



Whitmore Property Opportunity Fund

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INFORMATION MEMORANDUM

28 OCTOBER 2021

INCOME · CAPITAL GROWTH · FLEXIBILITY

A capital growth fund with an annual base return of 4% and total target return over 8%.

- » A Fund comprising multiple commercial property assets.
- » Target assets to provide a combination of secure holding income and capital value growth through future 'opportunity'.
- » Assets sought with the potential to provide capital value growth through development and repositioning.
- » The ability to be nimble and move with the market, assets to be bought and sold to realise capital value growth and improve the overall composition of the Fund.
- » An open-ended fund targeting a liquidity opportunity every five years as well as the potential for future investment.

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Important Information & Disclaimer

This Information Memorandum (IM) dated 28 October 2021 has been issued and prepared by Whitmore Property Pty Ltd ABN 42 615 382 011 AFSL 509574 (Whitmore Property) in connection with the offer to subscribe for Units in the Trust (Offer).

This IM and the Offer are only available to investors who qualify as wholesale clients as defined in Section 761G of the Corporations Act 2001 (Cth) (Corporations Act) or sophisticated investors as defined in section 761GA of the Corporations Act (Wholesale Investors). You must immediately return or destroy this IM if you are not a Wholesale Investor. Whitmore Property may require you to provide evidence that you are a Wholesale Investor before it accepts any expression of interest in the Offer.

This IM is not a product disclosure statement or prospectus prepared under any part of the Corporations Act. Therefore, this IM is not required to and does not contain all the information which would be required to be included in a product disclosure statement. This IM has not been (and does not need to be) registered with the Australian Securities and Investments Commission.

The information contained in this IM is not intended to and does not provide a comprehensive review of the operations and affairs of Whitmore Property and does not contain all the information that may be necessary or desirable for you to consider when evaluating and assessing the Offer. There are risks associated with the Offer which must be regarded as speculative. Some of these risks are set out in the section General Risks and Specific Property Risks. Information contained in this IM is not financial, investment, business or tax advice and does not take into account your investment objectives, financial situation or particular needs. You should read this IM carefully and undertake your own due diligence, investigations and analysis of the Offer and receive professional advice which considers your personal circumstances before deciding to acquire Units in the Trust. Information in this IM is current at the date of this IM, and Whitmore Property has no obligation to update or revise it as a result of any change in events, circumstances or conditions upon which it is based.

The IM contains projections, forecasts, and other forward-looking statements (forward-looking statements). The forward-looking statements are not guarantees or predictions on future performance (including the payment of distributions from the Trust) and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Whitmore Property and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of factors could cause actual results or performance to differ materially from the forward-looking statements, including the risk factors set out in this IM.

This IM is provided on a confidential basis to Wholesale Investors. The Wholesale Investors agree not to transmit, reproduce or make available this IM to anyone other than their professional advisers on a confidential basis.

No person is authorised to give any information or make any representation in connection with the Offer not contained in this IM. You warrant that you have conducted your own due diligence on the Offer and not relied on the information in this IM or any representations provided by Whitmore Property in connection with the Offer in deciding whether to acquire Units in the Trust.

Executive Summary



Whitmore Property is pleased to offer our Wholesale Investor clients an opportunity to purchase Units in the Whitmore Opportunity Fund.

The Whitmore Opportunity Fund will comprise multiple commercial property assets carefully selected to provide a combination of secure holding income and future capital value growth.

Key criteria to asset selection are:

- » holding income,
- » security of capital,
- » development potential and future capital growth opportunity.

Asset Mandate

Assets will be sought which provide a secure income stream to support monthly distributions forecast to meet an initial target of 4% p.a. return on investment.

Assets with high underlying land value will make up a key component of the Fund, providing a higher degree of confidence in capital security.

All asset acquisitions must provide an opportunity for capital value growth. The Whitmore investment team will identify underutilised property which can be improved through refurbishment, or presents an immediate or future development opportunity.

The Opportunity Fund will be structured to allow for assets to be traded in and out of the Fund. It is envisaged that new properties will be acquired and existing assets sold when opportunities arise to take advantage of market fluctuations and improve the Fund's overall composition as well as future growth potential.

The Opportunity Fund will be open-ended. At various intervals, additional investment will be offered through the subsequent issue of Units, with existing investors having a first right to any additional Units on offer. The future issue of Units will be provided at pricing which floats with the Total Net Asset Value of the fund at the time of the sale. As such, any past capital growth achieved by early investors will be protected.

Investment in the Fund is offered on a rolling five-year term. At the fifth anniversary of commencement, Unit Holders can elect to sell down their holding. Subject to market conditions, the Fund will raise additional equity and/or sell down assets to fund any Unit redemption request. The sale price of Units will reflect the current Unit Price at the time.

