



CROMWELL RIVERPARK TRUST

ARSN 135 002 336

Notice of Meeting and
Explanatory Memorandum



Cromwell

Issued by Cromwell Funds Management Limited
ABN 63 114 782 777
AFSL No. 333214
as responsible entity for the Cromwell Riverpark Trust
ARSN 135 002 336.

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Important Notice

Date This Explanatory Memorandum is dated 20 May 2016.

Purpose This Explanatory Memorandum is issued by Cromwell Funds Management Limited (ABN 63 114 782 777, AFSL No. 333214) ("CFM", "we", "us" or "our") and provides Unitholders of the Cromwell Riverpark Trust (ARSN 135 002 336) ("Trust" or "CRT") with an explanation of, and information about, the Rollover Proposal.

No personal investment or tax advice This Explanatory Memorandum does not contain personal financial product advice or tax advice and has been prepared without reference to your investment objectives, financial situation, tax position or particular needs, or those of any other person.

It is important that you read the entire Explanatory Memorandum and consider your own objectives, financial situation, tax position and needs before deciding how to vote on the Resolutions. If you are in any doubt in relation to these matters, you should contact your financial, legal, tax or other professional adviser.

Forward looking statements Certain statements in this Explanatory Memorandum relate to the future. The forward-looking statements in this Explanatory Memorandum are not based on historical facts, but reflect the current expectations of CFM. These statements generally may be identified by the use of forward-looking words or phrases such as 'believe', 'aim', 'expect', 'anticipated', 'intending', 'foreseeing', 'likely', 'should', 'planned', 'may', 'estimate', 'potential', and other similar words and phrases. Statements that describe the Trust's objectives, plans, goals or expectations are or may be forward-looking statements.

These forward-looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performance or achievements of the Trust to be materially different from future results, performance or achievements expressed or implied by such statements. The forward-looking statements are based on numerous assumptions regarding present and future operating strategies and the environment in which the Trust will operate in future. The financial assumptions described in Section 8 could affect future results of the Trust, causing these results to differ materially from those expressed or implied in any forward-looking statements. These factors are not a complete list of all of the important factors that could cause actual results to differ materially from those expressed in any forward-looking statement. Other unknown factors could also have a material adverse effect on future results of the Trust. Forward-looking statements should, therefore, be construed in light of these assumptions and undue reliance should not be placed on forward-looking statements.

The historical financial performance of the Trust is no assurance or indicator of the future financial performance of the Trust (whether or not the Further Term is implemented). Neither CFM nor Cromwell guarantees any particular rate of return or the performance of the Trust, or the repayment of capital from the Trust or any particular tax treatment.

All subsequent written and oral forward-looking statements attributable to CFM or any person acting on their behalf are qualified by this cautionary statement. Other than to the extent required by law, neither CFM or Cromwell, and none of their directors or any other person gives any representation, assurance, warranty (whether express or implied) or guarantee that the accuracy, likelihood or occurrence of the events or results expressed or implied in any forward-looking statements in this Explanatory Memorandum will actually occur.

The forward-looking statements in this Explanatory Memorandum reflect views held only at the date of this Explanatory Memorandum. Subject to any continuing obligations under the Corporations Act, and except as otherwise set out in this Explanatory Memorandum, CFM, Cromwell and their respective directors disclaim any obligation or undertaking to distribute after the date of this Explanatory Memorandum any updates or revisions to any forward-looking statements to reflect any change in expectations or any change in events, conditions or circumstances on which any such statement is based.

An investment in the Trust is subject to investment and other risks, including possible delays in repayment and loss of income and capital invested. CFM does not give any guarantee or assurance as to the performance of the Trust or the repayment of capital. Investments in the Trust are not investments in, or deposits or other liabilities of, CFM or Cromwell. Neither CFM nor Cromwell is an authorised deposit-taking institution.

Privacy and personal information CFM may need to collect and share personal information for the primary purpose of assisting CFM to conduct the meeting and implement the Rollover Proposal if the Resolutions are approved. Such personal information may include the names, dates of birth, addresses, other contact details, bank account details and details of the holdings of Unitholders, and the names of persons they have appointed to act as a proxy, body corporate representative or attorney at the Meeting.

The personal information may be disclosed to the registry of the Trust, related bodies corporate of CFM, third party service providers (including print and mail service providers), professional advisers and regulatory authorities where disclosure is required or allowed by law or where the individual has consented. Personal information may also be used to call Unitholders in relation to voting at the Meeting.

Unitholders who are individuals, and the other individuals in respect of whom personal information is collected as outlined above, have certain rights to access and correct the personal information collected in relation to them, and may contact Cromwell Investor Services on 1300 276 693 if they wish to exercise those rights.

Disclaimer CFM has prepared, and is responsible for, the information set out in this Explanatory Memorandum.

Whilst every effort is made to prepare accurate and complete information (any of which may change without notice), this Explanatory Memorandum has been prepared in good faith and no member of Cromwell nor its directors, officers, employees or advisers make any representation or warranty, express or implied, as to the adequacy, accuracy, reasonableness, reliability or completeness of any statement herein. To the maximum extent permitted by law, each member of Cromwell and its directors, officers, employees and advisers expressly disclaim all or any liability which may arise out of the provision to, or use by, any person, of the information contained in or omitted from this Explanatory Memorandum.

Defined Terms Capitalised terms used in this Explanatory Memorandum are defined in Section 13, on page 46.

Currency Unless stated otherwise, references to dollars, \$ or cents are to Australian currency.

Time Unless stated otherwise, references to time are to Brisbane time.

Further information If you have any questions about the proposal contained in this Explanatory Memorandum, please read Section 5 and, if your question is not answered there, contact Cromwell Investor Services either by phone on 1300 276 693 within Australia or +61 7 3225 7777 outside Australia, email invest@cromwell.com.au or visit CRT's website at www.cromwell.com.au/CRTvote. CFM may also be contacted at GPO Box 1093, Brisbane QLD 4001.

WHY THE MEETING?

The purpose of the Meeting is to consider the Rollover Proposal and vote on the Resolutions required to implement this proposal, which is explained in detail in this Explanatory Memorandum.

The meeting will be held at:

Place: Cromwell Property Group,
Level 19,
200 Mary Street,
Brisbane, Queensland

Date: Thursday, 7 July 2016

Meeting registration: 12.30pm

Meeting commences: 1pm

Why the vote?

The Cromwell Riverpark Trust (the Trust) will reach the end of its initial seven year term in July 2016 and Unitholders are asked to have their say about the future of the Trust.

The Trust has nearly 2,000 Unitholders and the largest Eligible Unitholder represents less than 0.6% of the total Units on issue. With such a widely held investment, every vote counts in reaching a bona fide outcome.

Proxy Forms must be received by 1pm on Tuesday, 5 July 2016.

How do I vote?

SEND YOUR PROXY FORM

Complete and return a Proxy Form by fax, email or post.

SUBMIT YOUR PROXY FORM ONLINE

www.cromwell.com.au/CRTvote

You will need:

- the eight (8) digit Voting Access Code (VAC); and
- the postcode of your registered holding.

ATTEND THE MEETING

You can vote at the Meeting, or you can elect a proxy to attend on your behalf (your attorney, or in the case of a body corporate, a body corporate representative).

Full details of how to vote are on page 47 in Annexure A of this document.

Get advice

This is an important document and requires your immediate attention. You should read this document in its entirety before deciding how to vote and, if necessary, consult your investment, tax, legal or other professional adviser.

We are here to help

Please contact Cromwell Investor Services on 1300 276 693 or invest@cromwell.com.au if you have any questions.





Paul Weightman, Executive Chairman

1. Chairman's letter

Friday, 20 May 2016

Dear Unitholder

This Explanatory Memorandum relates to your investment in the Cromwell Riverpark Trust (the Trust) which is approaching the end of its initial term. Your vote is now required to decide the future of the Trust.

In 2009, Cromwell Funds Management (CFM) successfully raised \$91 million from you and other investors to purchase Energex House (the Property) for the Trust. The Property is 92% leased to a Queensland government owned corporation, Energex Limited, and there are over nine years remaining on this lease (as at 30 June 2016).

As an investment, the Trust has been one of Cromwell's most successful, with monthly distributions increasing from 8.25 cents per Unit per annum in the first year to 9.75 cents per Unit per annum today. The value of the Property has also steadily increased as reflected in the Matching Price of \$1.49 which includes estimated selling costs, as detailed in Section 5.3.

As the Trust's maturity date approaches, CFM is calling a meeting of Unitholders to vote on the Resolutions required to implement the Rollover Proposal, which includes a proposal to extend the term of the Trust.

The Rollover Proposal

The key terms of the Rollover Proposal are as follows:

1. Extend the term of the Trust for five years to 8 July 2021 (Further Term). Any sale of the Property during the first three years of the Further Term will require approval of Unitholders by Extraordinary Resolution. Any sale after the first three years will not require approval by Unitholders provided the sale price is higher than the last independent valuation.
2. Provide Unitholders with a Matching Facility which should give them the ability to either:
 - (a) acquire more Units at the Matching Price of \$1.49; or
 - (b) sell some or all of their Units at the Matching Price.

The ability to buy and sell Units will be subject to availability in each case, as detailed in Section 5.3. The Matching Facility will be supported by a binding commitment from the Cromwell Direct Property Fund (DPF) to purchase at least 20% of the issued Units from selling Unitholders through the Matching Facility. This will provide those Unitholders who wish to sell some or all of their Units with some certainty that they will likely be matched to a buyer.

3. Amend the Constitution to:
 - (a) Allow CFM to charge an interim Performance Fee at the end of the initial Term, and the end of any further terms, rather than only on the sale of the Property. This change would allow CFM to take a Performance Fee at interim periods when either the Trust's term is extended or the Property is sold.
 - (b) Introduce provisions to give CFM the power to give full effect to the Matching Facility (including Unitholders appointing CFM as their agent and attorney for the purpose of implementing the Matching Facility).

If the Rollover Proposal is approved, the term of the Trust will be extended, the Matching Facility will proceed and the Constitution will be amended.

If the Rollover Proposal is not approved, the Property will be sold on-market and the Trust will be wound up.

More detail about each of these consequences is outlined in this Explanatory Memorandum which we ask you to read carefully in full.

Summary of your options

a)	Vote FOR to retain your current investment in the Trust. Continue to receive monthly distributions for the Further Term.
b)	Vote FOR and apply to buy additional Units at the Matching Price by completing the enclosed yellow Buy Form. Continue to receive monthly distributions for the Further Term.
c)	Vote FOR and apply to sell some or all of your Units at the Matching Price by completing the enclosed blue Sell Form. Continue to receive monthly distributions for the Further Term on the Units you do not sell.
d)	Vote AGAINST to receive your share of the sale proceeds when the Property is sold on-market and the Trust wound up. Please note that this process may take 12 to 18 months to fully complete.

Directors' Recommendation

The Directors of CFM have carefully considered the advantages and disadvantages of the Rollover Proposal. The Directors are not recommending how Unitholders vote, as this is subject to individual circumstances. As such, CFM is presenting the Unitholders with the opportunity to vote on the Resolutions required to implement the Rollover Proposal.

What you need to do

1. Carefully read this Explanatory Memorandum and associated material in full. If appropriate to your needs, you should also obtain independent financial or other professional advice before making your decision about how to vote.
2. Vote on the Resolutions.
3. Make your election to either:
 - a. Retain your current Unitholding in the Trust;
 - b. Apply to purchase further Units (subject to availability) by completing and returning the enclosed yellow Buy Form to CFM by 1pm on Thursday, 7 July 2016.
 - c. Apply to sell some or all of your Units (subject to availability) by completing and returning the enclosed blue Sell Form to CFM by 1pm on Thursday, 7 July 2016.

Further information

If you have any questions in relation to the Explanatory Memorandum, you can contact Cromwell Investor Services on 1300 276 693.

Yours faithfully



Paul Weightman, Chairman
Cromwell Funds Management Limited

WHAT YOU NEED TO DO

This Explanatory Memorandum sets out information relating to the meeting of Unitholders to be held at **1pm on Thursday 7 July 2016** at Cromwell Property Group, Level 19, 200 Mary Street, Brisbane, Qld 4000 to consider the Rollover Proposal, and includes the Notice of Meeting at Annexure A on page 47.

1

Carefully read this Explanatory Memorandum

The information contained in this Explanatory Memorandum and the Notice of Meeting is important. You should read this document carefully.

Section 3 – Key information, Section 4 – About the Property and Section 5 – Details of the Rollover Proposal may help answer some of your questions and are important in making your decision about how to vote.

If you have any doubts about which action to take, you should seek your own independent financial, legal, tax or other professional advice before deciding how to vote at the Meeting.

2

Vote on the Rollover Proposal

If you are a Unitholder on the Register at 5pm on Wednesday, 18 May 2016 you are entitled to vote on the Resolutions to approve the Rollover Proposal (unless you are subject to the voting exclusions listed in the Notice of Meeting in Annexure A).

YOU CAN VOTE

- by proxy, by completing and returning a Proxy Form by fax/post, email, smart phone or online at www.cromwell.com.au/CRTvote. Proxy Forms must be received by 1pm on Tuesday, 5 July 2016; or
- in person, by attending the Meeting (or having your attorney, or in the case of a body corporate, a body corporate representative attend) to be held at Cromwell Property Group, Level 19, 200 Mary Street, Brisbane on Thursday, 7 July 2016 commencing at 1pm.

For details on how to complete and lodge the Proxy Form, please refer to the instructions on your Proxy Form or the online instructions at www.cromwell.com.au/CRTvote.

For details on having your attorney or corporate representative attend the Meeting, please refer to the Proxy Form attached.

3

Make your election

As part of the Rollover Proposal, Unitholders have the opportunity to elect to either:

1. remain in the Trust in full;
2. acquire further Units (subject to availability);
3. exit the Trust in part (by selling some of their Units, subject to availability); and/or
4. exit the Trust in full (by selling all of their Units, subject to availability).

If you want to remain in the Trust in full without acquiring additional Units, then you do not need to do anything further besides vote on the Resolutions.

If you want to acquire additional Units, then you should complete the **yellow Buy Form** and return it to CFM by 1pm on Thursday, 7 July 2016, along with the monies necessary to purchase those additional Units. Method for payment is detailed on the **yellow Buy Form**.

If you want to exit the Trust and sell some or all of your Units, then you need to complete the enclosed **blue Sell Form**.

For further information on how to complete and lodge the Buy Form and the Sell Form, please refer to Section 5.3 – Details of Matching Facility on page 12. The Notice of Meeting in Annexure A also provides further information about the process.

Please note: the Resolutions are inter-conditional and require both to be approved by the required majority in order to proceed with the Rollover Proposal.

Resolution 1 to extend the Trust Term for a further five years requires an Extraordinary Resolution, being a resolution passed by at least 50% of the total votes that may be cast by Unitholders entitled to vote on the resolution (including Unitholders who are not present in person or by proxy).

Resolution 2 to amend the Constitution is a Special Resolution which requires at least 75% of the votes cast by Unitholders entitled to vote, to be in favour.

Given the high voting threshold and the inter-conditional resolutions, it is important to cast your vote on both Resolutions if you wish to have the Trust term extended, or to participate in the Matching Facility.

