Pathfinder PDS - Wholesale Offer Only

NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES OR TO US PERSONS OR PERSONS ACTING FOR THE ACCOUNT OR BENEFIT OF US PERSONS.

Disclaimer and important information

You must read this notice before reading or making use of this document or any information contained in this document. By continuing to read this document, use or otherwise act on this document you agree to be bound by the following terms and conditions, including any modifications to them and make and give the acknowledgements, representations or warranties set out below.

If you do not agree to be so bound, you should immediately return this document to Acure Funds Management Ltd (Responsible Entity).

This document is not a Product Disclosure Statement

This document is a draft product disclosure statement in respect of a proposed offering of fully paid stapled securities (Securities) in the Acure Core Plus REIT (REIT) (a stapled entity to be established which will comprise Australind Trust (ABN 83 788 385 645); Industrial Trust No. 1 (ABN 94 854 200 948); OTC Carnarvon Unit Trust (ABN 64 106 916 267); Apartment 66 Unit Trust (ABN 74 374 078 198); OTC Karratha Unit Trust (ABN 16 756 985 160); OTC Port Hedland Unit Trust (ABN 78 227 980 928); Shepparton Home Trust (ABN 77 197 435 829); and 64 GEH Trust (ABN 17 218 270 498) (each a Trust and together the Trusts) (Offer). The Offer, when it is made, will be by way of a product disclosure statement (PDS) to be prepared under Part 7.9 of the Corporations Act 2001 (Cth) (Corporations Act), which will be lodged with the Australian Securities and Investments Commission (ASIC). This document is not the final lodged PDS. When finalised and lodged with ASIC, the PDS will speak from the date of lodgement. This document therefore remains subject to change for future developments, and also contains statements which are either currently incomplete, or which have been made based upon certain assumptions as to future matters which may or may not occur, or may change before the lodgement date. In particular:

- the application for variation of Australian Financial Service Licence (AFSL) is under review by the Australian Securities and Investment Commission and may not be granted;
- the various transaction documents and related agreements described in this document have not yet been executed. The summaries in this document assume execution in a particular form, but this is subject to change;
- any statements regarding market price, market capitalisation or related calculations are based on recent market prices, and are subject to changes in market prices up until the lodgement date;
- all future dates, such as timetables for the Offer and completion dates, are indicative only and are dependent on a number of future matters, including regulatory approvals;
- the dates are subject to change; and
- any Investigating Accountant's Report will be updated prior to lodgement,

and accordingly the information presented in this document may differ materially in both content and presentation from that presented in the PDS. This document does not purport to be all inclusive or to contain all information which recipients may require in connection with the Offer.

The issuer of the stapled securities in the REIT (which has not yet been registered as a managed investment scheme for the purposes of the Corporations Act) will be the Responsible Entity in its capacity as responsible entity of the REIT. A product disclosure statement under Part 7.9 of the Corporations Act will be made available by the Responsible Entity when the Stapled Securities become available for issue. The PDS is expected to be lodged with ASIC and made available on or about 24 November 2021. Investors should read and consider both this document and the PDS in their entirety in deciding whether or not to acquire the Stapled Securities.

This document has been prepared solely for the purposes of providing general information concerning the business to be carried on by the REIT and its related bodies corporate (as defined in the Corporations Act) (Related Bodies Corporate). It may not contain all the information required to evaluate the merits of an investment in the REIT, and you should obtain your own professional advice before making any decision in respect of such an investment.

Any use of this document or any of the information in it is at your own risk.

This document is not a product disclosure statement, prospectus or other disclosure document for the purposes of the Corporations Act and has not been lodged with ASIC or otherwise filed, registered or approved with any other regulatory authority in any jurisdiction. This document is a draft only and is subject to change without notice. The information in this document may be inaccurate or incomplete in material respects, including by the omission of material information. It is currently expected that the final PDS (and accompanying application forms) will be lodged with ASIC on or about 9 November 2021.

This document has been prepared at a time where the due diligence process investigations in respect of this document have not been finalised and therefore the information presented in this document may differ materially in both content and presentation from that presented in any disclosure document prepared in connection with any prospective transaction. The Responsible Entity reserve the right to alter this document accordingly.

The Responsible Entity may, in their absolute discretion, but without being under any obligation to do so, update or supplement this document. Any further information will be provided subject to these terms and conditions. No representation or warranty, express or implied, is made as to the fairness, accuracy or completeness of the information, opinions and conclusions contained in this document or any other information provided to you by the Responsible Entity, Shaw and Partners Limited and Morgans Corporate Limited (each a Lead Manager and together the Joint Lead Managers), their respective related bodies corporate, affiliates, directors, employees or agents or any other person.

Confidentiality

This document is strictly confidential. It may not be reproduced, disclosed, disseminated, quoted or referred to, in whole or in part, without the prior written consent of the Responsible Entity and the Joint Lead Managers. You may not forward or distribute it to any other person. Any forwarding, distribution, disclosure or reproduction of this document in whole or in part is unauthorised. Failure to comply with these restrictions may result in a violation of the securities laws of other jurisdictions.

No recommendation or advice

This document is based on information supplied by the Responsible Entity and from sources believed to be reliable. No attempt has been made to independently verify the information. The inclusion of some of the information in any disclosure document may be subject to the consent of certain third parties, which may or may not be obtained.

This document is not, and should not be construed as, a recommendation by the Responsible Entity, any of their Related Bodies Corporate, the Joint Lead Managers, or any of their respective officers, directors, employees, partners, advisers, representatives or agents (each a Limited Party and together the Limited Parties) or any other party referred to in this document, to participate in any offer referred to in this document (including the Offer).

The information in this document is of a general nature and does not constitute financial product advice, investment advice or any recommendation. Nothing in this document constitutes legal, financial, tax or other advice. You should conduct your own investigations and analysis of the Offer, the financial condition, assets and liabilities, financial position and performance, profits and losses, prospects and business affairs of the REIT and its business, and the contents of this document. You should make your own assessment of an investment in the REIT and should not rely on this document. You should seek legal, financial, tax and other advice appropriate to your jurisdiction and circumstances.

This document does not constitute an offer or advertisement

This document does not constitute an advertisement for an offer or proposed offer of Stapled Securities.

In particular, this document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or to any person that is, or is acting for the account or benefit of, a "U.S. person" (as defined in Rule 902(k) under the U.S. Securities Act of 1933, as amended (US Securities Act)) (US Person). The Stapled Securities have not been, and will not be, registered under the US Securities Act or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the Stapled Securities to be offered and sold in the Offer may not be offered or sold, directly or indirectly, to any person in the United States or to, or for the account or benefit of, any US Person except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws. The Stapled Securities to be offered and sold in the Offer may only be offered and sold in "offshore transactions" (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act.

Distribution

Distribution of this document may be restricted by law. Persons who come into possession of this document (other than persons in Australia who are a "wholesale client" or persons in New Zealand who are "wholesale investors", in each case as defined below) should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This document has not been filed, registered or approved in any jurisdiction. No action has been taken or is proposed to be taken to register or qualify this document or the Stapled Securities, or otherwise permit a public offering of securities, in any jurisdiction outside Australia and New Zealand.

No person is authorised to give information or make any representation in connection with the Offer which is not contained in this document or the PDS. Any information or representation not so contained may not be relied on as being authorised by the Responsible Entity, the Joint Lead Managers or any person associated with any of them in connection with the Offer.

No liability

The Responsible Entity has prepared this document based on information available to it at the time of preparation and subject to the qualifications in this document. The contents of this document have not been verified by the Responsible Entity or the Limited Parties, neither the Responsible Entity nor the Limited Parties accept any responsibility or liability for the contents of this document and make no recommendation as to whether recipients of this document should participate in any prospective transaction and make no representations or warranties concerning any prospective transaction (including whether such transaction will proceed). No statement in this document is made or based on a statement by the Joint Lead Managers, nor any of their respective Limited Parties and no information contained in this document has been prepared or verified by any of those persons.

To the maximum extent permitted by law, the Responsible Entity and the Limited Parties do not accept and expressly disclaim any responsibility or liability (including, without limitation, any liability arising from fault or negligence on the part of any person) for any loss arising from the use of this document or its contents or otherwise arising in connection with it.

To the extent the Joint Lead Managers, their respective Related Bodies Corporate or affiliates, or any of their respective officers, directors, employees, partners, advisers or agents (Lead Manager Parties) provide any information contained in this document to any person (whether by distributing this document, or in verbal communications or otherwise), they do so as a mere conduit of the Responsible Entity and in reliance on this document.

The Joint Lead Managers have been appointed by the Responsible Entity to act as joint lead managers, respectively, in respect of the Offer and may receive fees, profits or other benefits for acting in that capacity. The Lead Manager Parties may have interests in securities of the Responsible Entity or the REIT and may be providing or have provided in the past corporate advisory, lending services or other financial or advisory services to the Responsible Entity or their affiliates. Further, they may act as a market maker or buy or sell those securities or associated derivatives as a principal or agent.

No fiduciary

You acknowledge and agree that neither you, the Responsible Entity nor the Joint Lead Manager intends that the Joint Lead Managers or any of the Lead Manager Parties act or be responsible to you in a fiduciary capacity nor do they assume any other duties to you, your officers, employees, consultants, agents security holders, creditors or any other person. Each recipient of this document, the Joint Lead Managers (on behalf of each other member of the Lead Manager Parties), expressly disclaim any fiduciary relationship. The recipient agrees that it is responsible for making its own independent judgments with respect to the Offer, any other transaction and any other matters arising in connection with this document.

Forward-looking statements

Some of the statements, beliefs and opinions contained in this document, particularly information regarding the possible or assumed future financial or other performance of the REIT, industry growth or other trend projections are or may constitute forward-looking statements. These statements are subject to various risks and uncertainties. Nothing in this document is a promise, representation or warranty as to the future. Statements or assumptions in this document as to future matters may prove to be incorrect. The Responsible Entity and the Limited Parties make no representation or warranty as to the accuracy, completeness, likelihood of achievement or reasonableness of such statements or assumptions. Forward-looking statements speak only as at the date of this document. The Responsible Entity and the Limited Parties disclaim any obligations or undertakings to release any update of, or revisions to, any forward-looking statements in this document. You acknowledge that circumstances may change and the contents of this document may become out-dated as a result. You also acknowledge that no audit or review has been undertaken by an independent third-party of the assumptions, data, results, calculations and forecasts contained in or referred to in this document. You should make your own independent assessment of the information and seek your own independent professional advice in relation to the information and any action taken on the basis of the information.

Representations, warranties, acknowledgement and indemnity

By accepting this document, you acknowledge and agree that you understand the contents of this notice and that you agree to abide by the terms and conditions of this notice. You also:

- acknowledge and agree that:
  - this document and all of the information contained in it is confidential information of the Responsible Entity and the REIT which is materially price sensitive and you acknowledge and agree that you will:
    - keep strictly confidential this document and all such confidential information contained within it, and all other information made available to you in connection with it;
    - act in accordance with the prohibitions on insider trading contained in the Corporations Act and in any other applicable securities law;
    - not, and will procure that your Related Bodies Corporate, and each of your respective officers and employees, will not, use or rely on this document, in whole or in part, for any purpose;
    - not, and will procure that your Related Bodies Corporate, and each of your respective officers and employees, will not, copy, reproduce or distribute this document, and any other information made available in connection with it, in whole or in part, nor disclose any such information nor the contents of this document, including the nature of any prospective transaction, to any other person at any time without the prior written consent of the Responsible Entity (which may be withheld in their absolute discretion), and agree that any such person may be required to enter into a confidentiality undertaking on terms acceptable to the Responsible Entity as a condition of the Responsible Entity giving their consent; and
    - upon request, promptly return this document to the Responsible Entity together with any other materials received in connection with it without retaining any copies;

- none of the Lead Manager Parties have authorised, permitted or caused the issue or lodgment, submission, dispatch or provision of this document, nor do they make any recommendation as to whether any potential investor should participate in the Offer. None of the Lead Manager Parties purports to make any statement in this document. To the maximum extent permitted by law, the Lead Manager Parties expressly disclaim all liabilities in respect of, and make no representations regarding, and take no responsibility for, any part of this document other than references to their name and make no representation or warranty as to the currency, accuracy, reliability or completeness of this document;

- represent and warrant that:
  - if you are in Australia, you are a wholesale client for the purposes of section 761G of the Corporations Act;
  - if you are in New Zealand, you are a wholesale investor within the meaning of section 3(2) of Schedule 1 of the Financial Markets Conduct Act 2013 of New Zealand;
  - you are (i) not in the United States and you are not a US Person and you are not acting for the account or benefit of any US Person or (ii) if you are in the United States, you are a dealer or other professional fiduciary organised or incorporated in the United States acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US Persons for which you have, and are exercising, investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act; and
  - if you are outside Australia and New Zealand, you are a person to whom an offer and issue of Stapled Securities may be made outside Australia and New Zealand without registration, lodgement or approval of a formal disclosure document or other filing in accordance with the laws of that foreign jurisdiction (except to the extent the Responsible Entity in their absolute discretion are willing to comply with such requirements).

If you are not such a person, please do not read this document. Please return it immediately to the Responsible Entity and destroy or delete any copies. Neither this document nor any copies of this document may be circulated or disclosed (electronically or otherwise) to any persons who do not receive this document directly from the Responsible Entity, their advisers, or the Joint Lead Managers;

- acknowledge that the Offer may not proceed and the Responsible Entity has made no commitment with respect to the Offer or any other transaction;

- acknowledge that the Responsible Entity and the Joint Lead Managers are relying on you complying with this disclaimer and on the truth and accuracy of the representations, warranties, acknowledgements, agreements and undertakings given by you;

- irrevocably and unconditionally release the Responsible Entity and each Limited Party from any claims, actions, damages, judgements, losses (including any indirect or consequential losses), liabilities (including in respect of negligence), costs, expenses or other matters (however and whenever arising) in connection with the provision of this document and any reliance by you on the information contained in it; and

- indemnify and agree to keep indemnified the Responsible Entity and each Limited Party against any loss, damage and costs incurred or suffered and arising out of or in connection with any breach by you of this disclaimer or any of the representations, warranties, acknowledges, agreements and undertakings given by you.

PRODUCT DISCLOSURE STATEMENT

Acure Core Plus REIT

ACURE
FUNDS MANAGEMENT

Issued by Acure Funds Management Ltd
(ABN 34 151 502 680; AFSL 411 056)

Product Disclosure Statement in relation to the distribution and Offer of Securities in Acure Core Plus REIT

24 November, 2021

Joint Lead Managers and Underwriters of the Offer:

morgans ShawandPartners an EFG company

THIS INFORMATION IS IMPORTANT AND REQUIRES YOUR ATTENTION

It is important that you read this document carefully and in its entirety prior to making your investment decision with respect to the Offer. In particular you should pay careful consideration to the risk factors outlined in Section 7 and the tax implications in Section 11 of this document as they relate to your personal investment objectives, financial circumstances and needs. The potential tax effects of the Offer will vary between investors. Other risk factors may exist in addition to those identified in this document which should also be considered in light of your personal circumstances.

THE ISSUER

This document is a product disclosure statement (PDS) for the purposes of Part 7.9 of the Corporations Act and has been issued by Acure Funds Management Ltd (ABN 34 151 502 680; AFSL 411 056) (Responsible Entity) as Responsible Entity of Australind Unit Trust (ARSN 655 225 880), Industrial Trust No. 1 (ARSN 655 226 118), Shepparton Home Trust (ARSN 655 226 181), Apartment 66 Unit Trust (ARSN 655 227 231), OTC Carnarvon Unit Trust (ARSN 655 226 789), OTC Karratha Unit Trust (ARSN 655 226 921), OTC Port Hedland Unit Trust (ARSN 655 227 115) and 64 GEH Trust (ARSN 655 225 433) (each a Trust and together the Acure Core Plus REIT (the REIT)). The offer contained in this PDS is an initial public offering of new stapled securities in Acure Core Plus REIT, each comprising one fully paid ordinary security in each of the Trusts stapled to one fully paid ordinary security in each other Trust (Securities) (Offer).

LODGEMENT AND LISTING

This PDS is dated 24 November 2012 and was lodged with the Australian Securities and Investments Commission (ASIC) in accordance with Section 1015B of the Corporations Act on that date. The Responsible Entity will apply for the admission of the REIT to the official list of ASX and the quotation of the Securities on ASX within seven days of the date of this PDS. Neither ASIC nor ASX takes any responsibility for the contents of this PDS or the merits of the investment to which this PDS relates. ASX reserves the right (but without limiting its absolute discretion) to remove one or more entities with Securities from the ASX Official List if any of their securities cease to be stapled together, or any equity securities are issued by one entity which are not stapled to equivalent securities in the other entity.

REFERENCES TO THE REIT AND THE RESTRUCTURE

In connection with the Offer, the Trusts are undergoing a restructure as contemplated in the Implementation Deed (please refer to 13.4 for a summary of the Implementation Deed) that is expected to complete around the time the Securities are allotted and issued pursuant to the Offer. Unless otherwise specified, this PDS has been prepared as if the restructure has been completed.

References to the REIT throughout this PDS are references to the REIT that will exist from Completion of the Offer. For example, the Investment Overview in Section 1 and the Overview of Acure Core Plus REIT in Section 2 describe the REIT as if the restructure has completed, and the Forecast Financial Information in Section 6 represents the combined REIT for the period ending 30 June 2022 and the six months ended 31 December 2022. Securities issued under the Offer are being issued under this PDS.

NOT INVESTMENT ADVICE

The information contained in this PDS should not be taken as financial product advice and has been prepared as general information only without consideration for your particular investment objectives, financial circumstances or particular needs. In particular you should pay careful consideration to the risk factors outlined in Section 7 in light of your personal circumstances, recognising that other risk factors may exist in addition to those identified and should also be considered before deciding whether to invest. If you have any queries or uncertainties relating to aspects of this PDS or the Offer please consult your stockbroker, accountant or other independent financial adviser before deciding whether to invest. Similarly the tax implications of your investment will vary depending on your personal financial circumstances and investment objectives. You should consider the tax implications outlined in Section 11 of this PDS and obtain your own professional taxation advice prior to deciding whether to invest in this Offer.

EXPOSURE PERIOD

The Corporations Act prohibits the Responsible Entity from processing Applications in the seven day period after the date of lodgement of the PDS with ASIC (Exposure Period). This period may be extended by ASIC by up to a further seven days. The purpose of the Exposure Period is to enable this PDS to be examined by market participants before the sale of the Securities. Applications received during the Exposure Period will not be processed until after the expiry of that period. No preference will be conferred on Applications received during the Exposure Period.

NO COOLING OFF RIGHTS

Cooling-off rights do not apply to an investment in the Securities pursuant to the Offer.

RIGHTS AND LIABILITIES ATTACHED TO THE SECURITIES

From the date the Securities under the Offer are issued, all Securities will rank equally in all respects to the Securities on issue. Details of the rights and liabilities attached to each Security are set out in Section 13.1 and in the Constitutions of the Trusts, copies of which are available for inspection at the registered office of the Responsible Entity within normal trading hours.

ELECTRONIC PDS

An electronic copy of this PDS may be viewed online by Australian investors at www.acuream.com.au. If you access the PDS electronically please ensure that you download and read the PDS in its entirety. The Offer to which this PDS relates is available to persons receiving this PDS (electronically or otherwise) in Australia only. It is not available to persons in other jurisdictions.

A paper form of this PDS can be obtained, free of charge, during the Offer Period by contacting the REIT's Offer Information Line on 1300 737 760 (toll free within Australia) between 9:00am and 5:00pm (EST) Monday to Friday.

Applications for Securities will only be considered if applied for on an Application Form attached to or accompanied by a copy of this PDS (refer to Section 8 for further information). The Corporations Act prohibits any person from passing the Application Form on to another person unless it is accompanied by this PDS in its paper form or the complete and unaltered electronic form.

OVERSEAS INVESTORS

This PDS has been prepared to comply with the requirements of Australian law and is only being made to Australian and New Zealand resident Retail Investors and Institutional Investors in Australia, New Zealand, Hong Kong, Singapore and any other jurisdictions as determined by the Responsible Entity and Joint Lead Managers. This PDS does not constitute an offer to sell, or the solicitation of an offer to buy, securities in the United States or any person that is, or is acting for the account or benefit of, a "US Person" (as defined in Rule 902(k) under the U.S. Securities Act of 1933, as amended ("U.S. Securities Act") ("US Person") in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

Distribution of this PDS outside of Australia or New Zealand (whether electronically or otherwise) may be restricted by law. Persons who receive this PDS outside of Australia or New Zealand are required to observe any such restrictions. Failure to comply with such restrictions may find you in violation of applicable securities laws. No action has been taken to register or qualify the Securities or the Offer, or to otherwise permit a public offering of Securities in any jurisdiction outside Australia or New Zealand. The Securities have not been, and will not be registered under the US Securities Act or under the securities law of any state or other jurisdiction of in the United States.

Accordingly, the Securities to be offered an sold in the Offer may not be offered or sold, directly or indirectly, to any person in the United States or any person that is, or is acting for be account of benefit of, a US Person except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the US Securities Act. This PDS may not be distributed in the United States or to any person that is, or is acting for the account or benefit of, a US Person in the United States. Any person subscribing for Securities in the Offer shall by virtue of such subscription be deemed to represent that they are not in a jurisdiction which does not permit the making of an offer or invitation as detailed in this PDS, and are not acting for the account or benefit of a person within such jurisdiction.

None of the Responsible Entity, the Joint Lead Managers, nor any of their respective directors, officers, employees, consultants, agents, partners or advisers accepts any liability or responsibility to determine whether a person is able to participate in the Offer. See Section 8.20 and 14.2 for further details.

WARNING FOR NEW ZEALAND INVESTORS

This Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This Offer and the content of the PDS are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the Offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this Offer, please contact the Financial Markets Authority, New Zealand (http://www.fma.govt.nz). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of a financial advice provider.

The Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant. If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the REITs credited to a bank account in New Zealand in New Zealand dollars. If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

The dispute resolution process described in this offer document is available only in Australia and is not available in New Zealand.

UPDATED INFORMATION

Information regarding the Offer may need to be updated from time to time. Any updated information about the Offer that is considered not materially adverse to investors will be made available on the REIT's website at www.acuream.com.au. The Responsible Entity will provide a copy of the updated information free of charge to any eligible investor who requests a copy by contacting the REIT's Offer Information Line on 1300 737 760 (toll free within Australia) between 9:00am and 5:00pm (AEST) Monday to Friday during the Offer Period. In accordance with its obligations under the Corporations Act, the Responsible Entity may issue a supplementary PDS to supplement any relevant information not disclosed in this PDS. You should read any supplementary disclosures made in conjunction with this PDS prior to making any investment decision.

VARIATION OF THE OFFER

At any time prior to the allocation of the Securities contemplated in this PDS, the Responsible Entity reserves the right in its absolute discretion, without advance notice and without liability, to vary the Offer or its procedures or to postpone or cancel the Offer.

FINANCIAL INFORMATION

Section 6 of this PDS sets out in detail the financial information referred to in this PDS and the basis of preparation of that information. The Financial Information in this PDS should be read in conjunction with, and is qualified by reference to, the information contained in Section 6.

All financial amounts contained in this PDS are expressed in Australian dollars and rounded to the nearest $100,000 unless otherwise stated. Some numerical figures included in this PDS have been subject to rounding adjustments. Any discrepancies between totals and sums of components in tables contained in this PDS are due to rounding. All fees in the PDS are quoted exclusive of GST unless otherwise stated. All financial information, operational information, and Portfolio statistics contained in this PDS are believed to be current as at the date of this PDS.

The Financial Information comprises the Forecast Financial Information together with the Pro Forma Consolidated Statement of Financial Position as at the date on which allotment is expected to occur **(Allotment Date)**, reflecting the structure of the REIT post Listing and the impact of the capital raised under the Offer.

The Forecast Financial Information included in this PDS comprises the Pro Forma Statutory Forecast Consolidated Distribution Statements of Profit and Loss from the Allotment Date to 30 June 2022 and for 1HY FY23, together with the Statutory Forecast Consolidated Statements of Profit and Loss from the Allotment Date to 30 June 2022 and for 1H FY23. The Forecast Financial Information is prepared and presented in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards, except where otherwise stated.

NON-IFRS FINANCIAL INFORMATION

Investors should be aware that certain financial data included in this PDS is 'non-IFRS financial information' under Regulatory Guide 230 Disclosing non-IFRS financial information, published by ASIC and also "non-GAAP financial measures" under Regulation G of the US Securities Exchange Act of 1934 ("US Exchange Act"). The Directors believe this non-IFRS financial information / non GAAP financial measures provide useful information to users in measuring the financial performance and conditions of the REIT. The non-IFRS information / non_GAAP financial measures do not have standardised meanings prescribed by Australian Accounting Standards and therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information / non-GAAP financial measures and ratios included in this PDS. The disclosure of such non-IFRS financial information / non-GAAP financial measures in the manner included in this PDS may not be permissible in a registration statement under the US Securities Act.

Investors should also be aware that the PDS contains pro forma financial information. The pro forma financial information provided in the PDS is for illustrative purposes only and is not represented as being indicative of the Directors' views on the future financial condition and/or performance of the REIT. You should also note that the pro forma financial information does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the US Securities and Exchange Commission.

Unless otherwise stated or implied, all pro forma data in this PDS gives effect to the pro forma adjustments referred to in Section 6.

FORWARD-LOOKING STATEMENTS

Certain "forward-looking statements" have been provided in this PDS. These statements can be identified by the use of words such as "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "predict", "guidance", "plan" and other similar expressions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Preparation of these forward-looking statements was undertaken with due care and attention, however, forward-looking statements remain subject to known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Responsible Entity and its officers, employees, agents and advisers. Consequently, such factors may impact the performance of the REIT such that actual performance differs materially to any performance indicated in the forward looking statements. Some of the risk factors that impact on forward looking statements in this PDS are set out in Section 7. No assurance can be provided that actual performance will mirror the guidance provided. Other than as required by law, none of the Responsible Entity, its directors, officers, employees or advisers or any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this PDS will actually occur. You are cautioned not to place undue reliance on those statements. The forward looking statements in this PDS reflect the views held only immediately before the date of this PDS, unless otherwise stated. Subject to the Corporations Act and any other applicable law, each of the Responsible Entity, its directors, officers, employees and advisers disclaim any duty to disseminate after the date of this PDS any updates or revisions to any such statements to reflect any change in expectations in relation to such statements or any change in events, conditions or circumstances on which any such statement is based.

INDEPENDENT VALUATIONS

This PDS contains information regarding the independent valuations of the Properties by independent valuers on or around 30 June 2021. Refer to Section 10 for details of the valuation dates for each Property in the Portfolio. Valuations are an opinion of the market value payable by a willing buyer at a point in time, not a guarantee of current or future market value. By necessity, valuations require the valuer to make subjective judgments that, even if logical and appropriate, may differ from those made by a purchaser or another valuer. Independent valuations are subject to a number of assumptions and conditions, which are set out in the summary of the valuations in Section 10.

Property values can change substantially, even over short periods of time, and an independent valuer's opinion of value could differ significantly if the date of valuation were to change. A high degree of volatility in the real estate market may lead to fluctuations in values over a short period of time.

UNDERWRITING AGREEMENT

Morgans Corporate Limited (ACN 010 539 607) **(Morgans)** and Shaw and Partners Limited (ACN 003 221 583) **(Shaw and Partners)** have been appointed by the Responsible Entity as Joint Lead Managers and Underwriters to the Offer, subject to certain terms and conditions stipulated in the Underwriting Agreement. The Underwriting Agreement sets out a number of circumstances where the Joint Lead Managers may terminate the agreement and their obligations. For further information on the terms and conditions of the Underwriting Agreement you should refer to Section 13.

LEAD MANAGER PARTIES

The Joint Lead Managers, their respective affiliates and their respective officers, directors, employees, partners, advisers or agents **(the Lead Manager Parties)**, in their capacity as principal or agent are involved in a wide range of commercial banking and investment banking activities globally in respect of which they may receive fees and other benefits and out of which conflicting interests or duties may arise. These activities may include (without limitation) securities issuing, securities trading, brokerage activities, provision of retail, business, private, commercial and investment banking, investment management, corporate finance, credit and derivative, trading and research products and services or the provision of finance, including (without limitation) in respect of securities of the REIT, or loans to the REIT or its related entities, persons directly or indirectly involved with the Offer or interests associated with such persons. In the ordinary course of these activities, each Lead Manager Party may at any time for their own account, or for the account of their clients or customers, make or hold long or short positions and investments, as well as actively trade or otherwise effect transactions in the debt, equity and hybrid securities (or related derivative securities) or other financial products (including bank loans and other obligations) of the Responsible Entity, the REIT and their respective related entities, unitholders, associates and third parties as well as those of other entities and persons and their affiliates which may or may not be involved in or affected by the transaction arising from or relating to the Offer or otherwise have relationships with the Responsible Entity, may finance the acquisition of those securities and/or financial products or take or enforce security over those securities and/or financial products.

PHOTOGRAPHS, DIAGRAMS AND ARTIST'S RENDERINGS

Photographs, diagrams and artist's renderings contained in this PDS that do not have accompanying descriptions are intended for illustrative purposes only. They should not be interpreted to mean an endorsement of this PDS or its contents by any person shown in these images. Furthermore assets not accompanied by a description should not be interpreted as being owned by the REIT.

Diagrams used in this PDS are also intended for illustrative purposes only and may not be drawn to scale.

