



CALLIOPE CENTRAL SHOPPING CENTRE

BRAND NEW 20YR LEASE
IGA ANCHORED SHOPPING CENTRE DEVELOPMENT

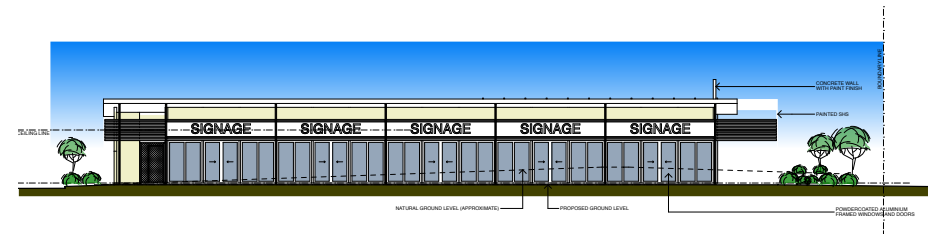
Overview

This opportunity is to purchase the **Calliope Central Shopping Centre**, which is an established neighborhood centre and re-develop immediately with current DA approved plans for a significant expansion to the 1.861ha site.

The new development will provide a modern neighborhood shopping centre securely anchored by a full line IGA supermarket with Metcash Limited guarantee and 20 specialty stores.

- » Guaranteed net income during construction of \$1,000,000pa
- » Guaranteed 2yrs net income post construction of \$1,540,000pa
- » Fully let income forecast at \$1,691,070pa
- » IGA accounts for 54% of GLA with a brand new 20yr lease (exp 2035) with options
- » Weighted Average Lease Expiry (WALE) anticipated > 12yrs
- » 253 onsite car spaces
- » Upside potential when fully leased
- » Estimated construction period 6-12mths
- » Calliope is located in Central Queensland and is approximately 20km South West from the port city of Gladstone

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The existing shopping centre is approx. 3000 sq. metres of gross floor area, with the re-development adding 1500 sq. metres of additional floor area. The existing 152 at grade car bays will be expanded by an additional 101 bays, taking the total to 253 car bays.

We are estimating a total cost of \$19.3m, inclusive of GST, due diligence, stamp duty, legals, accounting, insurance and finance costs. The establishment fees will be paid in year 1 from cash flow. The Manager will seek to borrow 70%LVR or \$13m of the purchase price on a limited-recourse basis requiring an estimated \$6.3m in equity capital.



These are the Key Features that attracted us to this investment:

- » Location – significant main trade area in growing regional centre. Located on the Dawson Highway, 20 Kilometres South West of Gladstone. The opportunity sits near the crossroads of the Bruce & Dawson Highway, an arterial that connects the port and industrial facilities in Gladstone with 8,000 vehicles per day that pass the site. The intersection is undergoing a \$150m upgrade to be completed by 2015.
- » Value - the purchase price reflects a purchase yield of approx. 8.5% on the post construction guaranteed rent, which is highly attractive for a securely leased property of this nature
- » The Major Tenant – IGA an iconic Australian business and part of a top ASX listed counterparty underpinning this investment with a brand new 20yr lease
- » Strong Tenant Mix – strong proposed mix of specialty tenants with most existing tenants re-signing for new develop
- » Cash Distributions of 10% per annum – The surplus income will be retained as a cash reserve. If not required, the surplus funds will be applied as a bonus return of capital to investors
- » Security – Subject to our pre-acquisition Due Diligence, a major risk that we can identify is vacancies resulting from a break or non-renewal of lease, which is mitigated with the number of leases within the centre, however to insure against that risk, accumulated cash funds of approx. >\$2m at calendar year 2022 should be available

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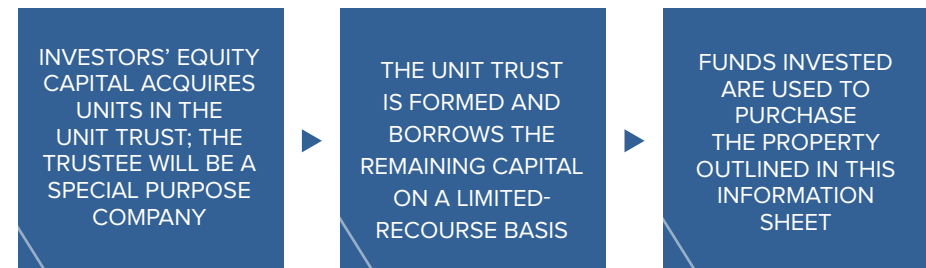
- » Significant Depreciation Allowances – The re-developed centre will provide significant depreciation allowances in the coming years.
- » Flexibility – Several exit options are available to us, including:-
 - › Sale within 7 years from purchase at subject to syndicate approval, assuming a conservative a passing yield of 8%, this equates to a sale price of \$21.7m and when combined with an accumulated cash reserve of approx. \$2m, investors will be returned their initial equity plus an additional return in a range of 40-60% on initial investment after costs and mortgage repayment; or
 - › The asset can continue beyond the 7 year mark as a going concern; or
 - › The building can be refurbished and re-let at increased \$/sqm.