2. Key dates and terms

2.1 Key dates¹

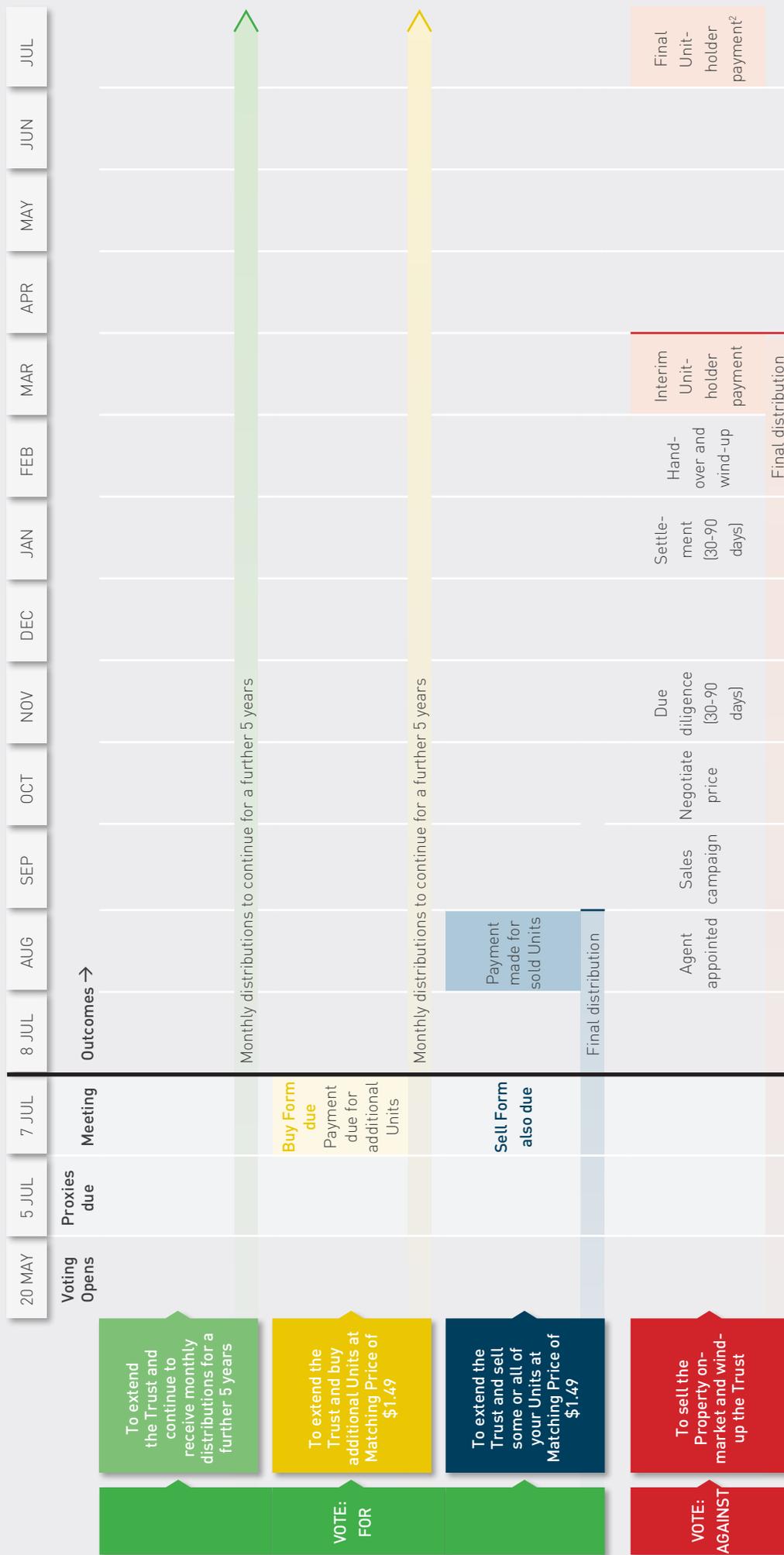
Event	Date
Notice of Meeting and Explanatory Memorandum sent to Unitholders	Friday, 20 May 2016
Last date and time for receipt of Proxy Forms	1pm, Tuesday, 5 July 2016
Last date and time to lodge the Buy Form and the Sell Form with accompanying funds to apply to purchase/sell Units	1pm, Thursday, 7 July 2016
Meeting of Unitholders	1pm, Thursday, 7 July 2016
Announcement of voting result on www.cromwell.com.au/CRTvote	5pm, Friday, 8 July 2016
The Further Term commences	Saturday, 9 July 2016
Allocations for buying Unitholders determined / potential scale-back for selling Unitholders determined	Monday, 11 July 2016 – Friday, 15 July 2016
Settlement date / Transfer Date of Units	Monday, 1 August 2016
Distribution payment for July 2016	Wednesday, 10 August 2016

¹ All dates following the date of the Meeting are indicative only and are subject to satisfaction of the conditions precedent to the implementation of the Rollover Proposal (see Section 5 on page 12). CFM reserves the right to vary these dates without prior notice. Any changes to the above timetable will be announced at www.cromwell.com.au/CRTvote.

2.2 Key terms

Term	Meaning
Cromwell or Cromwell Property Group	means Cromwell Property Group comprising Cromwell Corporation Limited (ABN 44 001 056 980) and Cromwell Diversified Property Trust (ARSN 102 982 598) the responsible entity of which is Cromwell Property Securities Limited (ABN 11 079 147 809, AFSL No. 238052).
DPF	means the Cromwell Direct Property Fund (ARSN 165 011 905), the responsible entity of which is CFM.
Further Term	means the proposed extension of the Trust's term for five (5) years until 8 July 2021, unless there is an earlier sale of the Property after three (3) years without an Extraordinary Resolution.
Matching Facility	means the opportunity provided for Unitholders wanting to exit to sell Units, and Unitholders wanting to buy Units (both subject to sufficient availability), that is being offered to Unitholders only if the Resolutions are approved. See Chairman's letter, Key information or Section 5 for further details.
Matching Price	means \$1.49 per Unit.
Trust	means the Cromwell Riverpark Trust (ARSN 135 002 336).
Units	means fully paid ordinary units issued in the Trust.

4 Potential Outcomes for Investors¹



¹ All dates following the date of the Meeting are indicative only and are subject to satisfaction of the conditions precedent to the implementation of the Rollover Proposal (see Section 5). CFM reserves the right to vary these dates without prior notice. All dates in relation to the sale of the Property are estimated only, and are subject to a range of factors, including prevailing market conditions at the time.

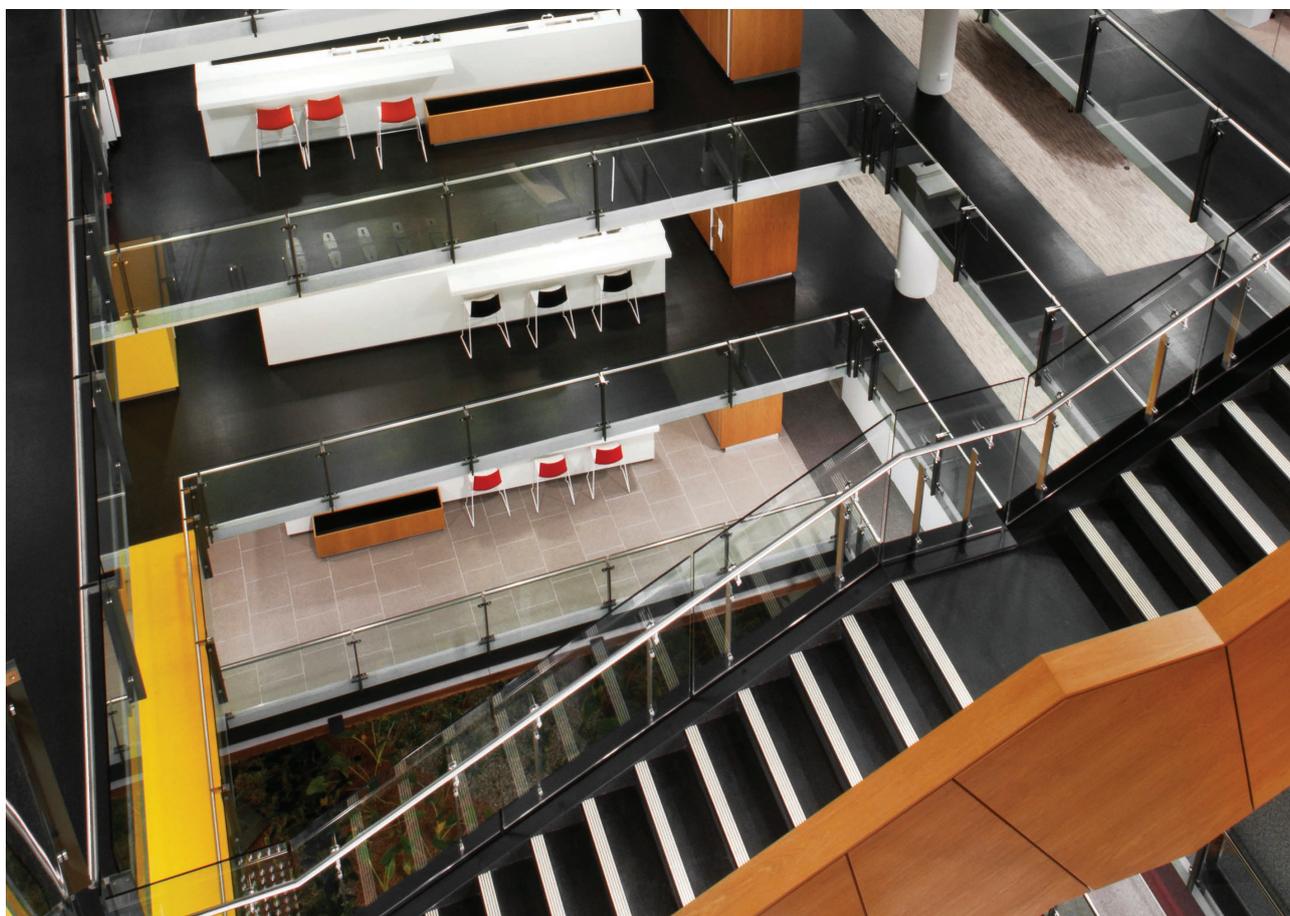
² If the Resolutions are not passed and the Property is sold, the majority of the sale proceeds following settlement will be paid to Unitholders as an interim payment. The balance of the sale proceeds will be paid to Unitholders as a final payment after the procedural steps and filings required to wind-up the Trust have been finalised.

3. Key information

What is the Rollover Proposal?

The Rollover Proposal is:

1. To extend the initial Term of the Trust for the Further Term of five years. If the Resolutions are approved, then the Trust will expire on 8 July 2021. However, CFM will have the discretion to sell the Property after three years (i.e., after 9 July 2019) if it considers the sale to be in the Unitholders' best interests and the sale price is higher than the most recent independent valuation of the Property at the time of sale. The Property cannot be sold within three years of the commencement of the Further Term without the approval of Unitholders by Extraordinary Resolution.
2. To introduce the Matching Facility, which will provide Unitholders with the ability to either:
 - (a) acquire more Units at the Matching Price; or
 - (b) sell some or all of their Units at the Matching Price.The ability to buy and sell Units will be subject to availability in each case. The Matching Facility will be supported by a binding commitment from the Cromwell Direct Property Fund (DPF) to purchase at least 20% of the issued Units (as at the Record Date) from selling Unitholders through the Matching Facility. This will provide those Unitholders who want to sell some or all of their Units with some certainty that they will likely be matched to a buyer.
3. Amend the Constitution to:
 - (a) Allow CFM to charge an interim Performance Fee at the end of the initial Term, and at the end of any further terms, rather than only on the sale of Property. This change would allow CFM to take a Performance Fee at the time when either the initial Term ends, at the expiry of any term extension or when the Property is sold.
 - (b) Introduce provisions to give CFM the power to give full effect to the Matching Facility (including Unitholders appointing CFM as their agent and attorney for the purpose of implementing the Matching Facility).



Reasons to vote For or Against the Rollover Proposal

This section is a summary only and is not intended to address all of the relevant issues for Unitholders. You should read all of the Explanatory Memorandum, and in particular Section 5 –Details of the Rollover Proposal.

Reasons to vote For the Rollover Proposal

Maintain a strong performing investment: The Trust has performed strongly since inception in 2009 and in particular has achieved a 37% increase in the Property value and a 66% increase in the Unit value.

Maintain exposure to a quality property: The fundamentals of the Property remain strong and include:

- Achieving a Six Star Green Star rating and a 5.5 Star NABERS rating.
- Energex Limited have over nine years remaining on the current lease term and they occupy over 92% of the Property by income.

Potential for valuation up-lift: In the event that the Energex lease is renewed or extended, it is possible that the Property will increase in value over the Further Term. The quantum and timing of any lease renewal or extension cannot be accurately estimated at this time.

Distributions forecast to increase over the Further Term: Within Section 8, distributions are forecast to increase to 11 cents per Unit per annum from 1 July 2016, increasing annually at a rate of 0.25 cents per Unit over the Further Term.

May be difficult to replace your investment with a similar quality investment: In the current low interest rate environment, Unitholders may not be able to replace their investment in the Trust with a similar performing investment.

Certainty of price if you want to exit the Trust: Those Unitholders who wish to exit the Trust in whole or in part at the end of the initial Term, will receive the price of \$1.49 per Unit sold, subject to there being a sufficient number of buyers under the Matching Facility.

Certainty of timing if you want to exit the Trust: Those Unitholders who wish to exit the Trust in whole or in part at the end of the initial Term, will receive payment for the Units they sell on or around 1 August 2016, subject to there being a sufficient number of buyers under the Matching Facility.

If the Rollover Proposal is not approved, then it is not possible to know with any certainty the time it will take to sell the Property, and therefore when Unitholders will receive their final proceeds on wind-up of the Trust.

Capital gains tax deferred: Defer the capital gains tax event for the sale of the Property or cancellation of your Units to a future date (until at least the time of the potential sale of the Property after three years).

Reasons to vote Against the Rollover Proposal

Potential to capitalise on a strong property market: Unitholders may believe that now is the optimal time to sell the Property to obtain the highest sale price. There is a possibility that the sale price received if the Property is sold now, could be higher than the independent valuation of \$237 million, which has been used to determine the Matching Price.

Potential for scale-back or pro-rate of Units for Unitholders wanting to exit: Unitholders may not be able to sell all of the Units they want to sell, and may be subject to a scale-back or pro-rate in the event of more sellers than buyers participating in the Matching Facility.

Risk of investment: The normal risks of investing will continue and are as outlined in the original PDS available at www.cromwell.com.au/CRTvote. These risks include, but are not limited to, the following:

- Valuation risk: the potential for a decrease in the value of the Property.
 - Tenancy risk: The Trust's forecast income is largely dependent upon tenants, particularly Energex, paying rent in accordance with their lease terms.
 - Insurance risk: The performance of the Trust may be adversely affected where losses are incurred due to uninsurable risks, uninsured risks or under-insured risks.
 - Capital expenditure risk: Capital expenditure on the Property could exceed expectations.
 - Contamination risk: The valuation of the Property or rental income could be adversely affected by the discovery of an environmental contamination.
-

Debt facility risk: There is a risk that the debt facility that CFM is currently negotiating and currently has credit approved terms for will not be finalised as disclosed in this Explanatory Memorandum (or will be finalised on less favourable terms than expected).

Interest rate risk: The interest rate via a five year swap has not yet been fixed. Therefore there is the possibility or risk of some movement in interest rates which may negatively impact earnings.

Performance Fee risk: There is a risk the Property valuation will fall during the Further Term and the ultimate sale price of the Property will be lower than the valuation of \$237 million as at 30 June 2016. If this were to occur, the interim Performance Fee paid would not be clawed back or repaid to the Trust (in whole or in part).

4. About the Property

The Trust was the first of Cromwell's 'back to basics' single property trusts. It served as a bellwether for the type of investments being sought in the uncertain economic environment when it was launched in 2009.

Energex House is the sole property asset of the Trust and is an A-Grade 6-level office building located at 33 Breakfast Creek Road, Newstead, Queensland. Energex House was acquired by the Trust in 2009 and forms part of the Gasworks urban renewal project. The Property has achieved a Six Star Green Star rating and a 5.5 Star NABERS rating. Under the Green Building Council of Australia's Green Star rating tool, Six Stars is the highest rating and represents "World Leadership". The building is a benchmark in environmentally-sustainable development and workplace design, responding to the major tenant's requirements and delivering a purpose-built, long-term, flexible working environment in a landmark location.

In 2011 it was voted Best Development in Queensland by the Property Council of Australia (PCA). Other accolades for the Property have included being shortlisted for the Corporate Design category of the Australian Interior Design Awards, recognised in the Best Office Development and Best Sustainable Development categories at the national Innovation and Excellence Awards and being nominated for the Built Environment category of the Queensland Premier's ClimateSmart Sustainability Awards.

Its main tenant is Energex Limited, a government-owned corporation and major supplier of power in south-east Queensland. Energex Limited is currently under a 15 year lease, due to expire on 26 August 2025, with two further five year options.

In terms of performance, Energex House has exceeded expectations. It was valued at practical completion in August 2010 at \$173 million. The independent valuation in Section 10 has valued the Property at \$237 million as at 30 June 2016. This represents an increase in value of the Property of 37% since completion of the building. The Unit price has increased 66% from the original NTA of \$0.90 per Unit to the Matching Price of \$1.49 as detailed within Section 5.3, based on the most recent valuation. Similarly, the loan to value ratio has reduced from 55% to 40.1% as a result of valuation increases.

Energex Limited has approached Cromwell to consider an extension to the current lease. The quantum and timing of any lease renewal or extension cannot be accurately estimated at this time. Unitholders should consider the Rollover Proposal based on the current Energex Limited lease and assuming no extension. Refer to Section 12 for additional information about the Property.



5. Details of the Rollover Proposal

5.1 Background

The Trust was launched via a Product Disclosure Statement in February 2009 to fund the acquisition and construction of Energex House.

Upon establishment of the Trust, the PDS stated that the initial Term of the Trust was seven (7) years from the issue date in June 2009. The PDS further explained that at the expiry of the Term, the Property would be sold unless the Trust was extended by approval of the Unitholders by Extraordinary Resolution. The PDS can be accessed at www.cromwell.com.au/CRTvote. An Extraordinary Resolution is a resolution passed by at least 50% of the total votes that may be cast by Unitholders entitled to vote on the resolution (including Unitholders who are not present in person or by proxy). If an Extraordinary Resolution is passed, all Unitholders will be bound by its outcome regardless of whether they voted in favour of, or against, the resolution. CFM deliberately chose to make such a resolution an Extraordinary Resolution rather than a resolution that could be passed by a simple majority, to give Unitholders comfort as to the certainty of the fixed seven year term, unless an extension of the Trust reflected the wishes of a large number of Unitholders.

The Trust's term is due to expire on 8 July 2016.

5.2 Details of the Further Term

If the Resolutions are approved, it is expected the Further Term will expire on 8 July 2021. However, after three years, being 8 July 2019, CFM could sell the Property without a Unitholder vote and wind-up the Trust if it secures a sale price that is higher than the most recent independent valuation at the time and if it considers it is in the best interests of Unitholders to do so. Before 8 July 2019, Unitholders would need to approve any sale of the Property by an Extraordinary Resolution.

