This property comprises a modern industrial facility, constructed in 2010. Purchase price: $8,860,000 Valuation: $8,860,000 – independently valued by Urbis Valuations Pty Ltd on 7 July 2017.	4.1 and 8
Sixth Asset	The Sixth Asset is located at 22-24 Salta Drive, Altona North, Victoria. This property comprises a warehouse specifically built for high capacity storage, constructed in 2008. Purchase price: $11,500,000 Valuation: $11,500,000 - independently valued by Savills Valuations Pty Ltd on 12 July 2017.	
Minimum investment amount	$50,000 with additional increments of $10,000, or such other amounts as determined by the Responsible Entity in its absolute discretion.	2.3
No cooling-off	No cooling-off period applies to an investment in the Trust.	11.10
Issue price	As at the date of this PDS, the issue price is $1.02 per Unit. Prospective Investors should check the issue price on the Manager's website www.mair.com.au before applying to invest in the Trust.	2.3
Interest on Application Money	Interest earned on Application Money will form part of the assets of the Trust. No interest earned on Application Money will be available to any particular Applicant or attributable to a particular Applicant. If the Minimum Offer Amount is not raised by the Minimum Subscription Date, then the Responsible Entity will return all Application Money to Applicants with interest earned, less any tax or bank fees as determined by the Responsible Entity. The same will apply if the Additional Offer Amount is not raised by the Additional Subscription Date.	2.2
No further capital raising	The Responsible Entity does not intend to continue to raise further equity in the Trust after the acquisition of the Fifth Asset and Sixth Asset.	3.1
Tax Advantaged Distributions	The Trust may make cash distributions to Investors that exceed the Trust's net income for tax purposes. This excess will be made up of tax-deferred and tax free amounts. The tax-deferred amount generally arises due to capital allowances and some other expenses being treated for tax purposes differently to the accounting treatment. This generally results in a higher tax deduction and lower taxable income in comparison to the accounting expenses and profit. The reduced taxable income results in lower taxable distributions to Investors and potentially less income tax payable. The tax-deferred distributions are not generally assessable to Investors, but reduce the investor's tax cost base of their units, effectively deferring the tax payable until the units are sold. For example if the Investor receives a cash distribution of $100 then we estimate that for the financial year 2017-18, $36 (or 36%) to be the tax deferred amount. For a more detailed commentary of the income tax consequences of investing in the Trust refer to Section 10.	10

Key features of the Trust		
Responsible Entity	Mair Property Securities Limited ACN 091 623 862 AFS Licence no. 238386	5
Manager	Mair Property Funds Limited ACN 151 957 676.	5
Custodian	Huntley Custodians Limited ACN 082 237 241 holds all Trust property, including the Trust's bank account.	11
Trust objective and investment strategy	The Trust invests in income producing commercial, industrial and retail property investments which will be held for potential capital growth and income return. The Trust's investment strategy is to provide the potential for stable and sustainable income distributions and the potential for capital growth. The Trust is a fixed term investment with a clearly defined exit strategy.	4
Units on issue	At the date of this PDS, 15,882,156 Units are on issue.	
Valuation policy	The Responsible Entity will have the Properties valued by an independent valuer at least once every three years. In the intervening years, the Responsible Entity will value the Properties as at 30 June each year.	

Target distribution	At the Minimum Offer Amount, the estimated income yield of the Trust is expected to be 8 cents per Unit per annum for the financial year 2018 (annualised). At the Additional Offer Amount, the estimated income yield of the Trust is expected to be 8 cents per Unit per annum for the financial year 2018 (annualised). You should consider the assumptions on which these targets are made in Section 9 and the risks in Section 6. Distributions are not guaranteed and neither are any capital returns. The current intention is that distributions will be paid quarterly to Investors, within two weeks of the end of each calendar quarter. As at the date of this PDS, there will not be a distribution reinvestment facility.	9
Expected term of this investment	The initial term of the Trust will end on 9 August 2022. Before the end of the initial term, Investors can vote to terminate the Trust or extend the Trust for an additional term of no more than five years.	2
No liquidity	You will not have a right to withdraw your investment during the life of the Trust. This is a fixed term investment with no ongoing liquidity.	11
Borrowings	For the acquisition of the Fifth Asset and Sixth Asset, the Manager has received indicative letters of offer from an Australian Bank to provide two loan facilities to purchase each property, a) Fifth Asset - $4,430,000 b) Sixth Asset - $ 5,750,000. Both loans are for a term of 3 years to 30 September 2020 on an interest only basis at a variable interest rate of 3.7% per annum and the option to fix the rate at the Manager's discretion. In addition, $2,067,000 will be drawn down from the Trust's existing loan with National Australia Bank (which the Trust previously entered into to fund the acquisition of the previous Properties) to purchase the Fifth Asset. The Responsible Entity intends to document and establish all facility agreements prior to the date of settlement of the Fifth Asset. All amounts owing to lenders and other creditors of the Trust rank before an Investor's interest in the Trust. All funding will be non-recourse to Investors.	3
Gearing ratio	At the Settlement Date, of the Fifth Asset, the Trust's gearing ratio will be approximately 50 percent. Following the Settlement Date of the Sixth Asset, the Trust's gearing ratio will be approximately 50 percent. The maximum gearing covenant under the existing loan facility is set at 60 percent. The maximum gearing covenant under the proposed loan facility is also expected to be set at 60 percent.	3
Interest cover ratio (ICR)	At the Settlement Date of the Fifth Asset, the Trust's ICR is expected to be no less than 3.60 times. Following the Settlement Date of the Sixth Asset, the Trust's ICR is expected to be no less than 3.45 times. The minimum ICR under the loan facility is at least 1.5 times.	3

Risks	Investors will have all of the risks involved in investing in property and in an unlisted property trust.	6
Fees and costs	There are fees and costs payable by the Trust to the Manager, the Responsible Entity and to consultants who have assisted with the Offer. Ongoing annual costs will also be payable in relation to the management and administration of the Trust.	7
Tax information	Before investing, you should obtain your own independent tax advice, taking into account your own circumstances.	10
Complaints	The Responsible Entity has a complaints handling procedure and is also a member of an external dispute resolution body.	11.11
Superannuation funds	Superannuation funds are able to invest in the Trust, subject to their own investment criteria.	13.1

1.3 ASIC Disclosure Benchmarks and Principles

ASIC has issued Regulatory Guide 46 “Unlisted property schemes: Improving disclosure for retail investors” (RG46) which contains six disclosure benchmarks and eight disclosure principles for unlisted property trusts that are intended to assist investors analyse and understand the risks associated with investing in these types of trusts and decide whether such investments are suitable for them.

Responsible entities of unlisted property trusts are required to apply these disclosure benchmarks and principles in their product disclosure statements and in other information they provide to their investors on an ongoing basis (through websites and other forms of communication with investors).

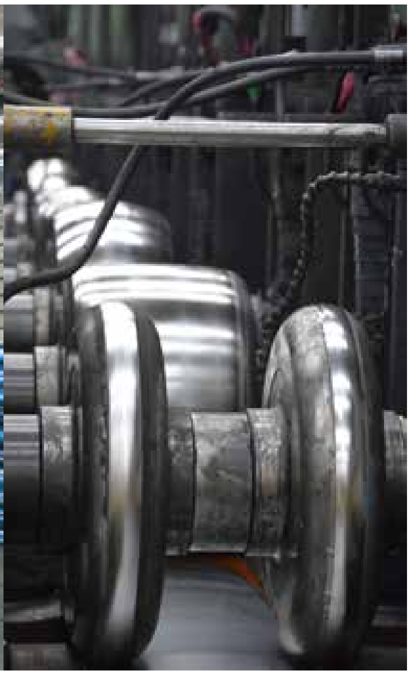
The below table contains a brief explanation of each RG 46 disclosure benchmark and principle, together with a reference to the section of this PDS where more information can be found.

Disclosure benchmarks and principles	Summary	Refer to section
Gearing (Benchmark 1: Gearing Policy and Disclosure Principle 1: Gearing Ratio)	Benchmark – satisfied. The Trust meets this benchmark because the Responsible Entity maintains and complies with a written policy that governs the level of gearing at an individual credit facility level. A trust’s gearing ratio indicates the extent to which the trust’s assets are funded by borrowings. The Trust’s gearing ratio is calculated as the Trust’s total interest bearing liabilities divided by the value of the Trust’s total assets.	3
Interest cover (Benchmark 2: Interest cover policy and Disclosure Principle 2: Interest cover ratio)	Benchmark – satisfied. The Trust meets this benchmark because the Responsible Entity maintains and complies with a written policy that governs the level of interest cover at an individual credit facility level. An ICR measures a Trust’s ability to service interest payments on debt from earnings. The lower the ICR, the higher the risk that the Trust will not be able to meet its interest payments.	3
Interest capitalisation (Benchmark 3: Interest capitalisation)	Benchmark – satisfied. The interest expense of the Trust is not capitalised.	9

Scheme Borrowing (Disclosure Principle 3: Scheme borrowing)	This principle requires disclosure of information on the Trust's borrowing, including the following: • The aggregate amount owing and the maturity profile. • The percentage by which either the operating cash flow or the value of the assets used as security must fall before the Trust will breach the loan covenants. • Specific details about each credit facility, including the aggregate undrawn amount, applicable interest rate, LVR and interest cover covenants, the assets to which the facility relates and whether the facility is hedged. • Any associated risks with the Trust's borrowing maturity profile, including whether borrowings have been hedged and, if so, to what extent. • Any information about breaches of loan covenants that is reasonably required by investors. All funding will be non-recourse to Investors. All amounts owing to lenders and other creditors of the Trust rank before an Investor's interest in the Trust.	3 and 9
Portfolio diversification (Disclosure Principle 4: Portfolio Diversification)	The principle requires disclosure of information about the current composition of the Trust's direct property investments. Generally, the more diversified a portfolio is, the lower the risk that an adverse event affecting one property or one lease will put the overall portfolio at risk. Funds raised under the Offer will be used to acquire the Fifth Asset and Sixth Asset. If the Offer is successful, the diversification of the Trust will be provided by up to six assets located in three different states of Australia and with up to 17 tenants providing rental income from a variety of business sectors.	8 and 11
Valuations (Benchmark 4: Valuation policy)	Benchmark – satisfied. The Responsible Entity maintains and complies with a written valuation policy for the valuation of the Properties. A trust's valuation policy helps investors understand how assets will be valued and can help them assess the reliability of valuations. The Responsible Entity's valuation policy satisfies the requirements of this Benchmark. For summaries of the valuations undertaken for the Fifth Asset and Sixth Asset including the relevant capitalization rates refer to section 8.	8 and 11
Related party transactions (Benchmark 5: and Disclosure Principle 5: Related party transactions)	Benchmark – satisfied. The Responsible Entity maintains and complies with a written policy for related party transactions, including the assessment and approval processes for such transactions and arrangements to manage conflicts of interest. This principle requires the provision of information on a responsible entity's approach to related party transactions. The Responsible Entity's policy ensures that any actual or potential conflicts of interest are identified and appropriately dealt with.	11

Distribution practices (Benchmark 6 and Disclosure Principle 6: Distribution practices)	Benchmark – satisfied. The Trust will only pay distributions from its cash from operations and reserves (excluding borrowings) available for distribution. Information on a trust's intended distribution practices helps investors assess matters such as the sources of distributions.	2
Withdrawal arrangements (Disclosure Principle 7: Withdrawal arrangements)	You will not have a right to withdraw your investment during the life of the Trust. This is a fixed term investment, with no ongoing liquidity.	2
Net Tangible Assets (Disclosure Principle 8: Net tangible assets)	The Responsible Entity calculates the net tangible assets (NTA) of the Trust based on the Trust's latest financial statements using the following formula: $$\text{NTA} = \frac{\text{Net Assets} - \text{intangible assets} +/- \text{any other adjustments}}{\text{Number of Units in the Trust on issue}}$$ The NTA calculation helps investors understand the value of the assets of the Trust upon which the value of their units are determined. Upon acquisition of the Fifth Asset and Sixth Asset, the NTA of the Trust is expected to be $0.83 and $0.84 per Unit respectively. Please note that when the Fifth Asset and Sixth Asset are acquired fees and acquisition costs will dilute the Trust's NTA backing.	9

Updates to the information required by RG 46 from time to time will be placed on our website at www.mair.com.au



Section 2 Offer Details

2.1. The Offer

This PDS offers investment in the Trust through the holding of Units.

By holding Units, you will share in the rental income generated from the Properties. When the Properties are eventually sold, you will then participate in the net proceeds of the sale.

2.2. Amount being raised and how it will be used

The minimum amount to be raised under this Offer is $3,298,990 for the acquisition of the Fifth Asset. An additional amount of $6,922,750 may also be raised for the acquisition of the Sixth Asset.

The Minimum Offer Amount must be raised by the Minimum Subscription Date and the Additional Offer Amount by the Additional Subscription Date, unless the Responsible Entity brings forward or extends these dates.

The Responsible Entity will continue to accept Applications after the Minimum Subscription Date to acquire the Sixth Asset, provided the Minimum Offer Amount is raised.

Interest earned on Application Money will form part of the assets of the Trust. No interest earned on Application Money will be available to any particular Applicant or attributable to a particular Applicant. However, if the Minimum Offer Amount is not raised by the Minimum Subscription Date, then the Responsible Entity will return all Application Money to Applicants with interest earned, less any tax or bank fees as determined by the Responsible Entity. The same will apply if the Additional Offer Amount is not raised by the Additional Subscription Date.

The money raised under the Offer will be used as follows:

- The Minimum Offer Amount to partially fund the acquisition of the Fifth Asset.
- The Additional Offer Amount to partially fund the acquisition of the Sixth Asset.
- To meet the costs of the Offer.

If the Minimum Offer Amount is not raised, then the Trust will not acquire the Fifth Asset or the Sixth Asset.

If the Minimum Offer Amount is raised but the Additional Offer Amount is not raised, then the Trust will acquire the Fifth Asset only and will not acquire the Sixth Asset.

If the Responsible Entity is able to raise the Minimum Offer Amount, but is unable to acquire the Fifth Asset for any other reason (for example, due to a failure by the vendor to meet their obligations under the sale contract), the Responsible Entity may, at its discretion, apply the amounts raised to acquire the Sixth Asset, provided sufficient equity is otherwise raised.

2.3. Issue price and minimum investment amount

The issue price for Units will be based on the Trust's net asset value with an adjustment for transaction costs, calculated at least monthly in accordance with the Constitution and the Responsible Entity's Unit pricing policy and will be available on the Manager's website www.mair.com.au. As at the date of this PDS the issue price for Units is $1.02.

Prospective Investors should check www.mair.com.au before applying to invest in the Trust. However, the actual issue price applied might be different from the issue price shown on the website at the time the Application was lodged, because the issue price used will normally be the one set at the beginning of the next month following receipt of the Application.

The minimum amount you must invest is $50,000. Investments over $50,000 must be in increments of $10,000. The Responsible Entity reserves the right to accept Applications for lower amounts, at its absolute discretion.

2.4. Issue of Units

For Applications accepted by us for the Minimum Offer Amount, we expect to issue Units to you within two Business Days of the Minimum Subscription Date. For Applications accepted by us for the Additional Offer Amount, we expect to issue Units within two Business Days of the Additional Subscription Date.

We will not issue any Units under this PDS before the Minimum Subscription Date and will only do so if the Minimum Offer Amount has been raised . If the Minimum Offer Amount is not raised by the Minimum Subscription Date, then your Application Money will be returned to you with interest earned, less any tax or bank fees as determined by the Responsible Entity. If the Additional Offer Amount is not raised by the Additional Subscription Date, then your Application Money applicable to the Additional Offer Amount will be returned to you with interest earned, less any tax or bank fees as determined by the Responsible Entity.

We reserve the right to accept or reject any Application in whole or in part, at our absolute discretion.

2.5. Distributions

Distributions will generally be paid within two weeks after the end of each calendar quarter via electronic funds transfer.

Distributions will only be paid from realised income. The Responsible Entity does not intend to pay any distributions from borrowings, nor does the Responsible Entity intend to offer a distribution reinvestment facility.

Given that income and capital returns from the Trust are not guaranteed, the quantum and timing of the Trust's distribution payments are dependent on the Trust's financial position at the time.

2.6. Illiquid investment

You will not have any right to withdraw your money from the Trust. This is an illiquid investment and the Responsible Entity does not expect to make any withdrawal offers.

Therefore, once your Application has been accepted, you should expect that your investment will remain in the Trust until the end of the expected investment term or any extension to the term (see Section 2.8 below).

There will not be any established secondary market for the sale of Units. If you want to sell your Units, then under the law there are certain restrictions placed on the Responsible Entity in relation to the level of assistance the Responsible Entity can give you. Subject to those restrictions, the Responsible Entity will endeavour to assist you should you wish to sell.

Under the Constitution, the Responsible Entity has discretion to refuse to register any transfer of Units.

2.7. How you can invest

Applications to invest must be made by completing the Application Form which accompanies this PDS.

The Application Form should be completed in accordance with the instructions in Section 13.

2.8. Expected investment term

The initial term of the Trust will end on 9 August 2022, seven years from the First Allotment Date. Before the expiry of the initial term, the Responsible Entity will call a meeting of Investors at which Investors will have the opportunity to vote on whether or not the Trust should continue for a further term of not more than 5 years. A special resolution is required to extend the term of the Trust beyond 7 years, meaning that at least 75 percent of the votes cast by Investors entitled to vote need to be in favour of the extension for it to proceed. If the term of the Trust is not extended before 9 August 2022, then the Trust will be wound up with the Responsible Entity completing an orderly sale of the Trust's investments. The time required to complete an orderly winding up of the Trust may mean the Trust is not wound up until after 9 August 2022.

Under the Corporations Act, Investors may call a meeting at any time to propose resolutions directing the Responsible Entity to sell the Trust's investments and wind-up the Trust.

Section 3 The Trust

3.1. Purpose and strategy

The Trust has been established to meet demand from retail investors to provide a sustainable income with the potential to participate in future capital growth. The strategy of the Trust is to acquire a portfolio of quality commercial properties with strong lease covenants in high profile locations. The Trust owns four Properties and is purchasing the Fifth Asset and Sixth Asset (see Section 4 for further information). The Trust does not intend acquiring further assets following the acquisition of the Fifth Asset and Sixth Asset.

The Responsible Entity's aim, through the Trust, is to provide you with:

- Investment exposure to quality commercial properties
- Quarterly distributions paid within two weeks of the end of each quarter
- A clearly defined exit strategy, and
- Timely and informative communication to you and your advisers.

3.2. Structure

The Trust is an unlisted unit trust, registered with ASIC as a managed investment scheme. There is no intention to list the Trust on a secondary market such as the ASX.

The Trust was established by a constitution dated 23 June 2010 which regulates the relationship between the Responsible Entity and the Investors. Section 11 sets out further information about the Constitution.

The Responsible Entity has appointed the Manager as the manager of the Trust under an investment management agreement, which is summarised in Section 11.

3.3. Borrowings

The Trust currently has an interest only loan facility with the National Australia Bank for $11,337,000 with an undrawn component of $2,067,000. The Manager has received approval to draw down the undrawn component to partially fund the acquisition of the Fifth Asset. A portion of the facility ($5,000,000, equating to 54% of the facility) has been fixed at at an average rate of 3.98 percent per annum for three years until 30 September 2020 and the balance ($4,270,000, equating to 46% of the facility) is on an average variable interest rate, currently 3.47 percent per annum. The average interest rate at the date of this PDS is 3.72 percent per annum. For the acquisition of the Fifth Asset and Sixth Asset, the Manager has received two letters of offer from an Australian Bank to borrow $4,430,000 and $5,750,000. Both loans will be for a term of 3 years on an interest only basis at a variable interest rate of 3.7% per annum and the option to fix the rate at the Manager's discretion. The $4,430,000 loan will be drawn down to partially fund the acquisition of the Fifth Asset and the $5,750,000 loan to partially fund the acquisition of the Sixth Asset.