USE OF LOGOS

Where logos and company names are used in the PDS, the logos and company names are trade marks of their respective holders, owners or registered proprietors ("**Trade Mark Owners**"). Except as otherwise expressed in this PDS, use of these logos and company names in the PDS does not imply any affiliation with or endorsement by the relevant Trade Mark Owner. No Trade Mark Owner has authorised or caused the issue of this PDS, nor has any Trade Mark Owner made any statement in this PDS. Accordingly, no Trade Mark Owner makes any representation regarding, nor takes any responsibility for, any statements or materials in, or omissions from, this PDS.

DEFINITIONS, ABBREVIATIONS AND OTHER INFORMATION

Explanations of defined terms and abbreviations used throughout this PDS can be found in the PDS Glossary (Section 15). Unless otherwise stated or implied, references to times in this PDS are Sydney, Australia time (AEST). Similarly, references to dates or years in this PDS are financial years unless otherwise stated or implied.

PRIVACY

By filling out an Application Form to apply for Securities, you are providing personal information to the Responsible Entity through the Registry that may be personal information for the purposes of the Privacy Act 1988 (as amended). The Responsible Entity and the Registry on its behalf, collect, hold and use that personal information in order to process your Application. The Responsible Entity may also collect, hold and use that personal information in order to service your needs as a Securityholder, provide facilities and services that you request and carry out appropriate administration.

If you do not provide the information requested in the Application Form, the Responsible Entity and/or the Registry may not be able to process or accept your Application. Your personal information may also be used from time to time to inform you about other products and services offered by the Responsible Entity, or entities within the REIT which it considers may be of interest to you. Your personal information may also be provided to the Responsible Entity's agents and service providers on the basis that they deal with such information in accordance with their respective privacy policies. These agents and service providers may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law.

The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Joint Lead Managers in order to assess your Application;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- market research companies for the purpose of analysing the REIT's Securityholder base and for
- product development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Securities and for associated actions.

Under the Privacy Act 1988 (as amended), you may request access to your personal information held by (or on behalf of) the Responsible Entity. You may be required to pay a reasonable charge to the Registry in order to access your personal information. You can request access to your personal information by telephoning the Registry on 1300 737760. If any of your information is not correct or has changed, you may request it to be corrected. By submitting an Application, you agree that the Responsible Entity and the Registry may communicate with you in an electronic form or contact you by telephone in relation to the Offer.

DISCLAIMER

No person is authorised to give any information, or to make any representation, in connection with the Offer that is not contained in this PDS. Any information or representation that is not in this PDS may not be relied on as having been authorised by the Responsible Entity in connection with the Offer. Except as required by law, and only to the extent so required, neither the Responsible Entity, nor any other person, warrants or guarantees the future performance of the REIT or the repayment of capital, or any return on any investment made pursuant to this information. The Joint Lead Managers have not authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this PDS and does not make or purport to make any statement in this PDS and there is no statement in this PDS which is based on any statement by the Joint Lead Managers. The Joint Lead Managers and their affiliates, officers and employees, to the maximum extent permitted by law, expressly disclaim all liabilities in respect of, make no representations regarding, and take no responsibility for, any part of this PDS and make no representation or warranty as to the currency, accuracy, reliability or completeness of this PDS.

FURTHER QUESTIONS

If you have any queries relating to aspects of this PDS please call the REIT's Offer Information Line on 1300 737 760 (toll free within Australia) between 9:00am and 5:00pm (AEST time) Monday to Friday (excluding public holidays).

ACURE
FUNDS MANAGEMENT

CONTENTS

KEY INFORMATION

Key Offer statistics at Allotment	
Offer Price per Security	$1.00
Offer size	$113.9 million
Number of Securities to be issued under the Offer	113.9 million
Total number of Securities on issue following Allotment	166.3 million
Market capitalisation at the Offer Price	$166.3 million
Forecast annualised Operating Earnings Yield per Security to 31 December 2022 [1] (based on the offer price)	7.0%
Forecast annualised Distribution Yield per Security to 31 December 2022 [1] (based on the offer price)	7.0%
Tax treatment of FY22 distribution	50% tax deferred
NTA per Security	$ 0.970
Offer Price premium to NTA value per Security	3.0%
Gearing on Completion	33.3%

[1] Represents 13 month period from 1 December 2021 to 31 December 2022. Further details on the forecast financial information are provided in Section 6 (Financial Information).

Key Offer statistics at Allotment	
Number of Properties	10
Independent Valuation [1]	$244.3 million
Weighted Average Capitalisation Rate ("WACR") [2]	6.5%
Gross lettable area (GLA)	143,654 sqm
Occupancy [3]	98%
Weighted Average Lease Expiry ("WALE") [4]	8.0 years
Proportion of income subject to fixed rental increases [4]	70 %
Weighted Average Fixed Rental Review ("WAFRR") [4]	2.8%

[1] Independent Valuation on or around 30 June 2021.
[2] Weighted by Independent Valuation.
[3] As at 30 June 2021, by gross lettable area.
[4] As at 30 June 2021, weighted by gross passing income.

IMPORTANT DATES

PDS Lodgement Date	Wednesday, 24 November 2021
Broker Firm Offer and Priority Offer opens	Thursday, 2 December 2021
Broker Firm Offer and Priority Offer closes	Monday, 13 December 2021
Deferred settlement basis trading	Thursday, 16 December 2021
Settlement	Friday, 17 December 2021
Issue and allotment of Securities	Monday, 20 December 2021
Commencement of trading on a normal settlement basis	Monday, 20 December 2021
Dispatch of holding statements	Tuesday, 21 December 2021

The timetable above is indicative only and may change without notice. The Responsible Entity, with consent from the Joint Lead Managers, reserves the right to amend any or all of these dates and times subject to the Listing Rules, the Corporations Act 2001 (Cth) and other applicable laws, including closing the Offer early, extending the Offer or accepting late Applications, either generally or in particular cases, without notification.

Important dates

Applicants under the Broker Firm Offer may apply for Securities by completing and lodging a valid Application Form attached to or accompanying this PDS with the Broker who invited them to participate in the Offer.

Applicants under the Priority Offer will be invited to apply by the Responsible Entity and should follow the personalised instructions provided.

Further instructions on how to apply for the Securities are set out in Section 8 of this PDS and on the back of the Application Form.

If you require a replacement Application Form or have any questions relating to the Offer, please contact the Offer Information Line on +61 1300 737 760 (toll free within Australia) between 8.30 am and 5.30 pm (AEST time) Monday to Friday (excluding public holidays) during the Offer Period. You should read this PDS carefully and in its entirety, and seek relevant professional advice before making a decision to invest.

To the extent permitted by law, an Application by an Applicant under the Offer is irrevocable.

ACURE
FUNDS MANAGEMENT

Dear Investor,

On behalf of the Board of the Responsible Entity, it is my pleasure to invite you to become an investor in the Acure Core Plus REIT (the "REIT").

The REIT is being established by Acure Funds Management Ltd ("Acure"), a property investment and funds management company. Acure Funds Management Ltd is a wholly owned subsidiary of Acure Asset Management Ltd ("AAM" or "the Manager"), a property management company. Acure and AAM are headquartered in Perth, Western Australia.

The REIT comprises eight (8) existing managed investment schemes that were established and managed by Acure over the last 4-8 years. The Portfolio consists of ten (10) commercial properties located in Western Australia, Queensland and Victoria, which have been independently valued at $244.3 million .

The REIT will offer investors exposure to a quality portfolio of income-focus commercial property with the following **features**:

- **An attractive annualised FY22 Distribution Yield of 7.0% payable quarterly;**
- **Property income that is underpinned by predominantly net or triple net leases with fixed contractual rental increases and long tenure to blue chip tenants;**
- **Long Weighted Average Lease Expiry of 8.0 years by income across the combined property trusts.**
- **Investment diversity across industry type and geographic location within Australia.**
- **98% occupancy;**
- **Conservative initial gearing of 33.3% which provides capacity to support future acquisitions;**
- **Access to Acure's asset management platform and experienced investment management team who have demonstrated a track record of delivering strong investment returns to investors; and**
- **Stable investment market and political environment in Australia**

The REIT's **objective** is to provide competitive risk adjusted returns relative to its peers through a combination of regular distributions and capital growth, and enhance investor returns through acquiring, growing and further diversifying its portfolio of assets.

To achieve this objective, the REIT's **strategy** is to:

- Implement leasing and active asset management to grow the income and value of the properties;
- Continue to maintain the assets to a high standard;
- Acquire additional commercial properties that satisfy the REIT's investment criteria and enhance overall portfolio quality; and
- Maintain a conservative capital structure with a target Gearing range between 30% and 40%.

The REIT will continue to be externally managed by Acure. Acure is a private investment and funds management business that has established funds that amount to circa $400 million in assets under management across Australia.

The REIT is seeking to list on the ASX and is undertaking an Offer of 113.9 million Securities at an Offer Price of $1.00 each to raise $113.9 million (the "Offer").

The Offer is being conducted to enable the REIT to provide Original Unitholders with an opportunity to realise their investment and to fund the Offer and acquisition related costs. The Offer will entail a Priority Offer and a Broker Firm Offer.

On Completion, Acure and its Directors will be aligned with investors through a co-investment in the REIT of circa 10.3%.

This PDS contains detailed information about the REIT and the Offer. It is important that you read this PDS carefully and in its entirety before making an investment decision, including Section 7 which sets out certain risks associated with an investment in the REIT, and Section 12, which sets out the fees and other costs associated with investing in the REIT.

If you have questions you should seek relevant professional advice before making an investment decision. You can also contact the Offer Information Line on 1300 737 760 (toll free within Australia) between 9:00am and 5:00pm (AEST) Monday to Friday.

On behalf of my fellow Directors, I encourage you to consider this investment opportunity and look forward to welcoming you as an investor in the Acure Core Plus REIT.

Yours sincerely,

A. Del Borrello

Angelo Del Borrello
Executive Chairman

ACURE
FUNDS MANAGEMENT

1 INVESTMENT OVERVIEW

1.1. Introduction

Topic	Summary	Reference
What is the Acure Core Plus REIT?	Acure Core Plus REIT will be an Australian Real Estate Investment Trust ("REIT") listed on the ASX and will seek to invest in quality Australian real estate assets that seek to provide a secure reliable income stream from a diverse portfolio of assets and tenants. The REIT will comprise an Portfolio of 10 Properties independently valued at $244.3 million with a weighted average lease expiry profile ("WALE") of 8.0 years by income. The Portfolio will be diversified by geography and real estate sector, containing industrial, neighbourhood retail, large format retail and fuel stations located in 3 Australian states.	**Section 2.1**
What is the REIT's investment objective and strategy?	The REIT's objective is to provide investors with competitive risk adjusted investment returns relative to its peers and enhance investor returns through acquiring, growing and further diversifying its portfolio of assets. To achieve this objective, the REIT's strategy is to: • Implement leasing and active asset management to grow the income and value of the properties; • Continue to maintain the assets to a high standard; • Acquire additional commercial properties that satisfy the REIT's investment criteria and enhance overall portfolio quality; and • Maintain a conservative capital structure with a target Gearing range between 30% and 40%.	**Section 2.2**
What is the REIT's policy for acquiring and divesting properties?	The Trustee will actively manage the Portfolio, including through acquiring and divesting assets in line with the REIT's investment objectives to maintain and enhance the quality of the Portfolio. The REIT will seek to acquire additional commercial properties that will complement the and enhance the REIT's overall portfolio quality: • Core Plus characteristics that will generate accretive earnings • Compliments the portfolio in terms of diversification, income yield and lease term	**Section 2.3**
Will the REIT take on material development risk?	The REIT portfolio will comprise commercial properties that deliver a stable rental income and cashflows. Whilst an individual property may have further value add opportunities to growth the rental income and enhance the capital value of the property, this will be managed to ensure it does not represent a material risk to investors at any point in time.	**Section 2.2**
Will the REIT invest in properties overseas?	The REIT will be focused on investment opportunities in Australia only. The REIT will not invest in properties located outside of Australia.	

1.2. Benefits and risks

Topic	Summary	Reference
What are the benefits associated with an investment in the REIT?	An investment in the REIT will offer Securityholders: **Attractive financial metrics:** • An annualised forecast FY22 distribution yield of 7.0%;	**Section 2.4**

Topic	Summary	Reference
	Income underpinned predominantly by fixed contractual rental increases and supported by long leases to blue chip tenants: • Over 70% of gross income underpinned by fixed contractual rental increases; • Weighted average rental review of fixed rent reviews of 2.8% per annum; • Portfolio WALE of 8.0 years and occupancy of 98%, supported by leases to blue chip tenants. **Diversified portfolio that provides exposure to a diverse range of tenants, geography and sectors:** • Portfolio is weighted towards the resource-rich states of Western Australia and Queensland markets which have performed strongly during the COVID pandemic; • Long leases with numerous tenants; • Each asset has specific investment characteristics that enable it to provide strong cash flows. **Conservative gearing:** • Conservative initial gearing of 33.3% on listing which is at the low end of the target gearing range of 30% - 40% and provides capacity to support future acquisitions. **Access to Acure's asset management platform:** • Experienced investment management team with proven active asset management approach to drive income and value-enhancement; and • Alignment of interests with Acure and its Directors holding 10.3% of the REIT.	
What are the key risks associated with an investment in the REIT?	There are a number of risks associated with investing in the REIT which are set out in further detail in Section 7 of this PDS. Key risks specific to an investment in the REIT include: **Rental income and expenses risk** Distributions made by the REIT are largely dependent on the rents received from tenants across the Portfolio and expenses incurred during operations, which may be affected by a number of factors, including overall economic conditions and property market conditions. **Property valuation risk** The value of each property held by the REIT may fluctuate due to a number of factors affecting both the property market generally or the REIT's properties in particular. A reduction in the value of any property may adversely affect the value of Securities. **Property liquidity** By their nature, investments in real property assets are illiquid investments. There is a risk that should the REIT be required to realise property assets, it may not be able to do so in a short period of time, or may not be able to realise a property asset for the amount at which it has been valued. This may adversely affect the REIT's NTA and the value of Securities. **Tenant concentration** The majority of the properties comprised in the Portfolio are single tenanted. This exposes the value and performance of each property to the ability of those tenants to continue to meet their obligations under the respective lease agreements. In aggregate, circa 83% of the gross property income is generated from the top 8 tenants. **Re-leasing and vacancy risk** The Portfolio's leases will come up for renewal on a periodic basis. There is a risk that the REIT may not be able to negotiate suitable lease renewals. This may result in periods of vacancy, a reduction in the REIT's profits and Distributions and a reduction in the value of the assets of the REIT. **COVID-19 risk** The Portfolio's performance may be negatively impacted by COVID-19. There is a risk that COVID-19 lockdowns will impact the ability of tenants to operate and meet their obligations under their respective lease agreements.	**Section 7**

ACURE FUNDS MANAGEMENT

1.3. Portfolio

Topic	Summary	Reference
What are the key metrics of the Portfolio?	**Key Portfolio statistics** Number of Properties: 10 Independent Valuation: $244.3 million Weighted Average Capitalisation Rate ("WACR"): 6.5% Occupancy: 98% Weighted Average Lease Expiry ("WALE"): 8.0 years Proportion of income subject to fixed rental increases: 70% Weighted Average Fixed Rental Review ("WAFRR"): 2.8%	Section 3.2
What real estate sectors will comprise the Portfolio?	A summary of the assets in the Portfolio by real estate sector is below, with further detail of each Property provided in Section 3.	Section 3.3
Who are the top tenants of the Portfolio of the REIT by gross property income?	The REIT's top eight tenants constitute 82.7% of its income. These include ASX listed companies, Government and multinational tenants.	Section 3.2

Sector	No. Properties	Independent Valuation[1]	WACR[1]	WALE1	Occupancy[1]
		($m)	(%)	(yrs)	(%)
Industrial	4	$110.6	6.1%	7.1	100%
Neighbourhood Retail	1	$47.4	6.5%	9.0	86.2%
Large Format Retail	1	$23.4	7.0%	4.5	88.3%
Fuel/ Mixed Use	4	$62.9	7.0%	7.8	100%
Total / Weighted Average	**10**	**$244.3**	6.5%	8.0	98%

[1]As at 30 June 2021.

Tenant	% Gross Rent
Steel Mains	26.1%
BP	19.8%
Coles and Liquorland	9.3%
AVK	8.6%
Swick Mining Services	6.5%
Outback Network	6.3%
Greenlit Brands*	3.8%
Aldi	2.4%
Total Top 8	82.7%

* comprises Fantastic Furniture, Plush and OMF brands

Topic	Summary	Reference
What is the REIT's valuation policy?	The fair value of the Properties will be reviewed by the Directors of the Responsible Entity at each reporting date. The Directors' assessment of fair value will be periodically confirmed by engaging an independent expert valuer to assess the fair value of individual properties: • At least every three years on a rotating basis in accordance with relevant industry standards; • If there is reason to believe that the fair value of a property has materially changed from its book value (e.g. as a result of changes in market conditions, leasing activity in relation to the property or capital expenditure); and • As and when required under the terms of the REIT's debt facilities The Properties may be independently valued more frequently in volatile markets.	**Section 2.8**

1.4. Governance, Responsible Entity and management

Topic	Summary	Reference
How will the REIT be structured?	The REIT is a stapled property group comprising the Trusts and their wholly owned entities. • Australind Unit Trust • Industrial Trust No. 1 • Shepparton Home Trust • Apartment 66 Unit Trust • OTC Carnarvon Unit Trust • OTC Karratha Unit Trust • OTC Port Hedland Unit Trust • The 64 GEH Trust	**Section 2.1**
Who will manage the REIT?	The REIT will be externally managed by the Responsible Entity. The Responsible Entity will also appoint the Manager to provide property management, leasing, marketing, and day-to-day management of the REIT's assets. The Responsible Entity may also appoint others to provide other management services including but not limited to development, acquisitions, divestments and associated marketing of the REIT's assets.	**Section 5.1.1**
Who are the Directors of the Responsible Entity?	The Directors of the Responsible Entity are: • **Angelo Del Borrello** (Executive) • **Chris Allen** (Non-Executive) • **Gianni Redolatti** (Non-Executive) **Further detail on each director is available in Sector 5.2.**	**Section 5.2**
Who are the key members of management?	The Responsible Entity is supported by a management team with significant experience in asset and funds management. The key members of the management team are as follows: • **Angelo Del Borrello**, Managing Director and Responsible Manager • **Aaron Wong**, Chief Financial Officer and Responsible Manager • **Peter Isaksson**, Head of Real Estate • **Marco Marramiero**, General Manager, Property • **Enzo Pirillo**, Independent Responsible Manager • **John Meigan**, Business Development Executive • **Robert Morrison**, Business Development Executive and Responsible Manager • **Roger Pratt**, Compliance Officer • **Michael Walden**, National Asset Manager **Further detail on senior management is available in Sector 5.3.**	**Section 5.1.2**

Topic	Summary	Reference
What are the management arrangements of the REIT?	The REIT will be managed by Acure Asset Management Limited ("AAM"), under the supervision of the Responsible Entity. The services for which the Manager will be responsible include investment management, acquisition and divestment management, debt finance management, day-to-day administration, financial reporting, Securityholder relations, ASX listing management, related compliance management, investor relations and other incidental fund management services.The Manager will also be responsible for managing each property in the Portfolio, including by providing services in respect of leasing, tenant liaison, property maintenance, regulatory compliance, insurance and other usual services provided by a property manager.	**Section 5.1**
Will Securityholders be able to appoint the Directors of the Board?	As the Responsible Entity is a wholly owned subsidiary of AAM, the Directors are appointed by AAM. Securityholders in the REIT will not have the right to appoint or re-elect Directors to the board of the Responsible Entity.	
What will be the governance arrangements for the REIT?	The Board has established governance arrangements to ensure that the REIT is managed in a manner that is properly focused on executing its investment objectives in the interests of Securityholders, as well as conforming to regulatory requirements. The Responsible Entity has four (4) Responsible Managers, including one non-executive, independent Responsible Manager.	**Section 5**
Can the Responsible Entity be removed?	Yes, by a majority vote of Securityholders. A change of the Responsible Entity of the REIT (where the new responsible entity is not a member of Acure) under certain circumstances will trigger termination rights and compensation payments to the Manager.	**Section 13**
What would be the consequences of removing the Responsible Entity?	If the Responsible Entity is removed or retires as responsible entity of the REIT: • Acure Core Plus REIT will cease to have full access to the expertise and resources of Acure to manage the operations of Acure Core Plus REIT • the Directors will no longer be involved in the governance and operations of Acure Core Plus REIT; and • the Investment Management Agreement and Property Management Agreement may be terminated and in certain circumstances, a compensation amount under these agreements will be payable to the Manager.	**Section 13**

1.5. Financial information

Topic	Summary	Reference
What is the REIT's expected Operating Earnings and Distribution Yield?	Acure Core Plus REIT is expected to generate pro-forma Operating Earnings of $6.6 million for the seven month period to 30 June 2022. Acure Core Plus REIT is forecast to deliver an FY22 annualised Distribution Yield (based on the Offer Price) of 7.0% for the period ending 30 June 2022, with 50% of the proposed distributions expected to be tax-deferred in FY22.	**Section 6.4.1**
What is the REIT's distribution policy?	The REIT intends to make Distributions on a quarterly basis with the first Distribution to be made for the pro rata period from the Allotment Date to 31 March 2022. Distributions will be determined with reference to the REIT's Operating Earnings, with a target for Distributions of 90%-100% of Operating Earnings per year. The first Distribution payment relating to the pro rata period from the Allotment Date to 31 March 2022 is expected to be paid in May 2022.	**Section 2.7**
Are Distributions guaranteed?	Distributions are based on Operating Earnings of the REIT and are not guaranteed.	**Section 6.5**

Topic	Summary	Reference
What portion of the Distributions will be tax deferred for Australian tax purposes?	The proposed Distribution from the Allotment date to 30 June 2022 is expected to be approximately 50% tax deferred. The tax deferred component may vary in the future depending on the age and composition of the Portfolio.	**Section 2.7**
What is the pro forma NTA per Security?	The REIT is expected to have an NTA of $0.970 per Security at Completion	**Section 6.5**
What will be the gearing of the REIT?	The REIT's target Gearing range will be between 30% and 40%, with initial Gearing of 33.3% at Completion.	**Section 6.5**
What is the REIT's hedging policy?	To manage interest rate risk, Acure Core Plus REIT may choose to hedge a portion of its total borrowings on a fixed interest rate basis. In deciding the appropriate level of interest rate hedging, Acure will monitor market conditions on a regular basis. Acure's hedging policy will target 0-50% of drawn debt.	**Section 2.6.2**

1.6. Overview of the Offer

Topic	Summary	Reference
What is the Offer and how is it structured?	The Offer is an initial public offering of 113.9 million Securities in the REIT at an Offer Price of $1.00 per Security and is expected to raise $113.9 million. The Securities will be issued by the Responsible Entity. The Offer will consist of: • a Broker Firm Offer that is open to Retail Investors who have received a firm allocation through their Broker; and • a Priority Offer, which is an offer to certain investors invited to participate. Members of the public wishing to subscribe for Securities under the Offer must do so through a Broker with a firm allocation.	**Section 8**
Who is the issuer of the PDS?	Acure Funds Management Ltd as Responsible Entity of each of the Trusts. Acure Funds Management Ltd is the holder of Australian Financial Services Licence 411056	**Important Information**
Is the Offer underwritten?	Yes. The Offer is fully underwritten by Morgans Corporate Limited and Shaw and Partners Limited in accordance with the terms of the Underwriting Agreement.	**Section 8.8**
Who are the Joint Lead Managers and underwriters?	The Joint Lead Managers of the Offer are Morgans Corporate Limited and Shaw and Partners Limited.	**Section 8.7**

ACURE
FUNDS MANAGEMENT

Topic	Summary	Reference
How will the proceeds of the Offer be used?	The Offer proceeds will be used to: • redeem Original Unitholders's investment if they elect to redeem some or all of their existing Units in the Trusts; and • fund the costs of the Offer and other costs relating to the issue.	Section 8.4

Sources of Funds	$m
Proceeds from the Offer	113.92
Total sources	113.92

Uses of Funds	$m
Redeem Original Unitholders	106.44
VIC stamp Duty on IPO	0.44
Legal, Bank Fees & Due Diligence[1]	0.40
Listing Fees	0.20
Acquisition Fee	2.44
Broker Fee	4.00
Total uses	$ 113.92

[1] Net of $0.25m cost contribution by Acure.

Topic	Summary	Reference
What will the Securityholding structure be on Completion?	Details of the ownership of Securities prior to and following Completion are set out below:	Section 5.3

Security holders	Number of Securities pre completion	Number of Securities post completion
Original Unitholders (excluding Acure and it's Directors)	162,203,000	48,287,460
New Unitholders (excluding Directors)	N/A	100,975,071
Acure and it's Directors	4,086,396	17,026,865
Total Securities	166,289,396	166,289,396

Topic	Summary	Reference
Can the Offer be withdrawn?	Yes, the Responsible Entity reserves the right not to proceed with the Offer or any part of it and to withdraw the Offer at any time before the Allotment of Securities. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded in full without interest.	Section 8.15
Who can participate in the Offer?	The Broker Firm Offer is open to Retail Investors in Australia or New Zealand who have received a firm allocation from their Broker. The Offer is only open to those investors invited to participate who have a residential address in Australia and New Zealand as at the date of this PDS.	Section 8.10/ Section 8.11
Where do I find an Application Form?	**Broker Firm Offer Applicants** An Application Form accompanies this PDS or can be obtained from your Broker. To apply under the Broker Firm Offer, you must lodge your Application Form and Application Monies in accordance with your Broker's directions in order to receive your firm allocation. **Priority Offer:** Allocations under the Priority Offer will be invited to apply by the Responsible Entity and should follow the personalised instructions provided.	Section 8.10/ Section 8.11

Topic	Summary	Reference
When do I apply?	Applications under the Broker Firm Offer and Priority Offer will only be accepted during the Offer Period, which is open from 9.00a.m. (AEST) on 2 December 2021 to 5.00pm (AEST) on 13 December 2021 (unless a later application is expressly permitted by the Responsible Entity). All times and dates referred to in this PDS are subject to change and as such if you wish to participate in the Offer, you are encouraged to submit your Application Form as soon as possible.	**Section 8.10**
When will I know my Application has been accepted?	Holding statements confirming your allocation under the Offer are expected to be dispatched on 21 December 2021.	**Section 8.18**
Is there a cooling-off period?	Cooling-off rights do not apply to Applications. Once you lodge an Application, you cannot withdraw it (other than in certain limited circumstances permitted by law).	**Section 8.12**
What are the minimum and maximum Application amounts?	For Applicants under the Broker Firm Offer and Priority Offer, the minimum Application amount is $2,000. There is no maximum Application amount, however, you may be subject to scale-back.	**Section 8.10.3**
What is the allocation policy?	**Priority Offer:** The allocation of Securities among Applicants in the Priority Offer has been determined by the Responsible Entity by agreement with the Joint Lead Managers.	**Section 8.9**
	Broker Firm Offer: Securities which have been allocated to Brokers for allocation to their Australian resident clients will be issued to the Applicants nominated by those Brokers (subject to the right of the Responsible Entity and the Joint Lead Managers to reject or scale back Applications). It will be a matter for the Brokers how they allocate firm stock among their eligible clients and they (and not the Responsible Entity or the Joint Lead Managers) will be responsible for ensuring that clients who have received a firm allocation from them receive the relevant Securities.	
Will the Securities be quoted on ASX?	The Responsible Entity will apply, within seven days of the date of the PDS, for admission of Acure Core Plus REIT to the Official List and the quotation of Securities on ASX under the code AXR. It is anticipated that quotation will initially be on a conditional and deferred settlement basis.	**Section 8.16**
When can I sell my Securities on the ASX?	It is expected that the Securities will commence trading on ASX on or about 16 December 2021 on a conditional and deferred settlement basis. It is expected that Securities will commence trading on ASX on a normal settlement basis on or about 20 December 2021. It is the responsibility of the Applicants to confirm their allocation of Securities prior to trading in Securities. Securityholders who sell Securities before they receive their holding statements do so at their own risk.	**Section 8.16**

1.7. Taxation

Topic	Summary	Reference
What are the tax implications of investing in the Securities?	There may be tax implications arising from Applications for Securities. Summaries of certain Australian tax consequences of participating in the Offer and investing in Securities are set out in Section 11. These implications will differ depending on the individual circumstances of the Applicant.	**Section 11**
	Applicants should obtain their own professional taxation advice about the consequences of investing.	

1.8. Transaction costs

Topic	Summary	Reference
What are the fees and costs associated with the offer?	Total transaction costs are expected to be approximately $7.4 million. Transaction costs will be paid by the REIT from the proceeds of the Offer.	**Section 12**
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants who apply for Securities using an Application Form. Investors who buy or sell Securities on the ASX may be subject to brokerage and other transaction costs. Transfers of Securities on the ASX should not attract any Australian stamp duty. Securityholders should confirm the stamp duty consequences of dealing with their Securities with their taxation adviser.	**Section 8.19**

1.9. Further information

Topic	Summary	Reference
Where can I find out further information about the Offer?	If you have further enquiries or questions relating to aspects of this PDS or about the Offer, please contact the Offer Information Line on 1300 737 760 (toll free within Australia) between 8:30am and 5:30pm (AEST) Monday to Friday (excluding public holidays) during the Offer Period. If you are unclear in relation to any matter or are uncertain as to whether the REIT is a suitable investment, you should seek professional advice from your accountant, stockbroker, lawyer, or other professional adviser before deciding to invest.	**Section 8.23**

ACURE
FUNDS MANAGEMENT

2 OVERVIEW

2.1. Overview of Acure Core Plus REIT

Acure Core Plus REIT will be an Australian Real Estate Investment Trust ("REIT") listed on the ASX and will seek to provide competitive risk adjusted returns relative to its peers through a combination of regular distributions and capital growth, and enhance investor returns through acquiring, growing and further diversifying its portfolio of assets.