As soon as practicable after the end of the Further Term on 8 July 2021, CFM will sell the Property and wind-up the Trust, unless Unitholders vote by Extraordinary Resolution, to extend the term of the Trust again.

5.3 Details of the Matching Facility

The Matching Facility will only operate if the Resolutions are approved. The Matching Facility provides Unitholders who want to exit the Trust the opportunity to sell their Units to Unitholders who wish to buy more Units in the Trust. The offer to sell and buy is open to all Unitholders registered on the Record Date, and will be subject to availability in each case. More specifically:

- If Units offered for sale exceed Units applied to be purchased, then sellers will not be able to sell all of the Units nominated on their Sell Form and will retain some Units in the Trust. All Units able to be matched to a buyer will be sold and the proceeds of the sale will be paid to the seller.
- If Units applied for purchase exceed Units offered for sale, then buyers will not receive all the Units they nominated to purchase on their Buy Form. Should this occur, buyers will be scaled-back based on the number of Units they intended to acquire. Any excess application monies will be returned to the buyer.

The Cromwell Direct Property Fund (DPF) has offered to purchase at least 20% of issued Units (as at the Record Date) as part of the Matching Facility, which adds to the number of buyers. DPF will participate alongside other Unitholders wishing to purchase and will not be given any priority. DPF will therefore be subject to a scale-back on the same terms as other purchasing Unitholders if there are more buyers than sellers, in proportion to the number of Units nominated to be purchased.

Sellers' and buyers' allocations may also be scaled-back to ensure the Trust remains widely held for stamp duty and income tax purposes.

The Matching Price of \$1.49 is calculated on the NTA as at 31 December 2015 but adjusted for the following items:

- Updated valuation dated 30 June 2016;
- Write-off of remaining interest rate derivative liability;
- Debt establishment fees incurred in establishing a new 5 year facility;
- Sales costs estimated to be 1.1% deducted from NTA. This 1.1% has been calculated taking into account the 1% selling fee payable to Cromwell Property as a selling agent and as disclosed in the PDS and CFM's estimate of marketing, legal, and Trust wind-up costs etc; and
- Increase of Performance Fee accrual as a result of increased valuation.

The income and expenses of the Trust for the period 1 January 2016 to 31 July 2016 have specifically been excluded from the Matching Price calculation because Unitholders will continue to receive monthly distributions during this period. The valuation of the Property as at 30 June 2016 has been included in the Matching Price calculation to give Unitholders wanting to buy or sell Units the most current valuation of the Trust's only real property asset, prior to the Meeting.

For both buying and selling Unitholders, the following will apply:

- CFM will be appointed your agent/attorney to effect the purchase and sale. This includes effecting the transfer of Units, transacting the required payment, updating the Register of Unitholders and any other steps necessary to effect settlement.
- Settlement of the transfer of Units is scheduled for 1 August 2016. Although all effort will be made to effect the transfer and payments on this day, CFM makes no guarantee that settlement of all Units will take place on this day and it may take up to one (1) week to process.
- As settlement of the Unit transfer is scheduled to occur on 1 August 2016, the monthly distribution for July 2016 will be paid to all selling Unitholders, on or around 10 August 2016, based on their Unitholding prior to settlement of the Unit transfer. Buying Unitholders will receive distributions on their revised total Units from 1 August 2016; payable on 10 September.

PURCHASING ADDITIONAL UNITS – YELLOW BUY FORM

If you want to purchase additional Units in the Trust you will need to complete the yellow Buy Form accompanying this Explanatory Memorandum. You will need to ensure you have provided all requested information and payment of funds to CFM by 1pm, Thursday 7 July 2016. Payment can be made by EFT (direct deposit) or cheque. Bank account details are provided on the yellow Buy Form. The funds will be held in trust pending the outcome of the Resolutions at the Meeting on 7 July 2016.

If the Resolutions are not approved, the funds will be returned to you in full, without interest. Any interest earned will be paid to the Trust.

If the Resolutions are approved, then your allocation of Units will be determined by Friday, 15 July 2016, and Cromwell Investor Services will inform you of your successful allocation. Settlement of the transfers of Units will take place on or around 1 August 2016 and a transaction statement will be sent to you with details of your new Unit balance.

SELLING UNITS / WITHDRAWALS FROM THE TRUST – BLUE SELL FORM

If you want to sell your Units, you will need to complete the blue Sell Form accompanying this Explanatory Memorandum and return this to CFM prior to 1pm, Thursday 7 July 2016. You must nominate the number of Units you want to sell and payment will be made to your nominated distribution account. Please note that the sale of your Units is conditional upon the Resolutions being passed at the Meeting on 7 July 2016.

If the Resolutions are not approved, the sale of your Units will not take place. CFM will commence the process to sell the Property and wind up the Trust. Unitholders can expect to receive an interim distribution of their share of the net sale proceeds after the Property is sold, with the balance paid as a final distribution when the Trust is wound up. The process of selling the Property and winding up the Trust may take 12-18 months.

If the Resolutions are passed, the transfer of Units will take place on or around 1 August 2016, with payment being scheduled soon after.

Please contact Cromwell Investor Services on **1300 276 693** if you have any questions on the purchase or sale of Units.

5.4 Details of the Constitutional amendments

The proposed changes to the Trust's Constitution will allow CFM to be paid an interim Performance Fee, conditional upon extension of the Term.

This fee will be calculated on the same basis as the current Performance Fee, but will be crystallised and payable as an interim fee following an extension of the Trust term. In the event of any future term extension or upon eventual sale of the Property, CFM will be able to charge a Performance Fee on the same basis. However, the period on which the Performance Fee is calculated is reset each time a Performance Fee is paid to CFM.

BACKGROUND

The Constitution in its current form allows CFM to charge a Performance Fee upon the sale of the Property. The Performance Fee is calculated using a formula based on the Property's performance. That is, the fee payable will be 10% of the excess amount, above an internal rate of return of 10% from the Property from the date of acquisition of the Property until the date of sale of the Property.

The internal rate of return is calculated monthly based on the net cash flows in respect of the Property. These cash flows are calculated by reference to factors including:

- the purchase price or construction cost of the Property;
- the acquisition costs of the Property, including stamp duty, transfer fees, due diligence costs and the acquisition fee;
- capital improvements after purchase;
- lease costs and lease incentives;
- rental and other property income less property outgoings and taxes; and
- the proceeds of sale less any costs of selling the Property.

The internal rate of return does not include payments or receipts in respect of any loan or equity used to purchase the Property or any management fee or other costs not directly attributable to the Property. CFM intentionally set the Performance Fee calculation solely at the Property level to exclude debt and equity related items. This ensures that CFM is rewarded for the management of the Property, as illustrated by the valuation increases since the Trust's inception. CFM is therefore not incentivised to use excessive gearing to potentially increase equity returns whilst at the same time increase risk.

PERFORMANCE FEE AMENDMENT TO CONSTITUTION

If the Resolutions are approved by the required majority, the Constitution will be amended in accordance with the Supplemental Deed attached at Annexure B. The Supplemental Deed shows the required amendments to the Constitution, which introduces a new calculation period for the Performance Fee.

The formula remains unchanged but will be calculated for a certain duration (calculation period), represented by each term of the Trust (if the Further Term is approved, the next calculation period will begin on 9 July 2016 and will continue until the Property is sold, or until 8 July 2021). These changes will allow CFM to charge the Performance Fee at interim periods when either the Trust term is extended or upon sale of the Property.

Note that the mathematical basis of the calculation will not change, in that the Performance Fee remains calculated at 10% of the excess amount, above an internal rate of return of 10% from the Property for the calculation period. **Therefore CFM is adjusting the period of measurement only and is not decreasing the benchmark by which its investments must perform in order to take a Performance Fee.**

If the Resolutions are approved by the requisite majority of Unitholders, the Supplemental Deed amending the Constitution will come into effect without any further action required from Unitholders.

EXAMPLE:

If the Unitholders vote in favour of the Resolutions, CFM will take a Performance Fee for the period between the acquisition of the Property in February 2009 and 8 July 2016 (being the expiry of the initial Term of the Trust). Subsequently, if at the end of the Further Term in July 2021 the Property is sold or the Unitholders again vote to extend the term, CFM's Performance Fee will only be calculated for the period from the commencement of any subsequent term. This ensures that the Performance Fee is always 're-set' and is never taken more than once for any given time period.

If the Resolutions are approved, the Performance Fee will be funded by increased debt with an external lender. CFM will not receive any debt arrangement fee for organising the finance. CFM has credit approved terms for the finance with

a major Australian bank and the net impact of such finance is reflected in Section 8 – Financial Analysis if the Rollover Proposal is approved on page 20. The current finance facility will expire on 31 December 2016.

Should you have any questions on the Performance Fee calculation, please call Cromwell Investor Services on 1300 276 693.

5.5 Details of the Resolutions that need to be approved to give effect to the Rollover Proposal

INTER-CONDITIONAL RESOLUTIONS

CFM has proposed two Resolutions to be considered by Unitholders. The Resolutions will not proceed unless both are approved by the required majority.

- **Further Term - extension of the Trust Term for a further five years**

The first resolution is to extend the term of the Trust for the Further Term, meaning that the Trust will expire on 8 July 2021, unless the Property is sold earlier (which can occur without approval by Unitholders after three years i.e. after 9 July 2019). The PDS requires that this resolution be approved by an Extraordinary Resolution. The voting threshold required to pass an Extraordinary Resolution is 50% or more of the total votes that may be cast by Unitholders entitled to vote. Unitholders that are entitled to vote will also include those Unitholders who choose not to vote (in person or by proxy).

- **Amendment to the Constitution**

The second resolution is to amend the Constitution of the Trust. This is to allow the Matching Facility and to enable an interim Performance Fee to be taken by CFM if the Further Term is approved. Under the Corporations Act, amendments to the Constitution require approval by a Special Resolution. The Constitution will therefore not be amended unless at least 75% of the votes cast by Unitholders entitled to vote are in favour of the resolution.

Given the high voting threshold and the inter-conditional resolutions, it is important to cast your vote on both Resolutions if you wish to have the Trust term extended or to participate in the Matching Facility.

If the Resolutions are both approved, then all Unitholders will be bound by the outcome regardless of whether or not they voted or whether they voted against the Resolutions. This takes effect pursuant to the Corporations Act and has been disclosed previously in the PDS.

WHAT HAPPENS IF THE TWO RESOLUTIONS ARE PASSED?

The Resolutions are inter-conditional. This means that the Further Term will only proceed if both of the Resolutions are passed by the requisite majorities at the Meeting. In other words, if one Resolution does not reach the majority required for approval, then neither the Further Term nor the Constitutional amendments will proceed.

However, if both Resolutions achieve the necessary voting threshold required for their approval the following will occur:

1. The Trust will be extended for a further five years. The Trust will then expire on 8 July 2021, unless the Property is sold earlier. The flexibility to enable CFM to sell the Property during the final two years of the Further Term without approval from Unitholders is deemed commercially necessary in the event that a high sale price can be obtained for the Property, given that the lease to Energex will still have a further six years to run from July 2019.
2. The Constitution will be amended as outlined above.
3. The Matching Facility will proceed as detailed in Section 5.3.
4. CFM will be paid an interim Performance Fee.

WHAT HAPPENS IF THE TWO RESOLUTIONS ARE NOT PASSED?

If the Resolutions are not approved due to the lack of a voter majority for either Resolution, then the Term will not be extended. CFM will then take steps under the Constitution to sell the Property and wind up the Trust. Unitholders can expect to receive an interim distribution of their share of the net sale proceeds after the Property is sold, with the balance paid as a final distribution when the Trust is wound up. The process of selling the Property and then winding up the Trust may take 12-18 months.

IS CFM ABLE TO VOTE ON THE RESOLUTIONS?

CFM is also the responsible entity of the Cromwell Direct Property Fund (DPF), which holds approximately 7% of the issued Units. CFM considers itself ineligible to vote the DPF's interest in the Trust according to the operation of section 253E of the Corporations Act.

6. Evaluation of the Rollover Proposal

This section is a summary only, and is not intended to address all the relevant issues for Unitholders in respect of the Rollover Proposal. This section should be read in conjunction with the other sections of this Explanatory Memorandum. Unitholders should read the Explanatory Memorandum in its entirety.

6.1 Reasons to vote For the Rollover Proposal

SALE / WITHDRAWAL

Unitholders might want to vote for the Resolutions if they want to exit the Trust in the short-term (given the sale of the Property and winding up the Trust may take up to 12 to 18 months) and take advantage of the Matching Facility, which is conditional upon the successful approval of both Resolutions. CFM would then allow Unitholders to exit the Trust at the Matching Price of \$1.49 subject to there being a sufficient number of buyers.

Remaining Unitholders may want to express an interest in purchasing further Units, also at the Matching Price. The Cromwell Direct Property Fund (DPF) has entered into a binding agreement to purchase a minimum of 20% of the issued Units (subject to availability) directly from Unitholders at the Matching Price. Unitholders and CFM, as responsible entity for the Trust, will not be charged a fee (or receive any fee) for utilising (or organising) the Matching Facility.

In the event that Units offered for sale exceed Units applied for, applications to sell will be pro-rated (scaled-back) in proportion to the number of Units each Unitholder indicated they want to sell. DPF will purchase a minimum of 20% of the issued Units at the Matching Price.

In the event that there are more buyers than sellers, Unitholder applications to buy will be pro-rated (scaled-back) in proportion to the number of Units each Unitholder indicated they want to purchase. DPF's offer to purchase at least 20% of the issued Units will also be scaled-back proportionally. Sellers' and buyers' allocations may also be scaled-back to ensure the Trust remains widely held for stamp duty and income tax purposes.

If the Resolutions are not approved, Unitholders wanting to exit from the Trust will have to wait longer to realise their investment, given that the Property would need to be sold and the winding up of the Trust completed. In order to distribute the proceeds of the sale of the Property to Unitholders, CFM would need to find a buyer at a competitive price, have the buyer complete due diligence, effect the sale and then proceed with the winding up of the Trust. This process may take up to 12 to 18 months. Furthermore, the sale of the Property may be conditional upon a number of factors, which may or may not be achieved within a desired required timeframe (e.g. government approvals, finance conditions).

In addition, the final consideration that Unitholders receive may be lower than the Matching Price of \$1.49. However this largely depends on the ultimate net sale price of the Property and the market conditions for office property at the time of sale. It is also possible that the final consideration Unitholders receive could be higher than the Matching Price.

RISK OF INVESTMENT

Every investment is subject to risk. CFM set out the risks associated with an investment in the Trust in the PDS (available at www.cromwell.com.au/CRTvote). Unitholders who are concerned about one or more of those risks eventuating may prefer to accept the Matching Facility at a price of \$1.49 per Unit based on the independent valuation that takes into consideration current market conditions. The Matching Facility will only be offered if the Resolutions are approved and is subject to the availability of a sufficient number of buyers and sellers.

CERTAINTY OF PRICE AND TIMING OF PAYMENT

The Matching Facility provides Unitholders wanting to sell with a degree of certainty that they will receive \$1.49 per Unit held and the payment will be made on or around 1 August 2016 on the terms outlined within this Explanatory Memorandum.

ALTERNATIVE INVESTMENTS MAY NOT BE READILY AVAILABLE

In the current low interest rate environment, Unitholders wanting to re-invest the proceeds they receive following completion of the Matching Facility or sale of the Property may not be able to find another investment that provides a similar income return and with similar risk characteristics as their investment in the Trust.

Unitholders would need to achieve an income return of approximately 7.4% (without taking into account any taxation implications or transaction costs) on the estimated Matching Price of \$1.49 per Unit to be in the same position as if they received the forecast distribution from the Trust of 11.0 cents per Unit for the 2016/2017 financial year.

DEFERRAL OF CAPITAL GAINS TAX EVENT

Unitholders may prefer to vote in favour of the Resolutions to delay the crystallisation of the capital gains tax event until a later point. Distributions received since inception to the end of 30 June 2015 were 100% tax deferred. If the Property is sold all Unitholders will be subject to the taxation consequences outlined within Section 9.

LEASE EXTENSION WITH MAIN TENANT ENERGEX MAY RESULT IN VALUATION GAINS

CFM believes there is potential to negotiate a lease extension with Energex, the main tenant of the Property. Should an extension be negotiated, there may be a positive valuation gain. Subsequently, an extended lease may result in a future sale price being higher than the current independent valuation of \$237 million as at 30 June 2016.

However, there is no certainty that such a lease extension will be achieved. The current lease does not expire before 26 August 2025.

6.2 Reasons to vote Against the Rollover Proposal

SALE PRICE ACHIEVED VIA AN OPEN MARKET CAMPAIGN MAY RESULT IN A GREATER RETURN TO UNITHOLDERS

Having regard to previous property cycles, CFM believes the current valuation and property capital markets are very attractive. There is no certainty that current conditions will prevail if the Property is retained through to the expiry of the Further Term, expected to be on 8 July 2021. A downturn in property capital markets could result in the final consideration Unitholders receive being lower than the Matching Price, noting however the ability to sell at the Matching Price depends on there being a sufficient number of buyers.