The other major conditions of the loan facilities are expected to be as follows:

- Secured by way of registered first mortgages over the Fifth Asset and Sixth Asset and fixed and floating charge over the assets of the Trust.
- Target gearing of 50% with maximum gearing not to exceed 60% loan to value ratio.
- An ICR of at least 1.5 times is required to be maintained.

The Manager expects the principal of the loan facility will be refinanced at the end of the loan facilities or rolled over for a further agreed period.

All amounts owing to lenders and creditors of the Trust rank ahead of an Investor's interest in the Trust. All funding will be a non-recourse to Investors which means the financier will only have recourse to the assets of the Trust.

3.4. Gearing ratio

The gearing ratio indicates the extent to which the Trust's assets are funded by interest bearing liabilities.

ASIC Regulatory Guide 46 requires the Responsible Entity to disclose the Trust's gearing ratio, calculated as follows:

$$\text{Gearing ratio} = \frac{\text{Total interest-bearing liabilities}}{\text{Total assets}}$$

At the date of this PDS, the Trust's gearing ratio is 41%.

Upon acquisition of the Fifth Asset, the Trust's gearing ratio is expected to be 50%.

Upon acquisition of the Fifth Asset and Sixth Asset, the Trust's gearing ratio is expected to be 50%.

The table below illustrates a sensitivity analysis of the gearing ratio of the Trust depending on the amount of the loan facility.

Loan Facility Amount – Acquisition of Fifth Asset	Gearing ratio	Loan Facility Amount – Acquisition of Fifth Asset and Sixth Asset	Gearing ratio
$14,000,000	44.18%	$20,000,000	46.31%
$15,000,000	47.34%	$21,000,000	48.63%
$16,000,000	50.50%	$22,000,000	50.94%
$17,000,000	53.65%	$23,000,000	53.26%

What the Trust's gearing ratio means for Investors in practical terms is that the Trust will have a low level of debt relative to the value of its assets, which reduces liquidity risk by increasing the buffer to rely upon in times of financial stress. A higher gearing ratio means a higher reliance on external borrowings to fund assets and exposes the Trust to increased funding costs if interest rates rise.

The Trust has a target gearing ratio of 50%. However, the Trust's debt facilities contains a covenant requiring the Trust's gearing ratio to be 60% or lower. The amount by which the value of the properties used as security must fall before the Trust will breach the gearing covenant is 16.9%. This will allow the Trust some flexibility should the values of all Properties vary during the term of the Trust.

3.5. ICR

ASIC Regulatory Guide 46 requires the Responsible Entity to disclose the Trust's ICR calculated as follows:

$$\text{ICR} = \frac{\text{EBITDA – unrealised gains + unrealised losses}}{\text{Interest expense}}$$

The table below illustrates the ICR of the Trust depending on the amount of the loan facilities and on the assumption that all Properties will generate a net income before interest of approximately $2,250,232 per annum after the acquisition of the Fifth Asset and $2,949,174 per annum after the acquisition of the Fifth Asset and Sixth Asset.

Following the acquisition of the Fifth Asset:

Debt Level	Interest Rate per annum / ICR				
	3.5%	3.75%	4.0%	4.25%	4.30%
$14,000,000	6.02	5.62	5.27	4.96	4.90
$15,000,000	5.62	5.24	4.92	4.63	4.57
$16,000,000	5.27	4.92	4.61	4.34	4.29
$17,000,000	4.96	4.63	4.34	4.08	4.03

Following the acquisition of the Fifth Asset and Sixth Asset:

Debt Level	Interest Rate per annum / ICR				
	3.5%	3.75%	4.0%	4.25%	4.30%
$19,000,000	4.43	4.14	3.88	3.65	3.61
$20,000,000	4.21	3.93	3.69	3.47	3.43
$21,000,000	4.01	3.74	3.51	3.30	3.27
$22,000,000	3.83	3.57	3.35	3.15	3.12

Investors can use the ICR to assess the Trust's ability to meet its interest payments. An ICR of 2 or greater means that the Trust can comfortably meet its interest payments based on current profitability.

The ICR for the Trust is expected to be over 3.60 times at the Minimum Offer Amount following the Settlement Date of the Fifth Asset. The minimum permitted ICR covenant under the loan facility is 1.5 times. The amount by which the net income must fall before the Trust will breach its interest cover covenant is 59%.

The ICR for the Trust is expected to be over 3.50 times at the Additional Offer Amount following the Settlement Date of the Sixth Asset, assuming both the Fifth Asset and Sixth Asset are acquired. The minimum permitted ICR covenant under the loan facility is 1.5 times. The amount by which the net income must fall before the Trust will breach its interest cover covenant is 56%.

3.6. Sensitivity relating to gearing and interest cover

The gearing (debt) level of the Trust will be affected where the amount of capital raised changes.

The table below illustrates the effect the gearing level and interest rates can have on interest costs. Interest rates have been estimated at between 3.5% and 4.5% per annum on borrowings.

Equity	Debt level	Interest rate per annum		
		3.5%	4.0%	4.5%
$21,200,000	$14,000,000	$490,000	$560,000	$630,000
$20,200,000	$15,000,000	$525,000	$600,000	$675,000
$19,200,000	$16,000,000	$560,000	$640,000	$720,000
$16,200,000	$19,000,000	$665,000	$760,000	$855,000
$27,900,000	$20,000,000	$700,000	$800,000	$900,000
$26,900,000	$21,000,000	$735,000	$840,000	$945,000
$25,900,000	$22,000,000	$770,000	$880,000	$990,000
$24,900,000	$23,000,000	$805,000	$920,000	$1,035,000

Section 4 Assets of the Trust

4.1. Additional Properties to be purchased

The acquisition of the Fifth Asset and Sixth Asset are made in accordance with the Manager's investment strategy and criteria for the Trust and are supported by a due diligence process.

Following the purchase of the Fifth Asset and Sixth Asset the Trust does not intend to raise more capital to acquire additional properties for the portfolio. However, the Trust may do so if either or both of the acquisitions do not proceed, in which case the investment strategy and criteria in Section 4.3 of this PDS will apply.

Property Summary (Fifth Asset)

Address: 2-14 Independent Way, Ravenhall, Victoria

Location: The premises form part of the Orbis Business Park, which was established in 2010 and is a 30 hectare master planned business community. The Orbis Business Park features wide internal roads, cafes, child care facilities and high speed internet. The Orbis Business Park has easy access to the Western Freeway on/off ramps located within 2km giving heavy vehicles north/south access and links to the Western Ring Road. Ravenhall is a rapidly growing outer suburb in Melbourne's north western corridor. Located 19km from the CBD it is expected to rapidly expand as part of the West Growth Corridor Plan which is anticipated to accommodate in excess of 377,000 people. As of 2016, the population of Ravenhall is 210,000.

New Asset: Following an extensive search and analysis of similar assets the Manager has been able to negotiate to buy a 2010 built modern high specification warehouse which offers exceptional layout and accommodation. The warehouse features internal clearance levels of around nine metres with heavy loading reinforced concrete slabs. The two level office space and vacant land located at the southern end of the property can accommodate future expansion. And the property's wide frontage, dual access could facilitate the property to be divided in the future.

Tenant: The building is occupied by Australian Pipe and Tubing (APT) who have been in occupation since construction and have 14 years remaining on its lease. APT specialises in the manufacture of high quality tubular steel products. Currently noted as the 5th largest producer of tubular steel in Australia this private business has attracted the interest of major corporations. APT operates a state of the art manufacturing facility able to produce a quality wholesale product for the South East Australian market. The business is recognised as an independent, competitive and reliable alternative supplier of tubular steel products with an ability to deliver direct to its customers. The highly efficient production plant was especially designed for the building. APT commenced operation from the premises six years ago and meetings with senior managers of APT have advised a significant ability to increase future output. It currently produces 27,000 tonne pa.

Acquisition Price: $8,860,000

Valuation: $8,860,000 as valued by Urbis Valuations Pty Ltd on 7 July 2017. Please refer to section 8 of this PDS for more detail.

Total Gross Leased Area (GLA): 6,888 m^2 reflects site coverage of 49%.

Passing Net Income: $714,150 per annum.

WALE (by income): 13.9 years.as at 25 July 2017.

Property Summary (Sixth Asset)

Address: 22-24 Salta Drive, Altona North, Victoria

Location: Located in Salta Drive, Altona North, the tenant has direct access to the Princess Freeway (M1) and the Western Ring Road. The site is part of the inner Melbourne transport hub of Altona North. As businesses are forced out of Port Melbourne due to zoning changes, Altona North has become more important in logistics movement, due to its proximity to the Port and road network. Altona North is located 13km south-west of Melbourne's CBD.

New Asset:. Specifically built as a high volume capacity storage warehouse in 2008 this impressive building has internal clearance levels of around 13 metres and heavy loading reinforced concrete slabs to support high level racking throughout. The warehouse is situated on 1.84 hectares with additional expansion land at the rear. The facility is fully fitted with fire sprinklers with a large all weather canopy.

Tenant: Grace Records Management (Grace) is a leading service company in Australasia, with 60 branches throughout Australia and New Zealand, and an extensive partner network around the globe. Established in 1911, as a small household removals business in Sydney, Grace has grown into an Australasian market leader offering a broad range of specialty services. Grace is internationally recognised as an expert in household removals, commercial relocations, information management solutions, fine art services and storage solutions. Grace has grown to more than seven times its size since 1994, when it was acquired by Crown Worldwide Group. Crown has information centres in over 100 locations worldwide. The Sixth Asset was initially offered with a short term lease expiring in September 2018. However, with our network of contacts we have been able to negotiate a new 8 year lease term with the tenant until September 2025. This significantly improves the rent security and value of the Sixth Asset. Our contract with the vendor is subject to the new lease being completed before settlement.

Acquisition Price: $11,500,000

Valuation: $11,500,000 as valued by Savills Valuations Pty Ltd on 12 July 2017.. Please refer to section 8 of this PDS for more detail.

Total Gross Leased Area (GLA): 10,056 m^2 reflects site coverage of 55%.

Passing Net Income: $779,340 per annum.

WALE (by income): 8.21 years as at 25 July 2017

4.2. The Trust's current portfolio

The Manager has carefully selected a variety of commercial properties that the Manager believes offer investors a balance of sustainable income and potential for long term growth.

Property Summary (First Asset)

Address: 22 Northey Road, Lynbrook, Victoria.

Property description: The First Asset comprises a modern office/showroom and office/warehouse complex both constructed in 2008 and situated on one title. The property benefits from three street frontages, with one of the frontages being prominently located facing the Western Port Highway. The property has significant areas of hardstand and room for 78 on site car parking spaces.

Acquisition price: $6,000,000

Valuation: $6,000,000 as valued by Urbis Valuation Pty Ltd on 17 June 2015.

Land area: 12,570 m^2

Premises: The two buildings were purpose built for the tenants who wanted to service this expanding region. Both reflect modern building standards and present to a high quality with excellent site access from both Northey Road and Western Port Highway. Site access is extremely easy. The open layout will facilitate the possibility of future expansion of improvements.

The One Steel premises consists of an 8m high open span warehouse of 2,120 m^2 with 235m^2 of office space (a total GLA of 2,355 m^2).

The Austral Bricks premises provides a showroom/warehouse of 765m^2, first level office of 330m^2, a total GLA of 1,095 m^2. The tenant's lease also includes an area of approximately 1,200m^2 which is used for product displays and storage.

The total GLA: 3,505 m^2 reflects low site coverage of 26.7%.

The total net income as at 30 June 2017 is $ 449,134 per annum.

WALE (by income): 2.4 years as at 25 July 2017.

Lease Terms: Austral Bricks had a 10 year lease which commenced in October 2008 and have recently taken an extension to October 2021. One Steel also has a 10 year lease that commenced in March 2008 with a 5 year option. The premises are 100% occupied.

Property Summary (Second Asset)

Address: 923 Cockburn Road, Henderson, Western Australia

Property description: The Second Asset comprises a modern office/warehouse facility constructed in 2013 with significant additional hardstand and is situated on one title. The property has a significant frontage to Cockburn Road and parking for approximately 25 vehicles.

Acquisition price: $4,000,000

Valuation: $4,050,000 as valued by Savills Valuations Pty Ltd on 18 August 2015.

Land area: 6,383 m^2

Premises: The building was constructed in 2013 for the tenant who has several business units servicing the wider energy sector globally. The proximity to major clients who are also based in the precinct and the Common User Facility were a key factor for the tenant choosing this location.

The building presents to a high standard with full height concrete tilt panels, a 12m clearance and significant hardstand which will facilitate the potential expansion of improvements if required in the future. The warehouse also has two lessor owned gantry cranes.

Although designed for this tenant the straight forward rectangular structure could be utilised for other purposes or tenants in the future.

The total GLA: 2,255 m^2 reflects low site coverage of 35%.

The total net income as at 30 June 2017 is: $314,582 per annum.

WALE (by income): 5.6 years as at 25 July 2017.

Lease Terms: Vicon Services Ops Pty Ltd (wholly owned by EnerMech Pty Ltd) has a 10 year lease over the whole of the property which commenced on 1 March 2013 with a 5 year option in February 2023.

Property Summary (Third Asset)

Address: 69 Maud Street, Maroochydore, Queensland

Acquisition Price: $4,675,000

Valuation: $4,675,000 as valued by LandMark White Sunshine Coast Pty Ltd on 25 May 2016.

Land area: 3,247 m^2

Premises: The building was constructed in 2007 for the anchor tenant, IGA Supermarket with an ATM, a bottle shop, a pizza shop and first floor office suite leased to Prince Supermarkets (Holdings) Pty Ltd (Prince Supermarket). Located on a busy connector road the retail centre services both local residents and passing commercial traffic. The property benefits from a wide street frontage, ample car parking and visibility from Maud Street.

The planned development of a new city centre for Maroochydore is just across the road and is expected to bring more activity to the area.

The total GLA: 1,180 m^2 reflects low site coverage of 36%.

The centre has a total net income as at 30 June 2017 of $325,440 per annum and is 100% occupied.

WALE (by income): 8.9 years as at 25 July 2017.

Lease Terms: QVIC Pty Ltd, operators of the IGA supermarket has a 20 year lease which commenced on 1 July 2007 with two 5 year options from June 2027.

The Creek Tavern (Business) Pty Ltd (Creek Tavern) has a 3 year lease which commenced on 1 March 2017, with a 3 year option.

Manjit Enterprises Pty Ltd (Pizza Hut) has a 10 year lease from 2 May 2016, with two 5 year options.

Prince Supermarket (Holdings) Pty Ltd (office tenant) commenced a 10 year lease on 1 April 2016.

Property Summary (Fourth Asset)

Address: Broadway Medical Centre, 150 Coolamon Boulevard, Ellenbrook, Western Australia

Property Description: The Fourth Asset comprises a thriving Medical Centre located in the established Ellenbrook region of Perth. The building has been specifically designed for its current use and is expected to be a popular facility for the long term.

Acquisition Price: $8,100,000

Valuation: $8,100,000 as valued by Knight Frank Australia Pty Ltd on 29 March 2017.

Land Area: 5,076 m^2

Premises: The Broadway Medical Centre was established by three local doctors who expanded from another centre three years ago. Since opening, the centre has become very popular with local patients and now has more than 14 consulting doctors. Other shops in the centre have been filled with complementary tenants.

The building is 100% occupied and benefits from a mix of complementary uses related to the health care industry. A soon to be developed veterinary clinic and child care centre next door will further strengthen this well supported community hub.

Total Gross Leased Area (GLA): 1,586 m^2 reflects low site coverage of 30%.

Passing Net Income: $702,608 per annum.

WALE (by income): 2.8 years as at 25 July 2017.

Lease Terms: Hyman Medical Practice Pty Ltd (Broadway Medical) has a 5 year lease which commenced on 21 March 2014, with two 5 year options.

Perth Medical Laboratories Pty Ltd (Clinical Labs) has a 5 year lease which commenced on 11 April 2014 with a 5 year option.

Optimal Systems Australia Pty Ltd (Pharmacy) commenced a 10 year lease on 28 October 2015, with two 5 Year options.

Other tenants include Physical Health Solutions Pty Ltd, Insight Clinical Imaging Pty Ltd and Nalder Dental Group Practice One Pty Ltd.

4.3 Investment strategy and criteria

The Manager's investment strategy for the Trust is to invest directly into commercial, industrial, retail and large format retail properties in high profile major Australian city locations, including Perth, Melbourne, Sydney and Brisbane.

The Trust seeks to acquire properties with the following minimum criteria:

- Located in Australian cities with sound demographic profiles
- Prominent and appropriately zoned location
- Deliver above 8 cents per Unit per annum distributions to Investors
- A base of high quality national tenants with secure leases
- Modern improvements with limited exposure to capital expenditure
- Purchase price supported by an independent valuation.

Due diligence process

In addition to the Manager's comprehensive review, market research and analysis of the real property assets, the due diligence of each property investment identified for the Trust will include the following:

(a) The purchase price shall be supported by a written valuation provided by an independent valuer.

(b) The Manager may commission an independent building condition report which should, in the reasonable opinion of the Manager, provide a satisfactory assessment of the condition of the buildings and services located on the property, together with a satisfactory forecast of the reliability and longevity of those buildings and services.

(c) The Manager may commission an independent quantity surveyor's report, which should, in the reasonable opinion of the Manager, identify satisfactory anticipated annual depreciation benefits available to Investors (unless written down values are provided by the vendor of the property).

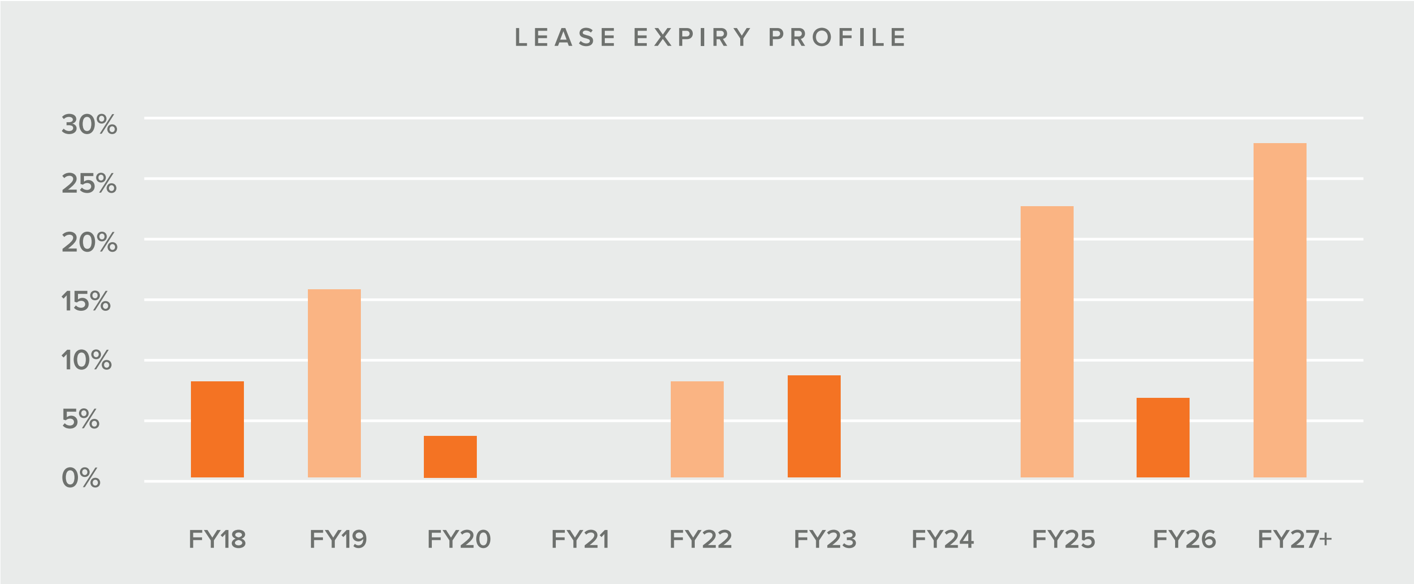
(d) The Manager shall obtain an independent legal due diligence which, in the reasonable opinion of the Manager, satisfactorily reports that the relevant leases and licenses contain the terms and conditions which one would ordinarily expect to find in those documents in relation to similar properties and do not impose any unduly onerous obligations on the landlord.