Investment Overview

Purpose	The single purpose of the Whitmore Opportunity Fund Trust is to acquire and manage properties for the benefit of Unit Holders.
Objective	To purchase and actively manage multiple commercial property assets for the benefit of the rental income and to increase capital value through realising development and repositioning potential.
Strategy	<p>To purchase and actively manage multiple commercial property assets, maximising return and capital value growth. Assets will be traded in and out of the Fund to take advantage of market conditions.</p> <p>Assets will be sought which offer a complementary mix of secure holding income, strong underlying land value, immediate or future development potential, and solid prospects for long term capital value growth.</p> <p>The Fund will have the flexibility to purchase new assets and sell existing assets at various intervals. The Fund's long-term strategy is to continually improve the composition of assets and maximise overall capital value growth and Unit Value over time.</p> <p>As per the Investment Strategy, the Whitmore team will work to unlock value increases for all the assets in the Fund. As assets are improved either by redevelopment or repositioning, and value uplift realised, the intention is for Whitmore to return the escalated value to investors via increased distribution. Where appropriate, Whitmore may seek to allocate all or part of the uplift to further development opportunities. Ultimately, all investment and allocation of capital is for the benefit of investors to maximise return either by way of cash distribution or Unit value.</p>
Trustee	Whitmore Opportunity Fund Pty Ltd as Trustee for Whitmore Opportunity Fund Trust
Investment Manager	Whitmore Property Pty Ltd ABN 42 615 382 011 Australian Financial Services License 509574
Current Offer	This IM seeks to raise \$10,000,000 to \$15,000,000 through the issue of 10,000,000 to 15,000,000 Units.
Offer Closing Date	<p>Application forms are due on 10 November 2021.</p> <p>Deposits are then due on 12 November 2021.</p> <p>The Offer will close when fully subscribed. (The Investment Manager may elect to extend the initial capital raise by up to \$5,000,000)</p>
Future Offers	<p>As an open-ended Fund, subsequent offers for investment are anticipated.</p> <p>Further capital may be sought through the issue of additional Units when determined by the Trustee.</p> <p>Capital raised will be deployed to fund further acquisitions and developments which complement the portfolio and contribute to its future capital value growth potential.</p> <p>At the time of future offers, additional Units will be issued at pricing which is consistent with the Total Net Asset Value of the Fund at the time of the sale. As such, any past capital growth achieved by early investors will be protected.</p> <p>All existing investors will have a first right to acquire any additional Units made available in future offers.</p>

Investment Overview

Investment Term

Investment in the Fund is offered on a rolling five-year term. At the fifth anniversary of the initial commencement of the Fund, Unit Holders can elect to sell down their holding, or portion thereof, with a sale to occur within six months of receiving formal notice to redeem.

Alternatively, investors can elect to remain in the Fund for a subsequent five-year term, the expiry of which triggers the next opportunity to redeem.

Liquidity is offered subject to market conditions. If at the expiry of the initial or subsequent five-year terms, the Unit price reflects a value less than 110% of the value at the commencement of the term, the Investment Manager retains the discretion to delay redemption until market conditions improve for up to a maximum of 24 months.

The sale of units will be at the current Unit Price at the time of sale.

Beyond the second investment term, or after ten years from the initial commencement of the Fund, the Investment Manager may, in its discretion, elect to close the Fund subject to market conditions to maximise the exit value of the Fund.

Bank Finance

Funding proposals have been sought from multiple major banks.

Gearing will not exceed 55% of aggregate asset value. The Investment Manager intends to leave a portion of the debt facility undrawn and available to fund ongoing capital works, development, and leasing costs.

Funding will be on a non-recourse basis.

Asset Valuation Policy

Each individual asset will be independently valued at least once every three years from the date of acquisition.

In between independent valuations a Directors Valuation will be undertaken by the Investment Manager on an annual basis.

The Total Net Asset Value is the aggregate of the value of each individual asset held, less the value of the Fund's liabilities, plus cash held at the time of valuation.

Unit Valuation Policy

The Unit Value is calculated as the Total Net Asset Value divided by the total number of Units.

Forecast Distributions

The Whitmore Opportunity Fund has a target annual base distribution of 4% to be paid monthly.

In addition, the Trust will seek to generate additional return through capital value growth, which will be realised through the Unit value.

A balance of assets will be sought, which provides holding income sufficient to exceed the target 4% distribution with surplus income accumulated by the Trust. If appropriate opportunities exist, surplus income will be redeployed in future development and acquisition to achieve further capital value growth. In the event free income cannot be appropriately redeployed, it will be returned to investors through higher monthly distributions or ad hoc special distributions.

Investment Overview

Distribution Commencement and Frequency

Distributions will occur monthly (in arrears) on or around the first day of the month.

The first distribution is scheduled for March 2022.

Distribution will only be made from the net income received through leased investments. Surplus cash will be retained for future acquisitions or development opportunities.

Fees

Asset Acquisition Fee:

The Investment Manager will charge an asset acquisition fee at the time of initial and subsequent purchases equal to 1.5% of the asset purchase price.

Investment Management Fee:

The Investment Manager will charge an annual Investment Management fee equal to 0.65% of the aggregate asset values.

Sale Success Fee:

Upon the sale of each of the Properties, in the event of an increase in value, a fee of 5% of any net increase in the value of the property is payable to the Manager at the time of sale.