RISK OF INVESTMENT

Every investment is subject to risk. CFM set out the risks associated with an investment in the Trust in the PDS (available at www.cromwell.com.au/CRTvote). Unitholders who are concerned about one or more of those risks eventuating, may prefer that the Property is sold, and the Trust is wound up in the current market conditions.

POTENTIAL FOR SCALE-BACK OR PRO-RATE OF UNITS FOR UNITHOLDERS WANTING TO EXIT

Unitholders may not be able to sell all of the Units they want to sell, and may be subject to a scale-back or pro-rate in the event of more sellers than buyers participating in the Matching Facility.

PERFORMANCE FEE RISK

There is a risk the Property valuation will fall during the Further Term and the ultimate sale price of the Property will be lower than the valuation of \$237 million as at 30 June 2016. If this were to occur, the interim Performance Fee paid to the Trustee upon rollover of the Trust would not be clawed back or repaid to the Trust (in whole or in part).

FINALISATION OF DEBT FACILITY

CFM has negotiated credit approved terms for external debt finance with a major Australian bank. There is a risk that following extension of the Trust's Initial Term, the negotiated terms of finance may not be finalised and approved, or that they may differ from the terms for which CFM currently has approval.

6.3 CFM recommendation

The Directors of CFM have carefully considered the advantages and disadvantages of the Rollover Proposal. The Directors are not recommending how Unitholders vote, as this is subject to individual circumstances. However, the Directors believe it is important to allow all options to be considered and is therefore presenting the Unitholders with the opportunity to vote on the Resolutions required to implement the Rollover Proposal.

Whether you vote to extend the Trust Term or to terminate the Trust (and sell the Property) will depend on your individual circumstances. Consequences such as personal taxation outcomes and ongoing income and capital requirements should be considered when assessing the Rollover Proposal.

External factors such as current office property market conditions, interest rates and potential investment alternatives should also be taken into consideration when assessing whether you vote to approve the Rollover Proposal or sell the Property.

CFM recommends that you consider the options carefully, and where applicable, consult with your independent financial, legal or taxation adviser to assess how you should cast your vote.

7. Information about the Trust

7.1 Trust background

The Trust was established in February 2009 as a closed-end, unlisted property trust with the investment objective of providing Unitholders with a minimum distribution yield of 8.25% per annum paid monthly over the 7 year term and capital growth potential. Units in the Trust were issued under the PDS and in accordance with the Constitution.

The Trust's only property is the Energex House, which reached practical completion in August 2010.

The Trust's main tenant, Energex Limited, commenced a 15 year lease and currently occupies 92% of the net lettable area of the Property.

The Property was independently valued at \$237 million on 30 June 2016. This represents a 37% increase on the valuation at practical completion of \$173 million.

The NTA per Unit as at 31 December 2015 having made adjustments for the valuation increase and other items within Section 5.3 is \$1.49 (net of estimated selling costs). This represents a 66% increase over the \$0.90 NTA per Unit when the Trust was established in February 2009.

7.2 Trust performance

The Trust has generated performance since inception of 14.9% annualised to 30 June 2016. This return is calculated using the current \$237 million independent valuation as at 30 June 2016 and the Matching Price of \$1.49 (adjusted for estimated selling costs).

Distributions from the Trust have been paid monthly since inception and commenced at 8.25 cents per Unit per annum and have increased by 0.25 cents each year to be currently 9.75 cents per Unit per annum.

Please refer to www.cromwell.com.au/crt for the latest RG46 Disclosure Guide for the Trust for information about the current status of the Trust.

7.3 Key Property metrics

The Trust's only property asset is Energex House, located at 33 Breakfast Creek Road, Newstead, Queensland. Key statistics relating to the Property as at 30 June 2016 are as follows:

Property value	\$237,000,000
Occupancy	99%
WALE	8.7 years
Capitalisation rate	6.75%
Net lettable area	30,604 sqm
Income from Government tenants	92%

Including Energex Limited who occupy 92%, the top five tenants account for 98.4% of income and are as follows:

Tenant	% of Gross Income
Energex Limited	92.4%
Luxtottica Retail Australia Pty Ltd	2.7%
LMM Holdings Pty Ltd (Ferrari)	1.5%
Oliver Hume Real Estate Group (QLD) Pty Ltd	1.2%
Century Concept International Enterprises Pty Ltd	0.6%

7.4 Trust borrowings

Key statistics relating to the Trust's borrowings as at 30 June 2016 are as follows:

Bank loan	\$95,150,000
Total loans	\$95,150,000
LVR	40.1%
LVR if Resolutions approved	41.9%
Gearing ratio if Resolutions approved ¹	41.3%
Credit approved facility amount	\$99,250,000

¹ Gearing ratio calculated as $\frac{\text{Total Interest Bearing Liabilities}}{\text{Total Assets}}$

In relation to the credit approved facility amount referred to in the table above, CFM has received credit approved terms from a major Australian bank and expects to finalise the bank loan on the following terms:

- Borrower – Cromwell Funds Management Limited (ABN 63 114 782 777) as responsible entity for the Cromwell Riverpark Trust (ARSN 135 002 336).
- Facility Term – a total of five (5) years from the date of drawdown.
- Loan to Value Ratio – At all times, loan to value ratio to be no greater than 50%.
- Interest Cover Ratio – The interest cover ratio must be no less than 2 times.



8. Financial analysis if the Rollover Proposal is approved

8.1 Basis of preparation

Financial Information has been presented in an abbreviated form, in so far as it does not include all the disclosures required by International Financial Reporting Standards (IFRS) applicable to annual financial reports prepared in accordance with the Corporations Act.

The Directors of CFM believe the forecasts contained within the Financial Information are reasonable and are based on best estimate assumptions as set out in this section. Although due care and attention has been taken in preparing the Financial Information many factors which affect the Financial Information are outside the control of the Directors or are not capable of being foreseen or accurately predicted. As such actual results may differ materially from the Financial Information.

Forecasts have been prepared for the Trust for the 12 month period ending 30 June 2017, and for each of the following 4 financial years (Forecast Period).

8.2 Forecast Income Statement

Set out below is the Forecast Income Statement of the Trust for the proposed Further Term. The Forecast Income Statement should be read in conjunction with the Key Forecast Assumptions.

FORECAST INCOME STATEMENT \$'000					
	30-Jun-17	30-Jun-18	30-Jun-19	30-Jun-20	30-Jun-21
Revenue and property expenses					
Rental income	20,055	20,214	20,290	20,329	19,999
Property expenses	(2,583)	(2,648)	(2,714)	(2,782)	(2,851)
Net Property Income	17,472	17,566	17,576	17,547	17,148
Interest	42	55	90	166	195
Other Expenses					
Responsible entity fees	(1,419)	(1,426)	(1,436)	(1,449)	(1,464)
Administration costs	(210)	(220)	(231)	(243)	(255)
Finance costs - interest	(3,933)	(3,933)	(3,933)	(3,944)	(3,933)
Finance costs - amortisation	(131)	(99)	(99)	(99)	(99)
Profit before fair value adjustments	11,821	11,943	11,967	11,978	11,592

8.3 Forecast Distribution Statement

Set out below is the Forecast Distribution Statement of the Trust for the Further Term. The Forecast Distribution Statement shows the profit available for distribution to Unitholders by adjusting profit before fair value adjustments for certain non-cash and significant items.

FORECAST DISTRIBUTION STATEMENT \$'000					
	30-Jun-17	30-Jun-18	30-Jun-19	30-Jun-20	30-Jun-21
Profit before fair value adjustments	11,821	11,943	11,967	11,978	11,592
Add back					
Straight-line rentals	(950)	(337)	297	1,137	1,759
Finance costs - amortisation	131	99	99	99	99
Profit available for distribution	11,002	11,705	12,363	13,214	13,450
Distributions paid / payable	(10,010)	(10,238)	(10,465)	(10,693)	(10,920)
Surplus	992	1,467	1,898	2,521	2,530
Forecast distributions per Unit (annualised rate)	11.0 cents	11.25 cents	11.50 cents	11.75 cents	12.0 cents
Forecast tax deferred component of distributions ¹	77%	29%	22%	15%	14%

¹ Due to the availability of tax deductions for depreciation and building allowances, interest and fees and other tax timing adjustments distributions are forecast to be partially tax deferred during the Further Term. The estimated tax deferred component of distributions assumes the Property is not sold. For further information please refer to the Taxation Report.

8.4 Current Balance Sheet and Pro-forma Balance Sheet

Set out below is the Balance Sheet at 31 December 2015 and Pro-forma Balance Sheet should the Resolutions be approved. The Pro-forma Balance Sheet assumes the interim Performance Fee payable to CFM is paid and funded by debt and a new five year debt facility is entered into.

The Pro-forma Balance Sheet should be read in conjunction with the best estimate assumptions set out within the relevant sections of the Financial Information.

CURRENT BALANCE SHEET AND PRO-FORMA BALANCE SHEET \$'000			
	31-Dec-15	Adjustments	Pro-forma
Assets			
Cash and Cash Equivalents	3,070	(527)	2,543
Trade and Other Receivables	384	-	384
Investment Property	233,000	4,000	237,000
Other Assets	278	-	278
Total Assets	236,732	3,473	240,205
Liabilities			
Trade and Other Payables	(2,687)	-	(2,687)
Total Debt	(95,084)	(3,669)	(98,753)
Distribution/Dividend Payable	(745)	-	(745)
Derivative Financial Liabilities	(917)	917	-
Other Liabilities	(3,830)	3,656	(174)
Total Liabilities	(103,263)	904	(102,359)
Net Assets	133,469	4,377	137,846
Units on Issue	91,000,000		91,000,000
NTA per Unit	\$1.47		\$1.51

Pro-forma Balance Sheet adjustments include the following:

- Payment of interim Performance Fee of \$4,130,851 funded by additional debt totalling \$4,100,000.
- Payment of loan establishment fees of \$496,250 to a major Australian bank for a new debt facility and expensing of existing unamortised loan establishment costs of \$65,629.
- Recording the as at 30 June 2016 independent valuation of the Property at \$237 million.
- Write-off of interest rate derivative of \$917,093.

8.5 How was the Matching Price calculated?

CFM has calculated the Matching Price of \$1.49 by taking the net assets of the Trust calculated using the Pro-forma Balance Sheet illustrated in Section 8.4 and making an adjustment for estimated selling costs. Estimated selling costs if the Property was sold at the current valuation are \$2,607,000, equal to 1.1% of the Property valuation.

Net assets per Balance Sheet	137,846,000
Less selling cost provision	2,607,000
Adjusted net assets	135,238,000
Units on issue	91,000,000
Matching Price	\$1.49

Should Unitholders elect to sell Units as part of the Matching Facility, they will receive \$1.49 per Unit on or around 1 August 2016 (subject to a sufficient number of buyers). Similarly Unitholders wishing to purchase Units as part of the Matching Facility will be required to pay \$1.49 per Unit. The Matching Facility will be subject to sufficient supply and demand, with DPF having already offered to buy a minimum of 20% of the issued Units, subject to availability.

The Matching Facility will not be available unless both of the proposed Resolutions have been approved.

Note that Unitholders and CFM will not be charged any fees in relation to the Matching Facility or for DPF purchasing Units. CFM will not receive any fees for DPF's purchase of Units, in CFM's capacity as responsible entity for the Trust.

8.6 Key forecast assumptions

INVESTMENT PROPERTY VALUATION AS AT 30 JUNE 2016

The Pro-forma Balance Sheet includes an adjustment to the carrying amount of the Property. The Pro-forma Balance Sheet records the Property at \$237,000,000. The valuation is based on an independent valuation of what the Property will be worth at 30 June 2016 and assumes there will be no material changes in the property market or the Property itself, between the date of inspection, which was 22 April 2016, and 30 June 2016.

NET PROPERTY INCOME

Net property income is the gross income received from the Property less property outgoings. The main assumptions underlying the Trust's forecast net property income are:

- The Energex lease continues for the Forecast Period and increases at the higher of CPI or 3.75% per annum;
- There is no extension of the lease term. If the lease term is extended and an incentive paid it will be funded by debt. The sensitivity analysis included within this section details this scenario;
- Current retail leases continue representing 7% of gross passing income;
- Allowances have been made for re-leasing costs, vacancy periods and lease incentives during the Forecast Period;
- Income increases are in accordance with lease provisions. Rentals under the retail leases increase by between 3% and 4% per annum;
- There are no tenant defaults during the Forecast Period;
- Property outgoings consist of rates, taxes and other property outgoings in relation to the Property. The Energex lease is a net lease and allows for recovery of outgoings. The retail leases are also net and allow for the recovery of outgoings; and
- Property outgoings increase by CPI of 2.50% per annum.

FINANCE COSTS

Finance costs include interest and other costs incurred in connection with the arrangement of borrowings. Interest costs have been shown separately from amortisation costs in the Forecast Income Statement. The market interest rate intends to be fixed via an interest rate swap for the Forecast Period and the margin rate is assumed to be fixed under the bank loan for the Forecast Period. The combination of the market interest rate and the margin rate for the Forecast Period are expected to result in the effective interest rate. The effective interest rate forecast throughout the Forecast Period is 3.96%. Forecast interest expense will change to the extent the executed margin or swap differ from these rates.

DISTRIBUTIONS PAID TO UNITHOLDERS

Distributions are paid monthly in arrears.

TAX DEFERRED DISTRIBUTIONS

Distributions will be partly tax deferred due primarily to the availability of tax deductions for depreciation, building allowances, interest and some capital raising costs.

GST

The Trust is registered for GST and will generally be able to claim input tax credits in respect of GST paid on a monthly basis.

FEES TO CFM

If the Resolutions are passed, and the Term is extended, CFM will receive a Performance Fee of \$4,130,851 and ongoing responsible entity fees of 0.6% of gross assets, approximately \$1,422,000 per annum.

Both of these fees were detailed in the PDS.

8.7 Sensitivity Analysis

The forecasts have been based on certain economic and business assumptions about future events. The forecast profit, profit available for distribution and distributions payable for each period during the Forecast Period are sensitive to a number of factors. A summary of the possible impact of different outcomes in the key assumptions underlying the forecasts is set out 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

Under the Energex lease, 92% of the net property income is fixed for the Forecast Period. Should net property income increase or decrease during the Forecast Period for any unforeseen reason (e.g. tenant default), each +/- 5% change in net property income would lead to approximately a +/- \$826,000 annual change in profit available for distribution, which represents +/- 0.9 cents per Unit per annum.

Change in interest rates

If variable interest rates increased or decreased by 1% per annum for the Forecast Period, the impact of the change in interest payable for the relevant period would lead to an annual change in profit available for distribution of approximately +/- \$993,000, which represents +/- 1.1 cents per Unit per annum. The majority of interest expense will be fixed for the Forecast Period as soon as the Resolutions are approved by Unitholders.

Fair value of Property

Each +/- 1% increase in the fair value of the Property would lead to an approximate change in the fair value adjustment of +/- \$2,370,000 and a change in the net assets of the Trust by the same amount, representing approximately a +/- 2.6 cent change in the net asset value per Unit.

Potential lease extension

CFM believes there is potential to negotiate a lease extension with Energex Limited, the main tenant of the Property. Whilst no extension has been forecast, should an extension be negotiated then a lease incentive may become payable. Any incentive would be funded by debt. The quantum and resultant interest expense of any incentive paid cannot be accurately estimated until such time.

9. Taxation report

9.1 Overview

The following is a general discussion of the key Australian taxation issues arising as a direct result of the approval of the Rollover Proposal, or if the resolutions for the Rollover Proposal are not approved, from the sale of the Property and wind up of the Trust.

The information is provided for Australian resident and non resident Unitholders who hold Units in the Trust on capital account for Australian income tax purposes. The comments do not apply to Unitholders who hold their Units on revenue account or as trading stock.

The discussion is based on Australian taxation laws, announcements and practices at the date of this Explanatory Memorandum. The discussion is general in nature and is not intended to cover all of the potential taxation consequences that could arise for particular Unitholders.

The tax treatment may vary according to Unitholders' individual circumstances and Unitholders are advised to seek their own taxation advice.

9.2 Tax consequences of approving the Rollover Proposal

If the Rollover Proposal is approved, Unitholders have the choice to remain Unitholders in the Trust or to exit using the Matching Facility (subject to availability).

UNITHOLDERS REMAINING AFTER ROLLOVER

For Unitholders who remain in the Trust after approval of the Rollover Proposal, no Capital Gains Tax (CGT) event will arise from the Rollover Proposal because neither the Property would be sold nor would Unitholders dispose of their Units.

Australian resident Unitholders – remaining Unitholders

The current tax treatment from investing in the Trust should continue if the Rollover Proposal is approved. This tax treatment was summarised in the original PDS and is also summarised below.

The Trust is Australian resident with investment activities that are intended to be limited to ensure it is treated as a flow through entity such that the Trust or its trustee are not subject to income tax. The Trust generally distributes all Trust income to its Unitholders in accordance with the proportionate share of the Trust income to which the Unitholders are presently entitled. Each of the taxable and non-taxable components of the distribution are distributed to Unitholders in proportion to the distribution of Trust income. CFM provides Unitholders with an annual tax statement outlining the tax components of their distributions.

Distributions from the Trust

The Constitution provides that a Unitholder would be presently entitled to their proportionate share of distributable income, which broadly would be the net (tax) income of the Trust unless otherwise determined by CFM. The distributable income may include income or capital gains from the Trust's investments in real Property and cash. The tax implications will depend on the tax components of the distributions.