(e) The acquisition of each property shall be subject to the formal approval of the board of directors of the Manager and the Responsible Entity.

The additional properties will be acquired using a combination of equity and debt. Current Investors are not obliged to participate in subsequent capital raisings but should do so if they wish to maintain their percentage ownership in the Trust.

4.4. Composition of the Trust's property portfolio

		At the date of this PDS	Following acquisition of Fifth Asset	Following acquisition of Sixth Asset
Properties by location	VIC	1 Property valued at $6,000,000	2 Properties valued at $14,860,000	3 Properties valued at $26,360,000
	WA	2 Properties valued at $12,150,000	2 Properties valued at $12,150,000	2 Properties valued at $12,150,000
	QLD	1 Property valued at $4,675,000	1 Property valued at $4,675,000	1 Property valued at $4,675,000
WALE (by income) WALE (by area)		4.3 Years 3.9 Years	6.9 Years 8.4 Years	7.2 Years 8.3 Years
Occupancy rates		100%	100%	100%
Top five tenants (% by income)		Enermech 17% One Steel 14% Austral Bricks 13% IGA 12% Broadway Medical 9%	APT 27% Enermech 12% One Steel 10% Austral Bricks 10% IGA 9%	Grace 23% APT 21% Enermech 10% One Steel 8% Austral Bricks 8%



Section 5 Management of the Trust

5.1. Responsible Entity : Mair Property Securities Ltd ACN 091 623 862 AFS Licence No. 238386

Mair Property Securities Ltd (Responsible Entity) is the responsible entity of the Trust and has appointed Mair Property Funds Limited, a related entity as the investment manager of the Trust.

5.2. Manager: Mair Property Funds Limited ACN 151 957 676

Mair Property Funds Limited (Manager) is an unlisted public company formed in 2011.

Syndicates and trusts formed by the Responsible Entity and the Manager offer our clients exposure to direct commercial property investments allowing them to enjoy the benefits of professionally acquired and managed investment-grade property.

For many investors, investment in commercial or industrial property, let alone the creation of a diverse commercial property portfolio, is simply not feasible because of the significant amount of money required. The Trust creates investment opportunities to invest in quality commercial, industrial and retail property.

The Manager's registered office is at Level 2, 18-32 Parliament Place, West Perth, Western Australia.

The Manager's key personnel have significant experience in the acquisition, management and disposal of commercial property and the establishment and operation of unlisted property trusts registered with ASIC. The Manager has been appointed by the Responsible Entity to manage the Trust. The Responsible Entity will perform the statutory functions required in relation to the operation of a registered managed investment scheme and it will closely monitor the Manager in relation to all other trust management functions.

The Manager's Board

Damian Collins – (Chairman) is the founder and managing director of Momentum Wealth, a Perth-based property investment consultancy. He has more than 20 years' experience in the property and finance industries and brings extensive vision to the Manager. Damian holds a Graduate Diploma of Property and a Bachelor of Business. He is also a member of the Institute of Chartered Accountants in Australia and the Financial Services Institute of Australasia.

David Ellwood – (Managing Director) is an experienced property professional with experience in a broad range of commercial real estate transactions across Australia. His previous roles include director of asset management at a major real estate business, portfolio manager for a large property fund and asset manager of a corporate estate. He holds a Bachelor of Science Degree and is a certified property manager.

John Mair – (Director) established the real estate business known as Mair & Co. in 1966. John has specialised in property investment, development and management. Since 1966 John has been involved with the establishment of over 35 private syndicates and unit trusts to develop and/or invest in property. John has held a Real Estate and Business Agent's Licence in Western Australia for over 30 years. John is a member of the Real Estate Institute of Western Australia.

Jennifer Wakeman – (Director) is the co-founder and general manager of Momentum Wealth. She has a Master of Business Administration (MBA), a Bachelor of Communications (Public Relations) and a Diploma of Property Services (Agency Management).

Saundra Weeratunge – (Company Secretary) Appointed as accountant/company secretary of the Manager in August 2004. Saundra is a finance professional with over 25 years post qualification experience across a range of industries. She is responsible for all accounting, taxation and financial matters and is also the compliance officer. She holds a Graduate Certificate of Business (Professional Accounting) and is a member of CPA (Australia), an Associate Member of the Chartered Institute of Management Accountants (UK), and an Associate Member of the Governance Institute of Australia.

Section 6 Risks

As with any investment, there are risks associated with investing in the Trust. Many of these risks are outside the control of the Manager and the Responsible Entity. If these risks eventuate, target returns to Investors may not be achieved and distributions may be reduced or suspended and/or the capital value of the Trust may be reduced. Distributions are not guaranteed and neither is the return of your capital.

Before deciding whether to invest in the Trust, you should consider your attitude towards risk.

The risks discussed below are not an exhaustive list. It is the Manager's current opinion that the following are key risks of an investment in the Trust:

1. Property investment risks including the risk that Property values decline and the risk that there is a decrease in Trust income.

2. Trust investment risks in relation to holding Units in the Trust.

3. General investment risks including economic and market conditions.

These risks are outlined in more detail below. You should read this PDS in full before deciding whether to invest in the Trust and consider consulting your financial adviser or other professional advisers.

As well as considering the risks below, you should also consider how an investment in this product fits into your overall investment portfolio.

6.1. Property investment 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 Properties, 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 Properties, from new or existing commercial properties in the property markets in which the assets are located, which could attempt to attract the Trust's tenants;
- a downturn in the economy (at either a local or global level, or both, such as for example the events commonly referred to as the "global financial crisis"); and
- amendments to laws and/or government policy having a detrimental effect on the Trust or the Properties.

The following property specific risks may cause the estimates and assumptions in this PDS to be negatively impacted:

Property acquisition risks

Following the acquisition of the Fifth Asset and Sixth Asset, the Trust does not intend to acquire additional properties during the term of the Trust. However, if either or both acquisitions do not proceed, then the Manager may raise more capital to acquire additional properties for the portfolio. In this case, the Manager will carry out due diligence before deciding whether or not the Trust will acquire a particular property. During this due diligence process, it may not be possible to identify or quantify all risks associated with the property, including environmental risks. The nature and extent of information available to the Manager about a new property may be limited in certain circumstances. The Manager will engage experts to assist in the acquisition and due diligence process. In some cases, it may not be economically possible or consistent with commercial practice to obtain an unequivocal or unqualified report from these experts. In addition, potential liability claims by the Trust against experts may be contractually limited.

Settlement risk

There is a risk the Fifth Asset and/or Sixth Asset may not settle on the relevant Settlement Date, or at all and this may affect the Trust's performance. If the Trust is unable to purchase the Fifth Asset despite raising the Minimum Offer Amount, the Responsible Entity may use the funds raised to purchase the Sixth Asset instead. For more information, refer to Section 2.2 of this PDS.

Valuation and sale price

The ongoing value of a property is influenced by changes in property market conditions including supply, demand and capitalisation rates. There is no guarantee that the Properties will achieve a capital gain on sale nor is there a guarantee that the Properties will not fall in value as a result of assumptions upon which the relevant valuation is based proving to be incorrect.

Property income

There is a risk that the Trust's revenue may decrease as a result of falling rental demand, rent payments decreasing, tenant incentives offered, tenants or guarantors failing to fulfil obligations under lease agreements or the properties not being fully tenanted in accordance with the best estimate assumptions contained in this PDS.

Where a vacancy persists for longer than expected, or there is an adverse change in sentiment toward one of the Properties such that it is unable to be fully leased, the income of the Trust will be lower than estimated and the value of the relevant property may decrease. The Trust may also be required to pay marketing expenses and commissions to estate agents who introduce new tenants to the Properties and also provide leasing incentives to secure new tenants in excess of estimates which may reduce the income or value of the Properties and therefore the Trust.

Capital expenditure

Although the Trust intends to have low exposure to capital expenditure, there is a risk that capital expenditure could exceed expectations resulting in increased funding costs and therefore lower than targeted distributions.

Tenancy and leasing risks

If the tenants of a Property fail to honor their lease obligations, then this could have a detrimental impact on the Trust. It could result in a reduction to the distributions available to you, or in extreme circumstances, a failure by the Trust to meet its interest obligations to lenders.

There is no guarantee that any current tenants will renew their lease when they expire. Any vacancy will diminish the income available to the Trust for distribution and if present on the sale of a Property will impact on the return to Investors as the sale price will likely be reduced.

With respect to any vacancy arising in the Properties, the Trust could incur costs in re-leasing the premises such as contributions to an incoming tenant fit-out, rent free or other incentive payments. This could diminish the income available to the Trust for distribution.

Insurance risks

Various factors might influence the cost of maintaining insurance over the Properties, 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 including force majeure events.

Force majeure events

There is a risk that force majeure events, such as natural phenomena and terrorist attacks, may affect the Properties for which insurance is not available or for which the Trust does not have insurance cover.

Should such an event occur, a loss will result which will have a negative impact on the income and capital value of the Trust.

Unit price risk

The issue price under this PDS is expected to be $1.02 per Unit. As at the relevant Settlement Date for the Fifth Asset and the Sixth Asset, the NTA per Unit is expected to be $0.83 and $0.84 respectively. Based on these figures, the NTA per Unit will need to increase by 23 percent and 22 percent respectively before it equates to the issue price of Units pursuant to this offer.

6.2. Trust investment risks

The following risks relate to an investment in the Trust and their impact on the financial information contained in the PDS:

Manager risk

The Manager is responsible for providing investment management services to the Trust and for managing the Trust's investments on a day to day basis. If the Manager fails to do so effectively, then this could negatively affect the Trust's performance.

In particular, there is a risk that the Manager may fail to anticipate movements in the property market, fail to manage the investment risks appropriately or fail to properly execute the Trust's investment strategy. These factors could have an adverse impact on the financial position and performance of the Trust.

Future capital raising

The Manager and Responsible Entity do not intend to acquire further assets following the purchase of the Fifth Asset and Sixth Asset. However, consistent with the objective for the Trust to acquire a diversified portfolio of commercial properties, if the acquisitions do not proceed then additional equity may be raised to fund additional properties. Current Investors are not obliged to participate in these subsequent capital raisings but should do so if they wish to maintain their percentage ownership in the Trust.

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 or any other exchange.

In addition, direct real estate assets are, by their nature, illiquid assets. It may be difficult for the Manager to dispose of the Properties at the end of the Trust term in a timely manner at its optimal sale price.

Investment term

There is no guarantee that Investors' capital will remain invested for the expected investment term of 7 years from the First Allotment Date. There are circumstances which may result in the term of the Trust being shorter or longer, including, if before August 2022, Investors pass a special resolution (i.e., a resolution passed by at least 75% of the votes cast by Investors) to extend the Trust for a period of not more than 5 years, then the Responsible Entity may extend the term of the Trust for this further period. The Trust cannot be extended past the extended term (i.e. the life of the Trust will be no more than 12 years from the First Allotment Date).

If the initial term of the Trust is not extended, then the Responsible Entity will market the Properties for sale. Once sold, and after settling all costs, the Responsible Entity will distribute the balance to Investors. However, the illiquid nature of real property means it may take longer than anticipated to sell the Properties and the Trust may not be wound up until after August 2022.

Investment return

Neither the performance of this investment nor the repayment of Investor contributions subscribed is guaranteed. The calculation of the target distribution does not include any tax deferred component. The calculation of the tax deferred component of the distribution will depend on the Trust satisfying various requirements. Changes to taxation laws may result in changes to the tax deferred component of distributions from the Trust. The level of tax deferred distributions received by Investors will impact the cost base of an Investor's Units and may have capital gain consequences for Investors.

Prospective investors should refer to Section 10 of this PDS and seek their own tax advice which has regard to their own individual circumstances.

General borrowing risks

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

The debt facility obtained to acquire the Properties will expire during the term of the Trust. The Manager will actively manage the Trust's debt maturity profile but there can be no guarantee replacement debt will be available at the time on the same terms or at all.

Gearing and ICR risk

The Trust is a geared investment product. This level of gearing can be measured using the gearing ratio. The level of the Trust's gearing will magnify the effect of any movements in the value of the Properties.

If the Minimum Offer Amount is achieved, then initially the Trust will have a gearing ratio of 50%. The maximum gearing ratio covenant in the debt facilities is expected to be 60%. Therefore, a fall in the values of the Properties may mean that the Trust is not compliant with that covenant under the debt facilities. The value of the Properties would need to fall by 16.9% before the Trust was not compliant with the gearing covenant in the debt facilities.

Assuming the ICR covenant under the additional debt facilities are 1.5 times, the operating cash flow of the Trust would need to fall by 57% (following the acquisition of the Fifth Asset) and by 59% (following the acquisition of the Fifth Asset and Sixth Asset) before the Trust is not compliant with its ICR covenant under the debt facilities.

Breach of debt covenants risk

The terms of the Trust's debt facilities will include debt covenants and income and asset value tests. Falling asset values, declining rental income or other unforeseen circumstances may cause covenants under the Trust's debt facilities to be breached.

A breach of a debt facilities' covenants may result in a lender enforcing its security over the Properties. The lenders may require repayment of all or part of the debt facilities, possibly prior to its expected expiry. This could result in an early sale of the Properties at a less than optimal sale price, for instance, in a depressed market, additional equity being required, or distributions being reduced or suspended to repay the borrowings.

Not securing the debt facilities' risk

The letters of offer the Responsible Entity have received, and which are referred to in the PDS are not binding on the financier and are subject to final documentation.

There is a risk that the Manager may not be able to secure debt facilities on terms acceptable to it before settlement of the Fifth Asset or Sixth Asset.

In this event, the cost of any debt facilities that the Manager secured may be on terms materially different and less favourable to the Trust and this could impact Trust distributions.

Interest rate risk

The Responsible Entity intends to secure finance for the acquisition of the Fifth Asset and Sixth Asset with a variable interest rate but may choose to fix rates if favourable terms can be agreed.

There is a risk that unfavourable movements in interest rates may lead to increased interest expenses. This may result in a reduction to the distributions available to Investors, or failure by the Trust to meet interest obligations on its borrowings.

In the future, borrowings may be secured at fixed interest rates. Where any fixed rate borrowings reach their maturity, interest rates may have increased and the Manager may not be able to extend or refinance those borrowings at the same fixed rates. This would lead to increased interest costs for the Trust and therefore it may have a negative impact on Investors' returns.

Tax and transfer duty risk

Changes to tax law and policy (including any changes relating to how income of the Trust is taxed or to the deductibility of expenses or transfer duty law) might adversely impact the Trust and Investors' returns. You should obtain independent tax advice in respect of an investment in the Trust.

Legal and Counterparty Risk

The Trust may, in the ordinary course of business, be involved in possible litigation and disputes, for example, tenancy disputes, environmental and occupational health and safety claims, industrial disputes and any legal claims or third party claims. A material or costly dispute or litigation may affect the value of the assets or the expected income of the Trust.

In addition, there is a risk that the vendors of the Fifth Asset or Sixth Asset transaction may fail to meet their obligations under the contracts, causing loss to the Trust, or resulting in the Trust being unable to purchase the Fifth Asset or Sixth Asset. If the Trust is unable to purchase the Fifth Asset despite raising the Minimum Offer Amount, the Responsible Entity may use the funds raised to purchase the Sixth Asset instead. For more information, refer to Section 2.2 of this PDS.

Property due diligence and use of experts

In acquiring the Fifth Asset and Sixth Asset, the Manager will engage experts to prepare reports on part of the Manager's due diligence enquiries for the Fifth Asset and Sixth Asset.

These reports have been relied on by the Manager in assessing the risks associated with ownership of the Fifth Asset and Sixth Asset. Whilst the Manager has no reason to believe those enquiries were not appropriate and complete, we cannot guarantee that all risks and potential problems associated with these investments were identified and have been properly dealt with.

Concentration risk

Generally, the more diversified a portfolio, the lower the impact that an adverse event affecting one investment will have on the income or capital value of the portfolio. If this Offer proceeds, then the Trust will own five or six properties and this provides a degree of diversification by asset class, geographic location of properties and exposure to different property sectors. However, if this Offer does not proceed, then the Trust will only own four properties and the Manager intends to acquire additional properties for the Trust to provide Investors with additional diversification across geographic locations and commercial property sectors. However, circumstances beyond the Manager's control may prevent it from doing so and the Trust may remain or consist of only four assets.

Significant investor risk

It is possible that a significant investor or associates of the significant investor may subscribe for 50% or more of the Units in the Trust. If this occurs, the significant investor may become liable for the payment of transfer duty on the Units acquired (if the Investor acquires the Units after the Properties have been acquired). The significant investor will be able to materially influence decisions and resolutions regarding the Trust, including the sale of the Properties prior to the end of the term of the Trust, removal of the Responsible Entity, and any change to the Constitution.

Forward looking statements

There can be no guarantee that the assumptions and contingencies on which the forward looking Statements, opinions and estimates are based will ultimately prove to be valid or accurate. The forward looking statements, opinions and estimates depend on various factors, many of which are outside the control of the Responsible Entity or the Manager.

Minimum subscription

If the Minimum Offer Amount is not raised, then the Responsible Entity may not proceed with the acquisition of the Fifth Asset. If the Additional Offer Amount is not raised, then the Responsible Entity may not proceed with the acquisition of the Sixth Asset. If either acquisition does not proceed, the Responsible Entity will return Applicants' Application Money with any interest earned, less any tax or bank fees as determined by the Responsible Entity.

Trust risks

Trust specific risks include the Trust terminating earlier than expected, the fees and expenses changing, or the Responsible Entity or Manager being replaced or Trust management personnel could change.

6.3. General risk factors

In addition to the specific risks identified above, there are also other more general risks that can affect the value of an investment in the Trust. These include the following:

(a) The state of the Australian and world economies.

(b) Inflation movements.

(c) Negative consumer sentiment which may keep the value of assets depressed.

(d) A particular investment's performance.

(e) Changes in government monetary, regulatory and taxation policies.

(f) Natural disasters and man-made disasters beyond the control of the Responsible Entity or the Manager.

(g) The illiquidity and cost of capital markets.

(h) If you are a foreign investor, currency exchange rate fluctuations.

It should be noted that the performance of this investment, the repayment of capital or of any particular rate of return, is not guaranteed by the Responsible Entity, the Manager, their directors nor their associates. Property investment, by its nature, carries a level of risk and no guarantee is or can be given that an investment in the Trust will not decrease in value and that Investors will not suffer losses.

Section 7 Fees and Other Costs

Government regulations require us to include the following standard consumer advisory warning. The information in the consumer advisory warning is standardised across all product disclosure statements and is not specific to information on fees and costs in relation to this Trust.

7.1 Consumer advisory warning

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your trust balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from $100,000 to $80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the trust or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website www.moneysmart.gov.au has a managed funds fee calculator to help you check out different fee options..