Investment Outline

Investment timeframe	Up to 7 years
Forecast Income distribution	10% pa
Distributions	Monthly in arrears
Purchase price (excl GST)	\$18.0m
Equity to be raised	\$6.3m
LVR (Loan to Value Ratio)	70%
DSCR (Debt Service Cover Ratio) average	2.4 x

Unit Trust Structure



Financial Model

Diagram 1. Investor returns estimated over 10 year timeframe (excl. any sale proceeds)

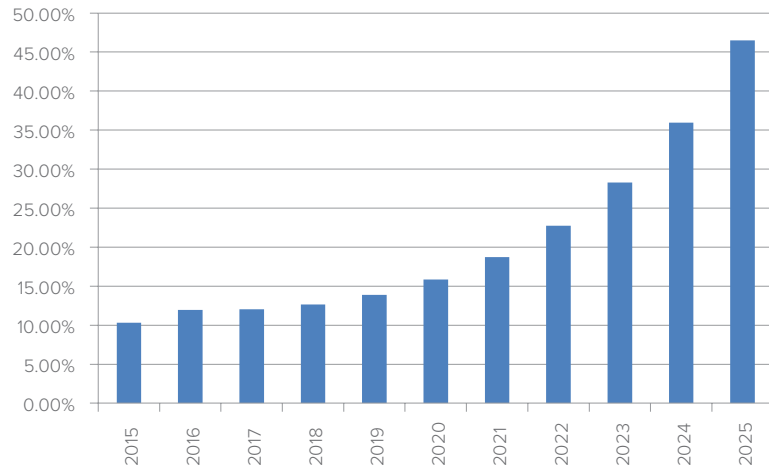


Diagram 2. Fixed 10%pa estimated income distribution to unit holders

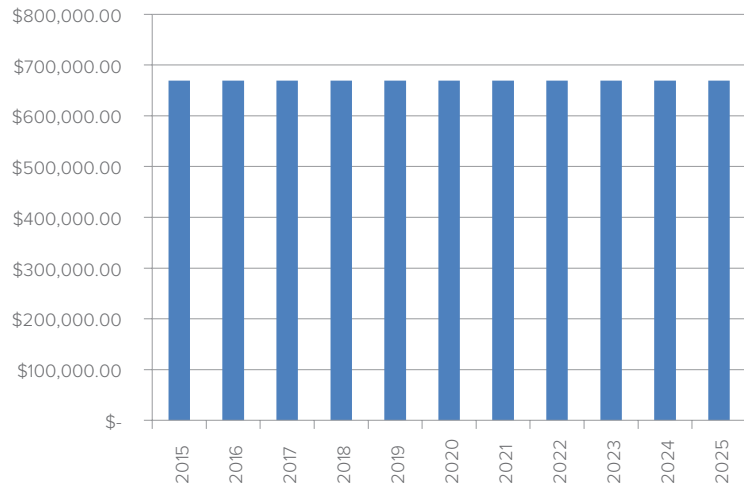


Diagram 3. Estimated cash reserve accrual account

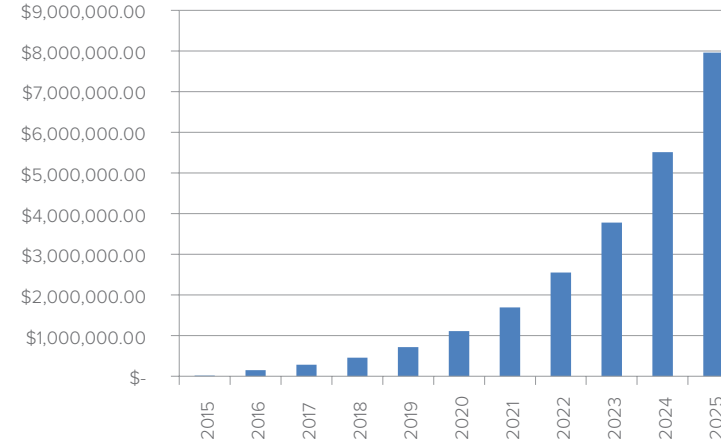
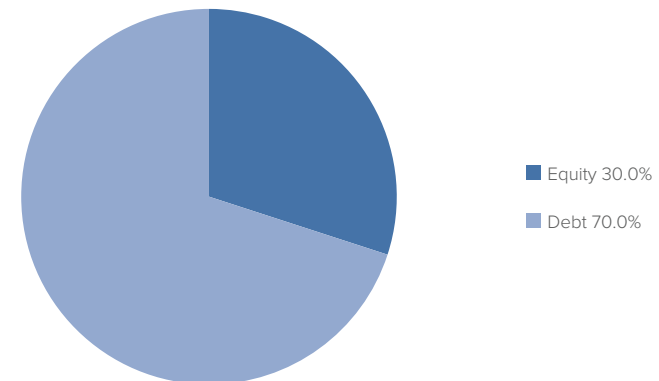


Diagram 4. LVR – Loan to Value Ratio at purchase





Timing

The property will be acquired subject to an exclusive Due Diligence period, during which time we will conduct a comprehensive technical and legal review of the property by end of May 2015.

If any matters of major concern arise during our Due Diligence, we are at liberty to withdraw our offer to purchase.

The term of the Syndicate will be no greater than 7 years, unless adjusted by the investor committee.

The target settlement date is July 2015.

No Investment Advice

The information contained in this Information Sheet is not financial product advice. The information contained in this document is general information only and does not take into account your investment objectives, financial situation and particular needs. It is, therefore, important that you read this Information Sheet in full before deciding whether to invest in the Unit Trust and take into consideration your investment objectives, financial situation and particular needs. If you are in any doubt, you should consider consulting your financial advisor, stockbroker or other professional advisors.

Illiquid Investment for Sophisticated Investors

Applicants must understand that a Unit Trust is an illiquid investment for Sophisticated Investors. As a result, a return of capital would only be possible where assets in the Trust are sold or an alternative liquidity strategy is implemented by the Trustee.

FOR MORE
INFORMATION
CONTACT

Lloyd Edmunds

m 0403 004 305

e lloyd@kerching.co

w www.kerching.co

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