Distributions from the Trust are expected to include tax deferred amounts or a return of corpus (see Section 8 – Financial Analysis if the Rollover Proposal is approved). Such amounts are not taxable as income to Unitholders when distributed but rather would give rise to cost base adjustments to Unitholders' Units for CGT purposes. These adjustments could result in either an increased capital gain or a reduced capital loss when the Units are subsequently disposed of. A capital gain could also arise prior to disposal where the sum of tax deferred distributions received on a Unit exceeds the Unitholder's cost base of that Unit.

Capital Gains of the Trust

The Trust is a Managed Investment Trust (MIT) and has made an election to treat the disposal of the Property as subject to CGT and not giving rise to revenue gains or losses. Therefore, if the Trust disposes of the Property at a later time, a distribution may include capital gains.

Unitholders may also make a capital gain or capital loss on disposal of their Units.

New Managed Investment Trust Regime

The Australian Government has recently passed legislation which proposes a new elective tax regime for MITs. The regime may be applied from the 2015-16 income year or later income years. Should the Rollover Proposal be approved, CFM is currently reviewing the implications of the Trust choosing to elect to be subject to the proposed regime. The new MIT regime is not expected to affect outcomes under the Rollover Proposal.

Non-resident Unitholders – remaining Unitholders

The Trust is a MIT for the purposes of the withholding tax rules. CFM is therefore required to withhold tax on behalf of a non-resident in respect of Australian taxable components of distributions made by the Trust – this will include withholding tax on fund payments distributed by the Trust to Unitholders (MIT WHT).

For distributions made to an address or location in countries approved as 'Information Exchange countries', a MIT WHT rate of 15% would apply to fund payment distributions (which for the Trust should be all taxable components of the distribution other than interest). For distributions made to an address or location in countries that are not 'Information Exchange countries', a final MIT WHT at a rate of 30% would apply to all fund payment distributions.

When a distribution includes Australian sourced interest, a final withholding tax at a rate of 10% would apply to that component if the interest is distributed to a non-resident.

When a non-resident Unitholder that owns less than 10% of the Units in the Trust disposes of their Units, the Unitholder should not be subject to Australian CGT on the basis the Units are not taxable Australian property.

Other taxes

Unitholders should not be liable for Australian stamp duty in relation to the Rollover Proposal.

Unitholders should not be liable for GST in Australia in relation to the Rollover Proposal.

UNITHOLDERS WHO CHOOSE TO EXIT THROUGH THE MATCHING FACILITY

A Unitholder's exit from the Trust after the Rollover Proposal under the Matching Facility would result in a CGT event for the Units held in the Trust.

Australian resident Unitholders - disposal of Units

The disposal of Units using the Matching Facility would result in a CGT event during the 30 June 2016-2017 income year.

Unitholders would make a capital gain to the extent that their capital proceeds of \$1.49 per Unit exceeds the tax cost base of the Unit. A capital loss would be made to the extent that the capital proceeds for a Unit is less than the reduced cost base for the Unit. In order to determine their capital gain position, Unitholders would need to adjust the tax cost base of their Units in the Trust for the tax deferred distributions and return of corpus that were previously received from the Trust. Please see below for an indicative example calculation.

Eligible Unitholders should be able to reduce the capital gain by the relevant discount percentage after applying any available capital losses. Australian resident individuals and trustees of other trusts should be entitled to a CGT discount of 50% and complying superannuation funds should be entitled to a CGT discount of 33 1/3% provided that the Unitholder has held the Units for at least 12 months at the time of the disposal.

Non-resident Unitholders - disposal of Units

Where a non-resident Unitholder owns less than 10% of the Units in the Trust, the Unitholder would not be subject to Australian CGT on disposal of the Units on the basis the Units are not *taxable Australian property*.

Other taxes

Unitholders should not be liable for Australian stamp duty in relation to the disposal of Units.

Unitholders should not be liable to GST in Australia in relation to the disposal of Units.

INDICATIVE EXAMPLE OF EXITING THROUGH THE MATCHING FACILITY

The tax liability calculated for the Unitholder below is only an example and is not to be relied on. It is based on forecasts and estimates of future distribution components and taxation positions adopted by the trustee of the Trust.

Set out below is an indicative example of the taxation treatment for different types of Unitholders who:

- dispose of their Units using the Matching Facility on 1 August 2016 for \$1.49 per Unit;
- are Australian residents for tax purposes;
- hold their Units on capital account;
- acquired their Units for \$1.00 prior to the Trust's first distribution (during the 30 June 2010 financial year);
- received their last income distribution for the month of July 2016;
- have received tax deferred distributions in all financial years before the disposal totalling \$0.6045 per Unit. Consequently, the cost base of these Unitholders prior to the sale is estimated to be \$0.3955 (assuming no other capital costs have been added to the cost base); and
- do not have any carry forward tax or capital losses

Taxable income

CFM has modelled the indicative after tax cash return on the disposal of Units under the Matching Facility in the 2017 income year for an individual on a marginal tax rate of 15%, a company, an individual on a marginal tax rate of 49%, and a complying superannuation fund.

	Individual	Company	Individual	Complying Super Fund
	15%	30%	49%	15%
Share of Trust FY2017 Income Taxable ¹	-	-	-	-
Plus: Gross CGT Gain - Disposal under Matching Facility ²	1.09	1.09	1.09	1.09
Sub-total	1.09	1.09	1.09	1.09
Less: Applicable CGT Discount	(0.55)	-	(0.55)	(0.36)
Taxable Income	0.54	1.09	0.54	0.73
Tax Applicable at Applicable Rate	(0.08)	(0.33)	(0.27)	(0.11)
Sale Proceeds	1.49	1.49	1.49	1.49
Distributions	0.01	0.01	0.01	0.01
Total Amounts Received³	1.50	1.50	1.50	1.50
Less: Tax Applicable at Applicable Rate	(0.08)	(0.33)	(0.27)	(0.11)
Cash Return After Tax Post Participation in Matching Facility	1.42	1.17	1.23	1.39

Notes:

(1) The Share of Trust FY 2017 Income - Taxable is the estimated Unitholders share of Trust distribution which is subject to tax in FY2017.

(2) The Gross CGT Gain - is the CGT gain on the disposal of Units through the Matching Facility, being the capital proceeds of \$1.49 less the tax cost base of \$0.3955.

(3) Includes the sale proceeds received from participating in the Matching Facility.

(4) All numbers have been rounded to 2 decimal places.

9.3 Tax Consequences of the sale of the Property and wind-up of the Trust

If the Rollover Proposal is not approved, the Property will be sold, the Trust will be wound up and the net sale proceeds will be returned to Unitholders.

TRUST CAPITAL GAIN ON DISPOSAL OF THE PROPERTY

The Trust is a MIT and has made an election to treat the Property on capital account for taxation purposes (and not subject to tax on revenue account).

Broadly, on the basis that Unitholders are presently entitled to the income of the Trust, they are allocated their proportionate share of the Trust's taxable components, including capital gains. CFM will provide an annual tax statement with a detailed breakdown of Unitholders' distributions including capital gains to assist Unitholders in preparing their income tax return for the income year in which the sale of the Property occurs.

Based on the current valuation, it is expected that the Trust would make a capital gain on the sale of the Property. The CGT event would be taken to occur when the Trust enters into a binding contract for the sale of the Property, the timing of which is currently unknown.

Broadly, as the Trust would have held the Property for longer than 12 months at the time of the CGT event in respect of the sale, the Trust should be eligible to discount the capital gain made by 50% (the Trust does not have any other capital losses).

Distribution and wind-up of the Trust

It is expected that CFM would make an interim distribution of most of the net sale proceeds derived on the disposal of the Property to Unitholders in proportion to their Unit holdings (Distribution).

The Distribution would comprise a number of tax components, as follows:

- a share of the net (tax) income of the Trust;
- a share of the non assessable amount representing the CGT discount on the Trust capital gain; and
- a return of corpus (capital) component.

The taxable income of the Trust would include the Trust's discounted capital gain from the disposal of the Property and any rent collected from the tenant for the period, less any tax losses and other revenue deductions incurred by the Trust.

The CGT concession component, representing the benefit of the CGT discount for the Trust, may be distributed to Unitholders without reducing the cost base of the Units held by the Unitholders.

The Distribution would also include a return of corpus (capital) component. This non-assessable amount would reduce the tax cost base of the Units held by the Unitholders. To the extent that this non-assessable capital amount on a Unit is greater than the tax cost base of that Unit, the Unitholder would be taken to have made a capital gain on that Unit (refer below).

Following the Distribution, and once the Trust is able to be wound up, all of the Units in the Trust would be cancelled and any remaining property of the Trust would be distributed to Unitholders.

AUSTRALIAN RESIDENT UNITHOLDERS – SALE OF PROPERTY AND WIND UP OF THE TRUST

Share of the Trust capital gain

Australian resident Unitholders would be required to include their share of the taxable components of the Distribution in their assessable income. Where the taxable components of the Distribution includes a share of the Trust's capital gain (which has qualified for the CGT discount), Unitholders are required to include in their net capital gain calculation an amount equal to double their share of the Trust capital gain.

Unitholders would then apply any available prior year or current year capital losses from other sources and to the extent that they are eligible Unitholders, they should be entitled to discount the remaining capital gain by the relevant discount percentage of that Unitholder.

The resulting net capital gain is included in the Unitholder's assessable income.

In determining whether the CGT discount is available to Unitholders in respect of the capital gain distributed to them by the Trust, it does not matter whether the Units were held for 12 months or more at the time that the Unitholders received a distribution of the capital gain from the Trust.

Non assessable capital component (tax deferred distributions)

Where the Trust makes a distribution of a non assessable capital amount (being a capital amount other than an amount representing the Trust's CGT discount), Unitholders are required to reduce the tax cost base of their Units by that amount. Note that the tax cost base of the Units should already have been reduced by non assessable capital distributions (tax deferred distributions) received in prior periods.

Where the Unitholder's cost base in a Unit is reduced to nil, a capital gain arises to the extent of the excess of the non assessable capital component distribution (other than the amount representing the CGT discount) over the tax cost base of that Unit.

It is likely that the non assessable capital payments (excluding the amount representing the CGT discount) would exceed the Unitholder's cost base and accordingly, a capital gain for Unitholders is likely to arise as a result of the Distribution.

The timing of a CGT event in relation to the distribution of the non assessable capital component (other than the part representing the CGT discount) should occur at the end of the year of income or immediately prior to the cancellation of the Units, whichever is the earlier.

Eligible Unitholders that have held their Units for at least 12 months at the time of the CGT event would be entitled to the CGT discount at the relevant discount percentage.

Wind-up of the Trust

On wind-up of the Trust, there will be a cancellation of all Units in the Trust.

The cancellation of the Units would result in a CGT event for the Unitholders. The time of the CGT event would be when the Units are cancelled.

On the basis that the Unitholders' tax cost base and reduced tax cost base in the Units is likely to have been reduced to nil as a result of the Distribution (refer above), any capital proceeds from the cancellation or redemption would likely result in a capital gain for the Unitholders. To the extent that any income is derived by the Trust between the Distribution and the cancellation, this amount would be distributed as part of the cancellation and should be assessable to the Unitholder to the extent it is a distribution of taxable components.

Eligible Unitholders should be able to reduce the capital gain by the relevant discount percentage after applying any available carry forward or current year capital losses. Australian resident individuals and trustees of other trusts should be entitled to a CGT discount of 50% and complying superannuation funds should be entitled to a CGT discount of 33 1/3%, provided that the Unitholder has held their Units for at least 12 months prior to the cancellation of the Units.

Any resulting net capital gain is included in the Unitholder's assessable income.

NON-RESIDENT UNITHOLDERS – SALE OF PROPERTY AND WIND UP OF THE TRUST

Share of the Trust capital gain

As the Trust is a MIT the trustee is required to withhold MIT WHT from 'fund payments' made to non-resident Unitholders. The rate of the MIT WHT is 15% of the fund payment for distributions to an address or place in an Information Exchange country and 30% of the fund payment for distributions to an address or place not in an Information Exchange country.

For the Trust, fund payments would include the taxable component of the Distribution other than interest. Where the taxable income of a MIT includes a discounted capital gain made on disposal of taxable Australian property, the fund payment would be increased such that it includes double the discounted capital gain in order to ensure that the CGT discount does not apply to distributions made to an address or place outside of Australia.

Non assessable capital component

The trustee of a MIT does not have an obligation to withhold an amount in respect of the non assessable capital component of a distribution. The non assessable capital component of a distribution would reduce the cost base of a non-resident Unitholder's Units. However, where the non assessable capital component of a Unit exceeds the tax cost base of that Unit, it should not result in a taxable capital gain for the non-resident Unitholder. This is on the basis that the CGT event occurs in relation to Units which are not taxable Australian property at the time of the CGT event (assuming that the Unitholder holds less than 10% of the Units in the Trust at the time of the CGT event).

Wind-up of the Trust

Where a non-resident Unitholder owns less than 10% of the Units in the Trust, the Unitholder should not be subject to Australian CGT on disposal on the basis the Units are not taxable Australian property.

To the extent that any income is derived by the Trust between the Distribution and the cancellation of the Units, this amount would be distributed as part of the cancellation proceeds and would be taxed in a manner similar to any other distribution made to a non-resident.

INDICATIVE EXAMPLE OF SALE OF THE PROPERTY AND WIND-UP OF THE TRUST

The tax liability calculated for the example Unitholder below is only an example and is not to be relied on. It is based on forecasted information and estimates of the capital gain and number of Units on issue and taxation positions adopted by CFM, the trustee of the Trust. The actual capital gain would ultimately depend on the final sale price, the timing of the sale of the Property and related expenses.

CFM would provide a statement providing a detailed breakdown of Unitholders' final distribution and capital gains if the Resolutions are passed to assist Unitholders in preparing their income tax return for the income year in which the sale of the Property occurs.

The example set out below is indicative of the taxation treatment for different classes of Unitholders who:

- are Australian residents for tax purposes;
- hold their Units on capital account;
- acquired their Units for \$1.00 prior to the first distribution (during the 30 June 2010 financial year);
- have received tax deferred distributions in the financial years up until 30 June 2016 totalling \$0.5970 per Unit. Consequently, the cost base of these Unitholders prior to the year of sale of the Property and cancellation of Units is estimated to be \$0.4030 (assuming no other capital costs have been added to the cost base); and
- do not have any carry forward tax or capital losses.

The indicative calculation assumes that:

- the Trust sells the Property for \$237m;
- the CGT event for disposal of the Property occurs on 31 December 2016;
- the Trust is wound up in the 30 June 2017 income tax year;
- the Distribution occurs in the 30 June 2017 income year and all distributions paid by the Trust for the year total \$1.5437 per Unit comprised of the following:
 - \$0.5493 – share of the discount capital gain (less deductible expenses)
 - \$0.5568 – CGT concession discount portion of the capital gain
 - \$0.4376 – non assessable capital component (tax deferred and return of corpus distributions)

Non assessable capital payment and redemption

Based on the above, as a result of the distribution of the non assessable capital component, each Unitholder would derive a capital gain of \$0.0346 per Unit (being capital proceeds and distributions of \$0.4376 less cost base of \$0.4030).

Taxable income

We have modelled the indicative tax and after tax cash return on the sale of the Property and cancellation of Units as follows:

	Individual	Company	Individual	Complying Super Fund
	15%	30%	49%	15%
Share of Trust Income - Taxable (CGT)	0.55	0.55	0.55	0.55
Grossed Up Share of Trust Capital Gain ¹	1.10	1.10	1.10	1.10
Share of Trust Income - Taxable (Non-CGT)	-	-	-	-
Plus CGT Gain from Tax Deferred and Redemption²	0.03	0.03	0.03	0.03
Sub-total	1.13	1.13	1.13	1.13
Less: Applicable CGT Discount	(0.57)	-	(0.57)	(0.38)
Taxable income	0.56	1.13	0.56	0.75
Total Cash Distribution for the Year³	1.54	1.54	1.54	1.54
Less: Tax Applicable at Applicable Rate	(0.08)	(0.34)	(0.28)	(0.11)
Cash Return After Tax Post Participation in Matching Facility	1.46	1.20	1.26	1.43

Notes:

- (1) The "Grossed Up Share of Trust Capital Gain" amount is the Unitholder's share of the discount capital gain (less deductible expenses) as discussed above.
- (2) The "CGT Gain from Tax Deferred and Redemption" amount is the gain from distribution of the non assessable capital component in excess of cost base and gains on the redemption of the Unit as outlined above.
- (3) Includes the monthly distribution and the Distribution.
- (4) The above numbers in the table above have been rounded to 2 decimal places.

Other taxes

Unitholders should not be liable for Australian stamp duty in relation to the sale of the Property or wind up of the Trust.

Unitholders should not be liable to GST in Australia in relation to the sale of the Property or wind up of the Trust.