7.2. Fees and other costs

This section shows fees and other costs that may be charged to the Trust. These fees and costs are paid from the Trust assets. You should read all information about fees and costs as it is important to understand their impact on the Trust. Information with respect to tax is set out in section 10. You should read all the information about fees and costs because it is important to understand their impact on your investment.

Type of fee or cost	Amount	How and when paid
Fees when money moves in or out of the Trust		
Establishment fee: The fee to open your investment.	Nil	Not applicable
Contribution fee: The fee on each amount contributed to your investment.	Nil	Not applicable
Withdrawal fee: The fee on each amount you take out of your investment.	Nil	Not applicable
Exit fee: The fee to close your investment	Nil	Not applicable

Type of fee or cost	Amount	How and when paid
Management costs		
The fees and costs for managing your investment	**Acquisition fee –** 4% of the purchase price of a Property[1].	Payable to the Manager on completion of the acquisition of a Property, out of the Trust's assets.
	Ongoing management fee – 0.5% per annum of the gross asset value of the Trust[2].	Payable to the Manager monthly in arrears, out of the Trust's assets, for the ongoing management of the Trust.
	Asset disposal fee – 2% of the gross sale price of a Property.[3]	Payable to the Manager on completion of the sale of a Property or winding up of the Trust, out of the Trust's assets. The Manager pays sales agent fees out of this fee.
	Performance fee – 20% of the amount by which the IRR to Investors exceeds 11% per annum after the Property is sold.[4]	Payable to the Manager on completion of the sale of the Properties or wind-up of the Trust, out of the Trust's assets. If the initial term of the Trust is extended, 50% of the fee will be payable at the end of the initial term and this amount will be deducted from the performance fee payable upon the sale of the last Property
	Expenses –Estimated to be up to 0.23% per annum of the gross asset value of the Trust[5]	Payable out of the Trust's assets monthly in arrears.
Service fees		
Investment switching fee: The fee for changing investment options.	Nil	Not applicable

Notes:

1. See Acquisition fee under Section 7.4(a) 2. See Ongoing management fee under Section 7.4(b) 3. See Asset disposal fee under Section 7.4(c) 4. See Performance fee under Section 7.4(d). 5. See Operating costs and expenses under Section 7.4(e).

7.3 Example of annual fees and costs for the Trust

This table gives an example of how the fees and costs for the Trust can affect your investment over a one year period.

You should use this table to compare this product with other managed investment products.

EXAMPLE		Balance of $50,000 with a contribution of $10,000 during the year
Contribution fee	Nil	You will not be charged a contribution fee when you invest.
PLUS Management costs	3.6%[1]	For every $50,000 you have invested in theTrust, you will be charged $1,800 each year.
Equals Cost of Trust		If you had an investment of $50,000 at the beginning of the year and you put in an additional $10,000 during the year, then you would be charged fees from $1,800 to $2,160 (depending on the time during the year when you make the additional contribution)[2]

Notes:

1. The indirect cost ratio of the Trust is 3.6% per annum (being 0.8% per annum for the ongoing management fee, 2.4% per annum for acquisition fees and 0.4% per annum for expense recoveries).
2. Additional management costs may apply during the term of the Fund (e.g., acquisition fee for the Fifth Asset and Sixth Asset, asset disposal fee, leasing fee, project management fee and any performance fee). These fees may be charged on acquisition, sale, lease or improvement of the Properties or on outperformance by the Manager and the Manager will update Investors about any changes to fees disclosed in this PDS as required by the Corporations Act and ASIC policy. .

7.4 Additional explanation of fees and costs

(a) Acquisition fee

This fee is payable to the Manager on completion of the acquisition of a Property, out of the Trust's assets. The fee is 4% of the purchase price of a Property. The fee payable in relation to the purchase of the Fifth Asset (at a purchase price of $8,860,000) is $354,400 and the fee payable in relation to the purchase of the Sixth Asset (at a purchase price of $11,500,000) is $460,000 and is in consideration for the work performed by the Manager in acquiring the Fifth Asset and Sixth Asset.

(b) Ongoing management fee

The Manager is entitled to an ongoing management fee of 0.5% per annum of the gross value of the Trust's assets. After the acquisition of the Fifth Asset, the gross value of the Trust's assets will be $31,685,000 and the Manager will be entitled to a monthly management fee of $13,202. Following the acquisition of the Fifth Asset and Sixth Asset the gross value of the Trust's portfolio will reach $43,185,000 and the Manager will be entitled to a monthly management fee of $17,994.

(c) Asset disposal fee

This fee is payable to a real estate agent or the Manager on completion of the sale of a Property or on winding up of the Trust, out of the Trust's assets. The fee is 2% of the gross sale price of a Property and is consideration for the work performed in selling the Property.

If a Property is sold for $10,000,000 then the Manager will charge $200,000. The Manager will use this fee to pay sale agent fees. This example is provided for information purposes only and should not be considered a forecast of the Trust's performance.

(d) Performance fee

The Manager will be entitled to a performance fee on the sale of the Properties, provided the total IRR to be received by Investors on their investment in the Trust exceeds 11% per annum. Actual and expected distributions from the net sale proceeds are included in the calculation. The performance fee will be equal to 20% of the amount by which the IRR to Investors would exceed 11% per annum (after payment of fees).

If the term of the Trust is extended beyond the initial term of 7 years, then the Manager will be entitled to 50% of its performance fee (based on an independent valuation of the Properties) calculated at the end of the initial term. The amount paid to the Manager at this time will be deducted from the performance fee payable upon the sale of the last remaining Property held by the Trust.

As an example, if after selling the Properties for the purpose of winding up the Trust, it is calculated that Investors would receive an IRR of 13% per annum (after payment of fees) from their investment in the Trust, then the IRR will have exceeded the 11% (after payment of fees) benchmark by 2%, in which case the Manager's performance fee will be 20% of that 2% excess. If the 2% excess equaled $500,000 in dollar terms, then the performance fee payable to the Manager would be $100,000

This example is provided for information purposes only and should not be considered a forecast of the Trust's performance.

(e) Operating costs and expenses

The Responsible Entity and the Manager are entitled to be paid or reimbursed for expenses associated with the operation of the Trust, such as the costs associated with the administration or distribution of income, and other expenses properly incurred in connection with performing their duties and obligations in the day to day operation of the Trust such as legal fees, audit and accounting fees and unit registry fees.

(f) Leasing fee

Upon the grant of a new lease or license or an extension of an existing lease or license of premises that form part of the Properties, the Trust may pay to agents or other advisors a fee of up to 15% of all money received (including, for example, rent, license fees and outgoings) under the new or extended lease or license for the first year. In calculating the amount of money received, if the first year contains a rent free or reduced rent period, then the calculation of the money received will include the amount of rent which would have been payable but for the rent free or rent reduced period. For example, if the money to be received in the first year of a new lease is $150,000, then the fee payable is $22,500 (i.e., 15% of $150,000).

(g) Project management fee

A project management fee of up to 4% of any capital project for a Property is payable by the Trust to the Manager or any other project manager. This fee is for the arrangement and supervision of capital works on the Properties (if any) undertaken by the Trust. For example, $400 for every $10,000 in value of a capital project.

(h) Goods and services tax

Unless otherwise stated, all fees set out in this section are inclusive of the net effect of Goods and Services Tax (GST).

Further information on the tax implications associated with an investment in the Trust can be found in Section 10 of this PDS.

(i) Transactional and operational costs

Transactional and operational costs are costs incurred by the Trust for buying and selling assets and for owning and maintaining the Trust's assets. These costs includes stamp duty, legal and tax advice, property settlement costs, property management fees, rates, land tax, other statutory outgoings, maintenance expenses and other general outgoings. The total transactional and operational costs of the Trust are 2.9% of the Trust's assets under management, or $1,450 for a $50,000 investment in the Trust.

(j) Waiver or deferral of fees

The Responsible Entity and the Manager may, at their discretion, accept payment of lower fees and expenses than they are entitled to receive, or may defer payment of those fees and expenses for any time. If payment is deferred, then the fee will accrue until paid.

(k) Wholesale Investors

We may negotiate with 'wholesale clients' (as defined in the Corporations Act), on an individual basis, in relation to rebates on our fees in circumstances permitted by the Corporations Act or applicable relief granted by ASIC. In the event rebates are offered, they will be paid by the Manager and therefore will not affect the fees paid by, or any distributions to, other Investors.

2-14 Independent Way, Ravenhall, Victoria

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120 COLLINS STREET
MELBOURNE VIC 3000

URBIS.COM.AU
Urbis Valuations Pty Ltd
ABN 28 105 273 523

31 July 2017

The Directors
Mair Property Securities Ltd
as Responsible Entity for the MPS Diversified Property Trust ARSN 144 797 026
1 His Majesty's Lane
PERTH WA 6000

Dear David,

SUMMARY VALUATION REPORT - 2-14 INDEPENDENT WAY, RAVENHALL, VIC, 3023

We refer to your instructions requesting a market valuation of the freehold interest, subject to the existing tenancy, of the abovementioned property as at 7 July 2017. We understand that the valuation is required for inclusion in a Product Disclosure Statement (PDS) to be issued by Mair Property Securities Ltd as Responsible Entity of the MPS Diversified Property Trust ARSN 144 797 026. We have prepared a comprehensive format valuation report which is available upon request from Mair Property Funds Ltd, the manager of the Trust. The following is a summary of the report for inclusion in the PDS. Parties seeking detailed information of our valuation should refer to our full valuation report held by Mair Property Funds Ltd. We have not prepared the PDS.

We confirm our valuation was prepared in accordance with the Corporations Act and all relevant industry standards and codes.

The property was inspected on 7 July 2017.

1 PROPERTY SUMMARY

The subject property is held in a single title situated with three street frontages to Orbis Drive, Independent Way and Barretta Road within the industrial suburb of Ravenhall. The site area of 13,930m² (1.393ha) is zoned Commercial 2 under the Melton Planning Scheme.

The improvements comprise a 2010 construction office/warehouse of approximately 6,888m² comprising circa 288m² of corporate style offices, 115m² of production office internal to the warehouse and 6,485m² of high clearance warehouse divided by a single row of supporting columns. Currently the corporate office component is single storey however we understand there is a first level in shell condition that is not currently being utilised by the occupier. There is currently no access to the first floor and as such we were unable to inspect this component. No value has been ascribed to this component although we note there is potential to expand the office with appropriate capital expenditure in the future.

MPEV - 1747 - 001

Additional features include a loading canopy of circa 170m², marked car parking for 102 cars, storage hardstand to the north of the site and two cross overs from Independent Way with a further cross over providing direct access to the car park from Orbis Drive. There is a circa 700m² grassed area north of the main car park which could be developed to provide additional car parking or a warehouse extension, subject to Council approval.

The property provides an office / warehouse ratio of 6% with a site coverage ratio of 49%.

2 LEGAL DESCRIPTION

We have undertaken a search of the Certificate of Title on 6 July 2017. The subject property is contained within a single Certificate of Title, more particularly described as follows:

	2-14 INDEPENDENT WAY, RAVENHALL
Real Property Description (Freehold):	Certificate of Title Volume 11240 Folio 475, being Lot 1 in Plan of Subdivision 623483C.
Registered Proprietor:	Raw United Holdings Pty Ltd of Level 2, 534 Church St, Richmond, Vic, 3121 via instrument AH747583X dated 27 January 2011.
Easements, Encumbrances and Interests:	▪ Mortgage to National Australia Bank Limited (dated 14 November 2014), via instrument AK490108Y. ▪ Covenant AH747583X registered 27/01/2011. The covenant prohibits the proprietor to; o subdivide into five or more occupancies; o use the land wholly or partly for the retail sale of food and/or beverages; o use as; ▪ brothel, ▪ concrete batching or panel plant ▪ recycling plant ▪ vehicle wreckers; ▪ junk yard; ▪ panel beaters; ▪ place of worship; ▪ place of assembly; ▪ adult book shop; ▪ agriculture; ▪ caretakers' residence;

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	▪ circus; ▪ carnival; ▪ crop raising; ▪ animal husbandry; or ▪ mining. ○ Allow the land to become unsightly or in a state of disrepair; or ○ Place any signage on the land which does not directly relate to the business activities being carried out on the land. ▪ Caveat AL817525Q dated 16 April 2015 in favour of Millbrook Finance Pty Ltd. Ground of claim, mortgage between the parties.

Although there are a number of conditions and restrictions associated with the covenant, none are considered to be material in terms of marketability or value of the subject property.

Other than the covenant, the other interests registered on title include mortgages to National Australia Bank and Millbrook Finance Pty Ltd. These mortgages are expected to be removed from title upon settlement.

This valuation considers the effect if any on the value of the interest valued of any easements, encumbrances or other notations on the Certificate of Title. However, the valuation specifically excludes any impact on the value of the property through any unregistered encumbrances or dealings not disclosed by our title search and Urbis accepts no responsibility for the impact on value from any such instrument.

3 PLANNING

The property is located within a Commercial 2 zone which is typical for industrial assets in this locality. The property is covered by a Design and Development overlay and partially covered by a Land Subject to Inundation overlay however these are not considered to be material to value or marketability.

4 LETTABLE AREAS

We have been provided with a series of drawings of the subject property compiled by BB Design Group and dated November 2009. These appear to be drawings utilised for the Town Planning process prior to the construction of the current improvements.

Our on-site measurements were materially in agreement with the dimensions stated on the drawings however the Area Analysis on the drawings appears to assume the office component is two level. As described above, we understand that the first-floor office is in shell condition and there is currently no access. As such, we have not included the first-floor area in our adopted areas.

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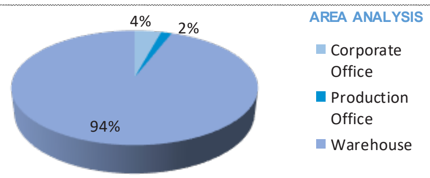
We have adopted areas as per the drawing dimensions, checked by our on-site measurements, summarised as follows:

LETTABLE AREAS

2-14 Independent Way, Ravenhall VIC 3023, Australia

Major Tenants	Area (M²)	%
Corporate Office	288	4%
Production Office	115	2%
Warehouse	6,485	94%
Total Area	**6,888**	**100%**



We have relied upon these areas for this valuation and should these areas be found to be incorrect we reserve the right to review the valuation detailed herein.

5 LEASE

INTRODUCTION

We have been provided with the following documents:

- Lease between Raw United Holdings Pty Ltd (lessor) and Australian Pipe and Tube Pty Ltd (lessee) dated 16 May 2014.
- Transfer of Lease between Raw United Holdings Pty Ltd (lessor), Australian Pipe and Tube Pty Ltd (old lessee), and Laurus Group Pty Ltd (new lessee) dated 31 March 2016.
- Lease between Raw United Holdings Pty Ltd (lessor) and Laurus Group Pty Ltd (lessee) dated 16 May 2016.
- Proposed Deed of Variation of Lease between Raw United Holdings Pty Ltd (lessor), Laurus Group Pty Ltd (lessee) and David Brandi (Guarantor) undated and unsigned. Edition: HWLE Draft 26.07.17.

We have reviewed the lease documentation supplied and note the following;

- The lease documents appear to be “in house” leases. David Brandi has signed as Sole Director for all three parties (Raw United; Australian Pipe and Tube and Laurus Group) within the Transfer of Lease. David Brandi is listed as Chairman of Australian Pipe and Tube on LinkedIn.
- There are two concurrent leases, commencing on 16 May 2014 and 16 May 2016. However, the Deed of Variation of Lease includes clauses acknowledging the 2014 Lease has been surrendered.
- The Deed of Variation of Lease also contains a change to the annual reviews. Removing the CPI or 3.5% clause and replacing it with straight 3.5% annual reviews.
- The Deed of Variation of Lease confirms that Management Fees are a recoverable outgoing.

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The Deed of Variation of Lease is in draft form however we have completed this valuation advice under the critical assumption that the Variation is signed and executed in its current form.

LEASE SUMMARY

We provide a summary of the 16 May 2016 lease overleaf;

	2-14 INDEPENDENT WAY, RAVENHALL
Lessee:	Laurus Group Pty Ltd as trustee for Laurus Group Unit Trust trading as Australian Pipe and Tube.
Lessor:	Raw United Holdings Pty Ltd as trustee for Raw United Holdings Unit Trust.
Commencing Date:	31 May 2016.
Commencing Rental:	$690,000 per annum.
Passing Rental:	$714,150 per annum.
Lease Term:	15 Years.
Further Term:	2 x 5 Years.
Permitted Use:	Steel mill and associated operations.
Reviews:	Greater of 3.5% of previous year's rent or CPI but **to be amended to 3.5% annually as per proposed Deed of Variation of Lease.** Market rental review, with ratchet clause, at commencement of option terms.
Outgoings:	Lessee responsible for outgoings. The recovery of Management fees is explicitly confirmed within the Variation of Lease.
GST:	Paid by the Lessee in respect of rent and outgoings.
Incentive:	None noted.
Security Deposit:	12 months' rental. In addition, the Contract of Sale states that a 2-year personal director's guarantee is to be included in the Lease agreement.

RETAIL LEASES ACT

As part of the valuation process, we have been supplied with a Letter written by HWL Ebsworth offering legal advice to Mair Property Funds Limited, dated 28 July 2017, on the subject of the application of the Retail Leases Act to the lease of the subject property.

HW Ebsworth concludes “based on the information supplied to us, we consider that the Lease is not subject to the Act”. We have relied upon this advice and completed our valuation assessment on the basis that the Retail Leases Act does not apply to the subject lease.

6 MARKET COMMENTARY

MELBOURNE INDUSTRIAL MARKET OVERVIEW (2017)

Melbourne’s Industrial Market is in one of its strongest historic position with a strong investment climate, strong tenant demand, falling vacancies and reducing land supply. With prime yields now generally trading in the 6.00% to 7.00% range many participants consider a market ‘peak’ may have been reached, yet a prevailing low cost of debt and investment asset supply imbalance (relative to strong purchaser demand) has meant there is no evidence of prices softening.

Global uncertainty has elevated somewhat in the past 12 months, yet this presents as a positive for capital flows to Australia.

Beyond overriding local economic performance and market sentiment we consider the key drivers for the next direction/movement in yields to be:

- The level of international capital flows - which remain strong, with the number of new entrants growing.
- The next movement and trend in the cost of debt (appears to moving towards an upward trend).
- Performance of other asset classes (i.e. equities and bonds) which strongly influence, particularly for local superannuation and foreign pension funds, the flow of capital to property.

An overview of the Melbourne Industrial market is provided as follows:

- **Existing Building Supply** – Whilst the Property Council of Australia (PCA) measure commercial vacancy rates, no industry measure of Melbourne’s industrial vacancy rate is undertaken. A recent wave of speculative development, predominantly undertaken by the larger REIT’s, has seen an increase in the volume of new stock, and consequently vacancy levels of prime and modern industrial premises with the debt funding constraints that prevailed post GFC, at least for the REIT’s, no longer a burden. Secondary stock vacancies, with many of the buildings lacking the operation efficiencies sought by the current day occupier, are generally higher although this stock has provided a reasonable short term solution until the newer product can be delivered.

  A vacancy study undertaken by Urbis in Q1 2017, which involved surveying over 750 major Industrial facilities (10,000m²+), representing over 14,600,000m² of space revealed 42 vacant facilities and a market vacancy rate of 4.70%. By grade, 26 facilities were considered to be ‘Prime’ or ‘Modern’, whilst 16 facilities were graded as ‘secondary’ and ‘tertiary’. Key take outs from this study include:

  - Total vacancy has increased from circa 563,000m² (Aug 2016) to circa 690,000m² (Feb 2017).
  - Interestingly the West, North and Eastern submarkets all recorded a very similar vacancy rate which rounds to 6.6%.
  - The increase in vacancy to 4.70% has been led by the strong total construction in 2015 and 2016 of circa 390,000m² and 475,000m² respectively; both well over the 10-year average of

around 350,000m² resulting in 'back fill' vacancy. The closure of Master's Warehouse alone contributed 52,000m² to vacancy.