The Portfolio consists of ten (10) commercial properties located in Western Australia, Queensland and Victoria, which have been independently valued at $244.3 million.

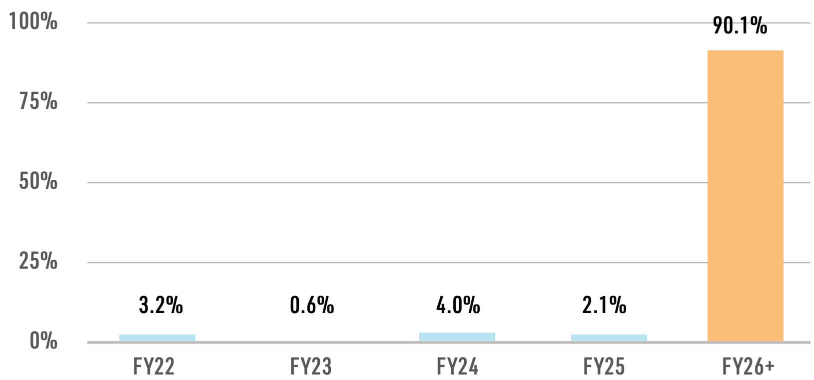
A summary of the Portfolio key statistics is below, with further detail of each Property provided in Section 3

Key Portfolio statistics	
Number of Properties	10
Independent Valuation	$244.3 million
Weighted Average Capitalisation Rate ("WACR")	6.5%
Occupancy	98%
Weighted Average Lease Expiry ("WALE")	8.0 years
Proportion of income subject to fixed rental increases	70%
Weighted Average Fixed Rent Review	2.8%

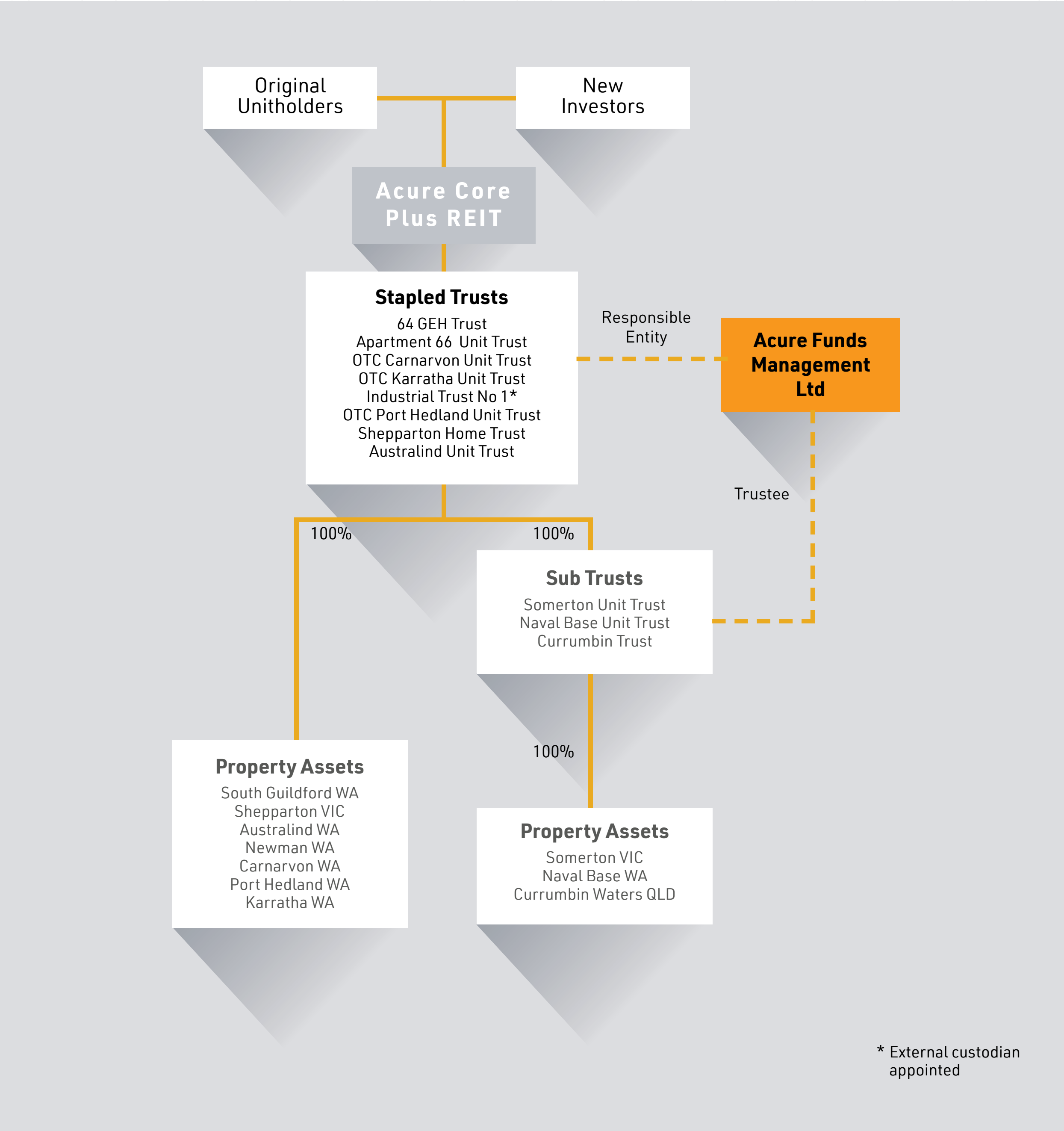
Key Portfolio statistics by Sector

Sector	No. Properties	Independent Valuation ($m)	WACR (%)	WALE1 (yrs)	Occupancy1 (%)
Industrial	4	$110.6	6.1%	7.1	100.0%
Neighbourhood Retail	1	$47.4	6.5%	9.0	86.2%
Large Format Retail	1	$23.4	7.0%	4.5	88.3%
Fuel/Mixed Use	4	$62.9	7.0%	7.8	100.0%
Total/Weighted Ave.	10	$244.3	6.5%	8.0	98.0%

Lease Expiry Profile (by income)



The ownership structure of Acure Core Plus REIT at Completion is set out below:



2.2. Objectives and strategy of Acure Core Plus REIT

The REIT's objective is to provide competitive risk adjusted returns relative to its peers through a combination of regular distributions and capital growth, and enhance investor returns through acquiring, growing and further diversifying its portfolio of assets.

To achieve this objective, the REIT's strategy is to:

- Implement leasing and active asset management to grow the income and value of the properties;
- Continue to maintain the assets to a high standard;
- Acquire additional commercial properties that satisfy the REIT's investment criteria and enhance overall portfolio quality; and
- Maintain a conservative capital structure with a target Gearing range between 30% and 40%.

ACURE
FUNDS MANAGEMENT

2.3. Investment and asset management strategy

Acure Core Plus REIT's investment philosophy focuses on making investment decisions based on underlying property fundamentals, quantitative analysis and identifying opportunities to unlock value through acquisition opportunities in the market.

The Portfolio's composition will evolve over time as the Responsible Entity finds new investment opportunities that match the REIT's key criteria.

Properties in the Portfolio are anchored by leading brands, including national major supermarkets and large multi-national companies.

Key features of the Portfolio include:
- Anchor tenants with strong covenant
- Long lease profile
- Annual rent reviews that drive rental income growth
- Attractive risk adjusted return

Investment process
Acure Core Plus REIT intends to acquire additional Properties over time that are consistent with its objectives and represent value-accretive investment opportunities that complement the REIT's strategy of targeting consistent and growing distributions

Overall investment objectives		
Ownership of a stabilised portfolio of commercial property assets targeting consistent growing distributions for Unitholders from quality tenants with long lease profile		
Macro considerations	**Target model portfolio**	**Due diligence**
• Economic factors interest rates - inflation - government policy • Markets ecommerce/technology disruption • Event risk financial crisis - pandemic risk - global conflicts/trade wars	• Diversification – portfolio aims to achieve lower correlation to traditional property sectors, through diversification - geographic and sector - individual tenant diversification • Returns – portfolio aims to deliver competitive risk adjusted returns relative to its peers through regular distributions and capital growth	• Local market demographics growth outlook - competitive threats • Asset due diligence - legal review - financial review - tenant credit counterparty analysis - technical/engineering review - environmental • Asset valuation enhancement - development potential - operating efficiencies

Asset Management
To manage risk and maximise returns to Unitholders, the Managers will undertake ongoing assessments of leasing opportunities, tenant incentives and capital expenditure requirements while maintaining engagement with tenants. The Managers will look for ways to improve the tenant experience and amenities at the Properties in order to retain and attract tenants; protect or enhance revenue; and improve the experience and offerings for all users of the Properties.

2.4. Benefits of an investment in Acure Core Plus REIT

An investment in the REIT will offer Securityholders the following benefits.

2.4.1. Attractive financial metrics with conservative capital structure

Attractive financial metrics:
- An annualised forecast FY22 distribution yield of 7.0%; and

Conservative gearing:
- Conservative initial gearing of 33.3% on listing which is at the low end of the target range of 30% - 40% and provides capacity to support future acquisitions.

ACURE
FUNDS MANAGEMENT

2.4.2. Quality, diversified and defensive portfolio

Income underpinned by fixed contractual rental increases supported by long leases to blue chip tenants:
- Over 70% of gross income underpinned by fixed contractual rental increases;
- Weighted average fixed rental review of 2.8% per annum;
- Approximately 79% of leases are net or triple net leases which reduces exposure to increases in property outgoings and expenses; and
- Portfolio WALE of 8.0 years and occupancy of 98% supported by leases to blue chip tenants.

2.4.3 Defensive income profile with strong recent cash collections despite COVID-19 disruptions and solid valuations

- Diversified portfolio that provides exposure to a diverse range of tenants, geography and sectors:
- Portfolio is weighted towards the resource-rich states of Western Australia and Queensland markets which have performed strongly;
- Long leases with numerous tenants and
- Each asset has specific investment characteristics that enable it to provide strong cash flows.

2.4.4. Managed by Acure Asset Management Ltd which has proven property expertise

- Access to Acure's asset management platform:
- Experienced investment management team with proven active asset management approach to drive income and value-enhancement; and
- Alignment of interests with Acure and its Directors holding 10.3% of the REIT.

2.4.5. Value-add pipeline and growth opportunities

The Portfolio contains a number of opportunities to grow rental income in the short to medium term, which will in turn grow distributions and capital values. Examples of these opportunities include the following:

- Leasing existing vacancies at Australind Shopping Centre and Shepparton Home Centre; and
- Acquiring the freehold interest in 4.0 ha of land adjacent to BP Capricorn which has previously been licenced to the REIT from the WA State Government and will create opportunities to lease to businesses in the mining and resource sector.

2.4.6. Experienced board with strong corporate governance

The Board of the Responsible Entity and Manager is comprised of three (3) experienced and capable individuals with an average of over 30 years of business, industry and corporate governance experience. The deep industry knowledge and diverse range of skills of the non-executive members of the board will enable them to bring independent judgement to Board deliberations and decisions.

2.5. Risks of an investment in Acure Core Plus REIT

Acure Core Plus REIT is subject to risks that are both specific to its business operations in the property industry and to those of a general nature. Many of these risks are outside the control of the Responsible Entity, the Directors and management and if they were to eventuate, may adversely affect the future operating performance of, and the value of an investment in Acure Core Plus REIT. Section 7 of this PDS describes what the Responsible Entity currently believes to be the key risks associated with an investment in Acure Core Plus REIT. There may be additional risks that should be considered in light of prospective investors' personal circumstances.

2.6. Financing arrangements

The REIT will use a combination of debt and equity to finance its activities. The REIT intends to have a conservative capital structure with target gearing to be in the range of 30% - 40%; at Completion, the gearing will be 33.3%This may be higher if the Responsible Entity considers the circumstances warrant a short-term increase beyond the target Gearing range and it is prudent to do so. Gearing at Completion will be within the target Gearing range to provide capacity to fund future acquisition, capital expenditure and development opportunities.

2.6.1. Debt facilities

The REIT's borrowings are structured as separate credit facilities for each of the REIT's properties, with each respective credit facility secured by that property alone.

The REIT's credit facilities are provided by three major Australian banks, each having separate and distinct maturity dates, financial covenants and security.

The debt facilities have a number of financial covenants and terms and conditions including:

- 56.6% LVR covenant (weighted average); and
- 1.96x ICR (weighted average).

2.6.2. Interest rate hedging policy

To manage the risk arising from the fluctuation of interest rates, the REIT may enter into fixed rate borrowings or interest rate swaps to convert floating interest rate borrowings to fixed interest rates.

The Responsible Entity is targeting to maintain hedging contracts in a range of between 0% and 50% of the REIT's drawn Debt.

The REIT will review this policy on an ongoing basis in the context of any future indebtedness and the prevailing market conditions. The Responsible Entity will continue to monitor the appropriateness of this policy to ensure that it meets the ongoing objectives of the REIT and is in the best interest of Investors.

2.7. Distribution policy

Acure Core Plus REIT expects to target a distribution payout ratio of 90%-100% of Operating Earnings. The payout ratio for the period from Allotment Date to 30 June 2022 is forecast to be 103% and 98% for the six months to 31 December 2022, with distributions expected to be 50% and 45% tax deferred for each respective period.

The Responsible Entity intends to pay distributions quarterly, with Securityholders to receive distributions within two months following the end of each distribution period, being the three months ending 31 March, 30 June, 30 September and 31 December. It is intended that the first Distribution is to be paid in May 2022, based on a pro rata amount for the period from Allotment Date to 31 March 2022.

The REIT will aim to distribute 90%-100% of Operating Earnings per year. The Directors of the Responsible Entity retain the discretion to amend the distribution policy. The Directors of the Responsible Entity will have regard to the amount of cash available and the REIT's capital expenditure requirements in determining the REIT's distribution payout ratio and may change the distribution payout ratio in the future.

The Responsible Entity can provide no guarantee as to the extent of future Distributions and these will depend on the future Operating Earnings of the REIT and its financial position at that time. The Responsible Entity will continue to monitor the appropriateness of the distribution policy to ensure that it meets the ongoing objectives of the REIT and is in the best interests of Securityholders.

2.8. Valuation policy

2.8.1. Valuation basis

Acure Core Plus REIT values its Properties on the basis of fair value.

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction.

2.8.2. Frequency of valuation

The fair value of the Properties will be reviewed by the Directors of the Responsible Entity at each reporting date.
The Directors' assessment of fair value will be periodically confirmed by engaging an independent expert valuer to assess the fair value of individual properties:

- At least every three years on a rotating basis in accordance with relevant industry standards;
- If there is reason to believe that the fair value of a property has materially changed from its book value (e.g. as a result of changes in market conditions, leasing activity in relation to the property or capital expenditure); and
- As and when required under the terms of the REIT's debt facilities.

The Properties may be independently valued more frequently in volatile markets.
The valuer's assessment for each investment property will include:

- The fair market value of the investment property, assuming knowledgeable, willing parties in an arm's length transaction; and
- The use of an appropriate valuation methodology, such as the capitalisation of net income or a discounted future cash flow approach and include an assessment of market conditions and comparable property transactions.

2.9. Reporting

For accounting and reporting purposes, the REIT will report on a 30 June financial year basis. Formal reporting will be provided to Securityholders as at 30 June (full year) and 31 December (interim) each year.

An annual financial report will be provided to Securityholders in accordance with the Corporations Act. The annual report will be audited whilst the interim financial report will be subject to review by the auditor.

The Manager will establish a website that will provide information on the REIT, including access to half-yearly and annual reports, and Distribution information. This can be found at Acure's website, www.acuream.com.au.

The REIT's objective is to provide competitive risk adjusted returns relative to its peers through a combination of regular distributions and capital growth, and enhance investor returns through acquiring, growing and further diversifying its portfolio of assets.

ACURE
FUNDS MANAGEMENT

3 PORTFOLIO OVERVIEW

3.1. Introduction

The Portfolio will comprise ten (10) commercial assets situated in Western Australia, Victoria and Queensland. The properties are independently valued at $244.3 million, reflecting a WACR of 6.5%. The Portfolio is 98% occupied with a WALE of 8.0 years.

The Portfolio is diversified with 41 unique tenants across 4 sectors and 3 states reducing an investor's exposure to any one tenant, lease expiry, sector and geography.

Details of the Portfolio are provided below.

Portfolio Summary

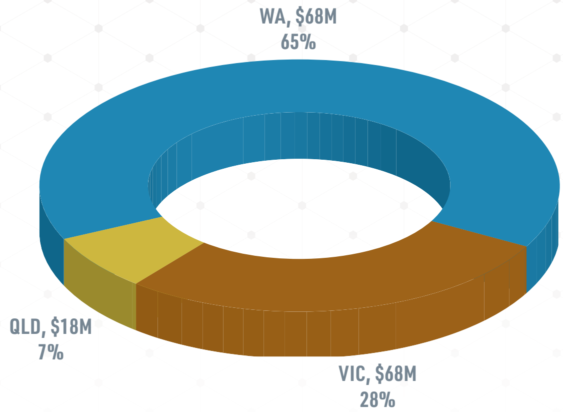
Property	State	Sector	Lettable Area (sqm)	Occupancy (%)	Valuation ($m)	Cap Rate (%)	WALE (yrs)
Australind Village Shopping Centre	WA	Neighbourhood Retail	9,282	86%	$ 47.4	6.5%	9.0
Shepparton Home	VIC	Large Format Retail	13,661	88%	$ 23.4	7.0%	4.5
Steel Mains Naval Base	WA	Industrial	22,130	100%	$ 33.1	6.7%	6.3
Steel Mains Somerton	VIC	Industrial	32,923	100%	$ 44.7	5.5%	9.1
AVK Currumbin	QLD	Industrial	12,609	100%	$ 17.6	6.5%	4.3
64 Great Eastern Hwy	WA	Industrial	4,807	100%	$ 15.2	6.0%	7.5
BP Capricorn	WA	Fuel/ Mixed use	44,681	100%	$ 27.6	7.74%	9.6
BP Carnarvon	WA	Fuel	1,211	100%	$ 11.9	6.5%	11.4
BP Karratha	WA	Fuel	1,559	100%	$ 13.8	6.25%	11.4
BP Port Hedland	WA	Fuel	791	100%	$9.6	6.75%	11.4
Total / W.Ave			**143,654**	**98%**	**$ 244.3**	**6.5%**	**8.0**

Overview of the top 8 tenants

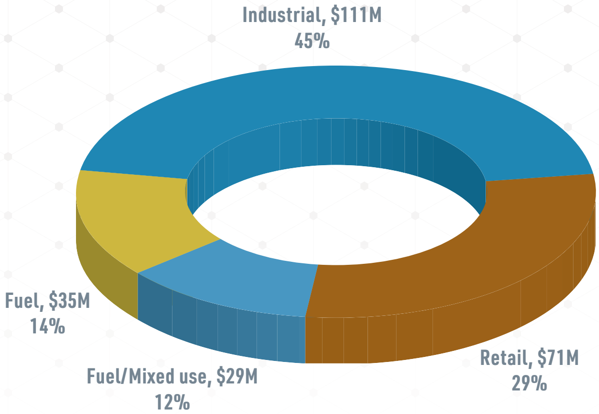
Rank	Tenant	% of income	Description
1	Steel Mains SOLUTIONS FOR LIFE	26.1%	SteelMains is one of Australia's largest manufacturers and suppliers of complete steel pipeline systems for the transportation of water and wastewater. They have a history of over 125 years of fabricating Industrial steel pipes in Australia and have been involved in major infrastructure projects throughout Australia. Clients include Melbourne Water, Queensland State Government, South Australia Water, Sydney Water, Victorian Desalination Project, South East Queensland Water, Olympic Dam Project and the WA Kwinana Desalination Plant Pipeline
2	bp	19.8%	BP is an oil and gas company engaged in the Australian market from well to bowser – from exploration and production of crude oil and natural gas to refining and marketing of petroleum products. Being part of the BP Group enables BP in Australia to share global expertise, research, and development with Australian business partners, customers, and community stakeholders.
3	coles LIQUORLAND	9.3%	Coles Supermarkets and Liquorland are part of the Coles Group, a leading Australian retailer, with over 2,500 retail outlets nationally. It is listed on the ASX (ASX.COL) with a market capitalisation of over $20 billion and operates more than 800 full service supermarkets nationally and 900 national liquor retail outlets.
4	AVK	8.6%	AVK Currumbin is part of AVK Group and one of the world's leading international water industry manufacturers. The facility manufactures fittings, valves, flanged pipes, and street-ware. The foundry has been operating since 1960 and specializes in the process of making ductile iron fittings predominantly for the city water and waste water industry.
5	SWICK Innovative • Productive • Safe	6.5%	Swick Mining Services (ASX: SWK) is one of the top mineral drilling contractors globally, providing high-quality, high-value underground drilling services to a diverse group of mining houses in precious and base metals, and bulk commodities. The Company specializes in underground diamond drilling and designs and manufactures state of the art drill rigs in-house. Its equipment performance remains unmatched by any other mining contractor or original equipment manufacturers.
6	CAPRICORN VILLAGE	6.3%	Outback Network Pty Ltd operates an accommodation village with 144 rooms together with resort styled facilities. Operating as 'Capricorn Village', the facility accommodates workers in the mining and resources sectors as well as tourists in the Pilbara region.
7	greenlit BRANDS	3.8%	Fantastic Furniture, OMF, and Plush who are all part of Greenlit Brands collectively. An integrated group with 8 manufacturing sites and 300 stores, Greenlit Brands employs more than 3,800 people across Australia and New Zealand. Fantastic Furniture Plush think sofas OMF
8	ALDI	2.4%	Aldi is the common brand of two German family-owned discount supermarket chains with over 10,000 stores in 20 countries and an estimated combined turnover of more than €50 billion. It now has more than 500 stores in Australia and a 12.4 per cent share of Australia's $110 billion food and grocery sector.

3.2. Portfolio summary metrics

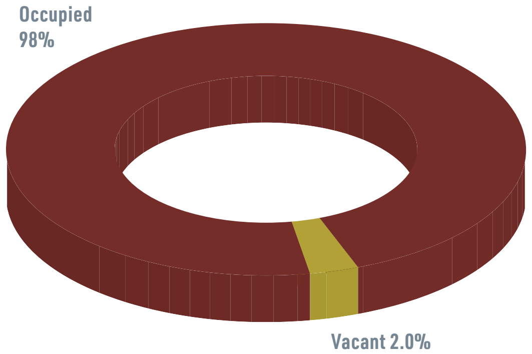
Asset Values by Geography



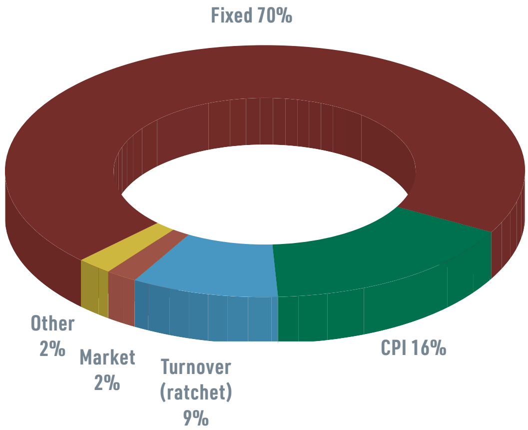
Asset Values by Sector



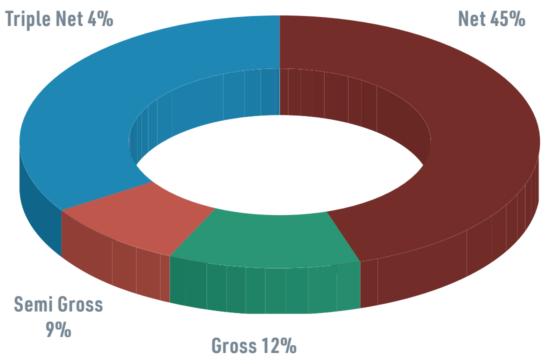
% Occupancy



Next Rent Review (% Rent)



Lease Type (by Rental Income)



ACURE
FUNDS MANAGEMENT

The Portfolio will comprise ten (10) commercial assets situated in Western Australia, Victoria and Queensland. The properties are independently valued at $244.3 million.

SHEPPARTON HOME CENTRE, VIC

PROPERTY OVERVIEW

The Shepparton Home Centre property comprises a single level large format retail centre designed in an "L" shaped configuration around a central car park for 341 vehicles. It is currently configured into 12 tenancies with a total lettable area of 13,661 sqm.

LOCATION OVERVIEW

Shepparton Home Centre is located in Shepparton, the fifth-largest city in regional Victoria in terms of population. It is located 180 kilometres north of Melbourne and serves as a major service centre for the Goulburn Valley and southern Riverina area of New South Wales.

OVERVIEW

VALUATION	A$M	23.4
Cap-Rate	%	7.0
WALE	yrs	4.5
Lettable Area	sqm	13,661
SITE AREA	sqm	30,290
Occupancy	%	88.3

MAJOR TENANT PROFILE

Fantastic Holdings comprise Fantastic Furniture, OMF and Plush who are all part of Greenlit Brands collectively and represent 38% of the total net lettable area. An integrated group with 8 manufacturing sites and 300 stores, Greenlit Brands employs more than 3,800 people across Australia and New Zealand.

Major Tenants	Lettable Area (sqm)	% of gross rent	Lease expiry
Fantastic Holdings*	5,178	43	Oct - 27
Focus on Furniture	2,230	16	Feb - 24
Derrimut Fitness	1,179	8	Mar - 32
Early Settler Furniture	999	8	Jan - 25

* Comprises three tenancies occupied by Fantastic, OMF and Plush retail brands

INVESTMENT HIGHLIGHTS

- Exposure to strong Large Format Retailer sector
- Strong tenant covenant Greenlit brands representing 43% of the property's gross income
- Long weighted average lease expiry of 4.5 years by income

AUSTRALIND VILLAGE SHOPPING CENTRE, AUSTRALIND, WA

PROPERTY OVERVIEW

The property comprises 3 buildings, the Australind Village Shopping Centre, Aldi Supermarket and Mardo Commercial Centre.

LOCATION OVERVIEW

Australind is an established regional town, approximately 160km south of Perth and 12km north of Bunbury. The town is located in the south-western corridor of Western Australia, a region known as the most popular tourism precinct in the State. The property is located within the heart of the Australind town centre, directly opposite the Leschenault Estuary.

OVERVIEW

VALUATION	A$M	47.4
Cap-Rate	%	6.5
WALE	yrs	9.0
Lettable Area	sqm	9,282
SITE AREA	sqm	35,149
Occupancy	%	86.2

MAJOR TENANT PROFILE

Coles Supermarkets and Liquorland are part of the Coles Group, a leading Australian retailer with over 2,500 retail outlets nationally.

Coles Supermarkets is a national full-service supermarket retailer operating more than 800 supermarkets across Australia. Its chief operations are primarily concerned with the sale of food and groceries through its flagship supermarket chain Coles and the sale of liquor and petrol through its Coles Liquor and Coles Express outlets.

Aldi is the common brand of two German family-owned discount supermarket chains with over 10,000 stores in 20 countries and an estimated combined turnover of more than €50 billion. It now has more than 500 stores in Australia and a 12.4 per cent share of Australia's $110 billion food and grocery sector.

Major Tenants	Lettable Area (sqm)	% of gross rent	Lease expiry
Coles	3,334	43	Jan - 34
Liquorland	281	3	Feb - 27
Aldi	1,556	12	Jun - 31[1]
Terry White Chemmart	472	11	Nov - 28

[1]Aldi has a break clause in its lease on or after 23 June 2025 by giving 12 months prior notice, subject to paying 12 months additional rent on termination.

INVESTMENT HIGHLIGHTS

- **Strong tenant covenant Coles, Aldi supermarkets, and Terry White Chemmart representing 68% of the property's gross income**
- **Long weighted average lease expiry of 8.9 years by income**
- **Exposure to strong retail conditions for daily needs retail offers**

STEEL MAINS NAVAL BASE, WA

PROPERTY OVERVIEW

Steel Mains Naval Base is a fully utilized long-established manufacturing facility comprising 2 main workshops, a free-standing single-level office, and an extensive yard totalling approximately 56,000sqm.

LOCATION OVERVIEW

The property is located 27km south-west of Perth CBD, in a well-established industrial precinct combining properties with uses ranging from fabrication to engineering, oil and gas processing facilities as well as Western Power Cockburn Power Station, Alcoa Kwinana refinery and Perth Sea Water Desalination Plant.

OVERVIEW

VALUATION	A$M	33.1
Cap-Rate	%	6.7
WALE	yrs	6.3
Lettable Area	sqm	22,130
SITE AREA	sqm	115,400
Occupancy	%	100

MAJOR TENANT PROFILE

Steel Mains is one of Australia's largest manufacturers and suppliers of complete steel pipeline systems for the transportation of water and wastewater. They have a history of over 125 years of fabricating Industrial steel pipes in Australia and have been involved in major infrastructure projects throughout Australia. Clients include Melbourne Water, Queensland State Government, South Australia Water, Sydney Water, Victorian Desalination Project, South-East Queensland Water, Olympic Dam Project and the WA Kwinana Desalination Plant Pipeline.

Major Tenants	Lettable Area (sqm)	% of gross rent	Lease expiry
Steel Mains	22,130	100	Sept - 27

INVESTMENT HIGHLIGHTS

- **Strong tenant covenant Steel Mains Pty Ltd, a 125- year old manufacturer of major pipeline infrastructure**
- **Long lease expiry**
- **Exposure to government stimulus infrastructure projects**

STEEL MAINS SOMERTON, VIC

PROPERTY OVERVIEW

Steel Mains Somerton comprises a major industrial complex that is fully utilized for the manufacture and storage of Steel pipeline systems. The lettable area of the improvements on site is approximately 32,923sqm, including main factory and warehouse buildings and offices.