All other Fees on-charged at cost:

All Due Diligence, Consultants fees, Legal and Financing costs will be on charged at cost.

Accounting and Compliance costs will be on charged at cost.

Development Management Fee:

In the event of a major redevelopment project, the Investment Manager will charge a Development Management fee equal to 2-4% (as determined by the Investment Manager depending on the project size) of the total contract value of the works only.

Documentation

All documentation pertaining to the structure of the Trust, including but not limited to the following, is available upon request.

- Trust Deed
- Unit Holders Agreement
- Investment Management Agreement

The Whitmore Investment Management Team

Whitmore Property has been advising our clients on their commercial, retail, residential and industrial property acquisitions since 1996.

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In 2005 we formed our first syndicate and now proudly own a diverse portfolio of properties.

Whitmore Property has over \$250 million worth of assets under management. We consistently deliver above-average returns, prudent risk management, capital security and growth.

Our success is measured by the confidence placed in us by our investor group. We have built a business based on trust, our extensive network and market intelligence. Our loyal investor group continues to reinvest based on our careful selection of assets, rigorous due diligence, and proactive management approach.

The Investment Management Team, assisted by our in-house Property and Facility Managers, take a very hands-on approach to the daily operations of each investment. We are proud of our diverse skills set, our credentials as associates of the API and the services we provide as a collective.

The Whitmore Investment Management Team



Brad Price
Director

Brad has over 16 years of real estate experience in all property sectors, including office, retail, residential and industrial. He has overseen significant transactions across development & project finance, acquisitions, refinancing and leasing. Brad held various senior roles within Jones Lang LaSalle, with his last role overseeing the National Leasing Portfolio as an Associate Director. During his time at JLL, Brad managed some of Australia's largest Federal property portfolios.

Before establishing Whitmore Property, Brad's most recent role was a Director of Stevens Partners, where he formally established the Management and Advisory services.

Whitmore Property was formed in 2018 to further develop the property and syndication services of Stevens Partners and has since grown significantly under Brad's direction. In addition to a Bachelor's degree, Brad has studied a Masters of Property Development, is an Associate of the Australian Property Institute, and holds an Australian Financial Services License (registered Responsible Manager).

Brad has a proven ability to recognise the potential in assets and reposition them to realise the value. Whitmore Property Funds Under Management exceed \$250m and provide strong investor returns and capital growth.



Lauren Price
Director

Director Lauren Price has 15 years of experience working in consultancy and valuation with a broad range of commercial and specialised properties across SA, NSW and ACT. Lauren's core area of expertise is in the provision of valuation and strategic consulting advice in the commercial, industrial, medical, child-care and education sectors. Her experience includes the valuation of existing assets, feasibility analysis for proposed acquisitions and developments, due diligence, economic analysis, and specialised consultancy.

Lauren has a solid professional network, having worked predominately with local property developers, investors and syndicates, providing investment strategy, acquisition and disposal advice, rental valuations for tenanted investments and valuation support.

Lauren is also a Director of Stevens Partners, leading the conveyancing, valuation, leasing and advisory departments of the business. With a Bachelor of Business (Property), Advanced Diploma of Conveyancing and as an Associate of the Australian Property Institute (AAPI), Lauren brings both qualifications, experience, and an Australian Financial Services License (registered Responsible Manager). Before her Directorships, Lauren was a well-regarded Senior Leader at Jones Lang LaSalle and CBRE. She was known for her work ethic and dedication to achieve the best possible outcome.

The Whitmore Investment Management Team



Lincoln McEwan
Fund Manager

Lincoln joined Whitmore Property in 2020 and brought with him numerous years' experience in investment, funds management, development, and valuation. Before joining Whitmore Property, Lincoln was a part of the investment team at Leyton Property, Leyton Funds Management and Arcadian, where he specialised in investment and development.

Before establishing his career in development and funds management, Lincoln worked as a Commercial Property Valuer with the international commercial property firm Jones Lang LaSalle, where he produced valuation reports and advice for major banks, institutional investment firms, government agencies, and private sector investors.

Lincoln's valuation experience has provided the perfect foundation to act as our Funds Manager, navigating acquisition and providing sector-specific risks analysis as well as legal reviews and deal structuring advice. Lincoln's strengths are in financial modelling, detailed forecasting, due diligence, fund establishment and management. In addition to his acquisition's role, Lincoln is responsible for providing asset performance summaries, investor updates and annual reports.

Lincoln has a bachelor's degree and a Master of Business (Property), AAPI Certified Practicing Valuer and Australian Financial Services License registered Responsible Manager.



Kate Kapisir
Investor Relations

Kate offers comprehensive Investor Relations, Project Management, Marketing and Administration experience to the Whitmore team. Before joining Whitmore, Kate was the General Manager at one of Sydney's largest residential real estate agency groups, specialising in off-the-plan sales and the commercial/retail sector. Before moving into the agency side of the property industry, Kate worked at White & Partners, a leading real estate investment and advisory firm managing their Investor Relations.