- The combined prime/modern vacancy rate is 5.5% (up from 4.5%).
- The combined secondary/tertiary vacancy rate is 3.8% (up from 3.2%).

The next update to our study will be completed in Q3 2017.

Market Demand/Take-up – Melbourne's Industrial leasing market, much like the office and retail sectors, remains relatively soft as economic conditions remain flat. The volume of speculative activity has, however, reduced meaning a greater portion of new supply is pre-committed and tenant led. The most active occupier sector remains transport and e-retailing businesses who are benefiting from the growth in online retailing and Melbourne's shift from manufacturing to distribution with a number of major retail groups consolidating to new facilities in many instances introducing an element of automation.

The imminent closure of motor vehicle manufacturing in Melbourne is likely to result in new demand as most participants, including the manufacturers, will look to down size their current accommodation needs.

- **Land Supply** – The supply of serviced industrial land throughout metropolitan Melbourne is not independently monitored. Development activity by both Institutional and Private Developers is now quite strong and as a result land absorption in most markets has strengthened considerably from the "take-up" experienced in the few post GFC years. In most submarkets where proximity to major road infrastructure is good, appetite for sites can be described as very strong. Land supply in most submarkets is now limited with the south east the most impacted resulting in strong land value growth. The western corridor has also experienced strong price growth in the past 12 months.

  Industrial Land Subdivisions currently being actively marketed include: The Crossing, Truganina (Cadence Property); Stage 4 Link 360 Industrial Park, Truganina (Avid Property); Stage 6 Alliance Business Park, Epping (MAB); Stage 4 Thompsons Base, Cranbourne (MAB); Stage 3 Northpark Industrial Estate, Somerton (Salta); and Biodiversity Business Park, Somerton (Alex Fraser and Vaughans). Of the above estates infrastructure, has either commenced or been completed in almost all of these estates. A number of the major development groups have considerably developed their land holdings and are actively targeting 're-stock' opportunities

- **Rental Levels** – Rents in most industrial submarkets of Melbourne are unlikely to experience much growth for the balance of 2017 if demand remains relatively soft although falling vacancy levels provides some optimism. Tenant demand remains predominantly incentive led. Locations best placed to achieve rental growth are precincts where land supply is constrained, most likely within inner Melbourne as part of Port Melbourne (Fishermans Bend) transitions to alternative uses, predominantly residential. Growth in industrial constructions costs, which have been relatively subdued for a number of years, is the most likely impetus to rental growth. Future rental growth over the ensuing five-year period is forecast by most participants to be in the vicinity of 2.75% to 3.00% per annum. The prospects of a reducing land supply (serviced land) provides the greatest opportunity for rental growth. The south east is likely to be the first sub market to benefit.

- **Investment Activity** – 2017 has to date seen relatively fewer major transactions and volumes are well down on previous years. Of note Blackstone have purchased a portfolio of four assets from Charter Hall, two of which were in Victoria for a combined price circa of $73M. 2016 was another strong year for Victorian Investment sales, albeit a slightly reduced volume on the 2015 boom year of around $1.6B. In 2016 total activity was around $1.5B driven extensively by the two Goodman Portfolios purchased by Blackstone (over $600M of a National volume over $1.3B) and Charter Hall purchases nearing $400M. Foreign purchasers represented around 50% of total consideration who were less active in 2015 (circa 24%). In the current market, many prime assets with long term leases are trading around or sub 6.00% with IRR's circa 7.00% to 7.50%.

  Whilst fewer in volume, corporate sale and leasebacks continue to present themselves to hungry purchasers although the quality of the buildings and lease covenants appear to be diminishing. We expect a number of private corporates who have secured vacant properties at good prices to "onsell" subject to long term leases to generate a profit particularly now the volume of traditional investment stock on offer has contracted and 2017 should present a number of these opportunities.

  The prevailing low cost of debt, stabilised margins and more diverse debt options continues to support private investors and syndicators who can generate geared equity returns over 8%. The return premium over fixed interest remains compelling and is likely to see increased demand as private investors 'roll out' of previously set fixed interest positions.

7 CONTRACT OF SALE

We have been provided with a signed and executed Contract of Sale for the subject property between Raw United Holdings Pty Ltd and Huntley Custodians Limited as custodian for the MPS Diversified Property Trust.

The terms of the Contract of Sale follow:

• Date of Signing:	19 July 2017.
• Purchase Price:	$8,860,000.
• Deposit:	$300,000 with $50,000 payable on the day of sale and $250,000 payable upon the satisfaction of the condition precedent as per Special Condition 16.1.
• Land:	Volume 11240 Folio 475.
• Property Address:	2-24 Independent Way, Ravenhall 3023.
• Settlement:	45 days from the satisfaction of the condition precedent as per Special Condition 16.1.

The Special Condition 16.1 is as follows;

- Settlement of this contract is conditional upon the purchaser (in its absolute discretion) being satisfied with its due diligence enquiries in relation to the Property before the expiry of the Due Diligence Period.

The Due Diligence period is defined as the 35 days after the day of sale.

8 VALUATION ANALYSIS

The valuation has been determined by reconciliation between Capitalisation of Net Income approach, Discounted Cash Flow and Direct Comparison Approach. This is an accepted range of valuation approaches for industrial investment assets such as the subject property.

In addition to quantifying the value of the net income derived from the property our calculations also account for a number of additional aspects regarding the property summarised as follows:

- The property is held in a single title and whilst a detailed outgoings budget has not been provided we have established an outgoings budget, having regard to provided statutory notices and comparable property benchmarks. Statutory outgoings have been established via rates notices and similar and total $55,078 per annum or $8 per square metre. Total adopted outgoings (statutory and operating) are total $103,328 per annum, reflecting $15 per square metre of GLA.
- Our analysis considers the 15-year lease to be unusual in this market price point and location, with little evidence to show how the market would consider the covenant of this length to a private company. 5 to 7-year lease covenants are a much more common occurrence within the western industrial market for $5 million to $10 million assets. Given the two-year director guarantee and the 12-month bank guarantee we consider the market would consider a 7-year lease term reasonable and therefore look to consider the profit rental paid over that period. There is no evidence available to suggest purchasers would pay a material amount for a profit rental paid by a private tenant for say, 10 or 12 years into the future given the uncertainty and risk of ongoing tenure. Our valuation calculations therefore assume a “term certain” lease of 7 years and considers investment benchmarks and profit rental over this period.

Taking into account the current sales activity within the market our comparison of the known attributes of each of the comparable properties and broader market evidence, we consider appropriate benchmarks or hurdle rates for the subject component to be:

- **Market Yield** 6.75%
- **IRR** 7.25%
- **Direct Comparison** $1,100 - $1,200/m²

In undertaking our valuation, the following adjustments have been made:

- Included the present value of the rental overage until Lease expiry of the tenant ($1,164,656).
- Included the present value of future capital expenditure (CAPEX) (-$26,303).

The following table outline the outcomes of the valuation approaches undertaken in our analysis.

URBIS

VALUATION RECONCILIATION

2-14 INDEPENDENT WAY, RAVENHALL VIC 3023, AUSTRALIA AS AT 7 JULY 2017

Valuation Approach	Assessed Valuation
Market Capitalisation Approach	$9,120,057
Discounted Cash Flow Approach	$9,231,433
Direct Comparison Approach	$9,085,856
Adopted Valuation (Rounded)	**$8,860,000**
Analysis	
Initial Yield (Passing)	8.06%
Initial Yield (Fully Leased)	8.06%
Equivalent Market Yield	6.98%
IRR (10 Year)	7.88%
$ Rate psqm Lettable Area	$1,286 psqm
$ Rate psqm Site Area Improved	$636 psqm

We note the Contract of Sale with a purchase price of $8,860,000. This resulted from “off market” negotiations and as such the subject property has not been fully tested by or advertised to the market. Our three valuation approaches are generally in agreement with the purchase price although they suggest the price is towards the lower end of a market value range. Due to the proximity of the valuation approaches and the price, we have adopted the Heads of Agreement price as market value for valuation purposes.

Given the 15-year lease term we have also considered a more traditional approach where the profit rental is discounted over the remaining term of the lease. This approach would be common in the market for assets sitting at a $20 million plus price point where leases of 10 plus years are common however as stated above is less usual in the subject’s market. Our valuation calculations under the alternative approach generally support the above assessment.

9 DISCLAIMERS

9.1 PECUNIARY INTEREST

We confirm that neither Urbis nor the signatory to this Report have any pecuniary or other interest that could reasonably be regarded as being capable of affecting that person's ability to give an unbiased opinion of value, or that would conflict with a proper valuation of the property. We advise that this position will be maintained until the purpose for which this valuation is being obtained is completed.

9.2 MARKET MOVEMENT

We are required to advise that this valuation is current at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements or factors specific to the particular property). Liability for losses arising from such subsequent changes in value is excluded as is liability where the valuation is relied upon after the date of the valuation.

9.3 INCLUSIONS AND EXCLUSIONS

Our valuation includes those items that form part of the building service installations such as heating and cooling equipment, lifts, sprinklers, lighting, etc., that would normally pass with the sale of the property, but excludes all items of plant, machinery, equipment, partitions, furniture and other such items which may have been installed (by the occupant) or are used in connection with the business undertaken within the property.

9.4 GOODS AND SERVICES TAX

In our opinion the subject property is most likely to be defined as either a 'going concern' or the purchaser is entitled to claim an input tax credit under the relevant provisions of current GST legislation. Accordingly, a hypothetical sale of the interest valued herein is assumed to be GST free and our valuation is exclusive of any GST. Urbis takes no responsibility for the liability or otherwise for the payment of GST on an assumed sale of the interest valued herein.

In addition, any market rentals, passing rentals from existing leases and outgoings amounts are also assumed to be exclusive of GST unless stated to the contrary.

9.5 DCF QUALIFICATIONS

The discounted cash flow included in our valuation report has been prepared solely for the purpose of this valuation and does not necessarily correspond or reconcile with any cash flow forecast that is made by the owner for management and budgeting reasons.

URBIS

The cash flow projections adopted within the report have been undertaken as part of our discounted cash flow analysis approach to valuation. Although such projections are necessary for the discounted cash flow valuation approach, past experience has provided a very clear reminder that forecasting future income and expenditure movements is particularly uncertain and hazardous. Accordingly, the projections provided within this report should be considered as a broad guide only and likely to undergo variation from time to time.

9.6 NOT FINANCIAL SERVICES ADVICE

Neither Urbis nor the appointed valuer are licensed to provide financial services and the information detailed herein (and the full valuation report) is not intended to provide advice on your investment decision. Urbis was paid a fee of $6,000 + GST for the undertaking the valuation of the property and preparing the valuation report and this summary valuation letter.

The valuer has over 25 years' experience in valuing similar properties.

10 VALUATION SUMMARY

Subject to the terms, conditions and assumptions made within the full valuation report and disclaimers in Section 1.7, we have assessed the Market Value of the 100% Freehold Interest in the subject property as at 7 July 2017 to be:

$8,860,000 (Eight Million, Eight Hundred and Sixty Thousand Dollars)

The above value is exclusive of GST.

We are obliged to advise that this Report and Valuation is only for the use of the party to whom it is addressed, and no responsibility or liability is accepted to any third party for the whole or any part of its contents.

Urbis Valuations Pty Ltd operates under the Australian Property Institute Limited Liability Scheme which is a scheme approved under Professional Standards Legislation.

Yours Sincerely,

Shane Robb, BBus (Prop), AAPI
Director and Certified Practising Valuer
Australian Property Institute, Member No 62534

Critical Assumptions Summary;

- Assumption that the Deed of Variation of Lease is executed.

17 July 2017

Savills Valuations Pty Ltd
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The Directors
Mair Property Securities Ltd
As Responsible Entity for the MPS Diversified Property Trust, ARSN 144 797 026
Level 2, 8-32 Parliament Place
West Perth WA 6005

Our Ref: GW17008953

Re: Summary of Valuation for Product Disclosure Statement (22-24 Salta Drive, Altona North, VIC)

Instructions

We refer to your instructions requesting Savills Valuations Pty Ltd to prepare a valuation of the freehold interest, subject to existing tenancy and proposed lease extension, of 22-24 Salta Drive, Altona North ("subject property"). We have been instructed to provide this summary report on the subject properties for inclusion in a product disclosure statement (PDS) issued by Mair Property Securities Ltd as Responsible Entity for the MPS Diversified Property Trust, ARSN 144 797 026.

Market Value

Market Value as defined by the International Valuation Standards Council and as adopted by the Australian Property Institute is as follows:

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

Property Overview

The subject property comprises of a modern office warehouse facility located in Altona North to Melbourne's west. The improvements comprises of a front single storey office attached to a rear high bay warehouse which has loading access via both at-grade and recessed loading docks. The improvements total 10,056m² and are located on an 18,410m² Special Use Zone 4 site.

The subject property is located in Altona North, an established industrial area approximately 12 kilometres west of the Melbourne Central Business District and is within the Local Government Area administered by Hobsons Bay Council.

Tenancy Overview

The subject property is currently fully leased to Grace Group on a lease which is due to expire in September 2018. We have been advised by Mair Property Securities Ltd that the tenant will extend the lease for a further eight (8) year term from 14 September 2017 at a revised commencing rental of $779,340 per annum (net) which will be subject to annual 3.00% rental reviews.

We have not been provided with any formal documentation in relation to this lease extension and our valuation along with this summary has been prepared on the strict assumption that a formal lease extension is entered into as per the terms and conditions advised to us. Should this not be the case, then our valuation and this summary letter should not be relied upon.

Valuation Summary

We have arrived at our Market Value assessment after considering recent sales of comparable properties and having regard to the subject property's investment attributes, assuming the proposed lease extension. We have used both the capitalisation, discounted cashflow and direct comparison methods in arriving at our assessment of Market Value with the adopted analysis and valuation of the property being outlined as follows:

Property	Date of Valuation	Valuation	Cap. Rate	Net Market Income p.a.	WALE	Passing Initial Yield	Equated Market Yield
22-24 Salta Drive, Altona North, VIC	12 July 2017	$11,500,000	6.75%	$779,340	8.21	7.42%	6.78%

Company Qualifications

Savills Valuations Pty Ltd **("Savills")** has prepared this summary letter for inclusion in the PDS on the following conditions:

1. This letter is a summary of the valuation report only. Any reliance should therefore be based upon the actual possession or sighting of the original valuation report duly signed and countersigned by Savills. Such reliance is subject to the assumptions, limitations and disclaimers contained therein. Savills disclaim liability to any party using this summary letter without reference to the actual valuation report.

2. Savills has prepared the valuation and this letter based on information provided by the instructing party. Savills believes that this information is accurate and complete, however Savills has not independently verified such information.

3. Savills is not providing advice about a financial product, nor the suitability of the investment set out in the PDS. Savills does not, nor do the valuers, hold an Australian Financial Services Licence and neither are operating under such a licence in providing their opinion as to the value of the properties detailed in this letter and the valuation report.

4. Savills has prepared this summary for inclusion in the PDS and has only been involved in the preparation of this summary and the valuation referred to therein. Savills specifically disclaim liability to any person in the event of any omission from, or false or misleading statements included in the PDS, that were not prepared by Savills.

5. The valuation report is current at the date of valuation only. The value assessed therein may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements or factors specific to the particular property). Liability for losses arising from such subsequent changes in value are excluded as is liability where the valuation is relied upon after the date of the valuation.

6. Neither this letter nor the valuation report may be reproduced in whole or in part without the prior written consent of Savills.

7. Savills's liability is limited by a scheme approved under Professional Standards Legislation.

savills

Pecuniary Interest
We confirm that Savills Valuations Pty Ltd and the appointed Valuers nominated with the full valuation report, do not have any pecuniary interest that would conflict with the proper valuation of the subject property and the valuation being made independently of Mair Property Securities Ltd as Responsible Entity for the MPS Diversified Property Trust, ARSN 144 797 026. Neither the Valuers nor Savills Valuations Pty Ltd are licensed to provide financial services and the information detailed herein (and the full valuation report) is not intended to provide advice on your investment decision.

Savills Valuations Pty Ltd has received a professional fee of $7,500, plus GST in connection with the preparation of our valuation and this summary report. The fee is not in any way linked to, nor has it influenced, the opinion of value noted.

Yours sincerely,

Ross Smillie

Ross Smillie
Certified Practising Valuer
National Director – Industrial Valuations
Savills Valuations Pty Ltd

22-24 Salta Drive, Altona North, Victoria.

Section 9 Financial information

This section of the PDS provides details about the following:

- Source and applications of funds.
- Pro forma balance sheet and NTA per Unit calculation.
- Estimated income and distribution statement.
- Significant accounting policies which will be adopted by the Trust.
- Best estimate assumptions.
- Sensitivity analysis.

In preparing this information the Manager and Responsible Entity have made a number of assumptions which are detailed below.

All financial information has been prepared on the basis the Trust will report on financial years ending 30 June.

Table 1 – Source and application of funds

On the assumption that the Minimum Offer Amount and the Additional Offer Amount are raised, then the funding for the Fifth Asset and Sixth Asset proposed to be purchased by the Trust will be sourced and applied as follows:

Sources and Application of Funds	Fifth Asset	Sixth Asset
Sources of Funds	**$**	**$**
Equity from Investors	3,298,990	6,922,750
Existing Cash	Nil	Nil
Loan From Financier	4,430,000	5,750,000
Undrawn debt facility	2,067,000	Nil
Total - Sources of funds	**9,795,990**	**12,672,750**
Application of Funds		
Purchase price	8,860,000	11,500,000
Stamp duty on land acquisition	487,300	632,500
Acquisition fee	354,400	460,000
Cash - owners reserve	Nil	Nil
Due diligence, settlement costs, bank charges, loan coordination, custodial, marketing, publication of PDS expenses and due diligence consultant's costs	94,290	80,250
Total – Application of Funds	**9,795,990**	**12,672,750**

The above table represents equity raised of $3,298,990 for the Fifth Asset and $6,922,750 for the Sixth Asset calculated to ensure the gearing ratio of the Trust does not exceed 50% and is provided as a guide only.

Table 2 – Pro-forma balance sheet and NTA per Unit calculation

The pro-forma balance sheet and NTA calculation is shown for illustrative purposes only, assuming the Minimum Offer Amount and the Additional Offer Amount are raised.

The pro-forma balance sheet and NTA calculation is based on the unaudited balance sheet of the Trust as at 30 June 2017 adjusted for the impact of the following:

- The proposed acquisition of the Fifth Asset and Sixth Asset at the acquisition cost as set out in Table 2 below.
- The issue of 3,234,304 Units at $ 1.02 each on the Minimum Subscription Date, raising $3,298,990.
- The issue of 6,787,010 Units at $ 1.02 each on the Additional Subscription Date, raising $6,922,750.