LOCATION OVERVIEW

The property is situated approximately 21km Northwest of the Melbourne CBD. The area comprises of a mixture of industrial developments of medium to large scale manufacturing warehouse premises with close proximity to major arterial routes of the Hume Highway and Hume Freeway /Craigieburn Bypass.

OPPORTUNITIES

- Enhance capital value by further extension to the lease.

OVERVIEW

VALUATION	A$M	44.7
Cap-Rate	%	5.5
WALE	yrs	9.1
Lettable Area	sqm	31,923
SITE AREA	sqm	121,700
Occupancy	%	100

MAJOR TENANT PROFILE

Steel Mains is one of Australia's largest manufacturers and suppliers of complete steel pipeline systems for the transportation of water and wastewater. They have a history of over 125 years of fabricating Industrial steel pipes in Australia and have been involved in major infrastructure projects throughout Australia. Clients include Melbourne Water, Queensland State Government, South Australia Water, Sydney Water, Victorian Desalination Project, South-East Queensland Water, Olympic Dam Project and the WA Kwinana Desalination Plant Pipeline.

Major Tenants	Lettable Area (sqm)	% of gross rent	Lease expiry
Steel Mains	31,923	100	Jul - 30

INVESTMENT HIGHLIGHTS

- Strong tenant covenant Steel Mains Pty Ltd, a 125- year old manufacturer of major pipeline infrastructure
- Long lease expiry
- Exposure to government stimulus infrastructure projects

AVK CURRUMBIN, QLD

PROPERTY OVERVIEW

AVK Currumbin is a fully utilized major industrial complex of various construction types. The lettable area of the improvements on site is 11,489sqm, including the main factory, foundry, warehouse, and office buildings. The balance of the site areas has bitumen and concrete hardstand throughout.

LOCATION OVERVIEW

The property is located 100km south of Brisbane or 24km south of Surfers Paradise in an established industrial precinct providing accommodation mostly to service industries and trade retail style accommodation.

OPPORTUNITIES

- Enhance capital value by renewing existing tenant and extending WALE
- Potential redevelopment to residential/ commercial/ retail

OVERVIEW

VALUATION	A$M	17.6
Cap-Rate	%	6. 5
WALE	yrs	4.3
Lettable Area	sqm	11,489
SITE AREA	sqm	29,680
Occupancy	%	100

MAJOR TENANT PROFILE

AVK Currumbin is part of AVK Group and one of the world's leading international water industry manufacturers. The facility manufactures fittings, valves, flanged pipes, and street-ware. The foundry has been operating since 1960 and specializes in the process of making Ductile Iron Fittings predominantly for the city water and wastewater industry.

Major Tenants	Lettable Area (sqm)	% of gross rent	Lease expiry
AVK Currumbin	11,489	100	Oct - 25

INVESTMENT HIGHLIGHTS

- Strong tenant covenant, AVK Currumbin Pty Ltd, a subsidary of a multinational industrial valve manufacturer
- Long lease expiry
- Exposure to government stimulus infrastructure projects

64 GREAT EASTERN HIGHWAY, SOUTH GUILDFORD, WA

PROPERTY OVERVIEW

This industrial property comprises a 2.5ha site with warehouse and multiple workshop facilities including office and hardstand areas.

LOCATION OVERVIEW

The property is located in one of Perth's prime industrial precincts, approximately 11km from Perth CBD and adjacent to Perth Airport.

OVERVIEW

VALUATION	A$M	15.2
Cap-Rate	%	6.0
WALE	yrs	7.5
Lettable Area	sqm	4,807
SITE AREA	sqm	24,758
Occupancy	%	100

MAJOR TENANT PROFILE

Swick Mining Services (ASX: SWK) is one of the top mineral drilling contractors globally, providing high-quality, high-value underground drilling services to a diverse group of mining houses in precious and base metals, and bulk commodities. The Company specializes in underground diamond drilling and designs and manufactures state of the art drill rigs in-house. Its equipment performance remains unmatched by any other mining contractor or original equipment manufacturers.

Major Tenants	Lettable Area (sqm)	% of gross rent	Lease expiry
Swick Mining Services	4,807	100	Dec - 28

INVESTMENT HIGHLIGHTS

- **Strong tenant covenant**
- **Exposure to Western Australia's strong mining and resources sector.**
- **COVID well contained in Western Australia.**

BP CAPRICORN, WA

PROPERTY OVERVIEW

BP Capricorn (Newman) comprises a BP roadhouse, Capricorn Bar and Grill tavern, accommodation rooms, mess hall, staff accommodation, recreation, and sports area, gymnasium, large truck and refuelling areas, truck parking, machinery shed, managers residence, and bulk fuel storage. In addition, the onsite improvements include all infrastructure for electrical and water supply and distribution, as well as sewage treatment plant for the entire property.

The total freehold site area is 4.6 hectares. Acure is currently in discussions with the Western Australian Department of Planning, Lands and Heritage to acquire the freehold interest in an adjoining parcel of land that comprises an area of 4.6 hectares and would result in an aggregate contiguous landholding of 9.3 hectares once acquired.

LOCATION OVERVIEW

The property is located on the Great Northern Highway, 18km south of the town of Newman and 1,180km from Perth. It is 3km from Newman airport. Newman is home to the largest iron ore mine in the world, and was established by BHP in 1968 as a company town to support the development of iron ore deposits at nearby Mount Whaleback. Port Hedland is a further 455km up the Highway and is the State's largest export port. Newman falls within the driver's fuel range and coincides with regulated rest stops.

OVERVIEW

VALUATION	A$M	27.6
Cap-Rate	%	7.74
WALE	yrs	9.6
Lettable Area	sqm	44,681
SITE AREA	sqm	46,184
Occupancy	%	100

MAJOR TENANT PROFILE

BP Australia
BP is an oil and gas company engaged in the Australian market from well to bowser – from exploration and production of crude oil and natural gas to refining and marketing of petroleum products. Being part of the BP group enables BP in Australia to share global expertise, research, and development with Australian business partners, customers, and community stakeholders.

BP employs more than 5,200 employees and long-term contractors across Australia with operations in every state and territory in Australia, including main offices in Perth and Melbourne.

Outback Network
Outback Network Pty Ltd have a lease over the 144 accommodation units and operates an accommodation village with resort styled facilities. Operating as 'Capricorn Village', the facility accommodates workers in the mining and resource sectors as well as tourists in the Pilbara region.

Major Tenants	Lettable Area (sqm)	% of gross rent	Lease expiry
BP Australia	22,227	45	Nov - 32
Outback Network	12,501	45	Jun - 29
Capricorn Bar & Grill	8,065	7	Nov - 32
FMG	1,888	3	Dec - 23

INVESTMENT HIGHLIGHTS

- Long Weighted Average Lease expiry of 9.6 years
- Strong tenant covenant with BP Australia representing 45% of total property income
- Exposure to Western Australia's strong iron ore and resources mining sector
- Development upside potential through the acquisition of neighbouring land

BP CARNARVON, WA

PROPERTY OVERVIEW

The Property comprises a modern roadhouse facility including road train refill, convenience store, truck drivers lounge with laundry and shower facilities, service station, commercial kitchen, rear storage area, male and female amenities, dining area, and extensive hardstand. The roadhouse was opened in January 2013.

The site is strategically located as it is 900 km north of Perth and therefore within the fuel range of the heavy vehicles. Carnarvon is the main regional centre servicing the Gascoyne region. Being located on the north east periphery of the town. The property is also the first major service station for traffic travelling from the north.

LOCATION OVERVIEW

The property is located on the North West Coastal Highway approximately 7 km east of the main town centre of Carnarvon, which is approximately 900 km North of Perth CBD.

OVERVIEW

VALUATION	A$M	11.9
Cap-Rate	%	6.5%
WALE	yrs	11.4
Lettable Area	sqm	1,211
SITE AREA	sqm	21,423
Occupancy	%	100

MAJOR TENANT PROFILE

BP is an oil and gas company engaged in the Australian market from well to bowser – from exploration and production of crude oil and natural gas to refining and marketing of petroleum products. Being part of the BP group enables BP in Australia to share global expertise, research, and development with Australian business partners, customers, and community stakeholders.

BP employs more than 5,200 employees and long-term contractors across Australia with operations in every state and territory in Australia, including main offices in Perth and Melbourne.

Major Tenants	Lettable Area (sqm)	% of gross rent	Lease expiry
BP Australia	1,211	100	Nov - 32

INVESTMENT HIGHLIGHTS

- **Strong tenant covenant BP Australia**
- **Long lease expiry of 11.4 years**
- **Exposure to Western Australia's strong mining and resources sector**

BP KARRATHA, WA

PROPERTY OVERVIEW

BP Karratha comprises a modern roadhouse facility including road train refill, convenience store, truck drivers lounge with laundry and shower facilities, service station, commercial kitchen, rear storage area, male and female amenities, and dining area and carwash.

LOCATION OVERVIEW

The property is located in Gap Ridge Industrial Estate, approximately 9km west of Karratha town centre and approximately 4km from the airport. Karratha is a regional area in the Pilbara region and is located approximately 1,535km north of Perth.

OVERVIEW

VALUATION	A$M	13.8
Cap-Rate	%	6.25
WALE	yrs	11.4
Lettable Area	sqm	1,559
SITE AREA	sqm	10,933
Occupancy	%	100

MAJOR TENANT PROFILE

BP is an oil and gas company engaged in the Australian market from well to bowser – from exploration and production of crude oil and natural gas to refining and marketing of petroleum products. Being part of the BP group enables BP in Australia to share global expertise, research, and development with Australian business partners, customers, and community stakeholders.

BP employs more than 5,200 employees and long-term contractors across Australia with operations in every state and territory in Australia, including main offices in Perth and Melbourne.

Major Tenants	Lettable Area (sqm)	% of gross rent	Lease expiry
BP Australia	1,559	100	Nov - 32

INVESTMENT HIGHLIGHTS

- Strong tenant covenant BP Australia
- Long lease expiry of 11.4 years
- Exposure to Western Australia's strong mining and resources sector

BP PORT HEDLAND, WA

PROPERTY OVERVIEW

BP Port Hedland is a self-serve Outdoor Payment Terminal (OPT) truck re-fueling facility that includes road train concrete apron refill area of 223sqm, as well as extensive road base hardstand areas.

Total site area comprises 2.26ha in Port Hedland's Wedgefield Industrial Estate.

LOCATION OVERVIEW

The property is located in Wedgefield, an established and expanding Industrial Estate. Wedgefield is located approximately 7 km south of Port Hedland town centre and is approximately 1,640 km north of Perth

OVERVIEW

VALUATION	A$M	9.6
Cap-Rate	%	6.75
WALE	yrs	11.4
Lettable Area	sqm	223
SITE AREA	sqm	22,599
Occupancy	%	100

MAJOR TENANT PROFILE

BP is an oil and gas company engaged in the Australian market from well to bowser – from exploration and production of crude oil and natural gas to refining and marketing of petroleum products. Being part of the BP group enables BP in Australia to share global expertise, research, and development with Australian business partners, customers, and community stakeholders.

BP employs more than 5,200 employees and long-term contractors across Australia with operations in every state and territory in Australia, including main offices in Perth and Melbourne.

Major Tenants	Lettable Area (sqm)	% of gross rent	Lease expiry
BP Australia	223	100	Nov - 32

INVESTMENT HIGHLIGHTS

- **Strong tenant covenant BP Australia**
- **Long lease expiry of 11.4 years**
- **Exposure to Western Australia's strong mining and resources sector**

The Portfolio is diversified with 41 unique tenants across 4 sectors and 3 states reducing an investor's exposure to any one tenant, lease expiry, sector and geography.

ACURE
FUNDS MANAGEMENT

4 INDUSTRY OVERVIEW

4. Industry overview

4.1. Introduction

Acure Core Plus REIT's portfolio currently span's the retail and industrial property sectors, and are exposed to general economic factors, and to some extent, the mining and resource sector in Western Australia.

This section seeks to provide an overview of these key sectors and markets.

4.2. Economic Overview

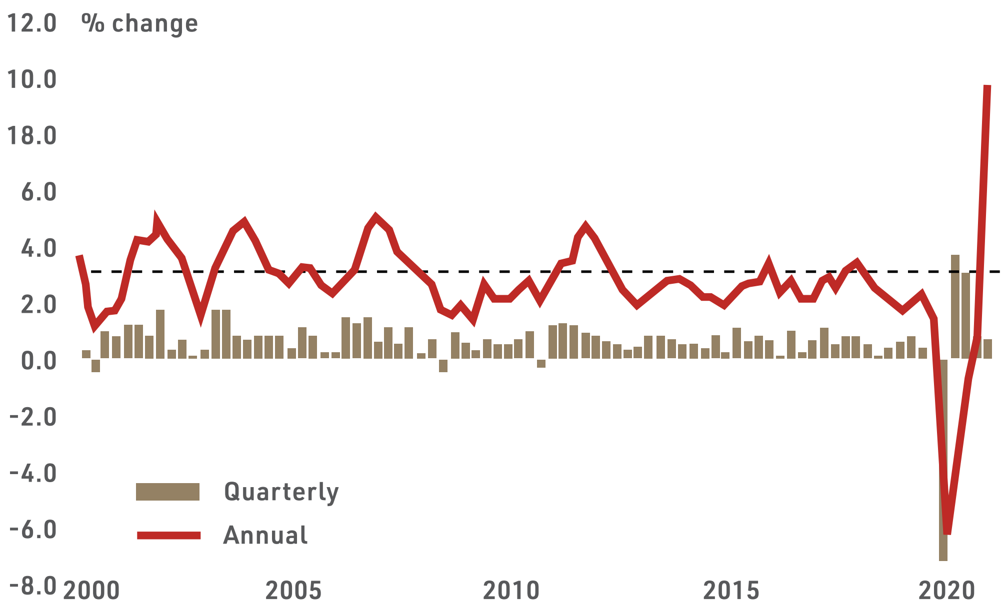
4.2.1. GDP - What Happened 2Q21

Australia's economic rebound continued in 2Q21, albeit at a slightly slower pace. **GDP grew a robust 0.7% growth in the quarter**. This was the fourth consecutive quarter of growth following the 1H20 recession and annual growth jumped from 1.1% last quarter to 9.6%, reflecting the base effect of 2Q20 being the trough of the recession.

However COVID and associated lockdowns in much of the country is likely to dampen the rebound.

While the immediate outlook for Australian's economy has tempered, there remains some positive aspects of Australia's economic rebound. The labour market is stronger than pre-pandemic, strong housing activity has held up to date, and lockdowns have accelerated Australia's vaccination rates which will support strategies to cease lockdowns.

Figure 1: GDP Growth

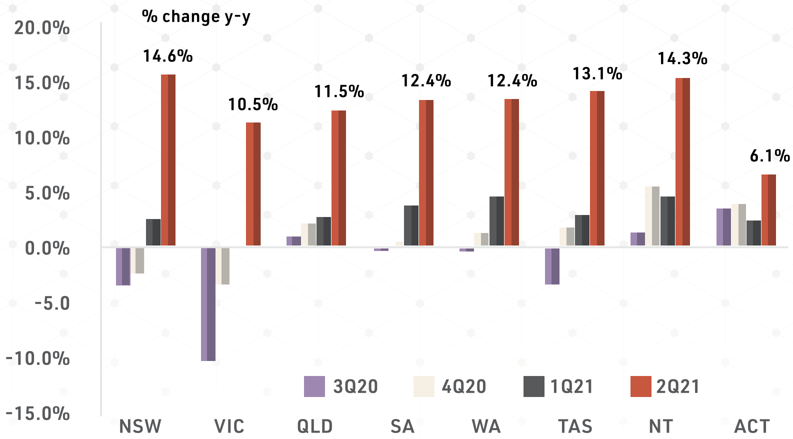


Source: JJL Research as at 2021

Component	Q-Q % growth	Annual % growth	Contribution to growth (Q) % pts
Government Consumption	1.3	3.7	0.3
Household Consumption	1.1	15.4	0.6
Private Investment	2.0	13.2	0.3
Government Investment	7.4	14.2	0.4
Exports	-3.2	-2.6	-0.7
Imports	1.5	16.8	-0.3
Change in inventories	n/a	n/a	-0.2
Real GDP	**0.7**	**9.6**	

Strong recovery in State Final Demand was evident across the all states, and the resilience was most notable in the resource rich states of WA and Qld.

Figure 2: State Final Demand



Source: JJL Research as at 2021

4.2.2. How does it impact real estate?

RETAIL PROPERTY SECTOR	INDUSTRIAL PROPERTY SECTOR
Consumer sentiment surged to its highest level since 2010, which was in the midst of the mining boom. Households were buoyed by fiscal cash injections and a high savings rate, plus the rebounds in both the labour market and the housing market. This was reflected in stronger, albeit volatile, retail trade turnover growth. Convenience and non-discretionary based retail centres continue to show more resilience in terms of vacancy and rents, which remains attractive to income-driven investors and has seen yields hold and even compress for some quality assets over the past six months. In contrast, yields have softened over the last few years for other larger retail assets with more discretionary retail. However, retail investment activity has picked up over 1H21 and the wide spread to yields in other sectors is now starting to attract more opportunistic investment interest.	While other commercial sectors have experienced tougher demand conditions through the pandemic, industrial property has benefited from several important tailwinds. The most notable of these has been the growth of e-commerce and the associated re-organisation of supply chains, which has only been further accelerated by the COVID-19 pandemic and lockdowns pushing more retail purchases online. Pandemic related delays and increased shipping costs have also caused a wider re-organisation of supply chains and more local sourcing of products to prevent future disruptions, which has also benefited industrial demand. The strong operating performance of the sector is reflected in strong investor appetite for industrial assets prime yields tightening to 4.53% in 2Q21, which is 236 bps sharper than the previous record low point recorded in 4Q07.

4.2.3. West Australia Economic Commentary

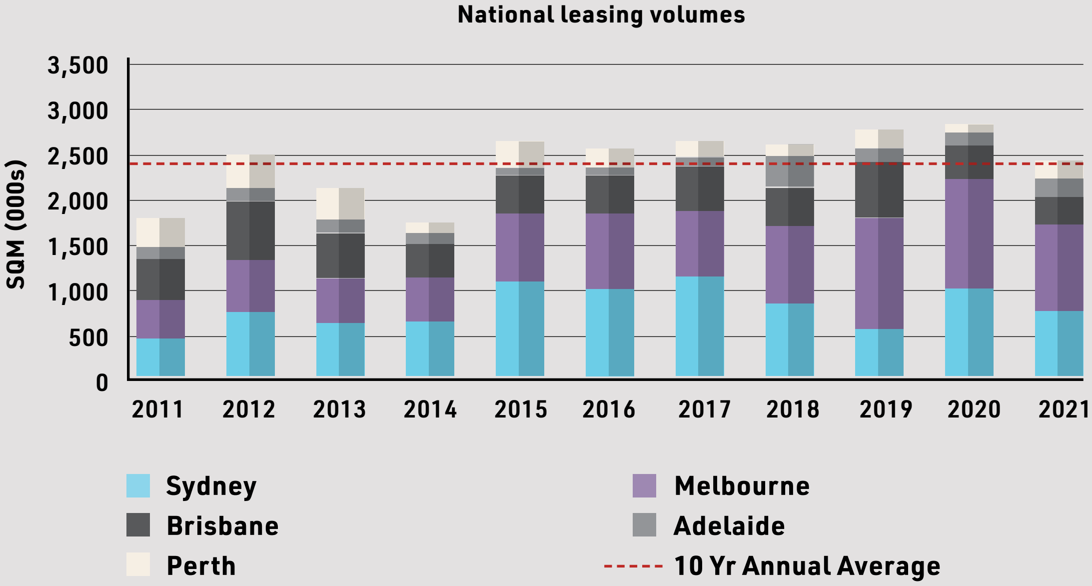
The Western Australian economy has recovered from the downturn in 2020:

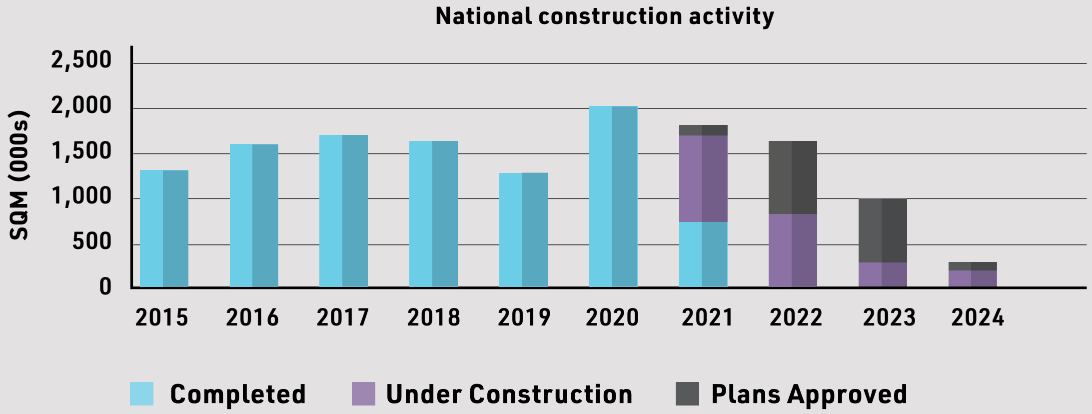
- Global vaccination rates for COVID- 19 is in progress, which is supporting a resurgence in confidence for consumers and businesses, albeit there are economic risk if Australia does not catch up with other advanced economies in the vaccination programs.
- Great resilience was shown by the Western Australian economy through the Pandemic by contracting approximately 0.2% in 2020 calendar year, however there is a forecast growth of real gross State product of around 5% in 2021.
- The downturn effected mainly households during 2020 as a mix of declining confidence, job and income losses and physical restrictions led to a drop in consumption; however these have now moderated or reversed and consumer confidence are at multi-year highs underpinning forecast of 4.9% growth in Western Australia household consumption in 2021.
- Net international exports expected to be the largest contributors to the State's growth in 2021, which is driven by commodities from its significant mining and resources sector.
- The Public Sector continues to play a significant role in economic growth, as the State rolls out substantial infrastructure investment programs before winding down in 2022. It is expected private investment would more than offset the winding back of the Public Sector support during 2022.

[9] Reserve Bank of Australia - as at 11 February 2021

ACURE
FUNDS MANAGEMENT

4.3. Industrial Sector (National Q1 2021)

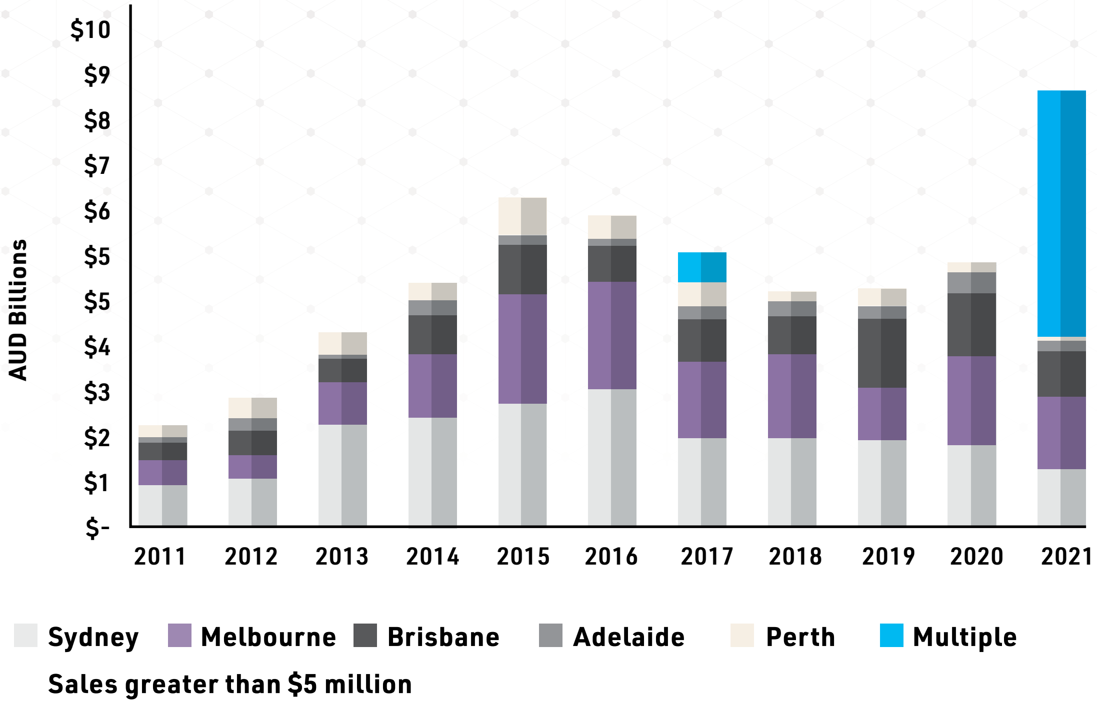




Source: JJL Research as at 2021

ACURE
FUNDS MANAGEMENT

National transaction volumes



Source: JJL Research as at 2021

The logistics and industrial property market in Australia continues to experience a period of sustained elevated activity, driven by a number of major structural tailwinds which are supporting occupier expansion. This quarter, all of our tracked markets recorded above-average occupier activity which, despite the acceleration in supply delivery, will continue to place upward pressure on rental rates and support rent collection.

National leasing activity reached another new benchmark, as gross take-up surpassed last quarter's record high. Gross take-up in 2Q21 totalled 1,233,500 sqm, a 7% increase on the record high from 1Q21 (1,156,130 sqm) and 98% higher than the 10-year quarterly average. Following on from a record full-year total for gross take-up in 2020, the rolling 12 month total (3,868,130 sqm) has also reached a new record high, 9% higher than the previous high (3,537,670 sqm) recorded in 1Q20.

Delivery of new assets trended up for the first time in six months, as the acceleration in new construction projects at the end of last year began to translate to completed assets. A total of 461,380 sqm of stock was delivered across 31 projects nationally, 26% higher than the 10-year quarterly average. Pre-commitment rates were relatively high (75%) despite the elevated level of completions this quarter, reflective of the strength in occupier markets. Stock delivery will trend up over the rest of the year, as 1.22 million sqm (61% pre-committed) of additional space is anticipated to complete over the remainder of 2021 – 78% more than the YTD total.

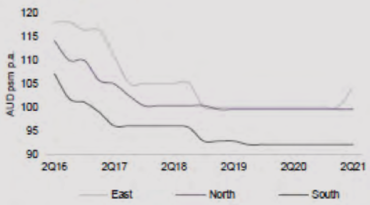
The national prime weighted average face rental rate recorded its highest single-quarter increase since 3Q11, following back-to-back quarters of record-breaking occupier activity. Rental growth was broad based across the country, with all five tracked markets recorded market average increases in prime net face rents of over 0.7%. Over the last 12 months, national weighted rents have increased by 2.4%, double the average over the previous 10 years. Furthermore, face rental growth continues to outperform both the CBD office (+0.9%) and regional retail (-6.4%) markets. The rapid growth in occupier activity seen so far in 2021 will likely provide scope for elevated rental growth in the short term.

National transaction volumes reached a new record high in 2Q21, outperforming the 10-year annual average (AUD 4.84 billion) by 45% in a single quarter. A total of AUD 7.03 billion in transactions were recorded this quarter,. As a result of the significant investment activity in 2Q21, the average GSP-weighted prime national yield compressed by a 34 bps to 4.53% - 236 bps below the previous cyclical low of 6.89% (4Q07). Despite reaching yet another historical low, the ongoing momentum in the logistics and industrial investment markets around the country points to further yield compression over the balance of 2021.