Kate is now responsible for creating and presenting a consistently applied investment message on behalf of Whitmore Property. Kate's main objective is to build relationships, acting as a key liaison between the Fund Managers and the investor community. Kate is accountable for communicating the Fund's activities and performance to key stakeholders and investors, ensuring that the Fund's reputation maintains a strong position in the market.

Kate is an asset to our investor community with a sound understanding of the property industry, strong written communication and presentation skills. Kate has a Bachelor of Business and working to attain a Certificate of Investor Relations.

Investment Strategy

The strategy is to purchase and actively manage multiple commercial property assets which provide a mix of holding income security through high underlying land value and future capital value growth potential.

The desired outcome of the Fund is to provide a secure monthly distribution through the holding income generated by the mix of assets acquired whilst also generating capital value growth through development, refurbishment, repositioning and the trade of assets into and out of the Fund.

The Investment Management team will take advantage of its considerable skill set in identifying value, securing tenants, and redeveloping / refurbishing assets within the portfolio to unlock value and create capital growth over time.

The key to the success of the Fund will be the identification of 'opportunity' in each acquisition. To fit the purchase mandate of the Fund, an asset must have some future capital value growth potential. Whitmore will seek growth achieved through partial redevelopment, or realised through land value appreciation and potential changes to higher-order uses.

In seeking assets with high underlying land value, the Fund will benefit from added capital security provided by assets that, by their very nature, offer less valuation fluctuation over time.

Through identifying and unlocking opportunities in commercial assets, the Fund aims to achieve superior long-term returns.

The Investment Manager performs its function for and on behalf of the investor group. The investor group will have the right to appoint a new Investment Manager by a vote requiring a 75% majority.

Initial Target Assets

Terms have been agreed upon for the purchase of two assets; the Investment Team are well progressed with the negotiations for two more and completing feasibility on a further three. Each acquisition includes a due diligence period during which time the Investment Manager on behalf of the Trust will undertake all necessary investigations and make a final decision to proceed with the acquisitions.

The following is a list of assets currently being explored by Whitmore as potential seed assets. The Fund will likely purchase some but not all these assets. The below summaries are provided as examples of the types of investments that will seed the Fund and continue to be acquired during the hold period.

 <p>Industrial / Retail asset</p>	<p>Location: Tightly held industrial precinct in the fastest growing corridor of Adelaide.</p> <p>Description of the property: A circa 2,000 sqm modern, concrete warehouse with showroom, first-floor office and extensive mezzanine. The asset is leased to a well-known construction supplies business with a remaining term of 6 years. Adjoining the building and included in the sale is a further 1,500 sqm of land suitable for future development. When available, Whitmore will look to build a new warehouse on this parcel of land, taking advantage of the strong leasing demand and lack of supply in the precinct.</p> <p>Opportunity: Future development of adjoining land</p>
 <p>Office</p>	<p>Location: City fringe location amongst up and coming commercial and residential hub.</p> <p>Description of the property: A 500 sqm office constructed at the front of the property with a large warehouse facility at the rear. The warehouse is functional and particularly desirable given the location. The site would be acquired at close to land value based on multiple recent comparable sales. The property is currently tenanted with a short-term lease but has strong prospects of releasing quickly given the unique facilities and proximity to the CBD. Additional value comes from its future development opportunity with zoning and surrounding development supporting six level high-density residential or office uses.</p> <p>Opportunity: Future development of up to six stories</p>

Initial Target Assets



Multi-Unit Industrial

Price range: \$10m

Holding income: \$650k

Location:

Northwest industrial suburb

Description of the property:

A circa 8,000 sqm industrial facility, fully leased to a range of long-standing tenants with a healthy weighted-average lease/expiry. Leasing demand for smaller, well-located tenancies such as these is particularly strong at present. The asset will also benefit from an extensive capital works program which will support rental and capital value growth.

Opportunity:

Capital value growth through refurbishment



Development Site

Price range: \$1.75m

Holding income: \$110k

Location:

Industrial centre of the south

Description of the property:

A large parcel of land improved with an older but functional manufacturing facility. The property presents an exciting future development site prospect. The land will be purchased with the flexibility to structure a lease back to the current occupants, providing strong holding income whilst development opportunities are pursued.

Opportunity:

Future redevelopment of the entire site

Current Offer

This IM seeks to raise \$10,000,000 to \$15,000,000 through the issue of 10,000,000 to 15,000,000 units.

The size of the initial capital raise will be adjusted as negotiations on seed asset acquisitions proceed, and total capital requirements are confirmed. The Investment Manager reserves the right to proceed at its discretion.

Applications are due on Wednesday 10 November 2021. The Offer will close when fully subscribed.

The capital raised will be utilised to fund the acquisition of the seed assets and any immediate development opportunities presented by the initial round of acquisitions.

Call of Funds

A minimum deposit of \$100,000 will be due on Friday 12 November 2021.

The remaining balance of your investment will be required when the Investment Manager notifies you of the final closing date. Instructions on depositing funds into the Trust Account are outlined in the Application Form attached to this IM.