		$	$	$	
	Notes	Existing Assets	Fifth Asset	Sixth Asset	Combined
Land and buildings	1	22,825,000	8,860,000	11,500,000	43,185,000
Stamp duty	2	1,190,318	487,300	632,500	2,310,118
Acquisition fee	3	911,000	354,400	460,000	1,725,400
Cash – owner's reserve		212,000	Nil	Nil	212,000
Due diligence, settlement costs, bank charges, loan coordination, custodial, marketing, preparation of PDS expenses and due diligence consultant's costs	4	250,103	94,290	80,250	424,643
Total acquisition costs		**25,388,421**	**9,795,990**	**12,672,750**	**47,857,161**
Sources of funds					
Equity from Investors	5	16,009,400	3,298,990	6,922,750	26,231,140
Existing cash		109,021	Nil	Nil	109,021
Funds drawn from financier (loan)	6	9,270,000	4,430,000	5,750,000	19,450,000
Undrawn debt facility		Nil	2,067,000	Nil	2,067,000
Total acquisition costs		**25,388,421**	**9,795,990**	**12,672,750**	**47,857,161**
Less					
Stamp duty		1,190,318	487,300	632,500	2,310,118
Acquisition fee		911,000	354,400	460,000	1,725,400
Due diligence, settlement, marketing, publication of PDS expenses and consultant's costs	4	250,103	94,290	80,250	424,643
Total Tangible Assets to be acquired:		23,037,000	8,860,000	11,500,000	43,397,000
Less loan from Financier					21,517,000
Net Tangible Assets at completion					21,880,000
Net Tangible Assets Per Unit at completion	7				0.84

Notes to Pro-forma Balance Sheet and NTA Calculation

1. Land and buildings – This represents the purchase price of each Property contained in the purchase agreements.
2. Stamp duty – This represents the costs of stamp duty on the purchase price of each Property.
3. Acquisition fee – The property acquisition fee is payable to the Manager. This fee is charged in relation to the acquisition of each of the Properties.
4. Due diligence, marketing and consultants – This represents costs incurred by the Manager for completion of specialist reports such as reports relating to buildings, the value of the land and buildings and depreciation. Payments to any agent for negotiating the acquisition of each Property or providing advice relative to the purchase. The costs of preparing and marketing the PDS, including distribution to interested persons, advertising, and costs incurred for the provision of other advice relating to the Trust.
5. Equity from Investors – This assumes the Minimum Offer Amount and the Additional Offer Amount are raised under this PDS.
6. Trust borrowings – This is the amount of the loan facilities agreed between the Manager on behalf of the Trust and Australian Banks to fund the purchase of all Properties.
7. Net tangible asset backing – This amount shows the net tangible asset backing per Unit calculated in accordance with the requirements of RG46. At completion of the proposed Fifth Asset purchase, on the basis as illustrated in Table 2, the net tangible asset backing per Unit will be $0.83. At completion of the proposed Fifth Asset and Sixth Asset purchase, the net tangible asset backing per Unit will be $0.84.

9.1 Estimated income and distribution statement

Returns to Investors are illustrated below on the basis of estimated net income from the Properties. The scenarios show the returns if the Minimum Offer Amount only is, and if the Minimum Offer Amount and the Additional Offer Amount are, raised at a price of $1.02 per Unit.

On this basis, the estimated return to Investors for the twelve month period ending 30 June 2018 will be as follows:

	Following acquisition of Fifth Asset Year ending 30 June 2018 (annualised)	Following Acquisition of Fifth Asset and Sixth Asset Year ending 30 June 2018 (annualised)
Net income from Property assets	$2,507,997	$3,287,337
Deductions		
Compliance, accounting, non-recoverable costs and management fees	$ 257,765	$ 338,163
Interest on loan facility	$ 624,679	$854,679
Net profit	$1,625,553	$2,094,495
Units issued in Trust	19,116,460	25,903,470
Amount withheld from Distribution (surplus)	$96,236	$22,217
Cash Distribution	$1,529,317	$2,072,278
Distribution – 2017/18	8 cents per Unit	8 cents per Unit

1 The calculation of the return does not include any tax deferred component. The level of tax deferred distributions received by Investors will impact the cost base of an Investor's Units and may have capital gain consequences for Investors.

9.2 Significant accounting policies

TThe significant accounting policies that have been adopted in preparing the financial information in this PDS are set out below.

Basis of Preparation

The financial information has been prepared using generally accepted accounting policies, including applicable Australian Equivalents to International Financial Reporting Standards and conforms with the requirements of the Constitution and the Corporations Act.

Cash

Cash includes cash on hand and at call deposits with banks or financial institutions and investments in money market transactions with less than 30 days maturity.

Property - Held for Resale

Property held for resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, improvement, borrowing costs and holding costs until completion. Borrowing costs and holding charges are expenses.

Investment Property

Properties which are classified as investment properties are held to generate long-term rental yields and capital gains. All tenant leases are on an arm's length basis. Investment properties are carried at fair value, determined every 3 years by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. In the interim years, fair value is based on directors' assessments having regard to market movements. Changes to fair value are recorded in the income statement in the year it arises. Investment property is not depreciated.

Financial Instruments

Financial instruments are initially measured at cost on transaction date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Trust are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. The accounting policy adopted for specific financial liabilities and equity instruments are set out below.

Issued Units

Issued Units and retained profits are classified as equity and the distributions paid and payable to Investors are classified as equity distributions.

Bank borrowings

Interest–bearing loans are initially recognised at fair value, net of transaction costs and are subsequently measured at amortised cost, using the effective interest rate method.

Impairment of Properties

Investment property is tested for impairment annually by the Manager to ensure that its carrying amount is not materially different to its recoverable amount. Any impairment is recognised in the income statement in the year it is incurred.

Revenue

Lease income from operating leases is recognised as income on a systematic basis that is representative of the time pattern in which the benefit is derived from the lease. Lease income includes gross rental revenue and recoverable outgoings.

Interest income is recognised in the income statement using the effective interest rate method. Other income is recognised on an accruals basis, which is when the Trust becomes entitled to receive it.

All revenue is stated net of the amount of goods and services tax (GST).

Borrowing Costs

Borrowing costs include interest and bank charges, which are expensed when incurred.

Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset, or part of an item of the expense.

Expenses

Expenses are brought to account on an accruals basis.

Income Tax

The taxation status of the Trust and details of the Divisions of the Income Tax Assessment Act 1936 ("ITAA") as noted below, are explained under the heading "Tax Information" in this section of the PDS.

If Division 6 of Part III of the ITAA applies, the Responsible Entity will not be liable to pay income tax if the Investors are presently entitled to all of the income of the Trust. The Responsible Entity intends to distribute income (if any) of the Trust, less expenses, to Investors in accordance with the Constitution.

However, the Responsible Entity will be liable for income tax if Division 6C of Part III of the ITAA applies and the Trust is taxed as a company, or if Division 6 of Part III of the ITAA applies and for any reasons the Responsible Entity does not distribute all of the Trust's income.

If the Responsible Entity is liable for income tax, the charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

No deferred income tax will be recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

9.3. Best estimate assumptions

The Manager has made the following assumptions in preparing the financial information for this PDS.

Rental income and expenses

The main assumptions underlying these estimates are:

- Net rental income of $2,507,997 (annualised) following the acquisition of the Fifth Asset and $3,287,337 (annualised) following the acquisition of the Fifth Asset and Sixth Asset is received for the period from 1 July 2017 to 30 June 2018 under the existing leases.
- All tenants perform their obligations under their existing leases including the payment of all lease, license and other payments.

Finance costs

An overall average interest rate of 4.13% per annum has been assumed based on existing terms and the letter of offer reviewed with respect to the extension of the existing facility to facilitate the acquisition of the Fifth Asset and Sixth Asset. Details of the proposed debt facilities are contained in Section 3. Borrowing costs are amortised over 3 years following completion of the purchase of the Fifth Asset and Sixth Asset.

GST

The Trust will be registered for GST and as such the impact of GST payments and recoveries should be neutral to the Trust and the estimates are not adjusted to include GST.

Taxation Allowances

At the date of the PDS, the Manager has not estimated Division 40 (plant & equipment depreciation) and Division 43 (building allowance) taxation allowances. However, the Manager will obtain a full detailed Depreciation Report and expects that part of the distributions to Investors will be “tax advantaged” and some Investors will be able to claim depreciation. Prospective Investors should seek their own tax advice having regard to their own individual circumstances.

9.4. Sensitivity analysis

The target return estimates have been based on certain economic and business assumptions about future events. The estimated profit, profit available for distribution and distributions payable for each period during the estimate period are sensitive to a number of factors.

A summary of the possible impact of different outcomes in the key assumptions underlying the estimates is set out in the table below. However, the disclosed movements in these key assumptions are not intended to be indicative of the complete range of variations that may occur.

Variable	Effect
Change in net property income	The estimates assume that all tenants comply with their lease and continue occupation during the period to 30 June 2018. If the tenants fail to honor their lease obligations, then this could decrease the net property income of the Trust and therefore decrease the funds available to distribute to Investors. Following the acquisition of the Fifth Asset , should net property income (annualised) decrease during the period to 30 June 2018 for any unforeseen reason (e.g. tenant default), each 5% decrease in net property income would lead to approximately a 0.67 cents per Unit per annum decrease in profit available for distribution. However, following the acquisition of the Fifth Asset and Sixth Asset, should net property income (annualised) decrease during the period to 30 June 2018 for any unforeseen reason (e.g. tenant default), each 5% decrease in net property income would lead to approximately a 0.64 cents per Unit per annum decrease in profit available for distribution.
Change in interest rates	The estimates assume a 50% gearing level for the Trust at an average interest rate of 4.13%. The Trust will not secure the debt until around the date of settlement of the Fifth Asset and then around the date of settlement of the Sixth Asset. Should the variable term rate increase between the date of this PDS and the settlement date so that the total interest rate exceeds 4.13%, then this will decrease the net property income of the Trust and therefore decrease the funds available to distribute to Investors. For every 0.25% increase in interest rate above 4.13%, there would be approximately a 0.25 cent per Unit per annum decrease in profit available for distribution.

Section 10 Taxation Information

Taxation Information

The following is a general outline of the principal Australian income tax consequences relating to the acquisition, holding and disposal of Units for an Australian tax resident Investor who holds Units on capital account for Australian income tax purposes.

The summary does not address the tax implications that may arise for Investors who—

- acquire or hold their Units in the course of a business of trading or dealing in securities or otherwise hold the units on revenue account or as trading stock,
- are exempt from Australian tax, or
- are non-residents or temporary residents of Australia.

Taxation issues are complex and taxation laws, their interpretation and associated administrative practices may change over the term of an investment in the Trust. The information contained in this section is of a general nature only and is not advice. It is based on, and limited to, Australian tax law and practice in effect at the date of this PDS. As the circumstances of each particular Investor will vary, this PDS cannot address all of the taxation issues which may be relevant to a particular Investor. Each Investor must take full and sole responsibility for their own investment in the Trust, the associated taxation implications arising from that investment and any changes in those taxation implications during the course of the investment. Accordingly, prospective Investors should seek their own tax advice having regard to their own individual circumstances.

10.1. Tax treatment of the Trust

Australian tax position of the Trust

Under current tax law, the Trust should not be liable to pay Australian income tax provided the Trust's Investors are presently entitled to all of the Trust's income in each year and the activities of the Trust are limited to undertaking or controlling "eligible investment business" (i.e. holding passive investments) for Australian taxation purposes.

It is expected that Investors will be presently entitled to all of the Trust's income in each year. Further, based on the proposed activities of the Trust, it should only be undertaking "eligible investment business" in the form of deriving rent from real property and other permissible incidental activities.

On this basis, under current tax law the Trust should not have any liability for Australian income tax including capital gains tax. However, refer to further comments noted below under the new rules relating to AMITs.

Issues affecting the calculation of the net income of the Trust

The net income of the Trust for tax purposes will include interest income and rental income derived from the Property less allowable deductions such as expenses relating to rental income, capital allowances deductions in respect of the Property, management fees paid and other relevant expenses. The net income of the Trust would also include net capital gains amounts realised on the sale of the Property.

Managed investment schemes that fall within the tax definition of a "Managed Investment Trust" (MIT) may be able to make an election to treat certain assets, such as real estate, as being on capital account for tax purposes. At this stage it is likely that the Trust will make such an election if it is eligible to do so. Whilst it is likely that the Trust would be a MIT for tax purposes, this will depend, in part, on the number and profile of Investors that hold units in the Trust, which is currently not known. Where an election is made, gains and losses from the disposal of the Property will be subject to capital gains tax regardless of whether they are held on revenue or capital account, with some exceptions such as where the asset is held as trading stock. If an election is not able to be made for the Trust, it is nevertheless expected that any gain on eventual disposal of the Property would be a capital gain as it is the intention of the Trust to hold the Property to derive long term rental income.

The capital gain on disposal of the Property will be determined as the consideration received on the disposal of the Property less the tax cost base of the Property. Unless the Property has been held for less than 12 months, the capital gain will be eligible for the 50% CGT discount, which means that 50% of the capital gain generated at the Trust level is included in the net income of the Trust for tax purposes. Implications of the CGT discount at the Investor level are outlined at Section 10.2 below.

In the event that the consideration received on the disposal of a Property is less than the tax cost base of the Property, a capital loss would arise within the Trust. Capital losses can be offset against other pre-discount capital gains generated within the Trust and can be carried forward indefinitely within the Trust for that purpose, but capital losses would not otherwise be claimable in determining the net income of the Trust for tax purposes. Capital losses are not able to be distributed to Investors.

Under the new tax laws recently passed a further election can be made by eligible MITs to be treated as an "Attribution MIT" (AMIT). Under this election the existing present entitlement system is replaced and the taxable income of the AMIT allocated to investors retains its character to that derived by the Trust. Any taxable income not allocated would be taxable to the AMIT. Another component of the new system allows upward adjustments to the tax cost base of units in an AMIT in certain circumstances to prevent double taxation (the current system of tax deferred adjustments only for a cost base reduction).

10.2. Tax treatment of Investors

Taxation of distributions - general

When an Investor becomes presently entitled to distributions of income from the Trust during a particular financial year, the corresponding proportion of the Trust's net income for tax purposes should be included in the Investor's assessable income. Investors will then be taxed on their portion of the Trust's net income for tax purposes at their relevant income tax rate. As Investors will be entitled to distributions as at 30 June of any given year that may not be paid in cash until after that date, amounts may be assessable to investors in respect of a particular financial year that are received in cash in a subsequent year.

Where the Trust's net income for tax purposes includes a capital gain that has been discounted (as described in section 10.1 above), Investors are required at first instance to double their portion of the discounted gain to restore it to its gross (pre-discount) amount and then to determine their own eligibility to the CGT discount after deducting any capital losses. Generally, the following rates of CGT discount apply to the following particular types of Investor:

- Individuals or trusts are eligible for a CGT discount of 50% - this means that such Investors would include 50% of their proportionate share of the gross (pre-discount) capital gain amount in their assessable income;
- Complying superannuation funds are eligible for a CGT discount of one third – this means that such Investors would include two thirds of their proportionate share of the gross (pre-discount) capital gain in their assessable income, subject to other potential exemptions within the fund, and;
- Companies are not eligible for any CGT discount – this means that companies would include 100% of their proportionate share of the gross (pre-discount) capital gain in their assessable income.

The Trust may make cash distributions to Investors that exceed the Trust's net income for tax purposes. This excess may arise for a number of reasons, including the application of the CGT discount at the Trust level as well as the claiming of capital works and other deductions at the Trust level that reduce the net income for tax purposes. To the extent that the excess relates to the CGT discount amount, this distribution would generally be tax free and would not reduce the tax cost base of an Investor's Units. However, if the excess arises due to other factors, such as the claiming of capital allowances, this excess distribution would generally be treated as a "tax deferred" amount. Tax deferred distributions are not generally assessable to Investors, but reduce the Investor's tax cost base of the Units.

If the total tax-deferred distributions received by an Investor equals an Investor's cost base in Units, the cost base will be reduced to nil and the Investor will realise a capital gain as a consequence of any subsequent tax deferred distributions. Such capital gains could potentially be eligible for CGT discount treatment if the Investor is an individual, trust or complying superannuation fund, and depending on whether the Investor has held the Units for at least 12 months.

If the Trust's net income for tax purposes exceeds its distributions, an Investor will be taxed by reference to his or her share of net income, not just the distribution to which they were entitled.

An annual tax statement will be provided to each Investor setting out details of his or her proportionate share of the Trust's net income for tax purposes and other distribution components.

Tax losses incurred by the Trust

The Trust will not be able to distribute any tax losses of a revenue nature incurred in an income year. However, if certain tests can be satisfied, the Trust will be able to carry forward those losses and use them in a future income year to offset assessable income. Similarly, capital losses cannot be distributed to investors but can be carried forward indefinitely for offset against future capital gains. Specific loss testing rules do not currently exist for capital losses.

Tax implications of disposing of Units

Generally, on disposal of Units a “CGT event” will occur and the Investor will need to determine whether a capital gain or capital loss has been realised. As a general rule, where the capital proceeds on disposal of the Units are greater than the cost base of those Units, an Investor will realise a capital gain.

The cost base of an Investor’s Units will essentially be the purchase price or issue price paid for the Units, plus any incidental costs on acquisition or disposal, less any tax deferred distributions received (subject to any further adjustments under the new AMIT rules noted in section 10.1 above).

Subject to satisfying certain integrity rules, any capital gain made by an individual or trust can generally be reduced by 50% if the individual or trust has held the Units for longer than 12 months. Similarly, any capital gain made by a superannuation fund can generally be reduced by one third if the fund has held the Units for longer than 12 months. Companies are not entitled to this CGT discount.

An Investor will incur a capital loss if the capital proceeds on disposal are less than the “reduced cost base” of the Units sold. The reduced cost base of a Unit is commonly the same as the cost base. Any capital loss incurred on the disposal can generally be used by the Investor to offset capital gains realised from other sources. If a capital loss cannot be utilised in the year in which it is realised, it may be able to be carried forward to be used to offset capital gains realised in future income years. Capital losses cannot be used to offset ordinary income or gains.

10.3. Other issues

Tax file number or Australian business number declaration

It is not compulsory for an Investor to provide his or her tax file number (TFN) to us. However, if an Investor does not provide their TFN (or in certain circumstances an Australian Business Number) or claim a valid exemption, then we will be required to withhold tax from any distribution from the Trust at the highest marginal rate plus Medicare Levy (currently 47%).

Goods and Services Tax (GST)

GST should not be payable in respect of the acquisition, disposal or withdrawal of Units, nor in respect of any distributions paid by the Trust.

Transfer duty

Units issued prior to the acquisition of property should not give rise to any transfer duty impost. Units issued or transferred after the acquisition of property could potentially give rise to a transfer duty liability, but this will depend on a number of factors. Investors should seek their own professional taxation advice on transfer duty.

Section 11 Additional Information

11.1. Related party transactions

The Responsible Entity may from time to time face conflicts between its duties to the Trust as responsible entity, its duties to other trusts that it manages and its own interests. The Responsible Entity will manage any conflicts in accordance with its conflicts of interest policy, the Constitution, ASIC policy and the law.

The Manager is related to the Responsible Entity as they have the same Board of Directors. The contractual arrangements between the Manager and the Responsible Entity are negotiated at arm's length between the parties.

The Responsible Entity and the Manager may from time-to-time enter into other transactions with related entities. All transactions will be effected at market rates or at no charge, and in accordance with the Corporations Act.

11.2. Change of responsible entity

A change of responsible entity requires Investors to approve an extraordinary resolution to give effect to the replacement. An extraordinary resolution must be passed by at least 50% of the total votes that may be cast by members entitled to vote. That is, 50 percent of all Investors, whether or not an Investor elects to attend or vote at the meeting.

11.3. Reporting

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

- A confirmation on receipt of an Application Form.
- An investment confirmation upon issuing Units.
- Quarterly income distribution detailing your investment and distributions paid to you.
- Periodic performance update reports.
- An annual tax statement detailing information required for inclusion in your annual income tax return.

Annual reports will be made available and emailed to you. If the Trust is a disclosing entity (i.e., if it has more than 100 Investors), then half year financial reports will also be emailed to you.