ACURE
FUNDS MANAGEMENT

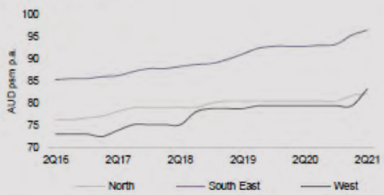
Perth	Melbourne	Brisbane

Average prime rents



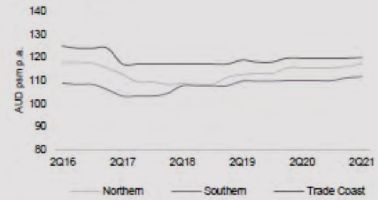
Source: JLL Research as at 2Q21

Prime rental growth



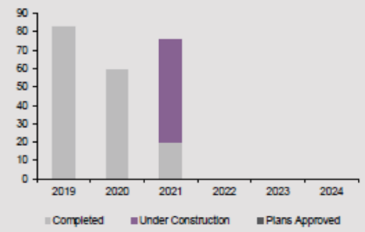
Source: JLL Research as at 2Q21

Prime net rents

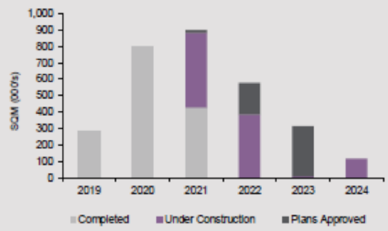


Source: JLL Research as at 2Q21

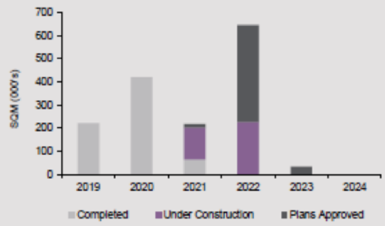
Annual supply pipeline



Annual supply pipeline

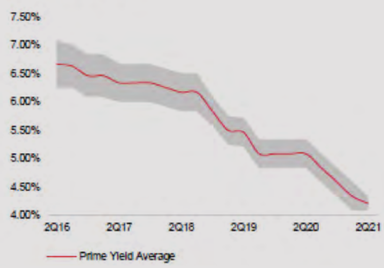


Supply pipeline

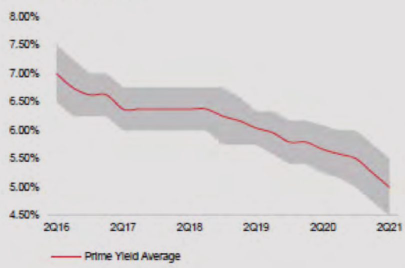


Average prime yield range

Prime yield range

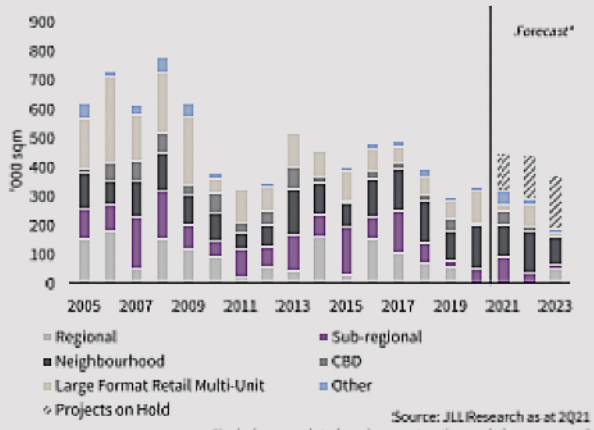


Prime yield range



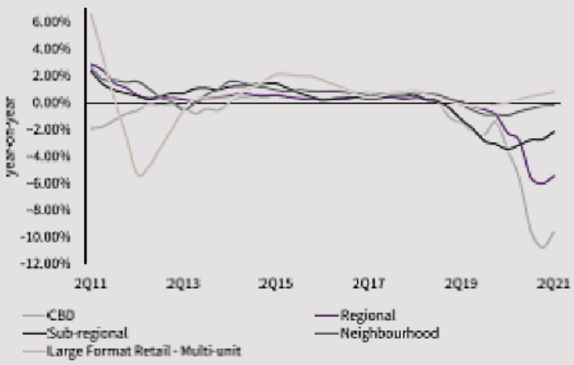
4.4. Retail Sector (National Q2 2021)

Total completions



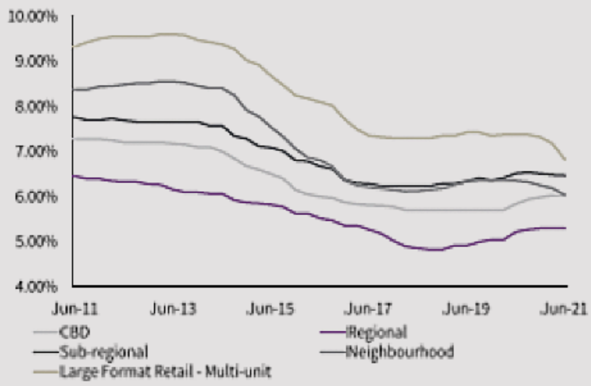
Source: JLL Research as at 2Q21
*includes completed, under construction and plans approved

Average Rental Growth p.a. by Sub-sector



Source: JLL Research as at 2Q21

Average Market Yield by Sub-sector



Source: JLL Research as at 2Q21

Retail investment activity has continued to improve from the low sales volumes recorded at the peak of the pandemic in Australia (March to June 2020).

The rebound in transaction activity is reflective of improving investor confidence and liquidity in the retail investment market, in particular towards assets with stable income, strong covenants and long WALE.

The demand for larger neighbourhood and smaller, more convenience-based sub-regionals has been a key trend over FY21, in part due to the outperformance of supermarkets and discount department stores during the pandemic.

Well leased neighbourhood shopping centres with major supermarket tenants and long WALEs continue to be highly sought after investment assets investments assets. Sub–Regional and Regional Centres have some challenge as major discount department stores such as Big W and Target, reduce their space requirements and these centres will have to repurpose and lease excess space.

The Australian retail sector has been buoyed by the effective management of the Pandemic and a beneficiary of the largest stimulus package in Australian history.

Rent collection are on par with levels recorded prior to the Pandemic

Neighbourhood Shopping Centre - Retail Snapshot				
	Gross Face Rent ($/sqm p.a.)	% Yields	% Incentives	Retail Investment Volumes
Perth	$320–$550	5.5%-7.0%	20%	(WA) 15%
Sydney	$975–$1,075	5.0%-7.0%	19%	(NSW) 38%
Melbourne	$560–$860	5.0%-7.0%	23%	(VIC) 28%
Brisbane	$551–$821	5.25%-7.25%	25%	(QLD) 10%
Adelaide	$360–$670	6.0%-7.5%	30%	(SA) 10%
				100%

Turnover +9.6%

Australian retail turnover growth rose by 9.6% annually – the highest annual growth rate recorded in 34 years. There has been a high amount of volatility across all categories since the start of the pandemic. Turnover in all states has now rebounded to above pre-pandemic levels in the majority of categories.

National regional weighted average yield: 5.30%

The investment market was highly divergent in 2020 and over the first half of 2021, with strong demand for defensive retail assets, being neighbourhood/ non-discretionary-based centres and long-WALE retail. Despite the strong retail turnover growth, investors remained cautious towards shopping centres with significant discretionary components. Liquidity has yet to return to regional shopping centres, with a movement away from traditional 'core' regional assets, to assets with stable income, strong covenants and long WALE. 5.30%

Construction 813,700 sqm

The medium term supply pipeline continues to be revised down, with many regional and larger subregional projects being deferred or scaled back. Scheduled completions over the 2021 to 2023 period (including projects complete, under construction and with plans approved) total 813,700 sqm.
Nearly all major institutional owners announced (in the FY20 and 1HFY21 results announcements) they would be postponing large scale retail developments, with many projects no longer feasible in the current retail environment. There is currently 452,800 sqm across 22 projects on hold, with these projects amounting to approximately AUD 4.5 billion.

4.4.1. Service Station Industry

Service station customers have little brand loyalty due to the homogeneous nature of the product and as a result there is high internal competition between major players in the industry. To differentiate and win customers petrol stations may need to offer more to attract additional consumers for non-fuel products.
Major oil companies such as Shell, Caltex (now Ampol) and BP, and with the entry into the market of Coles and Woolworths, the service station industry has become extremely competitive. This has forced out a large number of the smaller independent operators. BP is the largest retail fuel chain with 24% of the retail network market share (source Gaps March 2020)

As non-fuel products are increasingly where profits are made, sites must differentiate themselves from competitors by offering other products and experiences. Retail and food and beverage offerings are being identified factors of competitive differentiation.

It is evident there is substantial investment capital seeking defensive assets offering secure, long-term income, such as fuel stations. In the wake of COVID-19, premiums have been placed on these types of assets given longer lease profiles to blue chip covenants.

Despite the uptake for electric vehicles in Australia being relatively low (0.7% of total car sales in 2020 – source: Electric vehicle Council, Savils Report Port Hedland), the usage of Electric Vehicles is a potential threat to the Service Station industry in a traditional sense. However, it is predicted that public charging units will be incorporated into future service station designs and the strategic locations and convenient nature of sites will allow customers to shop while charging their electric vehicle when the shift to electric is realised.

4.4.2. Large Format Retail

The Large Format Retail (LFR) sector has generally shown overall positive performance over the COVID-19 impacted environment. The increase time spent at home for consumers has driven this large focus on household goods and bodes well for tenant stability in this short term, a key concern for many owners in other shopping centre categories.

Spending on household goods increased during the February through July period underpinning the most difficult time for most traditional retailers. This trend has sizably moderated since July however is still trending above the long-term average.

ACURE
FUNDS MANAGEMENT

4.5. The Mining Sector

4.5.1. The Importance of the Pilbara Region and Western Australia's Resource Sector

The Pilbara is located in the north of the state, bordered by the Indian Ocean to the west and extending across the Great Sandy Desert to the Northern Territory border in the east. One of the largest regions in Western Australia, the Pilbara covers 507,896 square kilometres.

Mining, construction and exports dominate the region's economy. The Pilbara is the state's mining powerhouse and makes a significant contribution to the national wealth. Its iron ore and liquefied natural gas industries are valued at over $70 billion, representing more than 70 per cent of mineral and energy production in Western Australia.

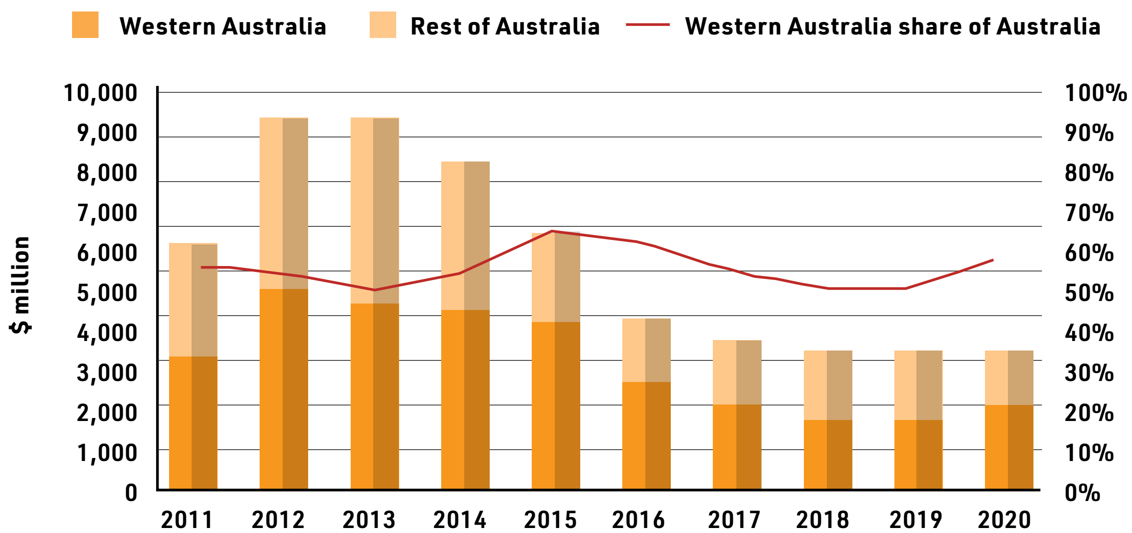
4.5.2. Investment

More than $20 billion was invested into the Western Australian mining and petroleum sector, up from $17 billion in 2019. This represents the highest level of mining and petroleum investment in Western Australia since 2017.

While this remains well below the boom time peak of 2012, higher levels of investment are a positive development. The result was largely achieved on the back of ongoing investments by major iron ore producers Rio Tinto, BHP and FMG in large-scale production sustaining projects, as well as FMG's Iron Bridge magnetite project.

Western Australia's share of national mining and petroleum investment increased to 57 per cent due to greater levels of investment growth in Western Australia compared to the rest of the country. The State's share is now slightly above its 10-year average share of 56 per cent.

Mining Investment
Last 10 Calendar Years



Source: ABS

The resources sector was primarily responsible for growth in total new capital expenditure in Western Australia to $27 billion, up from $25 billion in 2019. The increase in mining investment helped Western Australia to increase its total share of Australian new capital expenditure to 23 per cent in 2020, compared to 19 per cent in 2019.

COVID-19 did not have immediate impact on levels of mining and petroleum investment in Western Australia. In the June quarter, mining investment was up 13 per cent compared to March quarter and up 20 per cent compared to the same period in 2019. The September quarter and December quarter were also up 12 per cent and 11 per cent respectively compared to the same periods in 2019.

DMIRS also monitors and collects information on mineral and petroleum development projects in Western Australia to estimate levels of investment in the future.[2]

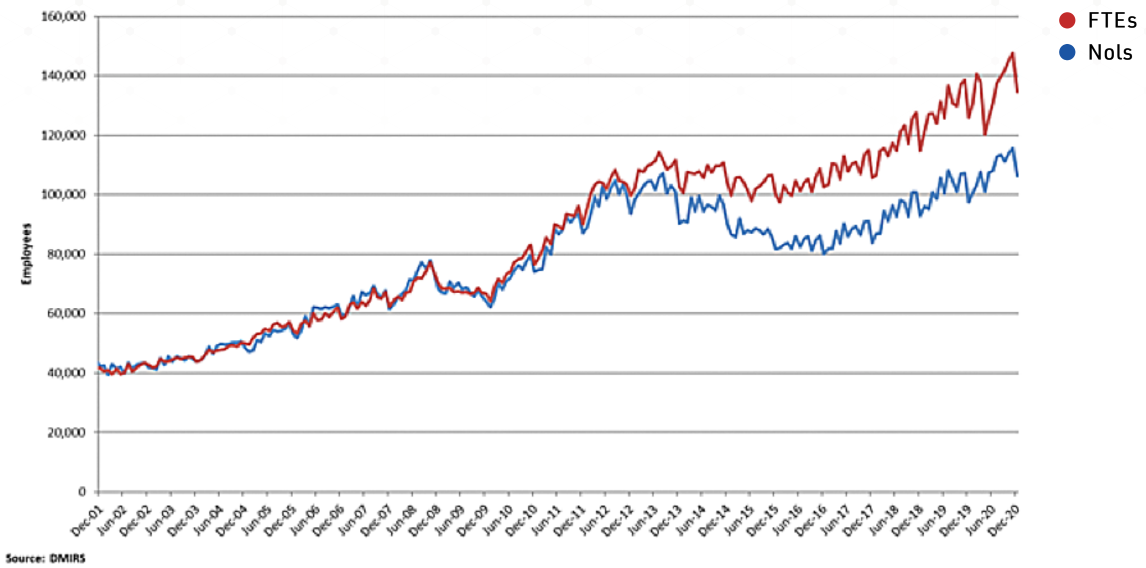
As of March 2021, Western Australia had resources projects in the development pipeline valued at an estimated $140 billion, up from the September 2020 estimate of $129 billion.

4.5.3. Population & Employment

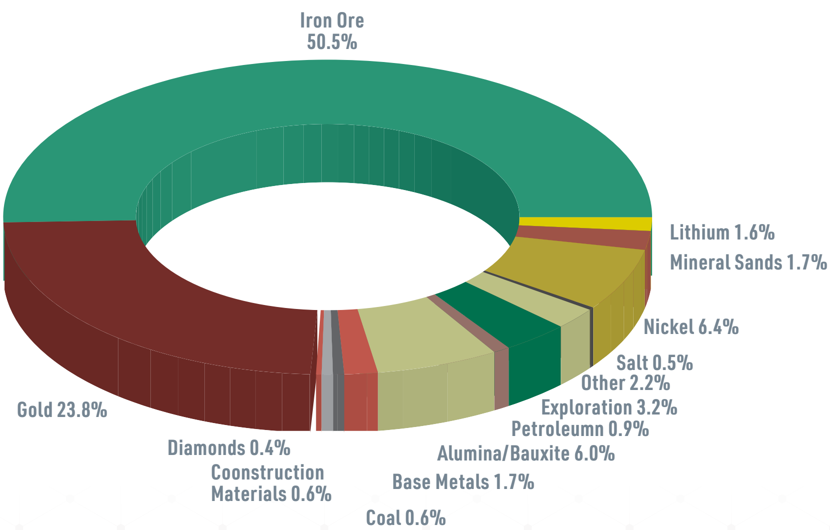
The estimated residential population of the Pilbara was 66,300 in 2013, with fly-in-fly-out employees boosting the population by approximately a further 50,000 people. By 2035, the region is expected to have a resident population of more than 140,000, based on the growth and diversification of the economy. Western Australia's mining, mineral exploration and petroleum industries employed an average of 149,000 people (119,000 in full-time-equivalent or FTE terms) during 2020-21, representing a new record for a single calendar or financial year.

The largest number of people were employed in the mining or iron ore, being 76,150 persons (60,810, FTEs).

Total Mining Employment
FTEs and Nols



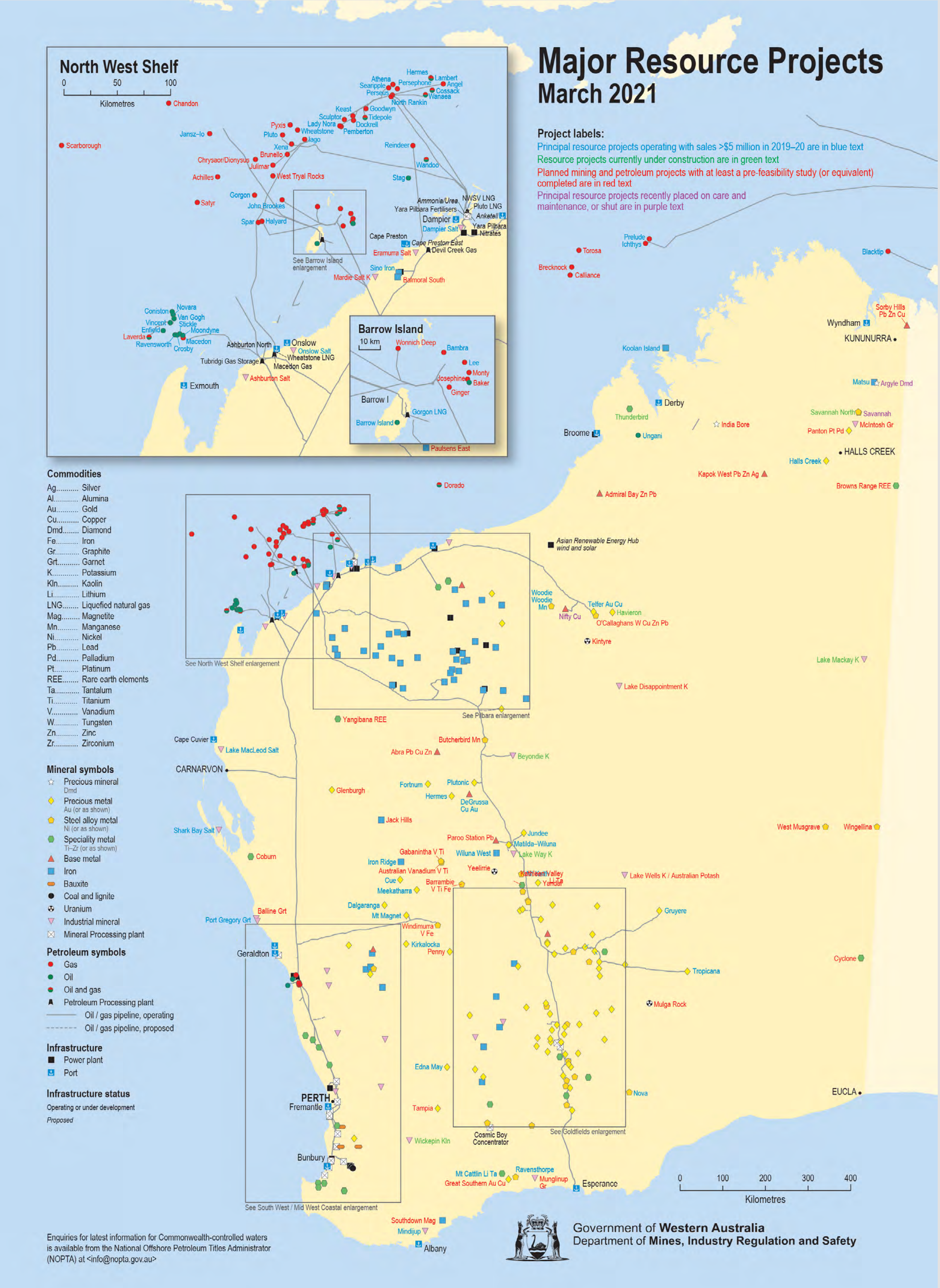
Mining, Exploration and Petroleum Employment
By Commodity 2020



4.5.4. Iron Ore In Western Australia

- Western Australia has large iron ore reserves, accounting for 28% of the world's crude iron ore reserves in the 2020 calendar year.[2]
- Western Australia had an estimated 48 billion tonnes of economic demonstrated iron ore resource in the 2019-20 financial year, which could sustain production for 53 years (at 2019 20 production rates).
- Western Australia's iron ore miners are among the world's lowest cost seaborne iron ore exporters.
  - The average total cash cost of Western Australia's iron ore exports was US$34.5 a tonne in 2020, below the world average of US$45.3 a tonne, and below its main competitor in Brazil (US$36.0 a tonne).
  - Western Australia's major iron ore ports are close to the largest iron ore markets in Asia, reducing shipping costs relative to some of its competitors.
- Western Australia's iron ore sales rose 4% to 846 million tonnes in the 2020 calendar year.
  - The 2020-21 WA Pre-Election Financial Projections Statement forecasts the volume of Western Australia's iron ore sales will rise to 881 million tonnes by the 2023-24 financial year.
- Asia is Western Australia's largest iron ore market, accounting for 80% of iron ore export volumes in 2020, with China accounting for 63%
  - Exports to China rose 7.0% to 1427 million tonnes in 2020.
- Rio Tinto, BHP and Fortescue Metals Group (FMG) are the largest global iron ore producers behind Vale from Brazil.
- The iron ore industry is a large part of Western Australia's economy, accounting for 25% of gross state product and 60% of mining industry value added in the 2019-20 financial year.
  - In the 2020 calendar year, iron ore accounted for 62% of the value of Western Australia's exports of goods and 79% of total minerals sales.
  - The value of Western Australia's iron ore sales rose 17% to $116.2 billion in the 2020 calendar year, above compound annual growth of 9% over the past 10 years.
  - Iron ore accounted for 86% of Western Australia's royalty revenue1 in the 2020 calendar year and 24% of State government general revenue in the 2019-20 financial year.
  - Iron ore royalties in Western Australia rose 12% to $7.8 billion in the 2020 calendar year

ACURE
FUNDS MANAGEMENT



ACURE
FUNDS MANAGEMENT

5 KEY PEOPLE, CORPORATE GOVERNANCE AND BENEFITS

5. Key people, corporate governance and benefits

5.1. Overview of the management of Acure Core Plus REIT

5.1.1. Responsible Entity

The Responsible Entity is Acure Funds Management Ltd. The Responsible Entity has the responsibility for the governance and operation of Acure Core Plus REIT. The Responsible Entity holds an AFSL with number 411056.

Under the Constitution, the Responsible Entity is permitted to appoint a manager to manage the assets of the REIT, and the Responsible Entity is authorised to, and must, pay all fees and costs under the Management Agreements out of the REIT, subject to the provisions of the Constitution.

5.1.2. Manager

The Responsible Entity has appointed Acure Asset Management Ltd as the Manager. The Manager has the responsibility for providing asset management, investment management, development management, leasing and property management services to the REIT under the Management Agreements.

5.2. Board of the Responsible Entity and external management

5.2.1. Board of Directors

At Completion, the Board will comprise non-executive Directors, and the majority of Directors will be considered independent for the purposes of the ASX Recommendations.

As the majority of the Board comprises external Directors, the Responsible Entity is not required to establish a compliance committee for the purposes of the Corporations Act.

Director / Position	Experience, qualifications and expertise
Angelo Del Borrello Managing Director	• Over 26 years of experience in funds management and capital markets. • Founder and Managing Director of Acure Asset Management Limited. • Founder and Managing Director of ASX listed Aspen Group Limited (APZ) from 2001 to 2010 (Aspen was a development and funds management group). • Responsible for the growth of APZ from inception to a diversified property funds company with $1.4 billion AUM (as at 2010). • Responsible for the growth of Market Capitalisation of APZ from $700,000 in 2002 to $350 million in 2010. • Has experience across office, industrial, and retail sectors including accommodation villages, resorts and land development. • Investment banking background with Prudential Bache Securities and BNP Paribas. • Mr. Del Borrello holds a Diploma of Financial Advising with FINSIA Australia.
Gianni Redolatti Independent / Non Executive Director	• Managing Director of SVN Property Group Australia – a full service property company operating in Perth's commercial, residential and strata markets. • Managing Director of Vanilla Property Investments – A property investment and funds management group operating in Perth. • Professional property investor with over 20 years of experience in building and construction, specializing in the development of residential and commercial property sites for sale and investment. Mr Redolatti has extensive experience in managing and financing property development, as well as property and asset management. • Bachelor of Civil Engineering (Hons), Diploma in Property (Real Estate), Diploma in Financial Planning, is a registered builder and Licensed Real Estate Agent.

ACURE
FUNDS MANAGEMENT

Director / Position	Experience, qualifications and expertise
Chris Allen Independent/ Non Executive Director	• Over 35 years of experience in the Financial Services and Wealth Management sectors • 26 years as a Partner and Director of RSM Australia Chartered Accountants and Chairman/Director of RSM • Served as Chairman of the Investment Committee, Risk/Compliance Committee and Audit Committee of RSM Financial Services Australia Pty Ltd • Acted as Responsible Officer for 3 separate Australian Financial Services Licensees (AFSL) • Specialises in the analysis of Investment Products and Structures suitable for a range of retail and wholesale clients with emphasis on those Products and Services that have the ability to maximise investment cycles and provide longevity to clients' capital • Possesses vast experience in the ongoing management and strategic development of businesses operating in the Financial Services and Wealth Management Sectors • Bachelor of Commerce Degree and Graduate Diploma of Applied Finance and Investment

5.2.2. Acure Core Plus REIT management team

The Responsible Entity is supported by a management team with significant experience in asset and funds management and property investment and management. The key members of the management team are as follows:

Director / Position	Experience, qualifications and expertise
Angelo Del Borrello Managing Director	• Over 26 years of experience in funds management and capital markets. • Founder and Managing Director of Acure Asset Management Limited. • Founder and Managing Director of ASX listed Aspen Group Limited (APZ) from 2001 to 2010 (Aspen is a development and funds management group). • Responsible for the growth of APZ from inception to a diversified property funds company with $1.4 billion AUM. • Responsible for the growth of Market Capitalisation of APZ from $700,000 in 2002 to $350 million in 2010. • Has experience across office, industrial, and retail sectors including accommodation villages, resorts and land development. • Investment banking background with Prudential Bache Securities and BNP Paribas. • Mr. Del Borrello holds a Diploma of Financial Advising with FINSIA Australia.
Enzo Pirillo Independent Responsible Manager	• Enzo Pirillo is a Director of the local accounting firm Rees Pritchard Pty Limited which was established in 1951, and Pritchard & Partners Pty. Limited, a financial planning and stockbroking firm, which is a member of the National Stock Exchange of Australia. • He has worked in a number of senior accounting positions in public practice and in commerce. • In addition to Acure Funds Management, he is also a Responsible Manager to Hamilton Asset Management Limited (AFSL No: 343546) and RAM Property Funds Management Limited (AFSL No: 514484) • He obtained a Bachelor of Commerce Degree from the University of Newcastle in 1994 and qualified as a Certified Practicing Accountant in 1996. • In 2004 he completed the Graduate Diploma in Applied Finance and Investment and was admitted as an Associate of the Securities Institute of Australia. • Enzo has a of Bachelor of Commerce (University of Newcastle), Certified Practising Accountant (CPA), Graduate Diploma in Applied Finance & Investments, Fellow of Financial Services Institute of Australasia.
Aaron Wong Chief Financial Officer	• Chartered Accountant with over 20 years of experience in accounting and finance related roles. • Previous experience as a financial controller and company secretary. • Over 9 years of experience with Hawaiian Property Group in finance roles. • International experience in the UK with Yahoo Europe Ltd. • Previously with KPMG in Audit and Assurance roles. • Chartered Accountant (CA) - Bachelor of Commerce, University of Western Australia (Accounting and Finance Majors, Business Law minor). • Certificate IV, Diploma Frontline Management, Graduate Australian Institute of Company Directors (GAICD)

ACURE
FUNDS MANAGEMENT

Director / Position	Experience, qualifications and expertise
Peter Isaksson Senior Asset Manager, Distributions and Acquisitions	• Peter's recent experience involved 14 years at Savills South Australia as Director Capital & Retail transactions. • Expertise in all forms of transactions of real estate specialising in Retail and CBD Investment markets. • Capital Transactions including Shopping Centres • Business Development • Leasing negotiations particularly CBD Office and Retail • Peter has been involved in some of South Australia's largest real estate transactions for over 25 years involving Commercial and Retail Investment Properties and Englobo Land. • More recently he has acted for numerous clients in sourcing opportunities for client's portfolios. • Peter has acted for Government, Private and Public Companies, High Net Worth individuals and REITS. • Bachelor of Applied Science, Property Resource Management (Val) • Licensed Real Estate Agent
Marco Marramiero General Manager, Property	• Over 25 years' experience in the Property Investment, Development, and Construction industry. • Marco has a strong track record as a former Director and founding member of Pride Projects Pty Ltd for over 11 years, specialising in Development Management of Large Format and Commercial projects for national retailers Harvey Norman and Woolworths. • 10 years' experience as a former Senior Management Accountant and Quality Assurance Manager for Broad Construction Services Pty Ltd. • Marco is highly experienced in all phases of successful project and property investment, development, and funds management, including: - Acquisition of property investment and development opportunities. - Adding value to property investment and projects through innovative planning, integrity, and timely delivery of projects. - Preparation of total feasibility studies to prove commercial viability. - Total project delivery including planning, design management, estimating, development and project management, project packaging (design & construct) financial packaging, project sales, marketing & value management. • Bachelor of Commerce.
Roger Pratt Compliance Officer	• More than 40 years' experience in accounting, finance, compliance and funds management roles in Australia and United Kingdom. • Previously held senior roles operating registered managed investment schemes, custodian and corporate trustee services. • Chartered Accountant, Bachelor of Science.
John Meigan Business Development Executive (QLD, NSW, VIC)	• Over 20 years' experience in Investment markets. • Previously held roles with National Australia Bank, BT Funds Management, CBA, Asgard Wealth Solutions, Vanguard Investments and AMP Capital. • Holds a Bachelor of Commerce from The University of Wollongong.
Robert Morrison Business Development Executive (WA/ SA) and Responsible Manager	• A qualified Chartered Accountant with over 30 years of experience in accounting, investment banking, finance and financial services. • Previously held roles with KPMG, Poynton Corporate, Bankers Trust (UK), Deutsche Bank (UK), Aspen Group and Perdaman Capital. • Holds a Bachelor of Commerce and a Graduate Diploma of Applied Finance.
Michael Walden National Asset Manager	• An experienced asset manager and development manager of commercial retail portfolios, as well as over 10 years in managing hospitality operations • Responsible for all hotel operations and oversees a team of approx. 75 employees across two locations.