Future Offers

As an actively managed Fund, the intention is to continue to identify and acquire assets that meet the investment mandate. Furthermore, as development opportunities arise within the existing portfolio, capital may be required to fund construction works.

To fund these future acquisitions and developments, subsequent offers for investment are anticipated. When beneficial to the Trust, additional capital will be sought through the creation and issue of additional Units.

Capital raised will be deployed to fund further acquisitions and developments which complement the portfolio and contribute to its future capital value growth potential.

At the time of future offers, additional Units will be sold at pricing which floats with the Total Net Asset Value of the Fund at the time of the sale. As such, any past capital growth that early investors may have achieved will be protected.

All existing investors will have a first right to acquire any additional Units made available in future offers.

The total size of the Fund will be limited to a maximum total asset value of \$80,000,000. The Investment Manager reserves the right to increase the size limit of the Fund by 50% where acquisitions are beneficial to the value of the Fund. An increase in the total size of the Fund beyond this level will require a simple majority vote of investors.

Investment Term

Investment in the Fund is offered on a rolling five-year term.

At the fifth anniversary of the initial commencement of the Fund, Unit Holders can elect to sell down their holding or portion of. To do so, the Unit Holder can notify the Investment Manager (at any time not more than six months and not less than three months prior to the expiry of the initial term) of their intention, at which point a formal Redemption Request will be completed.

Liquidity is offered subject to market conditions. If at the expiry of the initial or subsequent five-year terms, the Unit value reflects a value less than 110% of the issue price at the commencement of the term, the Investment Manager retains the discretion to delay redemption until market conditions improve up to a maximum of 24 months.

The Investment Manager will fund any redemption requirements through a combination of existing cash held, undrawn debt, additional Unit issues, and the disposal of existing assets.

A Sell Spread of 2% will apply to the Units redeemed at each liquidity event. This amount is retained by the Fund to cover costs associated with the redemption of Units (i.e. it is not a fee that is paid to the Investment Manager).

In the event a Unit Holder elects to hold, their Investment Term will be extended by five years, initiating a second Investment Term. With the expiry of the second or any subsequent Investment Term, Unit Holders will have the right to redeem as per the process outlined above.

Beyond the second investment term, or after ten years from the initial commencement of the Fund, the Investment Manager may use its discretion to elect to close the Fund subject to market conditions to maximise the exit value of the Fund.

The sale of Units will be at the current Unit Price at the time of sale.

Debt

The Trust will utilise debt throughout the term of the investment on a non-recourse basis.

Throughout the term of the investment, the Investment Manager will target a loan-to-value ratio of 40%.

Where appropriate and beneficial to the Fund, greater leverage will be utilised for acquisition and development projects in line with the strategic goal of the Fund up to a maximum loan-to-value ratio of 55%.

The Investment Manager will continually monitor the debt market to ensure the best outcome for the Trust is achieved.

Asset Valuation Policy

The Market Value of each individual asset will be determined independently every three years from the date of acquisition. Valuations will be undertaken by suitably qualified and experienced members of the Australian Property Institute.

In between independent valuations, a Directors Valuation of each asset will be undertaken by the Investment Manager on an annual basis.

The Total Net Asset Value is the aggregate of the Value of each individual asset held, less the value of the Fund's liabilities plus cash held at the time of valuation.

Unit Valuation Policy

The Unit Value is calculated as the Total Net Asset Value divided by the total number of Units.

Distributions

The Whitmore Opportunity Fund has a target annual base distribution of 4% p.a. to be paid monthly.

Over the investment term, the Opportunity Fund is targeting total return above 8% p.a., inclusive of base distributions, special distributions and capital value growth.

A balance of assets will be sought which provide holding income sufficient to exceed the target 4% p.a. distribution with surplus income accumulated by the Trust. If appropriate opportunities exist, surplus income will be redeployed in future development and acquisition to achieve further capital value growth. In the event free income cannot be appropriately redeployed, it will be returned to investors through higher monthly distributions or ad hoc special distributions.

Distributions will occur month (in arrears) on or around the first day of the month.

The first distribution is scheduled for March 2022.

Distribution will only be made from the net income received through leased investments. Surplus cash will be retained for future acquisitions or (re) development opportunities.

Transaction Process & Structure

All investors will be issued with Units in the Whitmore Opportunity Fund Trust to be managed by Whitmore Property.

Unit Holders in the Trust must be "wholesale clients", "professional investors" or "sophisticated investors" (as those terms are defined in the *Corporations Act*).

Taxation Summary

The following section provides a brief summary of the Australian income tax considerations for Australian resident investors who subscribe for Units in the Fund and hold those Units on capital account. It is highlighted that the below statements are intended to provide general facts only and do not constitute financial advice.

The Fund will be an unlisted unit trust for Australian income tax purposes. Provided the Fund distributes all of its taxable income each year, the Fund will not be subject to income tax; rather Unit Holders will be subject to tax on their proportionate share of the Trust's taxable income on a "present entitlement" basis. The income subject to tax on a present entitlement basis may differ from the cash distributions received by Unit Holders.