10. Valuation report

VALUATION & ADVISORY SERVICES



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21 April 2016

Paul Weightman
Chairman
Cromwell Funds Management Limited
Level 19, 200 Mary Street
Brisbane QLD 4000

Dear Paul

Summary of Valuation Report: Energex Building, 33 Breakfast Creek Road, Newstead QLD 4006

Instructions

CBRE Valuations Pty Limited ("CBRE") accepted instructions dated 24 February 2016 to prepare a market Valuation of the freehold interest in the property listed above. The Valuation is to be relied upon for Financial Reporting and First Mortgage Security purposes only and is specifically addressed for use and reliance upon by the parties named in the full Valuation Report. The Valuation is prepared in accordance with the Australian Property Institute Australia and New Zealand Valuation and Property Standards January 2012, having regard to ANZVGN 8, Valuations for use in Offer Documents. The instructions specifically request us to provide our opinion of the market value of the property on the following basis:

- **Market Value - As Is - Subject to existing occupancy arrangements.**

CBRE has been instructed to provide a full Valuation Report in addition to this Summary Letter to be included in the Explanatory Memorandum to be dated on or around 20 May 2016 issued by Cromwell Funds Management Limited as the responsible entity for the Cromwell Riverpark Trust. In accordance with ANZVGN 8, our Valuation Report draws attention to the key issues and considerations impacting value and provides a detailed Property Risk Assessment and SWOT Analysis, plus the report details our Critical Assumptions, Assumptions, Disclaimers, Limitations and Qualifications and our Recommendations. As commercial investments of this nature are inherently complex and the market conditions have changed and/or have been uncertain in recent times, it is considered prudent to consider the entire contents of our Valuation Report. Therefore, we recommend that this Summary Letter is to be read and considered together with the Valuation Report. We accept no responsibility for reliance upon the Summary Letter. We refer the reader to Cromwell Funds Management Limited to obtain a copy of our Valuation Report.

Brief Description of the Property and Tenancy Details

The Energex Building is located approximately 2.5 radial kilometres north east of Brisbane's Central Business District and is situated on the eastern side of Breakfast Creek Road and is further bounded by Skyring Terrace to the south, Reddacliff Street to the south east, Waterloo Street to the north and Cunningham Street to the east.

The property is improved with an 'A Grade' 7 storey office building which was completed in August 2010. The building incorporates 1 basement level of retail car parking for 48 vehicles and 2 further secure basement levels of office car parking for 315 vehicles, ground level foyer and retail/showroom

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accommodation and 6 upper levels of office accommodation. The office levels are separated by a central atrium with a glazed roof and linked by multiple walkways.

The office component of the complex is fully leased to Energex for a 15 year term which expires on 16 August 2025 (in addition to two 5 year option periods and a 2 year option period). The lease includes provisions for annual reviews which comprise CPI increases with a fixed minimum increase of 3.75% and a ratcheted market review in year 10 with a minimum 5% increase and maximum 7% increase. There are 10 retail/showroom tenancies, 8 of which are leased for terms ranging from 4 to 10 years, with 2 vacant tenancies.

Market Movement

The valuation referred to above represents the value of the property as at the date of valuation only. The value assessed 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 or particular property sector). CBRE is not liable for losses arising from any subsequent changes in value.

Critical Assumptions and Reliance on Information Provided

A summary of the Critical Assumptions noted in the full Valuation Report are noted as follows:

- We have assumed that there will be no material change in the property market or the property between the date of inspection and the date of valuation.
- We have relied upon information provided by Cromwell Funds Management Limited.
- Our valuation is based upon the most current information available at the time the valuation was prepared. CBRE accepts no responsibility for subsequent changes in information as to income, expenses or market conditions. Any subsequent change in lease terms may also have a corresponding change to the value.
- In the current market it is our view that a 6 month marketing period may be required to effect a disposal of the interest in the asset assuming a professional marketing campaign.

Report Content

Our Valuation Report, in addition to the content noted earlier, contains detailed information and description pertaining to: Instructions, Reliance and Liability; Site Details including Location, Legal, Environmental and Town Planning; Building Improvements; and our analysis of the asset's Occupational and Financial attributes. This is followed by a comprehensive Economic, Investment Market and Office Market Overview and details of the sales evidence regarded, along with our Investment Considerations. Finally, the report considers the value and marketability of the property. We again refer the reader of this letter to our Valuation Report for detail in respect of the above items.

Market Commentary

Our market overview focusses on two broad elements of the market, firstly the occupational market with specific references to the official vacancy statistics from the Property Council of Australia as at January 2016 and secondly capital markets and investment demand. Key market observations include:

- The Brisbane Near City supported 1.191 million square metres of office stock at January 2016. The Urban Renewal precinct (including Fortitude Valley, Newstead/Teneriffe, Bowen Hills and Herston) is the largest of the Near City office precincts, with a stock level of 484,156 square metres.

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- As in the CBD, secondary stock is being withdrawn for redevelopment into residential, student accommodation or hotel uses. Just over 32,500 square metres of stock was withdrawn over the course of 2015, mainly in the Urban Renewal, Spring Hill and Inner South precincts. Although fluid, CBRE has identified a further 30,000 square metres of potential withdrawals which could occur during 2016.
- Net absorption was negative over the course of 2015 (-7,373 square metres), although prime stock recorded continued strong take-up with positive absorption of 26,800 square metres as pre-committed tenants moved to completed developments, predominately in the Urban Renewal precinct, where annual absorption totalled 21,700 square metres. In other precincts, performance lagged.
- With secondary stock withdrawals factored in, overall vacancy eased slightly to 12.5% (from 12.8% recorded in January 2015), despite the negative take-up. Prime vacancy tightened to 10.1% with secondary vacancy rising to 15.3%.
- The Near City has demonstrated a stronger underlying occupier market in comparison with the CBD in recent years, with greater flexibility in terms of rents and tenant opportunities. Enquiry has risen, largely from tenants with upcoming expiries looking to take advantage of the lower face rents and high incentives on offer (particularly for sublease accommodation). Higher vacancy and depressed rents in the CBD and a tightening of prime opportunities in the Near City, however, are providing greater levels of competition to Near City stock and promoting some recentralisation of tenants to the CBD.
- Investment markets in 2015 had a strong end to the year and continued their high levels of activity evident from the previous two quarters. \$704.9 million worth of sales were identified across the metropolitan area during Q4. Calendar year sales volume totalled \$2.54 billion, the third highest on record, with the CBD recording \$1.56 billion of investment and the Near City/suburban market tallying \$979 million.
- Offshore capital continued to play a role, including acquisitions by AEP Investment Management, Deutsche Asset Management, Credit Suisse Asset Management and BlackRock. Over the course of 2015, offshore capital accounted for almost a third of total sales volume.
- The yield compression cycle is likely to be close to its peak, although any movement in 2016 is expected to be slight with broad yield indicators maintained over the course of the year. Upward pressure on domestic interest rates may emerge from the last quarter of 2016. We expect that this will begin to exert upward pressure on property yields moving into 2017, with a cyclical softening likely. Again, however, movement is expected to be modest and gradual and driven by rising bond yields rather than an increase in perceived risk by investors.

Investment Sales Evidence

In order to assess the appropriate market parameters for the subject property, we have considered recent 'Near City' office transactions, as summarised in table overleaf. The sales analysis indicates:

- Equivalent yields of 6.47% to 8.03% and initial yields of 6.26% to 8.86%.
- Internal Rates of Return (on a 10 year cash flow basis) of 7.19% to 8.84%.
- Capital value rates of \$5,545 to \$8,952 per square metre of lettable area.

These sales demonstrate investment activity during the last 18 months. Not all of the sales are considered to be directly comparable, however they do provide a range of evidence and set the parameters upon which we have based our assessment of value of the subject property.

Property	Sale Price	Sale Date	NLA (sqm)	Initial Yield	Equip Yield	IRR	Remain Lease Term (yrs)	Rate \$psm NLA	Vacancy Rate
100 Skyring Terrace Newstead	\$93,100,000 (50% interest)	Mar 2016	24,665	7.36%	6.5%	7.99%	9.5	\$7,549	0.00%
15 Butterfield Street Herston	\$81,250,000	Mar 2016	11,254	6.97%	6.96%	7.19%	4.5	\$7,220	0.00%
601 Coronation Drive Toowong	\$45,200,000	Mar 2016	7,277	8.28%	7.75%	8.28%	5.4	\$6,211	14.70%
99 Melbourne Street South Brisbane	\$38,750,000	Oct 2015	6,182	8.15%	7.33%	7.84%	3.0	\$6,268	0.00%
1 Breakfast Creek Road Newstead	\$38,700,000	Oct 2015	6,979	6.28%	8.03%	7.88%	4.1	\$5,545	23.76%
900 Ann Street Fortitude Valley	\$170,000,000	Oct 2015	18,991	6.26%	6.47%	7.88%	12.0	\$8,952	0.00%
108 Wickham Street Fortitude Valley	\$79,000,000	Sep 2015	11,861	8.42%	7.6%	8.84%	5.2	\$6,660	0.00%
K1 King Street Fortitude Valley	\$131,629,103	Aug 2015	16,587	7.02%	7.01%	8.04%	7.9	\$7,936	0.00%
144 Montague Road South Brisbane	\$92,750,000	Dec 2014	14,742	8.86%	7.99%	8.70%	6.9	\$6,292	0.00%
757 Ann Street Fortitude Valley	\$65,500,000	Jul 2014	9,053	8.29%	7.8%	8.21%	7.8	\$7,235	0.00%

Valuation Rationale

In arriving at our opinion of value, we have considered relevant general and economic factors and in particular have investigated recent sales and leasing transactions of comparable properties.

We have undertaken two approaches to valuation, namely the capitalisation of net income approach and have additionally undertaken a DCF analysis as a supporting method of valuation.

A detailed explanation of the assets investment credentials and the application of the capitalisation approach and DCF methodology is provided in the full Valuation Report.

Valuation Summary

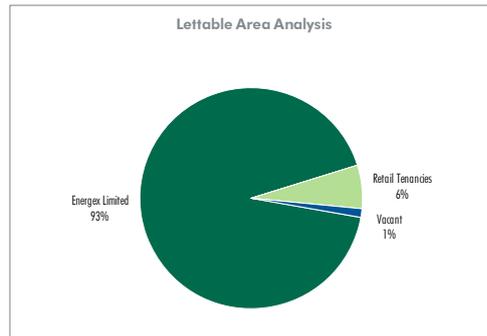
In accordance with the instructions, we summarise our valuation conclusion as at 30 June 2016, as follows:

Energex Building – Market Value ‘As Is’ - Subject to existing occupancy arrangements
\$237,000,000 (Two Hundred and Thirty Seven Million Dollars) GST exclusive

The tables overleaf outline our valuation conclusion and provide a brief summary of the tenancy profile and key investment parameters for the property as at 30 June 2016.

VALUATION SUMMARY (100% Freehold)

Valuation Approaches	Capitalisation & DCF	
Net Lettable Area (sqm)	30,604.0	
Site Area (sqm)	9,682.0	
NABERS Rating	5.5 Stars Energy, 4.5 Stars Water, (Waste Not Rated)	
Date of Valuation	30 June 2016	
Market Value	\$237,000,000	
Net Passing Income Fully Leased	\$16,077,763	\$525 psm
Net Passing Income	\$15,869,663	\$519 psm
Net Market Income	\$16,077,763	\$525 psm
Average Gross Market Rent (Office)	\$571 psm	
Average Gross Market Rent (Retail)	\$652 psm	
Weighted Average Lease Term (by income/by area) on occupied areas	8.8 years	8.8 years
Weighted Average Lease Term (by Income) incl. cars, sundry and vacancies	8.7 years	
Outgoings (Adopted)	\$90 psm	
PV of Outstanding Tenant Incentives	\$372,544	
Capitalisation Rate	6.75%	
Terminal Yield	7.00%	
Target IRR (Discount Rate)	8.00%	
Ten Year IRR (Indicated)	8.06%	
Passing Initial Yield	6.66%	
Passing Initial Yield plus vacancies	6.74%	
Equivalent Yield	6.72%	
Reversionary (Market) Yield	6.74%	
Value psm of NLA	\$7,744 psm	
Current Vacancy Rate	1.26%	386 sqm



VALUATION ASSUMPTIONS

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
CPI (Deloitte Access Economics)	2.44% (10 yr avg)	1.87%	2.37%	2.46%	2.38%	2.53%	2.64%	2.63%	2.39%	2.43%	2.71%
Office Market Rent Growth (gross)	2.98% (10 yr avg)	0.50%	1.00%	2.50%	3.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Retail Market Rent Growth (gross)	3.94% (10 yr avg)	3.37%	3.87%	3.96%	3.88%	4.03%	4.14%	4.13%	3.89%	3.93%	4.21%
Office Effective Rent Growth(gross)	5.78% (10 yr avg)	0.50%	8.77%	6.16%	7.07%	11.47%	7.77%	7.67%	4.50%	4.50%	4.50%
Car Parking Growth	3.00% (10 yr avg)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Sundry Growth	2.44% (10 yr avg)	1.87%	2.37%	2.46%	2.38%	2.53%	2.64%	2.63%	2.39%	2.43%	2.71%
Outgoing Escalation	2.44% (10 yr avg)	1.87%	2.37%	2.46%	2.38%	2.53%	2.64%	2.63%	2.39%	2.43%	2.71%
Incentives Yr 1 (Office)	35.0%	35.0%	35.0%	30.0%	27.5%	25.0%	20.0%	17.5%	15.0%	15.0%	15.0%
Incentives Yr 1 (Retail)	6 mths	6 mths	6 mths	6 mths	6 mths	6 mths	6 mths	6 mths	6 mths	6 mths	6 mths
Renewal Probability (Office/Retail)	50%										
Leasing Up Period Yr 1 (Office/Retail)	9 mths										
Assumed New Lease Term (Office/Retail)	5 years										
Assumed New Lease Reviews (Office/Retail)	3.75%										
Assumed Leasing Commissions (new/renewal)	15%										
Lessors Works/Make Good (\$psm) (Office/Retail)	\$100 psm										
Refurbishment Allowance (Yr 10)	\$150 psm										
Total Capital Expenditure (Yrs 1 to 11) *	\$11,288,725										

* Includes Refurbishment and Lessors Make Good allowances.



TENANT PROFILE	Area (sqm)	Passing Gross Rent	Market Gross Rent	Expiry
Energex Limited	28,276.0	\$16,134,635	\$16,134,635	Aug-25
Retail Tenants	1,942.0	\$1,309,084	\$1,309,084	4.5 yrs
Monthly				
Car Parking		\$992,865	\$992,865	
Sundry		\$86,551	\$86,551	
Total (Gross Passing)	30,218.0	\$18,523,135	\$18,523,135	
Vacant	386.0	\$208,100	\$208,100	
Total (Gross Passing Fully leased)	30,604.0	\$18,731,235	\$18,731,235	



Note: Gross rents include outgoing recovery (where applicable). Market rent shown for vacancies.

Consent

CBRE provides its consent for the inclusion of this Summary Letter within the Explanatory Memorandum, subject to Cromwell Funds Management Limited making recipients of the Explanatory Memorandum aware of the following liability disclaimers.

Liability Disclaimer

- a) CBRE is not operating under an Australian Financial Services Licence when providing the full Valuation Report or this Summary Letter and those documents do not constitute financial product advice. Investors should consider obtaining independent advice from their financial advisor before making any decision in relation to their investment in the Cromwell Riverpark Trust.

Liability limited by a scheme approved under Professional Standards Legislation.

- b) CBRE disclaims any liability to any person in the event of an omission from, or false and misleading statements included in the Explanatory Memorandum, other than in respect to this Summary Letter and the full Valuation Report.
- c) The Valuation Report and this Summary Letter are strictly limited to the matters contained within those documents, and are not to be read as extending, by implication or otherwise, to any other matter in the Explanatory Memorandum. Without limitation to the above, no liability is accepted for any loss, harm, cost or damage (including special, consequential or economic harm or loss) suffered as a consequence of fluctuations in the real estate market subsequent to the date of valuation.
- d) CBRE has prepared the full Valuation Report and this Summary Letter relying on and referring to information provided by third parties including financial and market information ("Information"). CBRE assumes that the Information is accurate, reliable and complete and it has not tested the information in that respect.
- e) References to the Property's value within this Summary Letter or the Explanatory Memorandum have been extracted from CBRE's Valuation Report. The Valuation Report draws attention to the key issues and considerations impacting value and provides a detailed assessment and analysis as well as key critical assumptions, assumptions, disclaimers, limitations and qualifications and recommendations. As commercial investments of this nature are inherently complex and the market conditions have changed and/or have been uncertain in recent times, CBRE recommends that this Summary Letter and any references to value within the Explanatory Memorandum must be read and considered together with the Valuation Report. This Summary Letter is to be read in conjunction with our full Valuation Report and is subject to the Assumptions, Limitations, Disclaimers and Qualifications contained therein. We refer the reader to Cromwell Funds Management Limited to obtain a copy of the full report.
- f) No responsibility is accepted for any loss or damage arising as a result of reliance upon this Summary Letter.
- g) Neither this Summary Letter nor the full Valuation Report may be reproduced in whole or in part without prior written approval of CBRE.
- h) CBRE charges a professional fee for producing valuation reports, and the fee paid by Cromwell Funds Management Limited for the Valuation Report and this Summary Letter was \$17,500 inclusive of GST.
- i) We confirm that the valuer does not have a pecuniary interest that would conflict with a proper valuation of the interest in the properties.
- j) This document is for the sole use of persons directly provided with it by CBRE. Use by, or reliance upon this document by anyone other than those parties named above is not authorised by CBRE and CBRE is not liable for any loss arising from such unauthorised use or reliance.