ACURE
FUNDS MANAGEMENT

5.3. Interests and benefits of Directors

5.3.1. Directors interests

The Directors (and their associates) are entitled to apply for Securities under the Offer.

A summary of Board personal Securityholdings following Completion, including additional Securities which the Board are proposing to acquire under the Offer, is provided below.

Directors Securityholdings	Interest in Securities (including Securities proposed to be acquired under the Offer)
Directors	
Angelo Del Borrello	850,000
Gianni Redolatti	2,487,726
Chris Allen	200,000
Acure Asset Management Ltd	13,589,139
Total	**17,126,865**

The Securities to be acquired by Directors under the Offer may be held directly or indirectly through other holdings by companies or trusts.

5.3.2. Remuneration and related arrangements

The Directors of the Responsible Entity and other management personnel are paid by the Responsible Entity. Payments made from the REIT to the Responsible Entity do not include any amounts attributable to the compensation of key management personnel.

No fees or salaries are paid by the REIT to the directors, officers or employees of the Managers. Unless disclosed elsewhere in this PDS, no officer of a Manager currently has or has had any material beneficial interest, either direct or indirect, in the promotion of the REIT and in any property acquired or proposed to be acquired by the REIT, or any other similar transaction.

5.4. Custodian

The Custodian is Equity Trustees Limited (ACN 004 031 298). The Responsible Entity has entered into the Custody Deed with the Custodian, under which the Custodian has agreed to hold the assets of the interests in the sub-trusts that are transferred or delivered to the Custodian on behalf of the Responsible Entity. A summary of the key terms of the Custody Deed is set out in section 13 of this PDS.

5.5. Corporate Governance

The Responsible Entity recognises the importance of strong corporate governance and is committed to a high standard of both corporate governance and compliance. The Responsible Entity will determine the appropriate governance arrangements for Acure Core Plus REIT, having regard to market practice, the ASX Recommendations and ensuring that there are adequate arrangements to manage potential conflicts. The corporate governance arrangements established by the Responsible Entity will be continually monitored in order to ensure that they remain effective and appropriate for Acure Core Plus REIT.

The key corporate governance policies and practices that will be adopted by the Responsible Entity in respect of Acure Core Plus REIT from Completion are summarised below.

The Board seeks to ensure that the REIT is properly managed to protect and enhance Securityholders interests, and that the Responsible Entity, its Directors, officers and employees operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing the REIT, including adopting relevant internal controls, risk management processes and corporate governance policies and practices that it believes are appropriate for the operation of the REIT and that are designed to promote the responsible management and conduct of the REIT.

5.5.1. ASX Corporate Governance Principles and Recommendations

The ASX Corporate Governance Council has developed the ASX Corporate Governance Principles and Recommendations 4th edition (ASX Recommendations) for ASX listed entities to promote investor confidence and assist companies in meeting stakeholder expectations. The ASX Recommendations are not prescriptive, but have provided guidelines against which entities have to report on an "if not, why not" basis.

The Board of the Responsible Entity has adopted policies recommended by the ASX Recommendations, to the extent that they are applicable to an externally managed listed entity. Under the Listing Rules, the REIT will be required to disclose the extent of its compliance with the ASX Recommendations for each reporting period. Where the REIT has not followed an ASX Recommendation, it will be required to identify the recommendation that has not been followed and give reasons for not following it. The REIT must also explain what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

The REIT intends to comply with all of the applicable ASX Recommendations from the time of Completion, including as they relate to the composition and operation of the Board and the Audit and Risk Committee. The REIT will also disclose, in the annual report, the extent of its compliance with the ASX Recommendations.

5.5.2. Board composition of the Responsible Entity and independence

At Completion, the Board will comprise two non-executive Directors, and the majority of Directors will be considered independent for the purposes of the ASX Recommendations. Christopher Allen and Gianni Redolatti are considered independent Directors. Detailed biographies of the Board members are provided in Section 5.2.1.

The Board Charter (as summarised in Section 5.5.3) sets out guidelines to assist in considering the independence of Directors and has adopted a definition of independence that is based on that set out in the ASX Recommendations. In general, Directors will be considered to be independent if they meet those guidelines.

The Board is responsible for the overall governance of the Responsible Entity. The Board considers issues of substance affecting the Responsible Entity, with advice from external advisers as required. Each Director must bring an independent view and judgement to the Board and must declare all actual or potential conflicts of interest on an ongoing basis. Any issue concerning a Director's ability to properly act as a Director must be discussed at a Board meeting as soon as practicable, and a Director must not participate in discussion or resolutions pertaining to any matter for which the Director has a material personal interest.

5.5.3. Board charter

The Board has adopted a written charter to provide a framework for the effective operation of the Board, including in its capacity as the responsible entity of the REIT. The Charter sets out the Board composition, the Board's role and responsibilities, the relationship and interaction between the Board and management and the authority delegated by the board to management and Board committees.

The key functions of the Board include:

- contributing to and approving management's development of strategy for the REIT, including setting performance objectives and approving operating budgets;
- monitoring performance and implementation of strategy and policy for the REIT;
- reviewing, ratifying and monitoring systems of risk management and internal control, and ethical and legal compliance;
- approving operating budgets, major capital expenditure, acquisitions and divestitures, monitoring capital management;
- and approving any transactions or matters in excess of authority levels delegated to management;
- monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting and ensuring compliance with financial reporting requirements;
- approving the payment of distributions to Securityholders in accordance with the Constitution; and
- developing and reviewing corporate governance principles and policies.

The management function is conducted by the Managers as directed by the Board and in accordance with the Management Agreements. The Managers must supply the Board information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. The Board collectively, and any Director individually, may seek independent professional advice at the Responsible Entity's expense, following consultation with the Chairman or the Board, with the advice being made available to the Board as a whole.

The Board retains oversight over all aspects of Acure Core Plus REIT business and affairs.

5.5.4. Board committees

The Board may from time to time establish appropriate committees to assist in the discharge of its responsibilities. Although the Board may delegate powers and responsibilities to these committees, the Board retains ultimate accountability for discharging it's duties.

As an externally managed entity, the REIT is not required to establish a remuneration committee. The remuneration of the executive and non-executive Directors is determined by the Board in accordance with the constitutions.

5.5.4.1. Audit And Risk Committee

The Audit and Risk Committee consists of Christopher Allen and Gianni Redolatti. The Chairman of the Audit and Risk Committee is Christopher Allen. The role of the Audit and Risk Committee is to assist the Board in carrying out its accounting, auditing, financial reporting, risk management and compliance responsibilities, including, among other things:

- the reliability and integrity of the REIT's financial management, application of accounting policies, financial reporting systems and processes;
- the appropriateness of the accounting judgements or choices exercised by management in preparing the REIT's financial statements;
- the implementation and effectiveness of the REIT's risk management and internal control policies and practices;
- management's performance against the REIT's risk management framework, including whether it is operating within the risk appetite set by the Board;
- the implementation and effectiveness of the REIT's internal audit systems and processes;
- the appointment and, if necessary, removal of the REIT's external auditors and the work of, and relationship with, the external auditors;
- the implementation and effectiveness of the REIT's systems and processes for ensuring compliance with all applicable laws, regulations and REIT policies; and
- the REIT's taxation risk management, financial risk management, and business policies and practices, and risks associated with transactions of a strategic or routine nature.

5.5.5. Corporate governance policies

The Board has adopted the following corporate governance policies, each having been prepared having regard to the ASX recommendations and which will be available on Acure Asset Management's website at www.acuream.com.au.

5.5.5.1. Code of Conduct

The Board recognises the need to observe the highest standards of corporate practice and business conduct, and has adopted a formal Code of Conduct, which is followed by all Directors, as well as officers, employees, contractors, consultants, advisors other persons that act on behalf of the Group. The code sets out the Group's key values on various matters including among other things, ethical conduct, business conduct, compliance, privacy, security of information, financial integrity and conflicts of interest and how they should be applied.

5.5.5.2. Securities Trading Policy

The Responsible Entity has adopted a Securities Trading Policy which explains the prohibited and permitted type of conduct in relation to dealings in Securities under the Corporations Act and other laws applicable to the Responsible Entity and the REIT. The policy also establishes a best practice procedure in relation to dealings in Securities by certain restricted persons, including Directors, officers, employees of the REIT and the Manager.. The restrictions have been imposed to prevent breaches of the law and to maintain investor confidence.

The policy sets out the restrictions that apply to such dealings including the "prohibited periods", during which certain persons are generally not permitted to deal in Securities along with a procedure under which certain persons are required to submit prior notification and obtain written confirmation prior to dealings outside those "prohibited periods".

5.5.5.3. Continuous Disclosure Policy

Once Acure Core Plus REIT is listed on the ASX, the Responsible Entity will be required to comply with the continuous disclosure requirements of the Listing Rules, in addition to those disclosure requirements to which the Responsible Entity is currently subjected to under applicable law. Subject to the exceptions contained in the Listing Rules, the Responsible Entity will be required to disclose to the ASX any information concerning Acure Core Plus REIT which is not generally available and which a reasonable person would expect to have a material effect on the price or value of Securities.
The Responsible Entity is committed to observing its continuous disclosure obligations and has adopted a continuous disclosure policy which establishes procedures that are aimed at ensuring that Directors and management are aware of and fulfil their obligations in relation to the timely disclosure of material price sensitive information.

5.5.5.4. Whistleblower Policy

The Board has adopted a Whistleblower Policy, which encourages the reporting of suspected unethical, illegal, fraudulent, corrupt or dishonest conduct and provides that those who report may do so with confidence and without fear of intimidation, ramifications or adverse consequences. Reportable conduct under the whistleblower policy includes (but is not limited to):

- dishonest, corrupt, fraudulent or unlawful conduct or practices, including bribery;
- financial irregularities;
- unfair, dishonest or unethical dealings with a customer or third party; and
- unethical or serious improper conduct including breaches of any legal or regulatory obligations.

The Whistleblower Policy ensures protection over whistleblowers by allowing for anonymous reports to be made, protecting confidentiality of the whistleblowers and not tolerating any detriment caused or threatened to be caused against any person who has made or who is believed to have made a report regarding the reportable conduct.

5.5.5.5. Anti-corruption Compliance Policy

The Board has adopted an Anti-corruption Compliance Policy to demonstrate its commitment to conducting its business and operations with honesty, integrity and the highest standards of personal and professional ethical behavior, complementing its Code of Conduct. All employees, officers, Directors and agents acting for, or representing the Responsible Entity (including officers and employees of the Managers), in all their dealings including (but not limited to) interactions with customers, retailers, local authorities, government bodies, subcontractors or service providers must not either directly or indirectly:

- offer, promise, give, solicit or accept any bribe or facilitation payments;
- falsify any books, record or accounts relating to the Acure Core Plut REIT;
- offer to provide gifts, hospitality or any other benefit to public officials without prior approval of the Company Secretary of Acure Core Plus REIT;
- make any political or charitable donations on behalf of Acure Core Plus REIT which are or could be perceived to be a bribe;
- engage with or deal with third parties or agents acting for or representing Acure Core Plus REIT such as giving secret commissions; and
- cause, authorise or wilfully ignore any conduct that is believed or suspected to be contrary to this policy or anti-corruption laws, or to aid or abet such conduct.

5.5.5.6. Securityholder Communication Policy

The Responsible Entity has adopted a Communication Policy to ensure that there is effective communication between the Responsible Entity and Securityholders. In accordance with the Communication Policy, the REIT's website (www.acuream.com.au/REIT) is regularly updated and contains recent announcements, annual report and results announcements, disclosure documents, and market information and is a significant component of the communications strategy.

5.5.5.7. Conflicts of interest and Related Party Transactions Policy

The Responsible Entity has obligations under the Corporations Act and ASX Listing Rules to have in place adequate arrangements to identify and manage conflicts of interest or duty and related party transactions. Given the relationships between the REIT and Acure, the Responsible Entity has adopted a Conflicts of Interest and Related Party Policy to ensure there are adequate arrangements to identify and manage conflicts of interest or duty and related party transactions.

The Policy seeks to ensure that:

- the Responsible Entity has in place adequate arrangements to identify and manage conflicts of interest or duty; and
- in relation to related party transactions and certain conflicted proposals, there are agreed principles in relation to the conduct by the parties to those transactions or proposals (including ensuring compliance with all Corporations Act requirements.

Each member of Acure, including the Responsible Entity and the Manager, are required to adhere to this policy.

6 FINANCIAL INFORMATION

6. Financial information

6.1. Overview

The Financial Information contained in this Section has been prepared by the Directors of the Responsible Entity and comprises:

- the statutory and pro forma historical notional consolidated statements of profit and loss for FY19, FY20 and FY21, the statutory historical notional consolidated statement of cash flows for FY19, FY20 and FY21, together with the statutory historical notional consolidated statement of financial position as at 30 June 2021 (**"Historical Financial Information"**);
- the forecast statutory consolidated statements of profit and loss for the period from the Allotment Date to 30 June 2022 and for the six months ending 31 December 2022 ("1H FY23") (**"Statutory Forecast Consolidated Statements of Profit and Loss"**);
- the pro forma forecast consolidated distribution statement for the period from the Allotment Date to 30 June 2022 and for 1H FY23 (**"Pro Forma Forecast Distribution Statements"**);
- the pro forma consolidated statement of financial position as at the Allotment Date (**"Pro Forma Consolidated Statement of Financial Position"**);
- collectively the Statutory Forecast Consolidated Financial Statements of Profit and Loss, Pro Forma Forecast Distribution Statements and Pro Forma Consolidated Statement of Financial Position are defined as the **Forecast Financial Information**.

The Forecast Financial Information and Historical Financial Information together constitute the **Financial Information**.

Also summarised in this Section are:

- the basis of preparation and presentation of the Financial Information including a description of non International Financial Reporting Standards (IFRS) measures used in the PDS, as set out in Section 6.2;
- the Directors' best estimate assumptions underlying the Forecast Financial Information, as set out in Section 6.6;
- the key sensitivities in respect of the Forecast Financial Information, as set out in Section 6.7;
- the Acure Core Plus REIT Distribution policy, as set out in Sections 2.7 and 6.6.2 respectively;
- a description of the significant accounting policies of the Acure Core Plus REIT as set out in Section 6.8; and
- information on the Acure Core Plus REIT's working capital, as set out in Section 6.9.

The Financial Information has been reviewed by Moore Australia Corporate Finance (WA) Pty Ltd in accordance with the Australian Standard on Assurance Engagements (**ASAE**) 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information, as per its Investigating Accountant's Report in Section 9. Investors should note the scope and limitations of the Investigating Accountant's Report.

The Acure Core Plus REIT will operate on a financial year ending 30 June. All amounts disclosed in this Section are presented in Australian dollars, and unless otherwise noted are rounded to the nearest $100,000. Figures in the PDS may be subject to rounding adjustments causing discrepancies in totals, sum of components and percentage calculations.

The Financial Information provided in this Section should be read in conjunction with the other information provided in this PDS.

6.2. Basis of preparation and presentation of financial information

The Financial Information has been prepared by the Directors of the Responsible Entity and is intended to explain the Historical and Forecast Financial Information.

The Financial Information is in accordance with Australian Accounting Standards (**AAS**) measurement principles determined by the Australian Accounting Standards Board (**AASB**). AAS recognises and ensures compliance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board, and Acure Funds Management Ltd's accounting policies. The significant accounting policies adopted by the REIT are set out in Section 6.8.

The Financial Information is presented in an abbreviated form and does not contain all of the presentation and disclosures, statements or comparative information required by AAS and the Corporations Act for annual general purpose financial reports.

6.2.1. Preparation of Statutory and Pro Forma Historical Financial Information

No historical financial statements of the REIT exist as the constituent trusts reported and operated separately prior to their Stapling. The Statutory and Pro Forma Historical Financial Information has been extracted from the individual constituent Trust financial statements for FY19, FY20 and FY21. A notional consolidation of the constituent Trusts has been undertaken in the preparation of the Statutory and Pro Forma Historical Financial Information.

The constituent Trust financial statements were audited by Reliance Auditing Pty Ltd and have been issued with unmodified audit opinions. The constituent Trust financial statements for FY19, FY20 and FY21 will be lodged with the ASX on Listing.

6.2.2. Preparation of the Forecast Financial Information

The Forecast Financial Information has been prepared by the Directors of the Responsible Entity based on an assessment of present economic and operating conditions and on a number of best estimate assumptions, including the general assumptions and the specific assumptions outlined in Section 6.6.

The Directors of the Responsible Entity believe that the Forecast Financial Information has been prepared with due care and attention, and they consider all best estimate assumptions when taken as a whole to be reasonable at the time of preparing this PDS. However, the information is not fact and investors are cautioned to not place undue reliance on the Forecast Financial Information.

This information is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring and is not intended to be a representation that the assumptions will occur. Investors should be aware that the timing of actual events and the magnitude of their impact might differ from that assumed in preparing the Forecast Financial Information, and this may have a material positive or negative impact on the REIT's actual performance and/or financial position. Investors are advised to review the assumptions set out in Section 6.6 in conjunction with the sensitivity analysis set out in Section 6.7, the risk factors set out in Section 7 and other information set out in this PDS.

The Forecast Financial Information has been presented on a statutory and pro forma basis and assumes that the Proposed Transaction is completed on the Allotment date, which is expected to be on or around 1 December 2021.

The Pro Forma Forecast Consolidated Distribution Statement has been derived from the Statutory Forecast Consolidated Statements of Profit and Loss for the period from Allotment date to 30 June 2022, adjusted to exclude the profit and loss impact of any one-off transaction costs in relation to the Offer and non-cash accounting adjustments such as straight-lining of rental income and amortisation of one-off items. The resulting measure is termed Operating Earnings, being the Directors' measure of the REIT's profitability and determining distributions during the year, which differs from net profit as determined in accordance with Australian Accounting Standards.

6.2.3. Preparation of the Pro Forma Consolidated Statement of Financial Position

The Pro Forma Consolidated Statement of Financial Position has been derived from the notional consolidated historical statutory statement of financial position as at 30 June 2021 for each constituent trust, adjusted to reflect transactions expected to occur between 1 July 2021 and Allotment Date and the impact of the Offer. Section 6.5, sets out the pro forma adjustments to the notional consolidated historical statutory statement of financial position.

The adjustments discussed in this section include assumptions relating to matters that are not known as at the date of this PDS. The Pro Forma Consolidated Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of the REIT's future financial position.

6.2.4. Explanation of certain non-IRFS financial measures

The REIT uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards ("AAS") or International Financial Reporting Standards ("IFRS"). These measures are collectively referred to as non-IFRS financial measures. These non-IFRS measures do not have a prescribed definition under AAS or IFRS and therefore may not be directly comparable to similarly titled measures presented by other entities.

These should not be construed as an indication of, or an alternative to, corresponding financial measures determined in accordance with AAS or IFRS. Although the Directors of the Responsible Entity believe these non-IFRS financial measures provide useful information for measuring the financial performance and condition of the business, investors are cautioned not to place undue reliance on any non-IFRS financial measures included in the PDS.

The principle non-IFRS financial Measures that are referred to in this PDS are as follows:

- Operating Earnings: calculated in accordance with the Property Council Guidelines, determined by adjusting statutory net profit (under IFRS) for non cash and other items such as property revaluations, straight-line rental adjustments, amortisation of tenant incentives, amortisation of borrowing costs and other unrealised one-off items;
- Distribution Yield: represents the rate of return derived by dividing the Operating Earnings per unit by the offer price;
- NTA: net tangible assets, represents the REIT's net tangible assets;
- NTA per Unit: represents NTA divided by the number of Units on issue; and
- Gearing: Borrowings (excluding unamortised debt establishment costs) less cash and cash equivalents divided by total gross asset value less cash and cash equivalents.

6.3. Statutory and Pro Forma Historical Financial Information

No historical financial statements of the REIT exist as the constituent trusts reported and operated separately prior to their Stapling. The Statutory and Proforma Historical Financial Information contained in this section has been extracted from each constituent trusts' audited statements of profit and loss notionally consolidated for FY19, FY20 and FY21 and adjusted for the items set out in Note 1 below, so as to comply with AAS.

Statutory Historical Notional Consolidated Statements of Profit and Loss ($m)	FY19[2]	FY20	FY21
Gross Rental Income[1]	20.6	21.5	21.1
Property Operating Expenses	(4.5)	(4.8)	(4.9)
Net Property Income	**16.1**	**16.7**	**16.2**
Finance costs	(3.3)	(3.1)	(2.1)
Management fees	(1.4)	(1.4)	(1.5)
Other Income	0.2	0.0	0.2
Other expenses	(0.3)	(0.6)	(0.6)
Net Operating Profit	**11.3**	**11.6**	**12.2**
Property Revaluations	(0.6)	1.1	53.1
Statutory Net Profit	**10.7**	**12.7**	**65.3**

Notes:

1. Gross rental income includes rental income after straight-lining and lease incentive adjustments.
2. The Australind Trust acquired the Australind Village on 10 October 2018 and therefore the net operating profit for FY19 does not include a full year of net operating profit contribution from the Australind Village.

The following table sets out the REIT's pro forma adjustments to the statutory historical notional consolidated statements of profit and loss to derive the pro forma historical operating earnings.

$m	FY19	FY20	FY21
Statutory Net Operating Profit	**11.3**	**11.6**	**12.2**
Pro Forma Adjustments:			
Straight-lining of rental income[1]	(1.1)	(0.8)	(0.4)
Amortisation of lease incentives[2]	-	-	0.1
Vendor rental guarantees[3]	(0.9)	(0.6)	(0.2)
Annualised Australind net income[4]	0.6	-	-
Listed fund operating costs[5]	(0.5)	(0.5)	(0.5)
Pro Forma Operating Earnings	**9.4**	**9.7**	**11.2**

Notes:

1. Rental income is recognised on a straight-line basis for statutory reporting purposes. Rental income is recognised when rental charges are invoiced to tenants for the purposes of recording Pro Forma Operating Earnings.
2. Lease incentives are amortised over the term of the lease for statutory reporting purposes. Lease incentives are expensed when incurred for the purposes of recording Pro Forma Operating Earnings.
3. Vendor rental guarantees over vacant tenancies were agreed as part of the purchase terms for Australind Village and Shepparton Home. Utilisation of vendor rental guarantees are recorded as rental income in the statutory statements of profit and loss, however rental income arising from vendor rental guarantees may not be indicative of underlying property performance and have been deducted as a pro forma adjustment to statutory net operating profit.
4. The Australind Trust acquired the Australind Village on 10 October 2018 and therefore the net operating profit for FY19 does not include a full year of net operating profit contribution from the Australind Village. The pro forma adjustment recognises an estimated 12-month net income contribution from the Australind Trust had the Australind Village been owned for the entirety of FY19.
5. Listed fund operating costs are the REIT's estimate of incremental costs of operating the listed fund and includes ASX listing fees, audit, tax, compliance, external custodian, registry, legal, administration and valuation fees.

The following table sets out the historical notional consolidated cash flow statements.

Historical Statutory Consoldiated Statement of Cash Flow ($m)	FY19[1]	FY20	FY21
Cash flows from operating activities			
Cash receipts from customers	19.7	20.1	20.9
Cash paid to suppliers	(5.2)	(6.5)	(6.9)
Interest Received	0.1	-	-
Interest Paid	(3.2)	(2.8)	(2.4)
Net cash flows from operating activities	**11.4**	**10.8**	**11.6**
Cash flows from investing activities			
Acquisition of property, plant and equipment	(41.6)	(0.5)	(0.2)
Net cash flows used in investing activities	**(41.6)**	**(0.5)**	**(0.2)**
Cash flows from financing activities			
Distributions paid to unitholders	(9.7)	(9.7)	(10.1)
Proceeds from borrowings	22.1	0.2	-
Repayment of borrowings	-	(0.1)	(0.8)
Unit proceeds/(redeemed)	20.2	0.4	-
Establishment costs	(1.5)	-	-
Net cash flows used in financing activities	**31.1**	**(9.2)**	**(10.9)**
Net increase/(decrease) in cash and cash equivalents	1.0	1.1	0.7
Cash and cash equivalents at the beginning of the year	4.7	5.6	6.7
Cash and cash equivalents at the end of the year	**5.7**	**6.7**	**7.4**

Notes:

1. FY19 includes cash flow transactions related to the acquisition of Australind Village by The Australind Trust on 10 October 2018 which include the acquisition of the property including transaction costs of $41.5m, loan proceeds of $22.1m and unitholder subscriptions of $20.4m.

No pro forma historical statements of cash flows have been included in this PDS as the pro forma adjustments noted in Section 6.3 above are non-cash adjustments and therefore the pro forma historical statements of cash flows would not differ materially from the statutory historical statements of cash flow.

6.4. Forecast Financial Information

This section contains the Pro Forma Forecast Consolidated Distribution Statements and the Statutory Forecast Consolidated Income Statements of the Acure Core Plus REIT. No forecast statements of cash flows have been included in this PDS as given the nature of the operations of the REIT, the provision of forecast cash flows is not expected to differ materially from the forecast statements of profit and loss.

This section should be considered in conjunction with the basis of preparation and presentation of the Financial Information set out in Section 6.6.2.

6.4.1. Pro Forma Forecast Consolidated Distribution Statements

Operating Earnings represents the Director's view of cash available for distribution to Securityholders in the Forecast Period, being the net profit (before transaction costs) adjusted for non-cash items such as straight-lining of rental income, amortization of tenant incentives and amortisation of capitalised borrowing costs.

It is intended that Distributions are paid quarterly with the first Distribution expected to be paid in May 2022, based on a pro rata amount for the period from Allotment Date to 31 March 2022. The REIT will aim to distribute 90%-100% of Operating Earnings per year. The Directors of the Responsible Entity retain the discretion to amend the distribution policy. The Directors of the Responsible Entity will have regard to the amount of cash available and the REIT's capital expenditure requirements in determining the REIT's distribution payout ratio and may change the distribution payout ratio in the future.

As outlined in the table below, the REIT forecasts an Annualised Distribution Yield of 7.0% for the period from Allotment Date to 30 June 2022 and 7.0% for 1H FY23.

Pro Forma Forecast Consolidated Distribution Statements ($m)	Allotment Date to 30 June 2022 (seven months)[1]	1H FY23 (six months)
Gross Rental Income	12.5	10.8
Property Operating Expenses	(2.8)	(2.5)
Net Property Income	**9.7**	**8.3**
Finance costs	(1.1)	(0.9)
Management fees	(1.1)	(0.9)
Other expenses	(0.3)	(0.3)
Net Profit (before transaction costs)[2]	**7.2**	**6.2**
Less: Straightlining of rental income	(0.5)	(0.4)
Add/(Less): Amortisation of lease incentives and leasing fees	(0.1)	0.1
Add: Amortisation of capitalised borrowing costs	0.0	0.0
Operating Earnings	**6.6**	**5.9**
Distribution	6.8	5.8
Operating Earnings per Security (cents)	0.04	0.04
Distribution per Security (cents)[3]	0.04	0.04
Annualised Operating Earnings Yield on Offer Price[4]	**6.8%**	**7.2%**
Annualised Distribution Yield on Offer Price[4]	**7.0%**	**7.0%**
Payout Ratio (Distribution / Operating Earnings)	103%	98%
Tax Deferred Component of Distribution[5]	50%	45%

Notes:

1. The Pro Forma Forecast Consolidated Distribution Statements have been prepared on the basis that the Proposed Transaction has been implemented and the Allotment occurs on 1 December 2021.
2. Transaction costs will be funded by the proceeds of the Offer and do not affect the operating cash flow of the REIT.
3. Distribution per Security is based on the Directors' forecast that the Distribution will be 103% of Operating Earnings for the period from Allotment Date to 30 June 2022 and 98% of Operating Earnings for 1H FY23 which equates to an average Distribution of 100% of Operating Earnings over the Forecast Period. The shortfall between Operating Earnings and Distribution from Allotment Date to 30 June 2022 will be funded from the REIT's reserves.
4. Annualised Operating Earnings Yield on Offer Price and Annualised Distribution Yield on Offer Price are calculated by grossing up Operating Earnings Yield and Distribution Yield for the period from Allotment to 30 June 2022 for 12 months and grossing up 1H FY23 for 12 months.
5. The estimated tax deferred component of the forecast Distribution is determined in accordance with the prevailing tax legislation at the time of preparing the PDS. The actual tax deferred component may differ from the estimate above due to timing of revenue, expenses and post IPO acquisition activity.

6.4.2. Statutory Forecast Consolidated Statements of Profit and Loss

The table below details the Statutory Forecast Consolidated Statements of Profit and Loss for the periods from Allotment Date to 30 June 2022 and the six month period ending 31 December 2022.