Where the relevant conditions are satisfied, the Trustee may elect for the Fund to be treated as an "Attributed Managed Investment Trust" or "AMIT" at any time for Australian income tax purposes, which are the rules for managed investment trusts intended to reduce complexity and minimise compliance costs for managed investment trusts and their investors.

Where an election is made, some of the key consequences of the AMIT Rules include (but are not limited to):

- » the allocation of taxable income to investors based on 'attribution' rather than present entitlement to the income of the Trust. The amount attributed to investors will be advised in an AMIT Member Annual Statement ('AMMA Statement'). The AMMA Statement will set out the amount attributed to investors and other relevant tax information;
- » the ability to carry forward 'unders' and 'overs' distributions of income to future income years, rather than requiring an amendment to the tax calculation of the income year to which they relate;
- » CGT cost base reduction in an investor's Units where the taxable income attributed to an investor is less than the cash distribution for an income year;
- » CGT cost base increase in an investor's Units where the taxable income attributed to an investor is greater than the cash distribution for an income year;
- » the Fund will be deemed to be a 'fixed trust' for tax law purposes; and
- » Foreign investors who invest into an AMIT are eligible for a 15% withholding tax rate of taxable distributions provided the investor is located in an Exchange of Information Country.

Distributions to investors from the Fund may be wholly or partially assessable for tax. Distributions may contain elements of assessable income, 'tax-deferred' income, return of capital, and capital gains.

A portion of the Fund's distributed income may include a non-assessable tax-deferred component. The deferred tax component typically results from the availability of tax deductions for capital works, depreciation of buildings fixtures and fittings. Tax-deferred amounts received by an investor will not constitute assessable income in the year it is received but will reduce the CGT cost base of an investor's Units in the Fund. This means the amount of the deferred tax component will be realised as part of a capital gain (if any) when the Fund is wound up, or when an investor sells or redeems their Units or when the Fund sells its assets and makes a final distribution of capital to investors.

If an investor transfers, withdraws or redeems their Units, they will likely be treated as having disposed of their investment (or part thereof). This may result in a capital gain subject to CGT. Investors may be entitled to a CGT discount if they have held their investment for more than 12 months.

The Trustee will provide an annual taxation statement to assist Unit Holders in complying with their Australian income tax reporting obligations in relation to their investment in the Fund.

The acquisition, redemption and transfer of units in the Fund should not be subject to GST. Distributions made by the Trust should also not give rise to any GST consequences.

Where the investor elects not to provide a Tax File Number or an Australian Business Number, the Trustee will withhold tax on the investor's income distributions at the highest marginal tax rate plus the Medicare Levy.

The information above is general in nature, it does not constitute taxation advice upon which any reliance should be placed. Investors are advised to seek their own independent professional advice in relation to individual financial and taxation matters relating to an investment in the Fund.

General Risks

Like any investment, there are risks associated with investing in the Trust. There are a number of risk factors that could affect the performance of the Trust and the repayment of Unit Holder's capital. Many risk factors fall outside of the Trustee's control and cannot be completely mitigated.

The following is a non-exhaustive list of the main risks associated with an investment in the Trust. Unit Holders should consider and weigh them up carefully and make their own assessment as to whether they are comfortable with them.

Distributions are not guaranteed, and neither is the return of Unit Holder's capital.

Liquidity

Outside of the five yearly liquidity event, there are no guarantees Unit Holders can realise any of their investment. While Unit Holders are entitled to transfer their Units, there is no formal market for Units. While investors cannot be guaranteed an opportunity to realise their investment during the expected five yearly terms of the Trust, it is the view of the Trustee that this safeguards the Trust from a forced sale of the Property in order to meet Unit Holder liquidity requirements in case of a substantial market downturn.

Economic and Regulatory Risk

Change in the general economic outlook both in Australia and globally may impact the performance of the Trust and the value of the Property. Examples include changes in the Australian and international economic outlook and changes in inflation, interest rates and rental capitalisation rates. Changes in Federal, State and local government laws, regulations and policies may impact the value of the Property and its ability to attract tenants, which may result in a decline in rental income to the Trust. Changes in taxation legislation and policy including changes to stamp duty, land tax, GST and income tax may have an adverse effect on the Trust's future income and capital returns and could influence the value of the Property.

Property Market Risk

As the Trust is investing in assets within a single geography, it is exposed to an event that impacts the Adelaide property market that could materially impact the rental income and/or the value of the Property and consequently have an adverse impact on distributions and/or the value of the Property and the Units. Greater supply or a reduction in demand for space in the Adelaide leasing market in addition to risks of vacancy and changes in rental prices could influence the value of the Property and consequently, impact the returns to investors.

Tenant Risk

The Trust relies on tenants to generate its revenues. If a tenant is affected by financial difficulties, the tenant may default on its rental or other contractual obligations resulting in loss of rental income or losses to the value of the Property (or both).

Bound by the Trustee

The Trustee has broad discretion and rights to manage the Trust. This power includes the decision to dispose of the Property if the Trustee deems the sale to be in the best interest of Unit Holders as a whole. The value of the Properties over time (and therefore the value of the Units) will be affected by decisions of the Trustee in relation to the management of the Properties and the Trust.