Yours sincerely
CBRE Valuations Pty Limited



Tristan Gasiewski
Director – Valuation & Advisory Services



Andrew Sutton
Associate Director – Valuation & Advisory Services

11. Independent accountant's report



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5 May 2016

Pitcher Partners is an association of independent firms
Brisbane | Melbourne | Sydney | Perth | Adelaide | Newcastle

The Directors
Cromwell Funds Management Limited
As Responsible Entity for Cromwell Riverpark Trust
Level 19
200 Mary Street
BRISBANE QLD 4000

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT ON HISTORICAL AND PRO FORMA BALANCE SHEETS AND FORECAST INCOME STATEMENT OF CROMWELL RIVERPARK TRUST

1 Introduction

We have been engaged by Cromwell Funds Management Limited ("CFM") as the responsible entity of Cromwell River Park Trust ("CRT" or the "Trust") to report on the financial information of CRT, as summarised in Section 2 below, for inclusion in the Explanatory Memorandum dated on or about 20 May 2016. The purpose of the Explanatory Memorandum is to provide CRT unitholders with information to consider and vote on the resolutions to approve the Rollover Proposal.

CRT is a fixed term trust with an expiry date of 8 July 2016. The Rollover Proposal is to amend the term of the Trust for a further five years to 8 July 2021. In addition, CRT unitholders are asked to approve the payment of an interim performance fee to CFM that would ordinarily be paid on the sale of the Trust's investment property and winding up of the Trust. It also includes the ability for CRT unitholders to dispose of some or all of their units or acquire additional units in CRT as part of the Matching Facility.

2 Scope

2.1 Historical and Pro Forma Balance Sheets

Historical Balance Sheet

You have requested Pitcher Partners Corporate Finance Limited ("Pitcher Partners CF") to review the Historical Balance Sheet of CRT as at 31 December 2015 included in the Explanatory Memorandum. The Historical Balance Sheet has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and CRT's adopted accounting policies. The Historical Balance Sheet has been extracted from the financial report of CRT for the half year ended 31 December 2015, which was reviewed by Pitcher Partners in accordance with the Australian Auditing Standards. Pitcher Partners issued an unmodified review opinion on the financial report.

The Historical Balance Sheet is presented in the Explanatory Memorandum in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.



Licensed Dealer in Securities

Pro Forma Balance Sheet

You have requested Pitcher Partners CF to review the pro forma balance sheet of CRT as at 31 December 2015. The Pro Forma Balance Sheet has been derived from the Historical Balance Sheet of CRT, after adjusting for the effects of pro forma adjustments described in Section 8.4 of the Explanatory Memorandum. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Historical Balance Sheet and the events or transactions to which the pro forma adjustments relate, as described in Section 8.4 of the Explanatory Memorandum, as if those events or transactions had occurred as at the date of the Historical Balance Sheet. Due to its nature, the Pro Forma Balance Sheet does not represent the Trust's actual or prospective financial position.

Directors' responsibility

The directors of CFM are responsible for the preparation of the Historical and Pro Forma Balance Sheets, including the selection and determination of pro forma adjustments made to the Historical Balance Sheet and included in the Pro Forma Balance Sheet. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical and Pro Forma Balance Sheets that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Historical and Pro Forma Balance Sheets based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

2.2 Forecast Financial Information

You have requested Pitcher Partners CF to review the Forecast Income Statement of CRT for the years ending 30 June 2017 – 2021, as described in Section 8.2 of the Explanatory Memorandum. The directors' best estimate assumptions underlying the forecast are described in Section 8.6 of the Explanatory Memorandum. The stated basis of preparation used in the preparation of the Forecast Income Statements is in accordance with the recognition and measurement principles contained in Australian Accounting Standards, and CRT's adopted accounting policies.

Directors' Responsibility

The directors of CFM are responsible for the preparation of the forecast for the years ending 30 June 2017 – 2021, including the best-estimate assumptions underlying the forecast. This includes responsibility for such internal controls as management determines are necessary to enable the preparation of the Forecast Income Statements are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express limited assurance conclusions on the Forecast Income Statements, the best-estimate assumptions underlying the forecast, and the reasonableness of the forecast itself, based on our review. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance engagement consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It is substantially less in scope than a reasonable assurance engagement conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance conclusion.

3 Conclusions

3.1 Historical and Pro Forma Balance Sheets

Historical Balance Sheet

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Balance Sheet, as described in Section 8.4 of the Explanatory Memorandum, is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 8.4 of the Explanatory Memorandum.

Pro Forma Balance Sheet

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Balance Sheet as at 31 December 2015 is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in Section 8.4 of the Explanatory Memorandum.

3.2 Forecast Financial Information

Based on our review, which is not a reasonable assurance engagement, nothing has come to our attention which causes us to believe that:

- the directors' best-estimate assumptions do not provide reasonable grounds for the preparation of the Forecast Income Statement of CRT for the five financial years ending 30 June 2017 – 2021; and
- in all material respects, the forecast:
 - is not prepared on the basis of the directors' best-estimate assumptions as described in section 8.6 of the Explanatory Memorandum; and
 - is not presented fairly in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards, applied to the CRT's adopted accounting policies; and
- the forecast itself is unreasonable.

The forecast has been prepared by management and adopted by the directors in order to provide unitholders with a guide to the potential financial performance of the CRT for the five financial years ending 30 June 2017 – 2021. There is a considerable degree of subjective judgement involved in preparing a forecast since it relates to events and transactions that have not yet occurred and may not occur. Actual results are likely to be different from the forecast since anticipated events or transactions frequently do not occur as expected and the variation may be material.

The director's best-estimate assumptions on which the forecast is based relate to future events and/or transactions that management expect to occur and actions that management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of CFM. Evidence may be available to support management's best-estimate assumptions on which the forecast is based; however such evidence is generally future-oriented and therefore speculative in nature. We are therefore not in a position to obtain the level of assurance necessary to express a reasonable assurance conclusion on those best-estimate assumptions, and accordingly provide a lesser level of assurance on the reasonableness of management's best-estimate assumptions. The limited assurance conclusion expressed in this assurance report has been formed on the above basis.

Unitholders should be aware of the material risks and uncertainties in relation to CRT, which are detailed in the Explanatory Memorandum, and the inherent uncertainty relating to the forecast. Accordingly, unitholders should have regard to the risks and sensitivities as described in section 8.7 of the document. The sensitivity analysis as described in section 8.7 of the document demonstrates the impact on the forecast of changes in key best-estimate assumptions. We express no opinion as to whether the forecast will be achieved.

The forecast has been prepared by management for the purpose of inclusion in the Explanatory Memorandum to provide unitholders with information to consider and vote on the resolutions to approve the Rollover Proposal. We disclaim any assumption of responsibility for any reliance on this report, or on the forecast to which it relates, for any purpose other than that for which it was prepared. We have assumed, and relied on representations from certain members of management of CFM that all material information concerning the prospects and proposed operations of CRT has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

4 Other Matters

Reliance on This Report

This report is addressed to the directors of Cromwell Funds Management Limited (as Responsible Entity for CRT) and cannot be relied upon by any other party or parties.

Consent

Pitcher Partners CF has consented to the inclusion of this assurance report in the Explanatory Memorandum in the form and context in which it is included.

Liability

The liability of Pitcher Partners CF is limited to the inclusion of this report in the Explanatory Memorandum. Pitcher Partners CF makes no representation regarding, and has no liability for, any other statements or other material in, or omissions from the Explanatory Memorandum.

Declaration of Interest

Pitcher Partners CF does not have any interest in the outcome of this transaction other than the preparation of this report, for which normal professional fees will be received.

Financial Services Guide

We have included our Financial Services Guide as Appendix A to our report. The Financial Services Guide is designed to assist retail clients in their use of any general financial product advice in our report.

Yours faithfully

PITCHER PARTNERS CORPORATE FINANCE LIMITED



Ross Walker

Director

Financial Services Guide

What is a Financial Services Guide?

This Financial Services Guide ("FSG") is an important document the purpose of which is to assist you in deciding whether to use any of the general financial product advice provided by Pitcher Partners Corporate Finance Ltd. The use of "we", "us" or "our" is a reference to Pitcher Partners Corporate Finance Ltd as the holder of Australian Financial Services Licence ("AFSL") No. 255516. The contents of this FSG include:

- who we are and how we can be contacted;
- what services we are authorised to provide under our AFSL;
- how we (and any other relevant parties) are remunerated in relation to any general financial product advice we may provide;
- details of any potential conflicts of interest; and
- details of our internal and external dispute resolution systems and how you can access them.

Information about us

We have been engaged by Cromwell Funds Management Limited to give general financial product advice in the form of a report to be provided to you in connection with a financial product to be issued by another party. You are not the party or parties who engaged us to prepare this report. We are not acting for any person other than the party or parties who engaged us. We are required to give you an FSG by law because our report is being provided to you. We are only responsible for the financial product advice provided in our report and for the contents of this FSG. You may contact us by writing to GPO Box 1144, BRISBANE QLD 4001, or by telephone on +61 (0) 7 3222 8444.

Pitcher Partners Corporate Finance Ltd is ultimately owned by the Brisbane partnership of Pitcher Partners, a provider of audit and assurance, accounting, tax, corporate advisory, insolvency, superannuation, investment advisory and consulting services. Directors of Pitcher Partners Corporate Finance Ltd are partners of Pitcher Partners.

The Brisbane partnership of Pitcher Partners is an independent partnership of Pitcher Partners. As such, neither it nor any of the other independent partnerships has any liability for each other's acts or omissions. Each of the member firms is a separate and independent legal entity operating under the name "Pitcher Partners", or other related names.

The financial product advice in our report is provided by Pitcher Partners Corporate Finance Ltd and not by the Brisbane partnership of Pitcher Partners or its related entities.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, we and the Brisbane partnership of Pitcher Partners (and its related bodies corporate) may from time to time provide professional services to financial product issuers in the ordinary course of business.

What financial services are we licensed to provide?

The AFSL we hold authorises us to provide the following financial services to both retail and wholesale clients:

- to provide general financial product advice only in respect of securities, derivatives, debentures, stocks or bonds issued or proposed to be issued by a government and interests in managed investment schemes including investor directed portfolio services and deposit and payment products limited to basic deposit products and deposit products other than basic deposit products.

Information about the general financial product advice we provide

The financial product advice provided in our report is known as "general advice" because it does not take into account your personal objectives, financial situation or needs. You should consider whether the general advice contained in our report is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If our advice is being provided to you in connection with the acquisition or potential acquisition of a financial product issued by another party, we recommend you obtain and read carefully the relevant Product Disclosure Statement ("PDS") or offer document provided by the issuer of the financial product. The purpose of the PDS or offer document is to help you make an informed decision about the acquisition of a financial product. The contents of the PDS or offer document will include details such as the risks, benefits and costs of acquiring the particular financial product.

How are we and our employees remunerated?

Our fees are usually determined on an hourly basis; however they may be a fixed amount or derived using another basis. We may also seek reimbursement of any out of pocket expenses incurred in providing the services.

We will receive a fee of approximately \$25,000 exclusive of GST in relation to the preparation of this report. This fee is not contingent upon the success or otherwise of the proposed capital raising.

Neither Pitcher Partners Corporate Finance Ltd nor its directors and officers, nor any related bodies corporate or associates and their directors and officers, receives any commissions or other benefits, except for the fees for services rendered to the party or parties who actually engage us. Our fees for such services are based on time spent at our professional hourly rates.

All of our employees receive a salary with partners also having an equity interest in the partnership. We do not receive any commissions or other benefits arising directly from services provided to you. The remuneration paid to our directors reflects their individual contribution to the company and covers all aspects of performance.

We do not pay commissions or provide other benefits to other parties for referring prospective clients to us.

What should you do if you have a complaint?

If you have any concerns regarding our report, you may wish to advise us. Our internal complaint handling process is designed to respond to your concerns promptly and equitably. Please address your complaint in writing to:

The Managing Partner
Pitcher Partners
GPO Box 1144
BRISBANE QLD 4001

If you are not satisfied with the steps we have taken to resolve your complaint, you may contact the Financial Ombudsman Service Limited ("FOSL"). FOSL provides free advice and assistance to consumers to help them resolve complaints relating to members of the financial services industry.

Complaints may be submitted to FOSL at:

Financial Ombudsman Service Limited
GPO Box 3
MELBOURNE VIC 3001
Telephone: 1300 780 808
Fax: +61 3 9613 6399
Internet: <http://www.fos.org.au>

The Australian Securities and Investments Commission ("ASIC") regulates Australian companies, financial markets, financial services organisations and professionals who deal and advise in investments, superannuation, insurance, deposit taking and credit. Their website contains information on lodging complaints about companies and individual persons and sets out the types of complaints handled by ASIC. You may contact ASIC as follows:

Info line: 1300 300 630
Email: info@asic.gov.au
Internet: <http://www.asic.gov.au/asic/asic.nsf>

12. Other information

Interests of CFM Directors

An Executive Director on the CFM Board holds Units in the Trust. Given his position as a director, he will not be voting on the Resolutions. Otherwise, none of the Directors have any interest in the Trust, whether under a contract with CFM or otherwise, which are conditional on, or related to, the Resolutions.

Payments and other benefits to Cromwell Directors, Secretaries, Executive Officers or related bodies corporate

The Cromwell Direct Property Fund (DPF) has offered to purchase at least 20% of issued Units (subject to sufficient supply), from Unitholders who indicated that they wish to exit from the Trust. CFM is also the responsible entity of DPF. DPF owns 7% of the issued Units in the Trust.

DPF's investment mandate is to acquire direct properties as well as invest in a number of unlisted property trusts. CFM as responsible entity of DPF currently has approval to fund an additional stake in the Trust of at least a further 20% of Units on issue, by purchasing Units from Unitholders under the Matching Facility (subject to availability).

DPF does not have any information gained by virtue of its sharing a common responsible entity with the Trust other than as disclosed to Unitholders in this Explanatory Memorandum.

Property defects and current status of rectification

In August 2014 and January 2015, an internal glass balustrade spontaneously failed (two in total). Numerous consultants were appointed to investigate the possible cause and proposed various options for rectification.

A protective film solution was one of the options presented, and following a series of rigorous tests, was accepted by Energex Limited, CFM and the developer AVEO Group Limited (AVEO) (previously named FKP). Works commenced in February 2016 to replace over 500 panels, to ensure that no further failures occurred. As at the date of this Explanatory Memorandum, approximately 460 glass panels have been replaced. These works are being carried out by AVEO at its cost, and are expected to be completed around 31 May 2016.

CFM have received a number of rent abatement claims from Energex Limited arising from parts of the common areas not being available for use during the balustrade replacement works. The claims have been addressed and CFM will pursue AVEO for reimbursement once the replacement works are completed. CFM is not expecting any further claims from Energex Limited in relation to this issue.

In addition to the above, there are a small number of immaterial defects currently being addressed by AVEO.

13. Definitions and interpretation

CFM, we, us, or our means Cromwell Funds Management Limited (ABN 63 114 782 777, AFSL No. 333214).

Constitution means the constitution of the Trust.

Corporations Act means the *Corporations Act 2001* (Cth).

Cromwell or Cromwell Property Group means Cromwell Property Group comprising Cromwell Corporation Limited (ABN 44 001 056 980) and Cromwell Diversified Property Trust (ARSN 102 982 598) the responsible entity of which is Cromwell Property Securities Limited (ABN 11 079 147 809, AFSL No. 238052).

Deed Poll means the deed poll made by CFM as responsible entity of the DPF on or around 20 May 2016, and which can be found at: www.cromwell.com.au/CRTvote.

DPF means the Cromwell Direct Property Fund (ARSN 165 011 905), the responsible entity of which is CFM.

Directors means the directors of the board of CFM.

Eligible Unitholders means those Unitholders eligible to vote on the Resolutions.

Energex Limited means Energex Limited ABN 40 078 849 055.

Extraordinary Resolution means a resolution passed by at least 50% of the total votes that may be cast by Unitholders entitled to vote on the resolution (including Unitholders who are not present in person or by proxy).

Forecast Period means the 12 month period ending 30 June 2017 and each of the following four financial periods.

Further Term means the proposed extension of the Trust's term for five (5) years until 8 July 2021, unless there is an earlier sale of the Property after three (3) years without an Extraordinary Resolution.

Matching Facility means the opportunity provided for Unitholders wanting to exit to sell Units, and Unitholders wanting to buy Units (both subject to sufficient availability), that is being offered to Unitholders only if the Resolutions are approved. See Chairman's letter, Key information or Section 5 for further details.

Matching Price means \$1.49 per Unit.

Meeting means the meeting of Unitholders to be held at 1pm on Thursday, 7 July 2016 at Cromwell Property Group, Level 19, 200 Mary Street, Brisbane.

Notice of Meeting means the notice of meeting setting out the Resolutions, which accompanies this Explanatory Memorandum. See Annexure A on page 47.

NTA means net tangible assets. In respect of the Trust, the NTA is the total value of the Trust's assets minus all of the Trust's liabilities.

PDS means the Product Disclosure Statement for the Trust dated 25 February 2009, and the Supplementary Product Disclosure Statement for the Trust dated 30 June 2009. These documents are available at www.cromwell.com.au/CRTvote.