Statutory Forecast Consolidated Statements of Profit and Loss ($m)	Allotment Date to 30 June 2022 (seven months)[1]	1H FY23 (six months)
Gross Rental Income	12.5	10.8
Property Operating Expenses	(2.8)	(2.5)
Net Property Income	**9.7**	**8.3**
Finance costs	(1.1)	(0.9)
Management fees	(1.1)	(0.9)
Other expenses	(0.3)	(0.3)
Net Operating Profit	**7.2**	**6.2**
Transaction costs[2]	(3.5)	-
Statutory Net Profit	**3.7**	**6.2**

Notes:

1. The Statutory Forecast Consolidated Statements of Profit and Loss have been prepared on the basis that the Proposed Transaction has been implemented and the Allotment occurs on 1 December 2021.
2. Expensed transaction and Offer costs reflect VIC stamp duty on IPO, establishment fees paid to Acure, legal costs, advisor fees, ASX listing fees and prospectus costs totalling $3.5m (Net of $0.25m cost contribution by Acure). Broker fees totalling $4.0m are estimated based on an Offer raise of $113.9m. Broker fees are a direct cost of equity raising and are recorded as a reduction in Securityholder Equity in the Proforma Consolidated Statement of Financial Position. Transaction costs and broker fees will be funded by the proceeds of the Offer and do not affect the operating cash flow of the REIT.
3. The Statutory Forecast Consolidated Statements of Profit and Loss assumes there will be no underlying movement in the fair value of the investment properties during the Forecast Period. The Directors of the Responsible Entity do not believe such movements can be reliably forecast.

6.5. Pro Forma Consolidated Statement of Financial Position

No historical financial statements of the REIT exist as the constituent trusts reported and operated separately prior to their Stapling. The Pro Forma Consolidated Statement of Financial Position presents the statutory notional consolidated statement of financial position consisting of each constituent Trust as at 30 June 2021, adjusted to reflect certain transactions occurring between 1 July 2021 and Allotment Date, and transactions entered into as part of the Offer.

6.5.1. Pro Forma Consolidated Statement of Financial Position

The table below sets out the Pro Forma Consolidated Statement of Financial Position of the REIT as at the Allotment Date.

$m	Statutory Notional Consolidated Balance Sheet as at 30 June 2021	Adjustments from 1 July 2021 to Allotment Date	Adjustments for the Proposed Transaction	Pro Forma Allotment Date Consolidated Balance Sheet
Cash and cash equivalents	7.5	(2.2)		5.3
Receivables and prepayments	0.6			0.6
Total current assets	**8.1**	**(2.2)**		**5.9**
Investment properties[1]	244.3			244.3
Borrowing costs	0.1			0.1
Receivables and prepayments	0.2			0.2
Total non current assets	**244.6**			**244.6**
Total assets	**252.7**	**(2.2)**		**250.5**
Trade and other payables	2.2			2.2
Distribution payable	2.2	(2.2)		-
Interest bearing loans	4.5	(4.5)		-
Total current liabilities	**8.9**	**(6.7)**		**2.2**
Interest bearing liabilities[2]	82.3	4.5		86.8
Other payables	0.2			0.2
Total non current liabilities	**82.5**	**4.5**		**87.0**
Total liabilities	**91.4**	**(2.2)**		**89.2**
Net assets	**161.3**			**161.3**
Securityholder equity[3]	105.8		59.0	164.8
Fair Value Reserves	50.3		(50.3)	-
Retained earnings / (losses)[4]	5.2		(8.7)	(3.5)
Total Equity	**161.3**			**161.3**

No. Stapled Units	166,289,396
NTA per Stapled Unit	$ 0.970
Gearing (drawn debt - cash/ total assets - cash)	33.3%

Notes:

1. Investment property valuations are based on the Independent Valuations set out in Section 10.
2. Interest bearing liabilities comprise of debt drawn of $86.8m.
3. Securityholder equity is recorded in the pro forma balance sheet net of broker fees of $4.0m.
4. Retained losses of $3.5m as at Allotment Date represent transaction and Offer costs.

The Pro Forma Consolidated Statement of Financial Position as at Allotment Date has been prepared to reflect the Proposed Transaction and other adjustments including:

- the consolidation of the constituent trusts;
- forecast working capital movements during the period 1 July 2021 to Allotment Date, including the payment to existing unitholders of the distribution relating to the period ended 30 June 2021 out of cash. The operating earnings generated for the period 1 July 2021 to Allotment Date in each of the constituent trusts are assumed to be distributed to existing unitholders in full prior to the Allotment Date;
- pre-Offer re-financing of the 64 GEH Trust debt facility resulting in a re-classification of a $4.5m debt facility from current to non current;
- the raising of $113.9m under the Offer through the issue of 113.9m Securities at an Offer Price of $1.00 per Security;
- payment of redemption amounts of $106.4m to exiting investors upon the stapling of constituent trusts;
- the payment of total transaction costs of $7.4m, comprising broker fees ($4.0m), establishment fees ($2.5m), Stamp duty ($0.4m), ASX listing fees of ($0.2m) and legal and other due diligence costs ($0.4m) net of $0.25m cost contribution by Acure:
- Reversal of brought forward fair value reserves.

The adjustments discussed in this section include assumptions relating to matters that are not known as at the date of this PDS. The Pro Forma Consolidated Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of the REIT's future financial position.

6.5.2 Pro forma cash reconciliation

The table below details the reconciliation of the statutory notional consolidated cash and cash equivalents of the constituent Trusts as at 30 June 2021, reflecting the actual cash and cash equivalents at that date and reflecting the impact of pro forma adjustments as set out in Section 6.5.1:

Pro Forma Cash Reconciliation ($m)	
Cash and cash equivalents as at 30 June 2021	**7.5**
Working capital movements 1 July 2021 to Allotment Date	(2.2)
Securityholder equity raising at IPO	113.9
Transaction costs of the Offer	(7.4)
Redemption of exisiting unitholders	(106.4)
Pro forma cash and cash equivalents	**5.3**

6.5.3 Pro forma securityholder equity reconciliation

The table below details the reconciliation of the statutory notional consolidated securityholder equity of the constituent Trusts as at 30 June 2021, reflecting the actual securityholder equity balance at that date and reflecting the impact of pro forma adjustments as set out in Section 6.5.1:

Pro Forma Securityholder Equity Reconciliation ($m)	
Securityholder equity as at 30 June 2021	**105.8**
Resetting of pre-IPO reserves	55.5
Securityholder equity redeemed	(106.4)
Securityholder equity issued at IPO	113.9
Broker fees	(4.0)
Pro forma securityholder equity	**164.8**

6.6. Forecast assumptions

The Directors' key best estimate general and specific assumptions relating to the preparation of the Forecast Financial Information are set out below. This information is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring and is not intended to be a representation that the assumptions will occur. Investors should be aware that the timing of actual events and the magnitude of their impact might differ from that assumed in preparing the Forecast Financial Information, and this may have a material positive or negative impact on the REIT's actual performance and/or financial position. Investors are advised to review the assumptions set out in Section 6.6 in conjunction with the sensitivity analysis set out in Section 6.7, the risk factors set out in Section 7 and other information set out in this PDS.

6.6.1. General assumptions

In preparing the Forecast Financial Information, the key best estimate general assumptions include:

- The Allotment Date occurs on 1 December 2021.
- All tenant leases and leases entered into by the REIT are enforceable and are performed in accordance with their terms.
- No material acquisitions or disposals of investment properties.
- No material disputes or litigation during the Forecast Period.
- No material change in economic environment.
- No material change in the level of Federal and State government restrictions due to COVID-19. Please refer to the sensitivity analysis of a change in property rental income in Section 6.7 and for a summary of the risks relating to COVID-19 in Section 7.
- No extensions to the Victorian Commercial Tenancy Relief Scheme Regulations 2021 beyond 15 January 2022.
- No material increase in the level of tenant defaults or decrease in property rental income collection rates.
- No material change in competitive environment in which the REIT operates.
- No material change in credit markets.
- No material change to the REIT's funding structure.
- An average CPI of 2.00%.
- No material change in capital expenditure requirements from those included in the Forecast Financial Information caused by factors outside of the REIT's control.
- No significant change to the legislative regime and regulatory environment in the jurisdictions in which the REIT operates.
- No significant change to any material contract relating to the REIT's business.
- No material change in management arrangements (including the manager) of the REIT.
- Consistent application of key accounting policies.
- No material changes in applicable accounting standards, other mandatory professional reporting requirements, the Corporations Act or any other relevant foreign equivalent of the Corporations Act during the Forecast Period.
- No material changes to Australian income tax legislation during the Forecast Period.

6.6.2. Specific assumptions

The key best estimate specific assumptions applied in preparing the Forecast Financial Information are described below:

Gross Rental Income

- Gross rental income comprises the majority of the REIT's revenue and is generated through operating leases. Gross rental income includes outgoings recoveries.
- Gross rental income has been forecast on a property-by-property basis and is based on the contractual terms of each existing signed lease and assumptions for future occupancy rates, tenant retention, leasing downtime and market rentals.
- Gross rental receipts are assumed to increase according to the relevant underlying leases. The Portfolio has fixed, CPI and market based reviews.

Reletting and Vacancy

- Reletting and lease incentives for expiring leases during the Forecast Period have been assumed on a property-by-property basis taking into consideration heads of agreements, draft terms being negotiated with existing and prospective tenants, and also taking into consideration available information for the relevant tenancy, such as current passing rent, market rent, property, locality, discussions with existing and prospective tenants, and discussions with external leasing agents.
- Letting up periods have been forecast on a property-by property basis based on management's experience and plans for the property. Lease incentives comprising abatements and fit out incentives are included based on either contracted arrangements or assumed incentive payments as assessed by the Manager.
- Leasing fees have been assumed on the let up of each individual lease. Leasing fees have been forecast to be based on the following estimate market rate:

Lease Term	Fee
Up to 3 years	11% of the first year of gross rental (plus GST)
3 to 4 years	12% of the first year of gross rental (plus GST)
4 to 5 years	13% of the first year of gross rental (plus GST)
5 years or more	13% plus 1% for every year over 5 years (capped at 15%) of the first year of gross rental (plus GST)
Existing tenant lease renewals	50% of the fee outlined above

- Lease incentives and leasing fees are funded via draw down of the REIT's existing debt facilities.
- Lease incentives and leasing fees are capitalised and amortised over the term of the lease.

Property Outgoings

- Outgoings have been forecast on a property-by property basis, having regard to current outgoings for each property and in accordance with the provisions of existing contracts or agreements. Outgoings are forecast to increase in line with known increases to statutory rates and taxes, as agreed in existing contracts or by CPI.

- Subject to the provisions of each existing lease agreement, a portion of the total property outgoings or percentage increase in property outgoings are recoverable by the REIT from tenants and recognised as part of gross rental income on a property-by -property basis.

Management Fees

- Management fees represent fees paid to Manager and are calculated based on a percentage of total gross investment property value summarised as:

Gross Asset Value ("GAV")	Fee p.a.
Up to $500M	0.75%
$500M to $1BN	0.65%
over $1BN	0.55%

Please refer to Section12 for further details on management fees.

Other Expenses

- Other expenses include ASX listing fees, valuation fees, audit fees, tax advisor fees, compliance and custodian fees, share registry fees, legal fees and other administration costs which the REIT expects to incur. The forecast expenses represent the Responsible Entity's best estimate of the likely costs to be incurred based on a combination of external quotes and external benchmarks.

Finance Costs

- The REIT's borrowings under its debt facilities are forecast to incur an average interest rate of 2.11% (inclusive of margin based on existing loan agreements).

Taxation

- The REIT is expected to be treated as an Attribution Managed Investment Trust for Australian Tax purposes. Under current Australian income tax legislation, the REIT is not liable for Australian income tax, including capital gains tax, on the basis that Securityholders will generally be liable for tax on the net income of the REIT on an attribution basis. Accordingly, no allowance for income tax has been made.

Transaction and Offer Costs

- Transaction and Offer costs include VIC stamp duty on IPO, establishment fees paid to Acure, underwriting fees, legal costs, advisor fees, ASX listing fees and prospectus costs.
- At the date of this PDS, transaction and Offer costs have been estimated at $7.4m. Transaction and Offer costs include $4.0m broker fees which directly relate to the cost of capital raising and have been debited directly to equity in the Pro Forma Consolidated Statement of Financial Position. The remaining balance of transaction and Offer costs of $3.5m are expensed to the Statutory Forecast Consolidated Statements of Profit and Loss.

Capital Expenditure

- Capital expenditure forecasts are based on the REIT's assessment on a property-by-property basis having regard to historical property expenditure and future capital expenditure requirements. It is intended that investment in capital expenditure and long-term structural capital expenditure is treated as an addition to investment property, and (where appropriate) funded via debt. At the date of this PDS, all identified structural capital expenditure items have been included in the Forecast Financial Information.

Distributions

- Forecast Annualised Distribution Yield of 7.0% for the period from Allotment to 30 June 2022 and 7.0% for 1H FY23. This reflects an average distribution payout ratio of 100%.
- It is intended that Distributions are paid quarterly with the first Distribution expected to be paid in May 2022, based on a pro rata amount for the period from Allotment Date to 31 March 2022. The REIT will aim to distribute 90%-100% of Operating Earnings per year. The Directors of the Responsible Entity retain the discretion to amend the distribution policy. The Directors of the Responsible Entity will have regard to the amount of cash available and the REIT's capital expenditure requirements in determining the REIT's distribution payout ratio and may change the distribution payout ratio in the future.

6.7. Sensitivity analysis

The Forecast Financial Information is based on a number of estimates and assumptions that are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Responsible Entity, its Directors and management. These estimates and assumptions are subject to change. The Forecast Financial Information is also subject to a number of risks as outlined in Section 7.

Investors should be aware that future events cannot be predicted with certainty and, as a result, deviations from the figures forecast in this PDS are to be expected.

Set out below is a summary of the sensitivity of forecast Annualised Operating Earnings Yield on Offer Price to certain changes in a number of key variables. The change in key variables as set out in the sensitivity analysis are not intended to be indicative of a complete range of variations that may be experienced.

Annualised Operating Earnings Yield on Offer Price	Allotment Date to 30 June 2022 (seven months)	1H FY23 (six months)
Base Case	6.7%	7.1%
100 basis points increase in annual interest rate on debt	6.3%	6.6%
10.0% reduction in gross rental income received	5.5%	5.9%
10.0% increase in unrecoverable property outgoings	6.5%	6.9%
No lease up of existing vacant tenancies	6.6%	6.9%

The estimated impact of changes in each of the variables has been calculated in isolation from changes in other variables, to illustrate the likely impact on the financial forecasts. In practice, changes in variables may offset each other or may be cumulative.

6.8. Summary of significant accounting policies

The preparation of the Financial Information requires estimates, judgements and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities. Actual results may differ from these estimates under different assumptions or conditions. Revisions to estimates are recognized in the period in which the estimate is revised and in any future period affected.

The significant accounting policies below apply estimates, judgements and assumptions which could materially affect the financial results or financial position reported in future periods.

6.8.1. Consolidation and Stapled Group Entities

Reporting Entity

The Acure Core Plus REIT ("the REIT"), is a stapled consolidated entity comprising the assets and liabilities of:

- The Australind Unit Trust
- The Industrial Trust No.1 and its subsidiary trusts
- The Shepparton Home Unit Trust
- The Apartment 66 Unit Trust
- The OTC Carnarvon Unit Trust
- The OTC Karratha Unit Trust
- The OTC Port Hedland Unit Trust
- The 64GEH Unit Trust

Together referred to as the "REIT". The units in each trust listed above are stapled, and on and from listing, will be quoted as securities on the ASX such that the units cannot be traded separately.

The consolidated Financial Statements of the REIT incorporate the assets and liabilities of each stapled trust and its subsidiary trusts. A subsidiary trust is a trust over which the REIT is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the trust. All intercompany transactions, balances and unrealised gains on transaction between Trusts and subsidiary trusts are eliminated on consolidation. Accounting policies of subsidiary trusts have been changed where necessary to ensure consistency with those policies adopted by the REIT.

6.8.2. Revenue Recognition

The REIT recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

Rental income is recognized as revenue on a straight-line basis over the lease term.

Recovery of property outgoings are determined by the actual costs incurred and the terms in the lease and are recognized as revenue over the period the services are provided.

6.8.3. Management Fees and Other Expenses

All expenses are recognized on an accrual basis. Management fees are recognized as the services are rendered. The services relate to the property and fund management roles provided by the Manager and Responsible Entity. Management fees are charged in accordance with the management fee arrangements agreed with the REIT.

6.8.4. Interest Bearing Liabilities

Interest bearing liabilities are recognised initially at cost, being the fair value of the consideration received net of transaction costs associated with the interest bearing liability. Subsequent to initial recognition, interest bearing liabilities are recognised at amortised cost using the effective interest method. Under the effective interest method, any transaction fees, costs, discounts and premiums directly related to the borrowings are recognised in the statement of profit and loss and other comprehensive income over the expected life of the borrowings.

Interest bearing liabilities are classified as current liabilities where the liability has been drawn under a financing facility which expires within 12 months. Amounts drawn under facilities which expire after 12 months are classified as non-current.

6.8.5. Investment property

Investment properties are properties held to earn rental income and/or for capital appreciation. Investment properties are measured initially at cost. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in the statement of profit and loss and other comprehensive income in the year in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss and other comprehensive income in the year in which the property is derecognised.

6.8.6. Leasing costs and tenant incentives

Leasing costs are costs that are directly associated with negotiating and arranging an operating lease (including commissions fees and costs of preparing and processing lease documentation). These costs are capitalised and amortised on a straight-line basis over the term of the lease.

Incentives such as cash, rent-free periods and tenant fit out contributions may be provided to tenants to enter into a lease. These incentives are capitalised and are amortised on a straight-line basis over the term of the lease as a reduction of rental income.

6.8.7. Trade and other payables

These amounts represent liabilities for goods and services provided to the REIT prior to the end of the financial year which are unpaid. These amounts are unsecured and usually paid within 30 days of recognition. Payables are recognised at amortised cost and normal commercial erns and conditions apply to payables.

Distributions paid and payable are recognised as distributions within equity. A liability is recognised where distributions have been declared but have not been paid at reporting date.

All payables with maturities greater than 12 months after reporting date are classified as non-current liabilities.

6.8.8. Derivatives

The REIT enters into derivative financial instruments to manage its exposure to interest rate risk. Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which case the timing of recognition in profit and loss depends on the nature of the hedge relationship.

6.8.9. Income taxes

The REIT is intended to be treated as a "flow-through" entity for Australian income tax purposes under the Attribution Managed Investment Trust rules such that the net income of the REIT will be taxable in the hands of the Securityholders on an attribution basis.

6.9. Working capital

The Directors of the Responsible Entity are of the opinion that the REIT will have sufficient working capital to carry out its stated business objective. The REIT is expected to have net working capital of $3.8m and $5.9m in undrawn debt capacity under existing debt facilities at Completion of the Offer. Therefore, the Acure Core Plus REIT is expected to have combined net working capital and undrawn debt reserves of $9.7m as at Completion of the Offer.

Refer to Section 13.9 for details on the debt facilities.

ACURE FUNDS MANAGEMENT

7 RISKS

7. Risks

The REIT is subject to various risk factors. Some of these are specific to its business activities, while others are of a general nature. Many of these risks, or the consequences of them, are outside the control of the Responsible Entity, which if they were to eventuate, either individually or in combination, may have a material adverse impact on the REIT's assets and liabilities, financial position and performance, profits and losses and prospects, and the value of the Securities.

Prospective investors should note that this Section 7 identifies the Responsible Entity's current views of the key risks of Investing in the REIT and are not an exhaustive list of the risks associated with the REIT or the property industry in which it operates, or an investment in the REIT either now or in the future. This information should be used as guidance only and read in conjunction with all other information presented in this PDS.

There can be no guarantee that the REIT will achieve its stated objectives or that any forward looking statement or forecasts will eventuate.

Before deciding whether to invest in the REIT, prospective investors should read this section together with the entire PDS and satisfy themselves that they have a sufficient understanding of the potential risks and should consider whether an investment in the REIT is suitable for them after considering their own investment objectives, financial circumstances and tax position. There may be additional risks that should be considered in light of each prospective investors' personal circumstances.

If you do not understand any part of this PDS, or are in doubt as to whether to invest in the REIT or not, it is recommended that you seek professional guidance from your broker, solicitor, accountant or other qualified professional adviser before deciding whether to invest.

7.1. Risks specific to investment in the REIT

COVID-19 impact

The COVID-19 pandemic has had a significant impact on the global and Australian economy and the ability of businesses, individuals and governments to operate. Emergency powers and restrictions have been enacted on an international, Federal and State level in Australia which, amongst other things, have restricted travel and the ability of individuals to leave their homes, travel to places of work and has disrupted the ordinary patterns of consumption of goods and services.

Furthermore, the National Cabinet's Code of Conduct setting out leasing principles for small to medium enterprises (SMEs) in Australia has been given effect through state and territory legislation or regulation. The Code applies to SME tenants whose turnover is under $50 million and who are also eligible for the Australian Government's JobKeeper program. While there is some variation amongst the states and territories, in general landlords are required to grant rent relief to eligible tenants on a proportionate basis, in line with their reduction in trade due to COVID-19. States such as Victoria and New South Wales where COVID-19 outbreaks have been prolonged have extended their regulatory regimes until 2022.

Certain tenants within the Portfolio were afforded insignificant rental abatements to date but overall, the Portfolio has demonstrated a strong track record during the period since the COVID pandemic commenced in Australia in the early part of the 2020 calendar year. This has in part been due to the nature of the tenants in place, the nature of the services provided by the tenants and the relative success in containing COVID in the immediate vicinity of the locations of the Properties.

However, with the continued uncertainty surrounding the extent and duration of COVID-19, it is not currently possible to assess the future impact of COVID-19 on the REIT. There is a prospect that restrictions on a more significant scale may occur if the COVID-19 outbreak cannot be adequately contained, which could limit operations of the tenants at some of the Properties within the Portfolio. Further, the REIT's tenants may be directly or indirectly affected by government, regulatory or health authority actions, work stoppages, lockdowns, quarantines and travel restrictions associated with COVID-19, including disruption to supply chain and workforce, particularly the availability of products and logistics (including shipping of products) and government-imposed shut downs of manufacturing and distribution centres affecting the supply of products to customers. There is a risk that if the duration of events surrounding COVID-19 are protracted, the REIT may need to take additional measures in order to respond appropriately.

There are also other changes in the domestic and global macroeconomic environment associated with the events relating to COVID-19 that are beyond the control of the REIT and may be exacerbated by the impact of measures taken to contain, and disruptions caused by, COVID-19. These include but are not limited to:

- changes in inflation, interest rates and foreign currency exchange rates;
- changes in employment levels and labour costs;
- changes in aggregate investment and economic output; and
- other changes in economic conditions which may affect the income and expenses of the REIT.

Rental income and expenses risk

The REIT's primary source of income is generated through its leasing arrangements on the Portfolio.

Distributions made by the REIT are largely dependent on the rents received from tenants across the Portfolio and expenses incurred during business operations, which may be affected by a number of factors, including:

- overall economic conditions;
- local property market conditions;
- the financial condition and solvency of tenants;
- ability to attract new tenants;
- ability to extend leases or replace outgoing tenants with new tenants;
- incentives offered to attract prospective tenants;
- increases in rental arrears and vacancy periods;
- increase in unrecoverable outgoings;
- competition from newly built or existing properties;
- reliance on key tenant(s) which lease a significant proportion of the Portfolio;
- expenses associated with re-leasing the tenancies, attracting prospective tenants or taking enforcement actions;
- changes in tenancy laws;
- supply and demand in the property market; and
- external factors including pandemics, terrorist attacks, significant security breaches or a major world event.

The REIT expects to receive rental income from its Portfolio as described in Section 3. However, there is a risk that rental income might be materially different to the income described in the Financial Information set out in Section 6. Additionally, the forecasts included in this PDS (see Section 6.4) make a number of assumptions in relation to the level of rental income, including that all existing leases are performed in accordance with their current terms. Rental income may decline for a number of reasons, including as a result of:

- failure of existing tenants to perform existing leases in accordance with their terms;
- failure on the part of the REIT to enforce contracted rent increases or agree market rental reviews; or
- termination of a lease by a tenant due to convenience or failure on the part of the REIT to meet lease terms.

Any adverse impact on rental income could potentially decrease the value of the REIT and materially adversely affect the REIT's financial performance and distributions.

Re-leasing and vacancy risk

As at 1 July 2021, the REIT's weighted average lease expiry by income was 8.0 years.

The Portfolio's leases are due for renewal on a periodic basis. In the future, there is a risk that the REIT may not be able to negotiate suitable lease renewals with existing tenants, maintain existing lease terms or locate new tenants to occupy the currently unoccupied properties. The REIT's ability to secure lease renewals or to obtain new tenants may be influenced by any leasing incentives granted to prospective tenants and the supply of properties in the market, which, in turn, may increase the time required to let vacant space. Should the REIT be unable to secure a tenant for a vacant property for a period of time, this will result in lower rental returns to the REIT, which could materially adversely affect the REIT's financial performance and distributions.

The REIT could lose tenants due to a range of events including as a result of failure to renew a lease, termination of a lease due to change of control, deterioration in the level of service provided to tenants, weakening of tenant relationships or disputes with tenants, consolidation of a tenant's sites or insolvency of tenants. Any of these factors could adversely affect the financial performance of the REIT and distributions.

ACURE
FUNDS MANAGEMENT

Property valuation risk

The Responsible Entity has obtained independent valuations for each of the properties in the Portfolio and will periodically confirm those values by engaging an independent valuer in accordance with the REIT's valuation policy. The value of the Portfolio, or each property held by the REIT may fluctuate due to a number of factors affecting both the property market generally or the REIT's properties in particular, including:

- changes in property income;
- changes in discount rates used by valuers;
- fluctuating occupancy levels;
- tenant defaults;
- material change in quality of tenant;
- change in supply and demand for commercial properties;
- general property market conditions; and
- general economic conditions, including prevailing interest rates.

The valuations contained in the Valuation Reports reflect the relevant valuers' assessment of the value of the relevant property on or around 30 June 2021. Property value may fall if the underlying assumptions on which the valuation reports are based change in the future. Valuations may differ depending on the valuer appointed. A valuation may not affect the actual price that would be realised if a Property is sold. A reduction in the value of any property may adversely impact the REIT's income statement or value of Securities in the REIT. Additionally, it may also impact the REIT's financing arrangements.

Property illiquidity

The REIT may be required to dispose of some of its property assets in response to adverse business conditions. By their nature, investments in real property assets are illiquid investments. There is a risk that should the REIT be required to realise property assets, it may not be able to do so in a short period of time, or may not be able to realise a property asset for the amount at which it has been valued. This may adversely affect the REIT's NTA and the value of Securities. There is no guarantee that the time a property is put out to the market coincides with an optimal time to sell, particularly when the decision is driven by a factor other than the receipt of a third party favorable offer. This may affect the REIT's net asset value or trading price per Security.

Tenant concentration

The majority of the properties in the Portfolio are single tenanted. This exposes the value and performance of each property to the ability of those tenants to continue to meet their obligations under the respective lease agreements. In aggregate, 83% of the gross property income is generated from the top eight major tenants. There is a risk that if one or more of the major tenants ceases to be a tenant, the REIT may not be able to find a suitable replacement tenant or may not be able to secure lease terms that are as favourable as current terms. Should the REIT be unable to secure a replacement tenant for a major tenant for a period of time or if replacement tenants lease the property on less favourable terms, this will result in a lower rental return to the REIT, which could materially adversely affect the financial performance of the REIT and Distributions.

Forecast Capital Expenditure

The forecast capital expenditure described in Section 6 represents the REIT's current best estimate of the associated costs in maintaining and developing the Portfolio over the forecast period. Whilst capital expenditure is not anticipated to be significant, there is a risk that the required capital expenditure will exceed the current forecasts, which could lead to increased funding costs and adversely impact distributions.

Competition

The REIT will face competition from other property groups active in Australia. Some of these competitors have significantly greater scale, and may have an advantage in acquiring properties relative to the REIT due to more readily available sources of capital and a lower return threshold. Competition for new acquisitions in the sector in which the REIT operates may make it difficult for the REIT to acquire properties and to increase its scale or its level of diversification. In addition, such competition could lead to the following adverse outcomes:

- loss of tenants to competitors;
- an inability to secure new tenants resulting from oversupply of commercial space; and
- an inability to secure maximum rents due to increased competition.

Environmental and Contamination Risks

Property income, Distributions or property valuations could be adversely affected by discovery of an environmental contaminant and the costs of property preservation or remediation associated with environmental contamination. This risk may occur whether or not the contamination was accidental, caused by the REIT, or by prior owners or third parties. This risk may not be possible to ascertain in due diligence on a new acquisition. Government authorities may require the REIT to remediate such contamination and require it to undertake any such remediation at its own cost. Remediation costs may be significant, and there may be consequential effects such as Property closure and loss of rent (including potential costs of relocation of tenants in some circumstances) which could adversely affect Distributions and the Security price of the REIT. It may also potentially hinder the ability of the REIT to dispose of the property and their ability to be used as collateral may be limited.

In addition, environmental laws impose penalties for environmental damage and contamination which may be material. The REIT's Portfolio includes industrial assets where tenants' businesses involve the use of industrial chemicals, should a person be exposed to a hazardous substance at a property within the Portfolio, they may make a personal injury claim against the REIT. Such a claim could be material.

Environmental issues may also result in interruptions to the operations of a Property. Any lost income caused by such an interruption to operations may not be recoverable.

The operations of the REIT and the tenants are subject to government environmental legislation. New or more stringent environmental laws or regulations could be introduced in the future, for example in relation to climate change, which may require the REIT to incur additional material expenditure to ensure that the required compliance is maintained.

While environmental issues are continually monitored, there is no assurance that the REIT's operations or those of a tenant will not be affected by an environmental incident or subject to environmental liabilities, which could impact the reputation and financial performance of the REIT and distributions.