11.4. Important agreements

Constitution

The Constitution is the primary document that governs the way the Trust operates and sets out many of the rights, liabilities and responsibilities of the Responsible Entity 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 Constitution, 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 Constitution contains provisions about convening and conducting meetings of Investors.

We can amend the Constitution without Investors' approval provided we reasonably consider the change will not adversely affect Investors' rights.

The Constitution can also be amended by a special resolution passed by Investors.

A copy of the Constitution is available free of charge by calling the Responsible Entity on 08 9321 5566.

Investment management agreement

The investment management agreement is between the Responsible Entity and the Manager under which the Manager agrees to provide investment management services to the Trust which include—

- the identification and acquisition of assets consistent with the Trust's investment mandate
- keeping all assets under review and monitoring their performance, and
- using reasonable endeavours to achieve the investment objectives for the Trust.

The investment management agreement contains provisions dealing with matters such as the Manager's obligations to report to the Responsible Entity and sets out the fees payable to the Manager for its services (summarised in Section 7).

The investment management agreement will remain in force until the Trust is wound up, unless the agreement is terminated earlier in accordance with its provisions. The agreement can be terminated by the Responsible Entity if the Manager is in material breach of the agreement and that breach has not been remedied after a certain time. There are also provisions allowing the Responsible Entity to terminate if, for example, the Manager becomes insolvent.

The Manager is permitted to terminate the agreement in certain circumstances, such as if the Responsible Entity ceases to be the responsible entity for the Trust.

Custodial agency agreement

The Responsible Entity has appointed Huntley Custodians Limited ACN 082 237 241 as the custodian of the Trust. Under the custodial agency agreement, the role of the Custodian includes holding—

- the Application Monies on behalf of the Trust to disburse the proceeds at settlement of the purchase of properties
- the title to the Properties, and
- the proceeds from the ultimate sale of the Properties until distributed to Investors.

The custodial agency agreement contains provisions which limit the Custodian's liability to direct loss resulting from the fault, willful default or negligence of the Custodian. The quantum of the Custodian's liability is also limited.

The Custodian is an agent of the Responsible Entity and may only act in accordance with the terms of the custodial agency agreement. The Custodian has no liability to Investors. The Custodian does not guarantee the repayment of capital or performance of the Trust.

11.5. Continuous disclosure

In certain circumstances, such as if the Trust has 100 or more Investors, it will be regarded as a 'disclosing entity' for the purposes of the Corporations Act, and will be subject to regular reporting and disclosure obligations. If the Trust becomes a disclosing entity, the Responsible Entity will comply with its obligations under the Corporations Act and ASIC's good practice guidance in satisfying its continuous disclosure obligations via website notices.

Information and continuous disclosure notices for the Trust will be available by going to www.mair.com.au or by calling 08 9321 5566 during business hours.

If the Trust becomes a 'disclosing entity' then it will be required to lodge half-yearly financial reports with ASIC. It is therefore important that you check our website regularly for important information about the Trust.

11.6. Privacy

In applying to invest, you are providing the Responsible Entity and the Manager with certain personal details (your name, address etc.). We use this information to establish and manage that investment for you.

Under the Privacy Act 1988 (Cwlth), you can access personal information about you held by us, except in limited circumstances. Please let us know if you think the information is inaccurate, incomplete or out of date. You can also tell us at any time not to pass on your personal information by advising us in writing.

If you do not provide us with your contact details and other information, then we may not be able to process your application to invest.

Under various laws and regulatory requirements, we may have to pass-on certain information to other organisations, such as the Australian Tax Office or the Australian Transaction Reports and Analysis Centre (AUSTRAC).

By applying to invest, you give us permission to pass information we hold about you to other companies which are involved in helping us administer the Trust, or where they require it for the purposes of compliance with AML/CTF law or in connection with the holding of Application Money such as the Responsible Entity. We may also use your information to provide you with details of future investment offers made by the Manager and the Responsible Entity.

11.7. Anti-money laundering law

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 and associated rules and regulations require the Responsible Entity to verify your identity prior to accepting your investment. You will be required to provide the identification information set out in the Application Form. We will not issue you with Units unless satisfactory identification documents are provided.

11.8. Foreign Account Tax Compliance Act (FATCA)

FATCA is United States (US) tax legislation that enables the US Internal Revenue Service (IRS) to identify and collect tax from US residents that invest in assets through non-US entities. If you are a US resident for tax purposes, then you should note that the Trust is or is expected to be a 'Foreign Financial Institution' under FATCA and it intends to comply with its FATCA obligations, as determined by either the FATCA regulations or any inter-governmental agreement (IGA) entered into by Australia and the US for the purposes of implementing FATCA. Under these obligations, the Trust will have to obtain and disclose information about certain Investors to the Australian Taxation Office (ATO).

In order for the Trust to comply with its obligations, we will also request that you provide certain information about yourself, including your US Taxpayer Identification Number (TIN). We will only use such information for this purpose if we are required to do so.

11.9. Ethical considerations, labour standards and environmental impact

Whilst the Responsible Entity and the Manager intend to operate the Trust in an ethical and sound manner, the Trust's investment criteria does not include giving additional weight to labour standards, environmental, social or ethical considerations.

11.10. Cooling-off period

Investors should note that while the Trust is not "liquid" (as that term is defined in the Corporations Act), no cooling-off period applies to applications. It is expected that, normally, the Trust should not be considered "liquid" because of the Trust's investment in real estate.

11.11. Complaints handling

We have a system for dealing with any complaints you may have as an Investor. If you have a complaint, then please contact the Responsible Entity at:

Telephone	+61 8 9321 5566
Email	info@mair.com.au
	Complaints Officer
Post	Level 2, 18-32 Parliament Place,
	WEST PERTH WA 6005

Complaints will be acknowledged as soon as possible and will always be resolved within 45 days. If you remain unhappy, you can contact the independent Financial Ombudsman Service (FOS).

To contact FOS:

Telephone	1800 367 287
Email	info@fos.org.au
Website	www.fos.org.au

Post	Financial Ombudsman Service GPO Box 3 Melbourne VIC 3001

FOS is an independent body and is approved by ASIC to consider complaints. FOS can consider claims of up to $500,000 (or higher if all parties to the dispute and FOS otherwise agree in writing). FOS is only able to make a determination of up to $309,000 per managed investment claim (excluding compensation for costs and interest payments). These monetary limits and the FOS terms of reference do change from time to time. Current details can be obtained from the FOS website listed above. The Responsible Entity is a member of FOS.

11.12. Unit pricing policy

We have a Unit pricing policy for the Trust, which explains how we may exercise any discretion we have under the Constitution when calculating the price of Units.

A copy of the Unit pricing policy is available by calling on 08 9321 5566 during business hours.

11.13. Others' consents

McMahon Clarke has given its written consent to be named in this PDS in the form and context in which it is named and has not withdrawn its consent prior to the date of the PDS.

Huntley Custodians Limited ACN 082 237 241 has given its written consent to be named in this PDS in the form and context in which it is named and has not withdrawn its consent prior to the date of the PDS.

Urbis Valuations Pty Ltd ABN 28 105 273 523 has given its written consent to be named in this PDS in the form and context in which it is named and to the inclusion of report statements in this PDS based on advice provided by them and has not withdrawn its consent prior to the date of the PDS.

Savills Valuations Pty Ltd ABN 73 151 048 056 has given its written consent to be named in this PDS in the form and context in which it is named and to the inclusion of report statements in this PDS based on advice provided by them and has not withdrawn its consent prior to the date of the PDS.

11.14. Valuation policy

Our valuation policy meets the requirements of ASIC Regulatory Guide 46 and provides as follows:

- A valuer must be independent and registered or licensed in the relevant state or territory in which the property is located (where a registration or licensing regime exists), or otherwise be a member of an appropriate professional body in that jurisdiction.
- The procedures to be followed for dealing with any conflicts of interest.
- The valuer must be changed at least every third valuation of a property.
- Each property must be valued by an independent valuer at least once every three years and valued by the Manager annually in the intervening years. Additionally, each property must be valued by an independent valuer – before the property is purchased, on an "as is" basis (provided it is not a development property, which must be valued on as "as is" and "as if complete" basis), and within two months after the directors form a view that there is a likelihood that there has been a material change in the value of the property.

11.15. Updated information

Where there is a change to information which is not materially adverse to Investors, the Responsible Entity may make this updated information available on its website at www.mair.com.au. If you require a paper copy of any updated information, then please call 08 9321 5566 during business hours and it will be provided to you, without charge. The Responsible Entity will make any other changes to information in this PDS by issuing a supplementary product disclosure statement, in which case, this PDS will be taken to include the information and statements contained in the supplementary product disclosure statement.

Section 12 Glossary

Additional Offer Amount	The amount of equity that must be raised from Investors under the Offer to acquire the Sixth Asset is $6,922,750.
Additional Subscription Date	Expected to be 31 August 2017, unless otherwise determined by the Responsible Entity, at its discretion.
AFS License or AFSL	Australian financial services license as defined in the Corporations Act.
Allotment Date	The date Units are issued corresponding to the Minimum Offer Amount is expected to be 23 August 2017. The date Units are issued corresponding to the Additional Offer Amount is expected to be 4 September 2017. The Responsible Entity may change these dates at its discretion.
AML/CTF	Anti-money laundering and counter-terrorism financing.
Applicant	Someone who applies for Units under this PDS.
Application Form	The application for the allotment or transfer of Units offered under this PDS pursuant to a fully completed application form and accompanied by the Application Money for those Units.
Application Money	The money paid by an Applicant for Units.
ARSN	Australian Registered Scheme Number as defined in the Corporations Act.
ASIC	The Australian Securities and Investments Commission.
ASX	The market operated by ASX Limited.
Broadway Medical Centre	The medical centre located on the Fourth Asset.
Business Day	A day on which banks are open for business in Perth, except a Saturday, Sunday or public holiday.
Constitution	The constitution of the Trust dated 23 June 2010, as amended from time to time.
Corporations Act	The Corporations Act 2001 (Cth) for the time being in force together with the regulations.
Custodian	Huntley Custodians Limited ACN 082 237 241 or such other entity as may hold this position in accordance with the Constitution from time to time.
Fifth Asset	The real property asset located at 2-14 Independent Way, Ravenhall, Victoria
First Allotment Date	10 August 2015, being the date the first Units were issued in the Trust.
First Asset	The real property asset located at 42 Northey Road, Lynbrook, Victoria.
Fourth Asset	The real property asset located at 150, Coolamon Boulevard, Ellenbrook, Western Australia.
GST	Goods and Services Tax as defined in A New Tax System (Goods and Services Tax) Act 1999, as amended.
ICR	Interest cover ratio.
Investor	A person who acquires Units.
IRR	Internal rate of return, which is the discount rate that makes the present value of a series of cash flows over a period of time equal to the value of the investment at the start of the measurement period.
Manager	Mair Property Funds Limited ACN 151 957 676.
Minimum Offer Amount	The minimum amount of equity that must be raised from Investors under the Offer is $3,298,990.
Minimum Subscription Date	Expected to be 21 August 2017, unless otherwise determined by the Responsible Entity, at its discretion.
NTA	Net tangible assets of the Trust.
NTA per Unit	The NTA divided by the aggregate number of Units on issue.
Offer	The offer of Units under this PDS.
PDS	This product disclosure statement, including any supplementary product disclosure statement which we may issue.
Property or Properties	The First Asset, Second Asset, Third Asset and Fourth Assets and any additional real property assets acquired by the Trust.
Responsible Entity	Mair Property Securities Ltd ACN 091 623 862, AFSL no. 238386.
Second Asset	The real property asset located at 923 Cockburn Road, Henderson, Western Australia.
Settlement Date	Expected to be — 1. for the Fifth Asset, 9 October 2017, and 2. for the Sixth Asset, 23 October 2017.
Sixth Asset	The real property asset located at 22-24 Salta Drive, Altona North, Victoria.
Third Asset	The real property asset located at 69 Maud Street, Maroochydore, Queensland.
Trust	MPS Diversified Property Trust ARSN 144 797 026.
Unit	An ordinary unit in the Trust representing the Investor's proportionate interest in the assets of the Trust.
WALE	Weighted average lease expiry.

Section 13 How to Invest

Before completing the Application Form you should read this PDS carefully.

Please pay particular attention to all of the risk factors in Section 6 of this PDS. The risks should be considered in light of your own investment situation.

Where appropriate, you should also consult a financial, taxation, or other professional adviser, before deciding whether to invest in the Trust.

13.1. Who can invest?

The Trust is open for investment by Australian individuals, corporations and other entities. The Trust is also suitable for investment by self-managed and complying superannuation funds. An offer to invest in the Trust is not available to Applicants receiving this PDS outside of Australia, unless expressly authorised by us.

Initial applications must be for a minimum investment of $50,000.

Additional applications must be for a minimum investment of $10,000.

Investors must maintain a minimum balance of $50,000 at any time.

The Manager reserves the right to accept or reject any application in whole or in part.

13.2. How to invest

For an application to be considered, you must return your Application Form and pay the Application Money. You can pay the Application Money by returning the Application Form with a cheque for the proposed investment amount or confirmation that the Application Money has been transferred by electronic funds transfer.

Direct deposits should be made to the following bank account: (Preferred)

Account name:	Huntley Custodians Ltd
BSB no:	082-080
Account no:	77 217 0798
Bank:	NAB

Cheques should be either bank cheques, or drawn on an account in the name of the Applicant, and made payable to Huntley Custodians Ltd.

You are requested to provide your Tax File Number (TFN), or exemption code to ensure tax is not deducted from the distributions paid.

We have the sole discretion whether to accept or reject an application. If your application is rejected, wholly or in part, then we will notify you in writing, and arrange for return of the relevant Application Monies to you.

By sending a completed Application Form, you are making an irrevocable offer to become an Investor in the Trust, and you are agreeing to be legally bound by the Constitution and the terms of the PDS. A brief summary of the Constitution is included at Section 11 of this PDS.

13.3. Application Form instructions

Only legal entities are allowed to invest in the Trust. Applications must be in the name(s) of natural person(s), companies or other legal entities acceptable to us. At least one full given name and the surname are required for each natural person. The name of the beneficiary, or any other non-registrable name may be included by way of an account designation, if completed exactly as described in the example of correct forms of registrable title shown below.

The Application Form should be signed by the Applicant. If there are joint Applicants, all Applicants should sign. If signed by the Applicant's attorney, a certified copy of the power of attorney must be attached to the Application Form. If executed by a company, the form must be executed in accordance with the Applicant's constitution and the Corporations Act.

Type of investor	Correct form	Incorrect form
Individual	Mr John David Smith	J D Smith
Company	JDS Pty Ltd	JDS P/L or JDS Co
Trusts	Mr John David Smith <J D Smith Family A/C>	John Smith Family Trust
Deceased estates	Mr Michael Peter Smith <Est Late John Smith A/C>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/unincorporated bodies	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
Superannuation funds	John Smith Pty Limited <J Smith Super Fund A/C>	John Smith Superannuation Fund

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Application Form

Complete this form using black pen and print well within the space in CAPITAL LETTERS. Mark appropriate answer boxes with a (X).

This Application Form relates to the application for Units in the MPS Diversified Property Trust ARSN 144 797 026 (Trust) under the PDS dated 4 August 2017 issued by Mair Property Securities Ltd (ACN 091 623 862, AFSL No. 238386) (MPSL). This Application Form must be accompanied by the PDS when provided to any person.

HOW TO COMPLETE THIS FORM:

Section 1A – Individuals, individual Trustee and sole traders
Section 1B – Joint Applicants and joint individual Trustees
Section 1C – Domestic and foreign companies including corporate Trustees
Section 1D – Trusts and trustees
Section 1E – Settlors of unregulated trusts
Sections 2–7 – All Applicants

1A. APPLICANT DETAILS— Individuals, individual trustees and sole traders

Select one of the following options:

☐ Individual Applicant
☐ Individual trustee (also complete 1D)
☐ Sole trader

Applicant title

☐ Mr ☐ Mrs ☐ Miss ☐ Ms ☐ Other ______

Given name(s) ______

Surname ______

Business name (sole trader) ______

ABN (sole trader) ______

Any other name Applicant is known by ______

ADDRESS DETAILS (This section is mandatory)

Residential address / principal place of business address. (This cannot be a PO Box.)

Street no. & name ______

Suburb ______

State ______ Postcode ______

Country ______

If mailing address is the same as residential address, cross here.

Mailing address (Please complete if different from your residential address. All correspondence will be sent here) ☐

Street no. & name OR PO Box ______

Suburb ______

State ______ Postcode ______

Country ______

PREVIOUS ADDRESS (If less than three years at current address).

Street no. & name ______

Suburb ______

State ______ Postcode ______

Country ______

CONTACT DETAILS (At least one contact number must be provided)

Work phone number ______ Fax number ______

Home phone number ______ Mobile number ______

Email address ______

ADDITIONAL DETAILS (This section is mandatory.)

Date of birth ______ Occupation ______

Are you an Australian resident for tax purposes?

Yes ☐ No ☐ Country of residency (if not Australia): ______

Tax file number OR exemption details including expiry date (if applicable) . ______

(See Sections 10 and 13 of this PDS for the consequences of not providing your TFN or exemption)

1B. APPLICANT DETAILS—
Joint Applicants and joint individual trustees

Select one of the following options:

☐ Joint individual Applicant

☐ Joint individual trustee (also complete 1D)

Joint Applicant title

Mr ☐ Mrs ☐ Miss ☐ Ms ☐ Other ______

Given name(s) ______

Surname ______

Any other name Applicant is known by ______

ADDRESS DETAILS (This section is mandatory)

Residential address. This cannot be a PO Box. (Please note: mailing address will be as per Applicant 1)

Street no. & name ______

Suburb ______

State ______ Postcode ______

Country ______

If mailing address is the same as residential address, cross here. ☐

MAILING ADDRESS: (Please complete if different from your residential address. All correspondence will be sent here)

Street no. & name ______

Suburb ______

State ______ Postcode ______

Country ______

Previous residential address (If less than three years at current address).

Street no. & name ______

Suburb ______

State ______ Postcode ______

Country ______

CONTACT DETAILS (At least one contact number must be provided)

Work phone number ______ Fax number ______

Home phone number ______ Mobile number ______

Email address ______

ADDITIONAL DETAILS (This section is mandatory.)

Date of birth ______ Occupation ______

Are you an Australian resident for tax purposes?

Yes ☐ No ☐ Country of residency (if not Australia): ______

Tax file number OR exemption details including expiry date (if applicable)

______

(See Sections 10 and 13 of this PDS for the consequences of not providing your TFN or exemption)

1C. APPLICANT DETAILS—
Domestic and foreign companies including corporate trustees

Select one of the following options:

☐ Corporate Applicant

☐ Corporate trustee Applicant (also complete 1D)

Company name ______________________________

ABN/ARBN ______________________________

ADDRESS DETAILS (This section is mandatory)

Company registered address (this cannot be a PO Box)

Street no. & name ______________________________

Suburb ______________________________

State ______________________________ Postcode ______________

TFN OR exemption details including expiry date (if applicable)

____

(See Sections 10 and 13 of the PDS for the consequences of not providing your TFN or exemption.)

DIRECTORS (Attach additional pages if necessary.)

Director #1:

☐ Mr ☐ Mrs ☐ Miss ☐ Ms ☐ Other ______________________________

Given name(s) ______________________________

Surname. ______________________________

Date of birth ______________________________

Street no. & name ______________________________

Suburb ______________________________

State ______________________________ Postcode ______________

Director #2:

☐ Mr ☐ Mrs ☐ Miss ☐ Ms ☐ Other ______________________________

Given name(s) ______________________________

Surname. ______________________________

Date of birth ______________________________

Street no. & name ______________________________

Suburb ______________________________

State ______________________________ Postcode ______________

BENEFICIAL OWNERS (Attach additional pages if necessary)

If the Applicant is company that is an Australian proprietary company or a foreign private company which is not regulated, please provide details of each beneficial owner.