Performance Fee means the fee payable to CFM based on the Trust's performance, and as described in Section 5.4 – Details of the Constitutional amendments.

Property or Energex House means the real property asset at Energex House, 33 Breakfast Creek Road, Newstead, Queensland, owned by the Trust.

Record Date means the date for determining eligibility of Unitholders to vote on the Resolutions, and will be 18 May 2016.

Register means the Unit register for the Trust.

Resolutions means the resolutions put to Unitholders at the Meeting, as set out in the Notice of Meeting.

Rollover Proposal means the proposal described in this Explanatory Memorandum to extend the Trust's term for a further five years to 8 July 2021, to introduce the Matching Facility, and to amend the Constitution in the manner set out in the Supplemental Deed.

Special Resolution means a resolution passed by at least 75% of the votes cast by Unitholders who are entitled to vote on the resolution.

Supplemental Deed means the deed poll to be made by CFM to amend the Constitution as described in this Explanatory Memorandum and as set out in Annexure B.

Term means the duration of the Trust ending on 8 July 2016, unless Unitholders vote to extend the term as proposed in this Explanatory Memorandum.

Transfer Date means the date the transfer of Units will be effective pursuant to the Matching Facility which is expected to be on or around 1 August 2016.

Trust means the Cromwell Riverpark Trust (ARSN 135 002 336).

Unit means fully paid ordinary units issued in the Trust.

Unitholder, you, or your means a holder of Units in the Trust.

ANNEXURE A

Notice of Meeting

Notice is given by Cromwell Funds Management Limited (CFM) as responsible entity of Cromwell Riverpark Trust (ARSN 135 002 336) (the Trust) that a meeting of the Trust will be held as follows:

Date: Thursday, 7 July 2016

Time: 1pm

Venue: Cromwell Property Group, Level 19, 200 Mary Street, Brisbane, Queensland

Additional information relating to the Resolutions, how CFM as responsible entity of the Trust will implement the Resolutions, and CFM's reasons for proposing the Resolutions is contained in the Explanatory Memorandum, which accompanies and forms part of this Notice of Meeting.

Capitalised terms used in this Notice of Meeting have the meaning given to them in the Explanatory Memorandum.

1 Resolution 1: Further Term Resolution

To consider and, if thought fit, to pass the following resolution as an Extraordinary Resolution of the Unitholders of Cromwell Riverpark Trust (Resolution 1):

"That, subject to and conditional on the passing of Resolution 2 in the Notice of Meeting convening this meeting, the Trust's term be extended for the Further Term to 8 July 2021 (as described in the Explanatory Memorandum accompanying the Notice of Meeting convening this meeting)."

2 Resolution 2: Constitutional Amendment Resolution

To consider and, if thought fit, to pass the following resolution as a Special Resolution of the Unitholders of Cromwell Riverpark Trust (Resolution 2):

"That, subject to and conditional on the passing of Resolution 1 in the Notice of Meeting convening this meeting, the constitution of the Cromwell Riverpark Trust is amended in accordance with the provisions of the supplemental deed in the form tabled at the meeting and initialled by the Chairman of the meeting for the purposes of identification, and the responsible entity of the Cromwell Riverpark Trust is authorised to execute and lodge with the Australian Securities and Investments Commission a supplemental deed to give effect to these amendments to the Cromwell Riverpark Trust."

INTER-CONDITIONAL RESOLUTIONS

The Resolutions are inter-conditional. Neither Resolution will be implemented unless the other is passed by the requisite majority.

Furthermore, if both Resolutions are not passed, the Matching Facility will not go ahead for those Unitholders wishing to sell or purchase Units.

QUORUM

The quorum for the Meeting is two Unitholders present in person or by proxy. CFM may adjourn the Meeting if a quorum is not present within thirty minutes of the scheduled time for the Meeting.

By order of the Board of Cromwell Funds Management Limited as responsible entity of the Cromwell Riverpark Trust.

VOTING MAJORITIES REQUIRED

As Resolution 1 is an Extraordinary Resolution, it will only be passed if at least 50% of the total votes that may be cast by Unitholders entitled to vote on the resolution (including Unitholders who are not present in person or by proxy), are cast and are in favour.

As Resolution 2 is a Special Resolution, it will only be passed if at least 75% of the votes cast by Unitholders who are entitled to vote on the resolution, are cast in favour.

ENTITLEMENT TO VOTE

All Unitholders appearing on the Register at 5pm on Wednesday, 18 May 2016 are entitled to attend and vote at the Meeting (subject to the voting exclusions set out below). Transfers of Units registered after this time will be disregarded in determining entitlements to vote at the Meeting.

VOTING IN PERSON

To vote in person, you must attend the meeting to be held on Thursday, 7 July 2016 at 1pm at Cromwell Property Group, Level 19, 200 Mary Street, Brisbane.

If you plan to attend the Meeting please arrive at 12:30pm or earlier to allow time to note your attendance. Please bring the Proxy Form with you as it contains a barcode that will enable registration to be completed in a timely and efficient manner.

VOTING BY BODY CORPORATE REPRESENTATIVE

A company may appoint an authorised body corporate representative to represent them at the Meeting and exercise any of the powers the company may exercise at the Meeting. The authorised body corporate representative will be admitted to the Meeting and given a voting card upon providing, at the point of entry to the Meeting, written evidence of their appointment, of their name and address and the identity of their appointer.

VOTING BY PROXY

If you are a Unitholder, you have the right to appoint a proxy in respect of the Meeting. Your proxy does not need to be a Unitholder. You should complete and sign the personalised Proxy Form accompanying this Explanatory Memorandum. The Proxy Form includes information about how it is to be completed.

If you are entitled to cast two or more votes you may appoint two proxies and may specify the proportion or number of votes each proxy is entitled to exercise. However, if you do not specify the proportion or number of votes for each proxy, then each proxy may exercise half of the votes.

If you do not name a proxy, or your named proxy does not attend the Meeting, the Chairman will be your proxy and vote on your behalf. Your proxy has the same rights as you to speak at the Meeting and to vote. The appointment of a proxy will not preclude you from attending in person and voting at the Meeting.

Proxy Forms must be received by the Cromwell Registry by post, fax, email, smart phone or online, or at the registered office of CFM, Level 19, 200 Mary Street, Brisbane by no later than 1pm on Tuesday, 5 July 2016 or if the Meeting is adjourned, at least 48 hours before the resumption of the Meeting in relation to the resumed part of the Meeting. Please ensure you also post an original or certified copy of any power of attorney (if the Proxy Form is signed by an attorney).

Please see the attached Proxy Form for instructions on lodgement.

VOTING BY POLL

The vote on each Resolution will be conducted by way of a poll, with the Chairman of the Meeting demanding a poll on Resolution 1 under the Constitution and Resolution 2 being a poll by virtue of being a Special Resolution. Each Unitholder present in person, by attorney, by body corporate representative or by proxy has, on a poll, one vote for each Unit they have in the Trust. If a Unitholder is entitled to two or more votes, they do not need to exercise their votes the same way nor cast all their votes.

JOINTLY HELD UNITS

If Units are jointly held, only one of the joint holders is entitled to vote. If more than one holder votes in respect of jointly held Units, only the votes of the Unitholder whose name appears first in the Register in respect of the relevant Units will be counted.

VOTING EXCLUSIONS

In accordance with Section 253E of the Corporations Act, CFM and its associates will not vote on the Resolutions if they have an interest in those Resolutions other than as a member of the Trust, except:

- they may vote as proxies if their appointments specify the way they are to vote and they vote that way; and
- in respect of Units which they hold as a custodian, nominee, trustee, responsible entity or other fiduciary on behalf of a third party who is not an associate of CFM.

VOTING INTENTIONS OF THE CHAIRMAN

CFM will appoint a Chair prior to the meeting. The Chair will vote any undirected proxies in favour of the Resolutions.

FOREIGN RESIDENTS

Unitholders who live outside Australia are eligible to submit a Proxy Form on the same terms as Unitholders in Australia.

If the Resolutions are approved and the Rollover Proposal goes ahead, the taxation consequences for Unitholders that reside outside of Australia may differ to those of a resident Unitholder. Although the Taxation Report in Section 9 provides some general comments in relation to the Australian taxation implications for non-resident Unitholders, you should obtain advice from your own independent professional tax adviser on the tax implications for you of the Further Term and changes to the Performance Fee, as well as the sale of your Units (should you wish to exit the Trust) and receipt of the proceeds.

Company Secretary
20 May 2016

ANNEXURE B

Supplemental Deed

Cromwell Funds Management Limited

Cromwell Riverpark Trust
Supplemental deed

Date _____ July 2016

Party Cromwell Funds Management Limited ACN 114 782 777 of Level 19, 200 Mary Street, Brisbane, Queensland, 4000 as responsible entity of the Cromwell Riverpark Trust ARSN 135 002 336.

(Responsible Entity)

Background

- The Responsible Entity is the responsible entity of the registered managed investment scheme known as the Cromwell Riverpark Trust ARSN 135 002 336 (Trust). The Trust was established by deed dated 16 January 2009, as amended by deeds of amendment dated 30 January 2009 and 20 February 2009 (Constitution).
- This Supplemental Deed has been prepared to further amend the Constitution and will be lodged with ASIC pursuant to Section 601GC(2) of the Corporations Act.
- The changes made by this Deed have been approved by a special resolution of Holders pursuant to Section 601GC(1)(a) of the Corporations Act.

TERMS

1. DEFINED TERMS AND INTERPRETATION

Section 1 of the Constitution applies to this Supplemental Deed unless otherwise specified or the context requires another meaning or interpretation to be applied.

2. MODIFICATION OF THE CONSTITUTION

Subject to clause 3, this Supplemental Deed amends the Constitution as set out in Schedule A of this Deed and is binding on—

- (i) all Holders (as they are constituted from time to time), and
- (ii) the Responsible Entity.

3. OPERATION OF THIS SUPPLEMENTAL DEED

3.1 No re-declaration, etc

The Responsible Entity confirms that it is not, by clause 2 of this Supplemental Deed—

- (i) re-declaring the Trust;
- (ii) re-settling the Trust;
- (iii) causing the transfer, vesting or accruing of Trust Property in any person; or
- (iv) entering into a new trust deed.

3.2 Governing law

This Supplemental Deed is governed by the laws of the State of Queensland, Australia.

3.3 Execution

This Supplemental Deed is executed as a deed poll.

Date: _____ 2016.

Signed, sealed and delivered by Cromwell Funds Management Limited ACN 114 782 777 by its attorneys under power of attorney dated 26 August 2015 who declare that they have at the time of execution of this document no notice of its revocation, in the presence of—

Signature of witness

Signature of attorney

Name of witness (print)

Name of attorney (print)

Signature of witness

Signature of attorney

Name of witness (print)

Name of attorney (print)

Schedule A

Constitution reference	Amendment
Clause 1.1	Insert new defined terms, as follows:
Defined terms	<p>Calculation Event means any of the following events:</p> <ul style="list-style-type: none">(a) the sale of any Real Property;(b) the extension of the term of the Trust beyond 8 July 2016; or(c) each further extension of the term of the Trust beyond the term of any previously approved extension. <p>Calculation Period means the following time periods, as relevant:</p> <ul style="list-style-type: none">(a) from the date of the acquisition of any Real Property to 8 July 2016;(b) from 9 July 2016 to either:<ul style="list-style-type: none">(i) 8 July 2021; or(ii) completion of the sale of any Real Property; or(c) from the start of each further extension of the term of the Trust to:<ul style="list-style-type: none">(i) the last day of the extended term; or(ii) completion of the sale of any Real Property.
Clause 29.7	Delete clause 29.7 and replace with the following:
Performance Fee	<p>29.7 Performance Fee</p> <p>The Responsible Entity is entitled to be paid a performance fee following each Calculation Event. The amount of the performance fee will be 10% of the excess of the internal rate of return for the Real Property, for the relevant Calculation Period, over 10%.</p> <p>The internal rate of return will be calculated based on the monthly net cash flows of the Real Property during the relevant Calculation Period including but not limited to:</p> <ul style="list-style-type: none">(a) if the Calculation Period relates to a term of the Trust beyond 8 July 2016, the most recent independent market valuation from the date of the last extension of the term of the Trust, less a notional selling cost allowance as reasonably determined by the Responsible Entity;(b) the cost of all capital improvements to the asset;(c) lease costs and lease incentives in relation to the asset;(d) rental and other property income in relation to the asset less property outgoings and taxes; and(e) if:<ul style="list-style-type: none">(i) any Real Property is sold, then the sale price of the asset less any costs of sale; or(ii) any Real Property is not sold but the term of the Trust is extended, then the most recent independent market valuation at the end of the extension of the term of the Trust, less a notional selling cost allowance as reasonably determined by the Responsible Entity. <p>For the avoidance of doubt, the internal rate of return does not take into account cash flows associated with payments or receipts in respect of any loan or equity utilised to purchase the real property asset or any management fee or other costs not directly attributable to the real property asset.</p> <p>In this clause 29.7, "Real Property" means any real property held directly or indirectly as an asset of the Trust.</p>
New clause 26A	Insert a new clause 26A after clause 26 and before clause 27, as follows:
Matching Facility	<p>26A Matching Facility</p> <p>26A.1 Matching Facility</p> <p>The purpose of this clause 26A is to facilitate the Matching Facility.</p> <p>26A.2 Consideration</p> <ul style="list-style-type: none">(a) The Participating Holders who want to purchase additional Units ('the Buyers') must pay for the acquisition of those Units by depositing into an account nominated by the Responsible Entity an amount in Australian currency and in immediately available funds that is the consideration payable to the Participating Holders who want to sell their Units ('the Sellers') for the acquisition of Units under the Matching Facility.(b) Subject to the Buyers having complied with clause 26A.2(a), the Responsible Entity must procure that:<ul style="list-style-type: none">(i) the amount received from the Buyers under clause 26A.2(a) is held on trust for the Buyers;(ii) such amounts are drawn to pay the Sellers the amount in Australian currency as each Seller is entitled to receive for the acquisition of their Units, either by:<ul style="list-style-type: none">(A) electronic funds transfer to an account nominated by the relevant Seller for the purposes of payment of distributions; or(B) a cheque sent to the relevant Seller's address recorded in the Register at the Record Date.

26 A.3 Covenants, representations and direction by the Holders

Each Holder:

- (a) irrevocably acknowledges that this clause 26A binds the Responsible Entity and all Holders, including those who do not attend the Meeting, do not vote at the Meeting or vote against the resolutions at the Meeting; and
- (a) irrevocably consents to the Responsible Entity doing all things and executing all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the Matching Facility and the transactions contemplated by it and directs the Responsible Entity to do so.

26 A.4 Appointment of Responsible Entity as attorney and agent

Each Participating Holder, without the need for any further act by that Participating Holder, irrevocably appoints the Responsible Entity, and the Responsible Entity accepts such appointment, as its attorney and as its agent for the purpose of:

- (i) doing all things and executing all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the Matching Facility and the transactions contemplated by it including effecting a valid transfer or transfers of the Participating Holder's Units to another Participating Holder, including executing and delivering any transfer forms; and
- (ii) enforcing the Deed Poll against the responsible entity of the DPF.

The Responsible Entity, as attorney and as agent of each Participating Holder, may sub-delegate its functions, authorities or powers under this subclause 26A.2 to all or any of its directors and officers (jointly, severally or jointly and severally).

26 A.3 Responsible Entity's powers

Without limiting the Responsible Entity's other powers under this clause 26A, the Responsible Entity has power to do all things that it considers necessary or reasonably incidental to give effect to the Matching Facility and the transactions contemplated by it.

Subject to the law, the Responsible Entity and any of its directors, officers, employees or associates, may do any act, matter or thing described in or contemplated by this clause 26A even if they have an interest (financial or otherwise) in the outcome of such exercise.

26 A.4 Limitation of liability

Subject to the law, without derogating from any limitation of the Responsible Entity's liability in this constitution, the Responsible Entity has no liability of any nature whatsoever to Participating Holders arising, directly or indirectly, from the Responsible Entity doing or refraining from doing any act (including the execution of a document), matter or thing pursuant to or in connection with this clause 26A.

26 A.5 Defined terms

For the purposes of this clause 26A, the following terms have the following meanings:

CFM means Cromwell Funds Management Limited ABN 63 114 782 777.

Deed Poll means the deed poll made by CFM as responsible entity of the DPF on or around 20 May 2016 in favour of each Holder.

DPF means Cromwell Direct Property Fund ARSN 165 011 905.

Explanatory Memorandum means the notice of meeting and explanatory memorandum to be issued by the Responsible Entity on or around 20 May 2016 for the Meeting.

Matching Facility means the 'matching facility' introduced to allow Holders who want to exit the Trust to sell their Units to those Holders who want to purchase additional Units, as described and subject to the conditions in the Explanatory Memorandum.

Meeting means the meeting of Holders held on or about 7 July 2016 convened by the Responsible Entity pursuant to clause 37.1 to consider the resolutions set out in the Explanatory Memorandum, and includes any adjournment of that meeting.

Participating Holder means a Holder who participates in the "Matching Facility".

Record Date means the date for determining eligibility of Holders to vote at the Meeting, and will be 5.00pm on 18 May 2016.