Solvency/Liquidity of the Trustee

The management and value of the Property and the Trust would likely be negatively affected by the insolvency of the Trustee. In the event the Trustee becomes insolvent, a majority of Unit Holders may vote to replace the Trustee following the Trust Constitution if a replacement can be identified.

Trustee and Manager Key Person Risk

The strategic management of the Trustee and the Manager depends on its key personnel. The retirement, death or incapacity of any of them may affect the management of the Trust and the Property in the short term.

Covid Policy

Whitmore will follow Government guidelines and adhere to official mandated policies. In the event of a major prolonged lockdown, monthly distributions will be reviewed to reflect asset performance.

Specific Property Risks

Inability for Tenants to Meet Lease Obligations

Several scenarios may impact the Trust's ability to achieve its forecast returns, including but not limited to non-payment of expected rental revenue & outgoings, negative effects on the value of the Property and/or additional costs for the Trust in these scenarios)

Leasing Risk

Whilst reasonable estimates have been made for letting up timeframes and leasing costs, there is a risk that these allowances are insufficient. This will adversely impact the Trust returns and Unit Holders' cash yield. Furthermore, fee's and potential incentive payments beyond that allowed for may be required to be paid by the Trust to secure new tenants.

Property Due Diligence and Use of Experts

In acquiring the Properties, the Trustee has relied upon various information and industry experts as part of the due diligence. Whilst the Trustee has no reason to believe its enquiries were not appropriate and complete, it cannot guarantee that all risks and potential problems associated with this investment were identified and have been properly dealt with.

Material Fault in Building and Unplanned Capital Expenditure

There is a risk that a material issue arises within the Properties throughout the ownership by the Trust, which results in unbudgeted capital expenditure by the Trust. Any of these factors may result in a requirement for the Trustee to temporarily halt distributions to fund the replacement of capital items and/or unforeseen capital expenditure beyond general repairs and maintenance.

Force Majeure Events

There is a risk that force majeure events, such as natural phenomena and terrorist attacks, may affect the Properties for which insurance is not available or for which the Trust does not have insurance cover. Should such an event occur, a loss will result which will have a negative impact on the income and capital value of the Property.

Financial Forecasts

Financial forecasts related to forward-looking statements and estimates are based on a series of assumptions across many different aspects of the ownership and operation of the Property. While such forward-looking financial information is based on the best estimates of the Trustee, the Trustee gives no guarantee that such events will occur and potential investors should be clear that the actual financial performance of the Trust may be different from that forecast to occur in this IM and those differences may be substantial.

GST Risk on Settlement

If GST is payable in relation to the purchase of the Property, the Trustee would be entitled to the associated GST credit. A higher amount of transfer fee would be payable by the Trust in connection with the acquisition of the Property in these circumstances than has been forecast.

Failure to Achieve Debt Funding

The Trustee has strong relationships with major banks and foresees that there will be no difficulty obtaining finance. However, the time lag until settlement means that the terms of any Debt facility are currently unknown.

Breach of Bank Covenants Leading to Default

There is a risk that the Trust breaches its Facility LVR covenant due to an adverse revaluation of the Property, leading to an Event of Default under the Facility. This might be caused by a number of factors, including the loss of an existing tenant, inability to attract new tenants to any vacant space and/or adverse market conditions.

The inability of tenants to meet their lease obligations to the Trust or failure to attract new tenants as and when required may cause the Trust to breach its senior debt interest coverage ratio covenant and/or may render the Trust unable to meet interest payments.

Both breaches of these covenants are likely to be events of default under the Facility, in addition to other standard events of default. Should a breach of one of these covenants occur, the Trustee may seek to remedy the breach by withholding distributions to Unit Holders (and applying surplus cash flow to reduce the Facility) and/or raising more equity, which will adversely impact the value of Units and distributions.

Specific Property Risks (cont.)

Rise in Interest Rates

Unit Holders bear the risk that on settlement of the Properties or during the term of the investment the applicable interest rate is higher than the rate in the model. The financial model assumes interest rates increase during the hold period in line with third party forecasts.

Insurance Risk

Insurance premiums may be impacted by numerous factors. There is a possibility that not all risks will be covered by insurance. The Trustee will use its best endeavours to mitigate this risk.

Damage and Destruction

If the whole or any part of the building is damaged or destroyed and the leased premises are unusable or inaccessible, then the tenant may be able to terminate the lease after the date of damage or destruction (noting that this is a standard clause in commercial leases). That is, following damage or destruction the landlord does not have a right to elect to reinstate the premises within a reasonable time and continue the lease. The Trustee considers that given the remoteness of the risk the Properties will be damaged to the extent it is unusable or inaccessible, it is unlikely such an event would occur.

Environmental

The presence of environmental contamination of any one of the Properties presents the risk that occupation may be prevented, and a remediation cost may eventuate.

Privacy

Whitmore Property's Privacy Policy sets out detailed information about how, why and when personal information is collected, disclosed, used, stored and otherwise handled by Whitmore Property. Whitmore Property's Privacy Policy is available upon request.