A beneficial owner is an individual who ultimately owns 25 percent or more of the Applicant's issued share capital, or controls (directly or indirectly) the Applicant, including control as a result of, or by means of, trusts, agreements, arrangements, understandings and practices, whether or not having legal or equitable force, and control through the capacity to determine decisions about financial and operating policies of the Applicant.

Beneficial Owner #1:

☐ Mr ☐ Mrs ☐ Miss ☐ Ms ☐ Other__________

Given name(s) __________

Surname.__________

Date of birth__________

Street no. & name __________

Suburb __________

State __________ Postcode __________

Beneficial Owner #2:

☐ Mr ☐ Mrs ☐ Miss ☐ Ms ☐ Other__________

Given name(s) __________

Surname.__________

Date of birth__________

Street no. & name __________

Suburb __________

State __________ Postcode __________

1D. APPLICANT DETAILS—Trusts

Trustee name__________

Trust name __________

TFN OR Exemption Details including Expiry Date (if applicable)__________

(See Sections 10 and 13 of the PDS for the consequences of not providing your TFN or exemption.)

TRUST BENEFICIARIES (Attach additional pages if necessary)

Beneficial Owner #1:

☐ Mr ☐ Mrs ☐ Miss ☐ Ms ☐ Other__________

Given name(s) __________

Surname.__________

Beneficial Owner #2:

☐ Mr ☐ Mrs ☐ Miss ☐ Ms ☐ Other__________

Given name(s) __________

Surname.__________

1E. APPLICANT DETAILS—Settlors of unregulated trusts

If the Applicant is a trust that is not a regulated trust (e.g., a self-managed superannuation fund), a government superannuation fund or a foreign superannuation fund, then please complete the following:

☐ The material asset contribution to the trust by the settlor at the time the trust was established was less than $10,000.00.

☐ The settlor of the trust is deceased.

☐ Neither of the above are correct—please provide the full name of the settlor of the trust__________

2. POLITICALLY EXPOSED PERSONS (PEP)— To be completed by all persons

Are any of the Applicants/directors of an Applicant/beneficial owner a PEP?

Yes ☐ If yes, please provide description of PEP's position:

____

No ☐ Go to “Section 3”

Note: To comply with Anti-Money Laundering and Counter-Terrorism Financing laws, the Responsible Entity requires you to disclose whether you are, or have an association with, a Politically Exposed Person (‘PEP’). A PEP is an individual who holds a prominent public position or function in a government body or an international organisation in Australia or overseas, such as a Head of State, or Head of a Country or Government, or a Government Minister, or equivalent senior politician. A PEP can also be an immediate family member of a person referred to above, including spouse, de facto partner, child, and a child’s spouse or a parent. A close associate of a PEP, i.e. any individual who is known to have joint beneficial ownership of a legal arrangement or entity is also considered to be a PEP. Where you identify as, or have an association with, a PEP, the Responsible Entity may request additional information from you.

3. TAX FILE NUMBER (To be read by all Applicants)

It is not compulsory to quote a TFN, and it is not an offence if you decline to provide it. However, if you do not quote a TFN or an exemption, your income distributions will be taxed at the highest marginal rate plus the Medicare Levy.

You can provide your TFN on this Application Form when making your initial investment in the Trust, or by advising the Responsible Entity in writing. Collection of TFNs is authorised by tax laws and the Privacy Act 1988 (Cth). For more information about the use of TFNs, please phone your nearest tax office.

4. INVESTMENT DETAILS

Please specify the amount you wish to invest.

$50,000 minimum initial investment, then in increments of $10,000 (unless otherwise agreed by the Manager).

MPS Diversified Property Trust – Total amount to invest: $______________________________

Total Number of Units ($1.02 per unit):______________________________

Direct deposits should be made to the following bank account: (Preferred)

Account name: Huntley Custodians Ltd

BSB: 082-080

Account no.: 77 217 0798

Bank: NAB

Note: Cash is not accepted. Cheques should be payable to:

Huntley Custodians Limited

All cheques should be crossed “Not Negotiable’ and must be in Australian currency.

BANK ACCOUNT DETAILS FOR DISTRIBUTION & OTHER PAYMENTS

You must complete this section to receive your distribution payments. If you do not complete this section, your distributions will be held by us until valid Australian bank account details are provided.

The bank account nominated below must be in the name of the Applicant/s and held with an Australian branch of an Australian bank or any other financial institution.

Name of bank or financial institution:______________________________

Branch name:______________________________

BSB number:______________________________ Account number:______________________________

Account name______________________________

5. FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA) - To be completed by all applicants

Individual

Are you a US citizen or resident for foreign tax purposes? Yes ☐ No ☐

If yes, please contact Mair Property Funds Ltd (08) 9321 5566

6. DECLARATION AND SIGNATURE

This application contains information about investing in the Trust and which should be read before applying for Units.

I/We have read and agree to be bound by the PDS (including any supplementary Product Disclosure Statement), and the constitution of the Trust in which I/we invest. I/We acknowledge that investments in the Trust are not deposits with or other liabilities of the Responsible Entity and are subject to investment risk, including possible delays in repayment and loss of income or principal invested.

I/We further acknowledge that the Responsible Entity and the Manager do not guarantee the performance of the Trust, nor do they guarantee the repayment of capital from the Trust, or any particular rate of return.

I/We declare I/we have legal power to invest in the Trust and all details provided in this Application Form are true and correct.

I/We being the potential holders of Units in the Trust hereby appoint the advisor whose details appear in section 8 of this Application Form (if any). I/We acknowledge that the Responsible Entity may supply my/our adviser with information about my/our account unless I/we instruct the Responsible Entity not to do so.

I/We understand that the Responsible Entity is required to comply with anti-money laundering legislation and I/we agree to provide to the Responsible Entity any additional information or documentation it requests from time to time to ensure compliance with that legislation. I/We understand that if I/we refuse to provide any additional information or documentation requested, or if the Responsible Entity believes it is required to take action under any laws relating to anti-money laundering or counter-terrorism financing, the Responsible Entity may take any action it considers appropriate and will not be liable for any resulting losses.

I/We undertake that I/we will not knowingly do anything to put the Responsible Entity in breach of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth), rules and other subordinate instruments (AML/CTF Laws). I/We undertake to notify the Responsible Entity if I am/we are aware of anything that would put the Responsible Entity in breach of AML/CTF Laws.

If requested I/we undertake to provide additional information and assistance and comply with all reasonable requests to facilitate the Responsible Entity's compliance with AML/CTF Laws in Australia or an equivalent overseas jurisdiction.

I/We undertake that I am/we are not aware and have no reason to suspect that:

- money used to fund the investment is derived from or related to money laundering, terrorism financing or similar activities (Illegal Activities); and
- proceeds of investment made in connection with this product will fund Illegal Activities.

(If Applicant is applying for this Offer on behalf of a superannuation fund): We further declare that we are a complying fund under the Superannuation Industry (Supervision) Act 1993, and that our investment into the Trust is within the investment policy of our fund.

In certain circumstances, the Responsible Entity may be obliged to freeze or block an account where it is used in connection with Illegal Activities. Freezing or blocking can arise as a result of the account monitoring that is required by AML/CTF Laws.

If this occurs, the Responsible Entity is not liable to me/us for any consequences or losses whatsoever and I/we agree to indemnify the Responsible Entity if we are found liable to a third party in connection with the freezing or blocking of my/our account.

The Responsible Entity retains the right not to provide services or issue products to any Applicant that the Responsible Entity decides, in its sole discretion, that it does not wish to supply.

Please read the PDS in its entirety before signing this form.

Note: company accounts usually require two signatories

Authorisation of Applicant A or company officer

____

Date_______/__________/__________

Name:____

☐ If a company officer, you must specify your corporate title

Director ☐ Sole director and sole secretary ☐ Trustee ☐

Other:____

Authorisation of Applicant B or company officer

____

Date_______/__________/__________

Name:____

☐ If a company officer, you must specify your corporate title

Director ☐ Sole director and sole secretary ☐ Trustee ☐

Other:____

7. VERIFICATION DOCUMENTS

Please provide us with requested identification information with your completed application form.

Individual

Please complete full name, date of birth and residential address on application form and provide a current original or certified copy of one of the verification documents from A or two verification documents from B as directed.

A

- ☐ An Australian driver's licence containing a photograph of the person.
- ☐ An Australian passport.
- ☐ An identification card issued by a state or territory that contains the date of birth and a photograph of the card holder.
- ☐ A foreign government, United Nations or United Nations agency issued passport or similar travel document containing a photograph and signature of the person. Where the document is not in English, it must be accompanied by an English translation prepared by an accredited translator.

B **A current original or certified copy of one of the following:**

- ☐ An Australian birth certificate.
- ☐ An Australian citizenship certificate.
- ☐ A pension card or health card issued by Centrelink.
- ☐ A foreign driver's licence that contains a photograph of the person. Where the document is not in English, it must be accompanied by an English translation prepared by an accredited translator.
- ☐ A citizenship certificate issued by a foreign government. Where the document is not in English, it must be accompanied by an English translation prepared by an accredited translator.
- ☐ A birth certificate issued by a foreign government, United Nations or United Nations agency. Where the document is not in English, it must be accompanied by an English translation prepared by an accredited translator.

PLUS one of the following:

An original notice that contains the name and residential address of the person and is:

- ☐ Issued by the Commonwealth or a state or territory within the preceding 12 months that records the provision of financial benefits.
- ☐ Issued by the Australian Taxation Office within the preceding 12 months and records a debt payable to or by the person by or to the Commonwealth.
- ☐ Issued by a local government body or utilities provider within the preceding 3 months that records the provision of services to that address or to that person.

Individual acting in the capacity of a Sole Trader

Please complete full name, date of birth, residential address, full business name (if any) and principal place of business (if any) on the application form and provide:

- ☐ Current or certified copy of a business name search.
- ☐ Verification documents required for an individual (listed above).

Partnership

Please complete full name, date of birth and residential address on application form and provide:

A current certified copy of one of the following:

- ☐ A current partnership agreement.
- ☐ Minutes of a partnership meeting.

Either copy must include:

- the full name of the partnership
- the full business name (if any) of the partnership, as registered under any state or territory business name legislation
- the country in which the partnership was established
- the full name and residential address of each partner.

AND

☐ Verification documents required for an individual for at least one partner (listed above).

Company

Please complete full company name, ACN and registered office on the application form and provide:

☐ A current or certified copy of a search of ASIC databases or the appropriate foreign registration body for foreign companies showing:

- the full name of the company
- the ACN
- the registered office address
- the principal place of business
- the names of each director (only if a proprietary company)
- the names and address of each director (only provide if a proprietary company that is not licensed and is not subject to regulation).

Trustee

1 For all trusts (including self-managed super funds/wrap trusts/master trusts/IDPS) please provide the original trust deed or a certified copy or certified extract of the trust deed confirming:

☐ Full name of trust.

☐ Type of trust.

☐ Country where trust was established.

☐ Name of each beneficiary or class of beneficiary. If the trust is a unit trust you will need to provide a certified extract of the trust register to confirm the name of each beneficiary.

If the trustee is an individual, please also provide documentation required for individuals (listed on page 1).

If the trustee is a company, please also provide documentation required for companies (listed above).

2 For a registered managed scheme or government superannuation fund:

☐ ASIC search confirming the registration of the managed investment scheme.

☐ Name of each beneficiary or class of beneficiary. If the trust is a unit trust you will need to provide a certified extract of the trust register to confirm the name of each beneficiary.

APPLICANT CHECKLIST

Before you submit your Application Form you should have:

Item – (Please check box when completed)	
Completed Part 1 – Applicant Details	☐
Completed Part 3 – Politically Exposed Persons	☐
Completed Part 4 – Investment Details	☐
Completed Part 5 – FATCA	☐
Completed Part 6 – Investor Communications	☐
Completed Part 7 – Declaration and Signature	☐
Completed and enclosed the relevant Verification Documents (if applicable)	☐
Important Notices: If you have a financial adviser, you should have provided the required documentation to your financial adviser to enable them to conduct the applicable identification and verification procedure.	

If you have any questions, please contact us on

Mair Property Securities Ltd
Level 2, 18-32 Parliament Place,
WEST PERTH WA 6005

Phone: (08) 9321 5566 Facsimile: (08) 9321 8413 Email: info@mair.com.au Website: www.mair.com.au

8. ACCOUNTANT DETAILS

Accountant's Name: ______________________________

Organisation: ______________________________

Email: ______________________________

9. ADVISER DETAILS

THIS PART IS FOR FINANCIAL ADVISER USE ONLY

Financial adviser name

____

____

AFSL holder

____

____

Adviser company name

____

____

AFSL No.

____

Adviser postal address

____

____

Adviser Contact Phone Number:

Adviser Email Address:

FINANCIAL ADVISER DECLARATION – AML/CTF LAWS VERIFICATION RECORDS AND CUSTOMER IDENTIFICATION PROCEDURES

Please complete and enclose a copy of the Verification Documents in relation to the Applicant referred to in this Application Form.

By crossing this box and submitting the Verification Documents with this Application Form, the financial adviser represents to the Responsible Entity that they:

1. have followed the applicable guidelines and laws with respect to the AML/CTF Laws;
2. will make available to the Responsible Entity, on request, original verification and identification records obtained by the financial adviser in respect of the Applicant, being those records referred to in the Verification Documents;
3. will provide details of the customer identification procedures adopted by the financial adviser in relation to the Applicant;
4. have kept a record of the Applicant's identification and verification and will retain these on file for a period of seven years after their relationship with the Applicant has ended;
5. will use reasonable efforts to obtain additional information from the Applicant if the Responsible Entity requests the financial adviser to do so;
6. will not knowingly do anything to put the Responsible Entity in breach of AML/CTF Laws; and
7. will notify the Responsible Entity immediately if they become aware of anything that would put the Responsible Entity in breach of AML/CTF Laws.

SPECIAL INSTRUCTIONS

Sign here

Date / /

Authorised representative number

Adviser stamp

By stamping this Application Form, you are confirming that you hold a current

AFSL and are authorised to advise on managed investments.

Directory

Responsible Entity

Mair Property Securities Ltd
ACN 091 623 862
AFS licence no. 238386
Level 2, 18-32 Parliament Place WEST PERTH WA 6005
Phone : 08 9321 5566
Facsimile : 08 9321 8413
Website : www.mair.com.au
Email : info@mair.com.au

Manager

Mair Property Funds Limited
ACN 151 957 676
Level 2, 18-32 Parliament Place WEST PERTH WA 6005
Phone : 08 9321 5566
Facsimile : 08 9321 8413
Website : www.mair.com.au
Email : info@mair.com.au

Custodian

Huntley Custodians Limited
ACN 082 237 241
Level 13, 37 Bligh Street SYDNEY NSW 2000
Phone : 02 9233 5444
Facsimile : 02 9233 3119
Website : www.huntleygroup.com.au
Email : sydney@huntleygroup.com.au

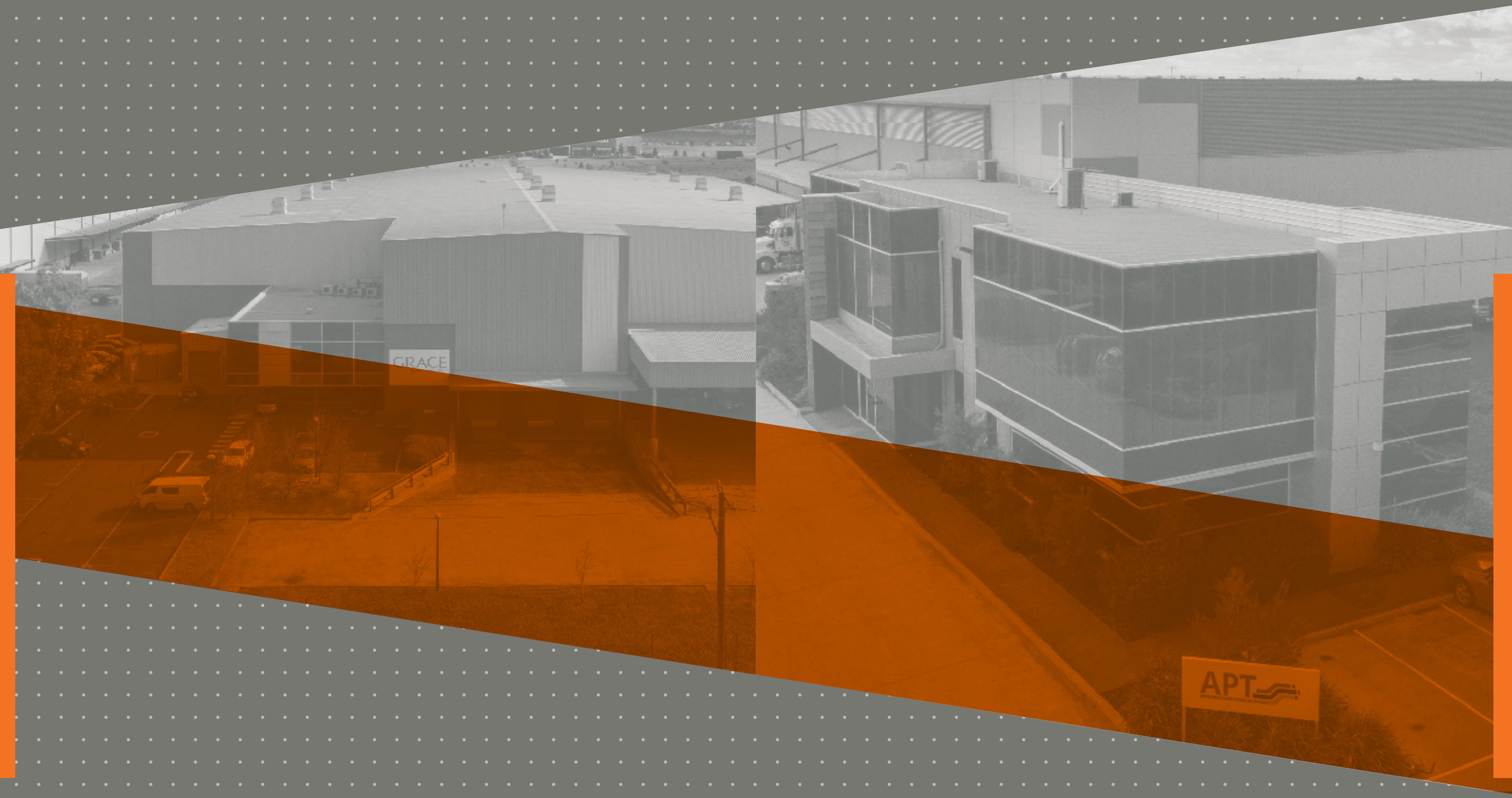
Legal Adviser

McMahon Clarke
62 Charlotte Street BRISBANE QLD 4000
Website : www.mcmahonclarke.com

Valuers

Fifth Asset:
Urbis Valuations Pty Ltd
Level 12, 120 Collins Street, MELBOURNE VIC 3000
Phone: (03) 8663 4888
Website : www.urbis.com.au

Sixth Asset:
Savills Valuations Pty Ltd
Level 48, 80 Collins Street, MELBOURNE VIC 3000
Phone: (03) 8686 8000
Website : www.savills.com.au



MAIR

PROPERTY FUNDS

Mair Property Funds Limited ACN 151 957 676 Level 2, 18-32 Parliament Place WEST PERTH WA 6005

Phone: (08) 9321 5566 Facsimile: (08) 9321 8413 Website: www.mair.com.au