Whitmore Property's Privacy Policy sets out:

- » the purposes for which Whitmore Property collects personal information;
- » the consequences if personal information is not provided to Whitmore Property;
- » the third parties to which Whitmore Property disclose personal or credit information;
- » how an individual can access and seek correction of their personal information;
- » how to complain about a breach of Whitmore Property's obligations in respect of personal information and how Whitmore Property will deal with such a complaint;
- » whether personal information is likely to be disclosed by Whitmore Property to overseas entities and in which countries these entities reside.

Definitions & Abbreviations

***:** Approximately

Act: Corporations Act 2001 (Cth)

ASX: Australian Securities Exchange

c. Circa or approximately

Capitalisation Rate: Ratio between the net income and capital value of a property

CBD: Central Business District

CGT: Capital Gains Tax

Facility: The senior debt facility to be provided by a major Australian financier in connection with the Property, as may be extended or refinanced from time to time

GST: Goods and Services Tax

IRR: Internal rate of return (p.a.)

LVR: Loan to value ratio. Ratio of senior debt to the value of the asset securing that debt

Manager: Whitmore Property on behalf of the Whitmore Multi Asset Fund No.1 Pty Ltd as the trustee and the manager of the Whitmore Multi Asset Fund No.1 Unit Trust

Net lease: A lease agreement under which the tenant is liable for rent and outgoings in relation to its premises

Net passing yield: Ratio between net income and capital cost (inclusive of purchase price and committed lease incentive amount)

Net rental: Rent calculated excluding building outgoing costs

NLA: Net Lettable Area

p.a.: Per annum

Property Manager: Whitmore Property Pty Ltd

Sell Spread: The discount applied to the sale price achieved at any Unit redemption to cover sales cost (retained by the trust)

Special Resolution: A resolution of Unit holders passed by at least 75 percent of all Unit holders entitled to vote (including those note in attendance in person or by proxy)

sqm: Square metres

Total Net Asset Value: The Total Net Asset Value is the aggregate of the Value of each individual asset held, less the current debt liability held by the Fund, plus cash held at the time of valuation.

Trust: Whitmore Opportunity Fund Trust

Trust Constitution: The deed establishing the Trust

Trustee: Whitmore Opportunity Fund Pty Ltd as Trustee For Whitmore Opportunity Fund Trust

Unit: An ordinary unit in the Trust

Unit Holders: Unit Holders in the Trust

Value: The Value of each asset is equal to its Market Value

WALE: Weighted Average Lease Expiry

Whitmore Opportunity Fund

Trust: The unit trust established to acquire and hold the Properties and managed by Whitmore Property

Case Studies: A Summary of Whitmore's Recent Performance

Barker Plaza, Mount Barker



Barker Plaza, Mount Barker

Year of Purchase: 2020

Acquisition Size: \$20.5 million

Return: 7.5% p.a.

Asset Class: Retail

Project Highlights

- » Significant landholding of 8,200sqm zoned "Regional Town Centre"
- » Located in the retail hub of the thriving Mount Barker with a forecasted population growth of 51% by 2036
- » WALE (weighted average lease expiry) increased to over seven years within the first year of ownership
- » Significant upside available through further development

Description

Purchased during challenging market conditions at the beginning of the COVID pandemic, Whitmore backed its ability to see long term value in sound demographic and property fundamentals. In the 12 months since purchase, Barker Plaza has proved to be an outstanding investment which is already outperforming forecast.

Purchased with two vacancies and a pending tenant renewal, the leasing risk was quickly resolved adding instant value and security through extending the weighted-average-lease-expiry to over seven years. Whitmore successfully negotiated leases to a State Government and Federal Government tenant to fill the remaining vacant tenancies which has resulted in an improved tenancy mix and overall covenant strength.

More is yet to come with this asset, as Whitmore is currently investigating development opportunities to further capitalise on the strong returns and capital value growth already achieved in the first year.

Case Studies: A Summary of Whitmore's Recent Performance

Multi-Asset Fund #1



Multi-Asset Fund #1

Year of Purchase: 2021

Acquisition Size: \$11.475 million

Target Return: 10% p.a.

Asset Class: Mixed

Project Highlights

- » WALE (weighted average lease expiry) increased from 1.3 years to 6.7 years
- » Capital Value increase of 40% within six months of ownership
- » Distributions forecast to exceed an average of 10% p.a.

Description

Established in mid-2021, Whitmore's Multi-Asset Fund (MAF) is the most active development Fund undertaken to date.

The Fund Comprises three assets which at purchase provided a complimentary mix of secure income and immediate development upside.

The largest of the three assets in the MAF portfolio, Manton Street Hindmarsh was a largely vacant industrial asset in which Whitmore recognised an enormous development opportunity. Purchased for \$6.2m and after a construction program of \$3.3m, the property is now fully leased to two major tenants for terms of 7 and 10 years. The asset was recently independently valued at \$13.9m.

Whitmore is proud to have identified the potential of these assets and to have realised that potential so quickly to produce an extraordinary capital value increase in just six short months.



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