Health and Safety

There is a risk that liability arising from workplace health and safety matters at a Property may be attributable to the REIT as the landlord instead of, or in addition to, the tenant. To the extent that any liabilities may be borne by the REIT, this may impact the financial performance of the REIT (to the extent not covered by insurance). In addition, penalties may be imposed upon the REIT which may have an adverse impact on the REIT or Distributions.

Development Activities and Risks

The REIT may seek to undertake development on selected Properties to drive value and growth through site optimisation and will take reasonable steps to mitigate development and delivery risk.

There are typically higher risks associated with development activities than holding developed assets.

The risks faced by the REIT in relation to existing or future development projects will depend on the terms of the transaction at the time. The REIT will seek to mitigate the risks associated with development projects by employing the following risk mitigation strategies:

- obtaining leasing pre-commitments; and
- entering into fixed price contracts with builders and other service provides.

E-Commerce Trends

There has been a documented trend towards consumers using e-commerce sales channels when purchasing goods and services. This trend has resulted in significant disruption to the operations of traditional retailers, some of which are tenants within some of the Portfolio Properties.

Moreover, the overall disruption to retailing in Australia associated with e-commerce may ultimately impact upon the rents that can be charged by retail focused landlords, such as the REIT.

While the REIT can take steps to mitigate its exposure to these trends, a fundamental shift away from in-store shopping across all retail categories would likely have a negative impact on the REIT's financial performance, financial position and distributions.

Financial Forecasts

This PDS contains Forecast Financial Information for the period ending 31 December 2022. The forward-looking statements, opinions and estimates provided in this PDS, including the Forecast Financial Information, rely on various factors, many of which are outside the control of the Responsible Entity. There can be no guarantee that the assumptions on which the forward-looking statements, opinions and estimates are based, will ultimately prove to be valid or accurate, including rents, property costs and corporate expenses incurred by the REIT.

The REIT and the Responsible Entity give no assurance that the REIT's actual results will not differ materially from those presented in the Forecast Financial Information. Any material adverse difference may adversely affect the value of the Securities.

No guarantee of distributions or capital returns

There is no guarantee as to the amount of any income or capital return from the Securities or the performance of the REIT as its ability to pay distributions is subject to many variables.

Even if the REIT is able to pay a distribution, its ability to maintain and/or increase distributions over time cannot be guaranteed as its ability to do so is dependent on a number of factors including rental income, acquisitions and completion of developments on time or to budget.

If any of these factors are not met, the REIT's ability to maintain or increase distributions may be adversely impacted.

Furthermore, there may be restrictions on the REIT's ability to pay distributions to Securityholders during the term of the Debt Facility. As a general matter, the REIT is permitted to pay distributions as it sees fit, other than where an event of default or a potential event of default under the Debt Facility is continuing or during any remedy period.

Responsible entity and management

By investing in Acure Core Plus REIT, Securityholders have delegated investment decisions to the Responsible Entity and its officers. The Responsible Entity has delegated the day to day management of Acure Core Plus REIT and the Portfolio to the Manager, and is also assisted by other external service providers. Accordingly, Acure Core Plus REIT is reliant on the management expertise, support, experience and strategies of the key executives of Acure and other third parties, which cannot be assured. If Acure and other third parties do not perform as service providers this could have an adverse impact on the management and performance of Acure Core Plus REIT and therefore distributions and the Unit price. The past performance of Acure is not a guarantee of the future performance of Acure Core Plus REIT.

The ability of the Managers to discharge their respective responsibilities in terms of managing the Portfolio business model depends to a significant extent, on the experience, knowledge and performance of its key personnel; in particular the senior management of Acure as disclosed in Section 5. The loss of key personnel, a sustained underperformance by key personnel or any delay in the appointment of their suitable replacements may therefore materially adversely affect the financial performance of Acure Core Plus REIT and distributions.

In addition, if Acure Funds Management Limited is replaced as responsible entity of Acure Core Plus REIT by an entity that is not a related body corporate of the Acure Group, there is potential for adverse effects to be experienced by Acure Core Plus REIT due to the loss of the services of the Managers (as the Investment Management Agreement will provide the incoming responsible entity and/or the Managers a right to terminate in these circumstances). If the agreements are terminated as a result of the change in responsible entity, the Managers will be entitled to a compensation payment under the relevant agreement.

Conflicts of interest

The Responsible Entity, its affiliates and its various service providers may from time to time act as issuer, investment manager, market maker, custodian, Security registry, broker, administrator, distributor or dealer to other parties or REITs that have similar objectives to those of the REIT. It is, therefore, possible that any of them may have potential conflicts of interest with the REIT.

The Responsible Entity and its affiliates may invest in, directly or indirectly, or manage or advise other REITs which invest in assets which may also be purchased by the REIT.

Neither the Responsible Entity nor any of its affiliates nor any person connected with it is under any obligation to offer investment opportunities to the REIT.

The Responsible Entity may, from time to time, engage affiliates and/or associates in their professional advisory capacity. The parties in their capacity as advisers may receive fees for providing services including, but not limited to, accounting, legal, human resources and/or strategic advice. The amount of these fees and payment terms will be negotiated at arm's length and will be deducted from the returns of the REIT or paid directly by the Responsible Entity. The Responsible Entity maintains a conflicts of interest policy to ensure that it manages its obligations to the REIT such that all conflicts (if any) are resolved fairly. This process is monitored by the Compliance Committee which has a majority of independent members.

New Stapled Entity

As the REIT is a new stapled entity with no previous public market trading history, corporate costs could be higher than forecasted.

The REIT's financial forecasts could also be negatively impacted by unexpected increases in non-recoverable property operating expenses.

The REIT may be unable to refinance, repay or renew its debt

The REIT uses bank debt to partially fund its business operations. The REIT will be subject to various financial and non-financial covenants under the Debt Facilities which could limit its future financial flexibility.

Interest payable on the Debt Facilities will depend on the interest rate, which is comprised of a base interest rate plus an interest rate margin. An increase in interest rates or an increase in the margins on which financing can be obtained may increase the REIT's financing costs.

If the REIT's financial performance deteriorates, including due to a decline in rental income or the value of the Portfolio, the REIT may be unable to meet the covenants under the Debt Facilities. This may require the REIT to seek amendments, waivers of covenant compliance or alternative borrowing arrangements, to reduce debt or raise additional equity.

If a breach of covenant under the Debt Facilities were to occur, there is no assurance that a debt financier would consent to an amendment or waiver, or that debt financiers would not exercise enforcement rights, including cancelling the Debt Facilities, requiring immediate repayment or enforcing their security. If a debt financier enforces its security over the relevant assets of a subsidiary of the REIT which has provided security to support the REIT's debt financing and forces a sale of the secured property, there is a risk that the value received may be less than the amount of the secured obligations and may be less than the optimal sale price. If the REIT is unable to repay or refinance the Debt Facilities upon maturity or in the event of a breach of covenant, the REIT may have to seek further equity, dispose of assets or enter into new debt facilities on less favourable terms. These factors could materially adversely affect the REIT's ability to operate its business, acquire new properties and fund capital expenditure and could materially adversely affect the financial performance of the REIT and distributions, and the REIT may suffer reputational damage which could result in lenders being unwilling to extend additional finance or potentially raise future borrowing costs.

In the future, the REIT may also need to access additional debt financing to grow its operations and its Portfolio. If the REIT is unable to refinance, repay or renew its debt facilities or otherwise obtain debt finance on favourable terms, the REIT may not meet its growth targets, which may adversely impact The REIT's financial performance and distributions.

The REIT's ability to extend the Debt Facilities or to borrow money for refinancing, capital expenditure or acquisitions will depend on a range of factors including general economic conditions, debt and equity market conditions, as well as the REIT's financial position, financial performance and reputation. Changes in the above factors may impact the cost or availability of funding, and accordingly the REIT's financial performance, financial position and distributions. There can be no assurances that future financing will be available on terms acceptable to the REIT, or at all.

To the extent that the REIT incurs variable rate indebtedness that is unhedged, increases in interest rates may increase the cost of borrowing and this may adversely affect the REIT's ability to make timely payments in respect of the Debt Facilities. In order to reduce exposure to the impact of moving interest rates, the REIT intends to enter into interest rate swaps at or around Completion.

However, where interest bearing indebtedness is hedged, hedging arrangements themselves involve risk, such as the risk that counterparties may fail to honour their obligations under these arrangements, and that such arrangements may not be effective in reducing exposure to movements in interest rates.

Stamp Duty on Stapling

Ad valorem stamp duty will be payable in respect of future acquisitions of properties from third parties by the REIT.

No stamp duty is payable in respect of the Existing Properties as a result of the Offer. The Listing of the REIT on the ASX will give rise to a liability to "listing duty" duty in Victoria for the REIT. The Victorian listing duty payable on the Listing of the REIT is currently estimated to be $0.44m.

The subsequent listing of the REIT on the ASX and Official Quotation of the Securities on the ASX will not trigger any stamp duty liability, provided all of the Securities are quoted at all relevant times and no person, either alone or with associated persons, acquires a 90% or greater interest in the Securities in the REIT.

To the extent that stamp duty is levied other than as expected, then the REIT may incur significant unexpected costs.

Tax

The information in this PDS assumes that the REIT will be treated as a "flow-through" entity for Australian income tax purposes under the Attribution Managed Investment Trust rules such that the net income of the REIT will be taxable in the hands of the Securityholders on an attribution basis. However, the REIT would lose this "flow-through" status if:

- there was a legislative change which removed the "flow-through" status of property trusts; or
- the REIT engaged in activities which lead to it being taxed on its net income at the corporate tax rate for Australian income tax purposes.

Depending on the Securityholder's individual circumstances, a loss of the "flow-through" treatment of the REIT may adversely affect the after-tax investment returns.

To the extent that the Trusts are not classified as "public trading trusts", the REIT will generally not be subject to Australian income tax, including capital gains tax, under current Australian income tax legislation provided that the REIT's Securityholders are presently entitled to all of the income of the REIT at the end of each income year, as should be the case under the Constitutions. Consequently, Distributions made by the REIT will be on a 'pre-tax' basis with any Australian income tax in respect of the REIT's income being payable by, or on behalf of, Securityholders rather than the Responsible Entity. Changes in the REIT's business activities could result in the REIT incurring tax on its income in the future, such that subsequent distributions would be paid on a 'post-tax' basis.

Furthermore, changes to Australian tax legislation or regulations, or the interpretation thereof by the courts, may impact on the manner or basis of taxation of the REIT or Securityholders. Further details of tax consequences for certain Australian investors are provided in Section 11 of this PDS

Insolvency Event

In the event of any liquidation or winding up of the REIT, the claims of the REIT's creditors will rank ahead of those of its Securityholders. Under such circumstances the REIT will first repay or discharge all claims and debts of its creditors.

Any surplus assets will then be distributed to the REIT's Securityholders. All Securityholders will rank equally in their claim and will be entitled to an equal share per Security.

Compliance Risk

The Responsible Entity is subject to strict regulatory and compliance arrangements under the Corporations Act and ASIC policy. If the Responsible Entity breaches the Corporations Act or the terms of its AFSL, ASIC may take action to suspend or revoke the licence, which in turn would adversely impact the ability of the Responsible Entity to manage the REIT. In order to ensure compliance with the REITs' Constitutions, the Corporations Act and the Listing Rules, the Responsible Entity has adopted a Compliance Plan (set out in Section 13.8) which sets out the key processes the Responsible Entity will apply in complying with its compliance obligations.

Disputes and Litigation

The REIT may be the subject of claims, disputes or litigation in the course of its business by Securityholders, tenants, governmental agencies or other third parties.

For example, tenants may claim that rent is not due and payable, governmental agencies may claim that the REIT has not paid rates or other taxes or is not compliant with applicable planning or zoning laws and third parties may claim for breach of contract.

Any complaints, disputes, claims or litigation in which the REIT is involved may result in a financial penalty, the inability of the REIT to conduct its business or implement its strategy and/or damage to the REIT's reputation and may divert financial and managerial resources away from running the REIT's business.

Any of these potential outcomes may adversely affect the REIT's financial performance and distributions.

Termination

In the event the REIT is terminated or wound up, the claims of the REIT's creditors will have priority over the claims of Securityholders. Under such circumstances, the Responsible Entity may sell Properties and first repay or discharge all costs and liabilities owed to the REIT's creditors before distributing the remaining proceeds to Securityholders. Any remaining proceeds will be distributed among Securityholders pro rata in accordance with the proportion of Securities held by Securityholders. As such, there is a risk that Securityholders may receive no amount, or an amount less than the purchase price, on termination or winding up of the REIT.

The REIT may suffer loss for which it is not insured

The REIT will carry a range of insurances which the board of the Responsible Entity and management view as customary for the Properties. However, there are certain events for which the REIT will not maintain insurance cover. Insurance cover may not be available for certain kinds of losses, which may include, but are not limited to loss caused by:

- war or political or civil instability;
- terrorism; and
- catastrophic events such as floods, bushfires or pandemics.

If any of the REIT's properties are damaged or destroyed by an event for which the REIT does not have coverage, the REIT could incur a capital loss and lose income which could reduce Securityholders' returns.

Dependent on the type of coverage, the REIT may have to incur an excess prior to any payment by the insurer or pay for any difference between the full replacement cost and insured amount. The REIT may also incur increases to its insurance premium applicable to other areas of cover as a result of the event requiring insurance.

The REIT may not be able to recover under its insurance if the company or companies providing the insurance (or any reinsurance) are under financial distress or insolvency.

Retail Tenancies legislation

Retail tenancies legislation is in force in each Australian State and Territory which regulates the terms on which leases and licences are granted to tenants of retail premises. As a retail business is carried on at a number of Properties in the Portfolio, the REIT has considered the potential application of retail tenancies legislation in respect of the its business and, in the case of each lease, considers that such legislation by its terms does not apply to the leases or, if it does apply, it intends to comply with applicable legislation.

There is a risk that retail tenancies legislation as applicable in any Australian State or Territory may be amended in a manner unfavourable to the REIT or that the REIT does not comply with applicable retail tenancies legislation. In that event, the REIT may be adversely impacted as a result.

Data Breach

The REIT will collect, process and store, through the ordinary course of its business operations, a wide range of data, including confidential data relating to its tenants. Measures that the REIT employs to secure and protect technology systems and data may not be sufficient to prevent system failures or data breaches arising from factors beyond its control and/or to detect or prevent unauthorised access to, or disclosure of, confidential information and data.

There is a risk that the REIT's systems, or those of its third-party service providers, fail, or are subject to disruption as a result of external threats or system errors. Cyber-attacks, data theft, data loss, human error or malfeasance may also result in data breaches resulting from unauthorised access to, or disclosure of information, including sensitive and/or confidential information, whether malicious or inadvertent.

Despite seeking to maximise the protection of data, there is a risk that the REIT is exposed to a security breach or successful cyberattack. Any systemic failure and/or data security breaches could result in significant disruption to the REIT's services, loss of system integrity, breaches of the REIT's obligations under applicable data protection laws or contractual agreements, an obligation under privacy laws to notify individuals and the Australian Information Commissioner of the breach, reputational damage, and could reduce its ability to retain existing tenants and generate new tenants, each of which could have a material adverse effect on the REIT's financial performance and distributions.

Further, there is a risk that the REIT may be unable to provide critical business processes due to a potential
distributed denial-of-service attack, resulting in disruption of services, loss of customers and financial and reputational damage.

Dilution from future capital raisings

Future capital raisings and equity-funded acquisitions by the REIT may dilute the holdings of Securityholders.
In the normal course of managing the REIT, the Responsible Entity is seeking to increase distribution income to Securityholders and to provide for the potential for capital growth. In order to provide this growth, capital raisings may be undertaken to acquire further property investments. At the extreme, a capital raising may need to be undertaken to reduce debt in order that the REIT remain compliant with its debt covenants.

Reliance on third parties

The Responsible Entity may engage third party services providers in respect of part or the whole of the Portfolio. The terms of such engagement and the nature, scope and fees relating to the services provided by such third party service providers will be subject to contractual arrangements between the Responsible Entity or the Manager and the relevant third parties. A failure of third parties to discharge their agreed responsibilities may adversely affect the management and financial performance of the REIT and therefore also adversely impact returns to Securityholders.

Acquisitions

The Responsible Entity and the Investment Manager will continue to seek to identify new properties for acquisition. There is a risk that the Responsible Entity or the Investment Manager will be unable to identify future properties that meet the REIT's investment objectives, or if such properties are identified, that they cannot be acquired on suitable terms. A failure to identify appropriate properties or successfully acquire such properties could adversely affect the growth prospects and the financial performance of the REIT.

The Responsible Entity will endeavor to do all reasonable and necessary due diligence on acquisition properties. However, there remains a risk that potential issues are uncovered subsequent to due diligence and that these risks cannot be fully mitigated by the warranties and indemnities in the sale agreements, or related insurance arrangements, for those acquisitions.

In the event an unforeseen liability arises in respect of which the purchaser is not able to be indemnified, this may adversely impact the financial performance of the REIT and Distributions. There can also be no guarantee as to the financial capacity of vendors of properties. In these circumstances, if a warranty or other claim was made under an acquisition agreement, there is a risk that funds may not be available to meet that claim. Any inability to recover amounts claimed from vendors could materially adversely impact the REIT's financial performance.

There is also a risk that acquired properties do not perform as expected due to a variety of factors including but not limited to changing property market conditions, tenants vacating the properties or tenant default.

Regional exposure

The Portfolio includes some Properties located in regional areas of Australia. Regional areas tend to have smaller population sizes, fewer public services and less infrastructure. This could negatively impact the ability to find tenants willing to operate their business in regional areas and thus risk rental income generation, which may impact Operating Earnings of the REIT and Distributions. The value of the Portfolio could also subsequently decrease due to the lower demand for leasing arrangements over property located in regional areas.

Failure of risk management and internal control strategies

The REIT will implement risk management strategies and internal controls involving processes and procedures intended to identify, monitor and mitigate the risks to which it is subject, including risks related to liquidity, interest rates, counterparties, compliance, market conduct, bribery and corruption, anti-money laundering and counter terrorism funding compliance, insurance and operational, all of which are important to the REIT's reputation and business operations. However, there are inherent limitations with any risk management and internal control framework as there may exist, or emerge in the future, risks that the REIT has not adequately anticipated or identified. If any of the REIT's risk management and internal control processes and procedures prove ineffective or inadequate, or are otherwise not appropriately implemented, the financial performance of the REIT and Distributions could be adversely impacted.

7.2. General risks

Price of Securities may fluctuate

The Securities in the REIT quoted on the ASX will become subject to the general market risk that is inherent in all securities traded on a stock exchange. This may result in fluctuations in the price of Securities that are not explained by the REITamental operations and activities of the REIT. There is no guarantee that the price of the Securities will increase following quotation on ASX, even if the REIT's earnings increase.

The Securities may trade at, above or below the Offer Price due to a number of factors, including:

- general market conditions;
- shifts in consumer;
- fluctuations in the local and global market for listed stocks;
- changes to government policy, legislation or regulation;
- inclusion in or removal from particular market indices; and
- the nature of the markets in which the REIT operates.

Other factors that may negatively affect investor sentiment and influence the REIT specifically or the stock market more generally include acts of terrorism, an outbreak of international hostilities, civil unrest, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other man-made or natural events.

Liquidity of Securities

There can be no guarantee that an active market for the Securities will develop following Completion of the Offer. There may be relatively few potential buyers or sellers of the Securities on the ASX at any given time. This may increase the volatility of the market price of the Securities. It may also affect the prevailing market price at which Securityholders are able to sell their Securities. This could result in Securityholders receiving a market price for their Securities that are less than the price that they paid.

Forces Majeure and COVID-19

Events may occur within or outside Australia that could impact upon the global and Australian economies, the operations of the REIT and the price of the Securities. These events include but are not limited to pandemics, acts of terrorism, an outbreak of international hostilities, civil unrest, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other man-made or natural events that can have an adverse effect on the REIT's ability to conduct its business.

Further, these unforeseen circumstances and situations may affect any of the REIT's properties or property interests. Even though these unforeseen circumstances are outside the control of the Responsible Entity, however the REIT may be required to remediate any resulting damage or loss. The cost of remediation could be substantial. In addition, if the REIT is not able to remediate a Properly, this may adversely affect its ability to sell the relevant property or to use it as collateral for borrowings.

The events relating to COVID-19 have resulted in significant market falls and volatility including in the prices of securities trading on ASX and on other foreign securities exchanges. There is continued uncertainty as to the further impact of COVID-19 including in relation to governmental action, work stoppages, lockdown, quarantines, travel restrictions and the impact on the Australian and global economy and share markets. In light of recent Australian and global macroeconomic events, including though not limited to the impact of COVID-19 and other factors, it is likely that Australia and other international economies will remain in recession or downturn of uncertain severity and duration which would further affect consumer spending, continue to impact on the operating and financial performance and prospects of the REIT and continue to interfere with the REIT's business.

The nature and extent of the long term effects of the COVID-19 outbreak on the performance of the REIT remains unknown. Any governmental or industrial measures taken in response to COVID-19 may adversely impact the REIT's operations and are likely to be beyond the control of the REIT. The REIT is monitoring the situation closely and considering the impact of COVID-19 on its business and financial performance.

However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. In compliance with its continuous disclosure obligations, the REIT will continue to update the market in regard to the impact of COVID-19 on its business and any adverse impact on the REIT.

Climate Change

Climate change presents a potentially material risk to the REIT. The increasing severity of acute weather events (such as heatwaves, cyclones and storms) and chronic climate impacts may affect one or more of the REIT's Properties (and associated communities) through physical damage, operating costs, consumer visitation and ability to trade and operate. These acute weather events may be sudden and acute or more gradual in nature. For example, a Property may be damaged by storms or flooding which requires extensive repairs and may impact rental income at that Property. Alternatively, tenants may be impacted by disruptions to their operations.

The Responsible Entity has conducted both high-level and asset-level assessments of physical risks in order to identify and mitigate those risks.

Transitioning to a lower-carbon economy may entail extensive policy, legal, technology and market changes to address mitigation and adaption requirements related to climate change. These may require the REIT to incur costs to address these changes. The transition to a low carbon economy may enable the REIT to realise opportunities such as reducing its reliance on the electricity grid by generating onsite renewable energy which also protects its business from future energy market and policy uncertainty.

Laws and regulatory changes

In the ordinary course of its business, the REIT is subject to a range of laws and regulations. These laws and regulations include those relating to tenancies, planning and zoning, employment, property and taxation (including GST and stamp duty).

There is the risk that changes in any law, regulation or government policy affecting the REIT's operations (which may or may not have a retrospective effect) will have an effect on the Portfolio and/or the REIT's performance and distributions. This may include changes to taxation regimes. Any changes may adversely affect the value of the Portfolio, including by increasing its costs either directly (for example, by increasing a tax or duty the REIT is required to pay) or indirectly (for example, by increasing the cost of complying with a particular legal requirement or increasing competition for tenants from other landlords).

Accounting Standards

The Australian Accounting Standards to which the REIT adheres are set by the Australian Accountings Standards Board (AASB) and are consequently out of the control of the Responsible Entity and its directors. Changes to accounting standards issued by AASB or changes to the commonly held views on the application of those standards could materially adversely affect the financial performance and position reported in the REIT's financial statements.

The REIT's objective is to provide investors with competitive risk adjusted investment returns relative to its peers and enhance investor returns through acquiring, growing and further diversifying its portfolio of assets.

ACURE
FUNDS MANAGEMENT

8 DETAILS OF THE OFFER

8. Details of the Offer

8.1. Overview of the Offer

This PDS relates to an initial public offering of Stapled Securities by Acure Core Plus REIT. The Responsible Entity of Acure Core Plus REIT intends to issue 113.9 million Stapled Securities, raising proceeds of $113.9 million at the Offer Price of $1.00 per Stapled Security.

The size of the Offer may change as it depends on the number and amount of original unitholders seeking to redeem their investment. This amount may not be confirmed at the time of writing this PDS, but will be confirmed during the Offer Period.

The Stapled Securities being offered under this PDS will represent approximately 69% of the total number of Stapled Securities on issue following Completion, being 166.3 million Stapled Securities. All Stapled Securities offered under this PDS will rank equally with the existing Stapled Securities on issue. Refer to Section 13.1.1 for details of the rights attaching to Stapled Securities. The Offer is made on the terms, and is subject to the conditions, set out in this PDS.

8.2. Offer Price and free float

The Offer Price at which new Stapled Securities are being offered is $1.00 per Stapled Security. Acure Core Plus REIT's free float at the time of Completion is expected to be approximately 90%.

8.3. Purpose of the Offer

An IPO of Acure Core Plus REIT is being offered in order to:

- Redeem Original Unitholders of the Trusts; and
- Fund the transaction costs associated with the Offer

The Offer is expected to raise $113.9 million, with proceeds to be used as set out below.

8.4.Sources and uses of funds

Sources of funds	$ million	Uses of funds	$ million
Offer proceeds	113.92	Redeem Original Unitholders	106.44
		VIC Stamp Duty on IPO	0.44
		Legal, Bank Fees & Due Diligence [1]	0.40
		Listing Fees	0.20
		Acquisition Fee	2.44
		Broker Fee	4.00
Total sources	**$113.92**	**Total uses**	**$ 113.92**

[1] Net of $0.25m cost contribution by Acure.

8.5. Structure of the Offer

The Offer comprises:

- **Broker Firm Offer**: which is open to Australian resident retail clients of Brokers who have received a firm allocation of Stapled Securities from their Broker; and
- **Priority Offer**: which is open to selected investors nominated by Acure Core Plus REIT in eligible jurisdictions, who have received a Priority Offer invitation to acquire Stapled Securities under this PDS and are not in the United States or acting for the account or benefit of a person in the United States.

No general public offer is being made under the Offer. Members of the public wishing to subscribe for Stapled Securities under the Offer must do so through a Broker.

The allocation of Stapled Securities between (and within) the Broker Firm Offer and the Priority Offer was determined by agreement between the Responsible Entity and the Joint Lead Managers, having regard to the allocation policies set out in Section 8.9.

The Issuers reserve the right to not proceed with the Offer at any time before the issue or transfer of Stapled Securities to successful Applicants.

8.6. Responsible Entity participation in the Offer

The Responsible Entity and Directors will have a co-investment in the REIT and hold 10.3% of the Stapled Units.

8.7. Joint Lead Managers

The Responsible Entity has appointed Morgans Corporate Limited and Shaw and Partners Limited as Joint Lead Managers to the Offer.

8.8. Underwriting

The Offer is fully underwritten. The Responsible Entity and the Joint Lead Managers have entered into an Underwriting Agreement dated on or about the date of this PDS in respect of the Offer. Under the Underwriting Agreement, Morgans and Shaw and Partners have agreed to act as financial advisers and underwriters of the Offer. A summary of certain terms of the Underwriting Agreement and underwriting arrangements, including the termination provisions, is provided in Section 13.14.

8.9. Allocation policy

The allocation of Stapled Securities between the Broker Firm Offer and the Priority Offer was determined by the Responsible Entity in agreement with the Joint Lead Managers as is outlined below:

- **Broker Firm Offer**: For Broker Firm Offer Applicants, it will be a matter for the Brokers how they allocate firm stock among their eligible clients. However, the Responsible Entity, in consultation with the Joint Lead Managers, reserve the right to reject or scale back Applications in the Broker Firm Offer.
- **Priority Offer**: Allocations under the Priority Offer will be at the absolute discretion of the Responsible Entity (in consultation with the Joint Lead Managers). The Responsible Entity, in consultation with the Joint Lead Managers, reserve the right to reject or scale back Applications in the Priority Offer.

  The Issuers have absolute discretion regarding the allocation of Securities to Applicants in the Offer (subject to Brokers in the Broker Firm Offer having sole discretion in respect of the allocation of Securities to their clients) and may reject an Application, or allocate fewer Securities than applied for, in their absolute discretion. The Issuers may also aggregate Applications if they wish to do so.

8.10. Broker Firm Offer

8.10.1. Who can apply?

The Broker Firm Offer is open to Applicants who have received a firm allocation from their Broker to apply for Stapled Securities under this PDS and who are Australian resident retail clients of participating Brokers. If a Broker offers you a firm allocation, you will be treated as an Applicant under the Broker Firm Offer in respect of that allocation. You should contact your Broker to determine whether they are a participating Broker and may allocate Stapled Securities to you under the Broker Firm Offer.

8.10.2. How to apply

Applications for Stapled Securities may only be made on an Application Form attached to or accompanying this PDS.

If you are an investor investing under the Broker Firm Offer, you should complete and lodge your Application Form with the Broker from whom you received your firm allocation. Application Forms for the Broker Firm Offer must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the reverse of the Application Form.

By making an Application, you declare that you were given access to the PDS, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this PDS or the complete and unaltered electronic version of this PDS.

8.10.3. Minimum and maximum Application amounts

The minimum Application under the Broker Firm Offer is $2,000 worth of Securities. There is no maximum number or value of Securities that may be applied for under the Broker Firm Offer. The Responsible Entity and the Joint Lead Managers also reserve the right to aggregate any Applications, which they believe may be multiple applications from the same person. For Applicants applying under the Broker Firm Offer, the minimum Application amount is $2,000.

The JLMs and the Responsible Entity may determine a person to be eligible to participate in the Broker Firm Offer, and may amend or waive the Broker Firm Offer application procedures or requirements, at their discretion, in compliance with applicable laws.

8.10.4. Broker Firm Offer opening date and Broker Firm Offer closing date

The Broker Firm Offer opens at 9.00am (AEST) on Wednesday, 2 December 2021 and is expected to close at 5.00pm (EST) on Monday, 13 December 2021. The Responsible Entity with the consent of the JLMs, may elect to close the Broker Firm Offer or any part of it early, extend the Broker Firm Offer or any part of it, or accept late Applications either generally or in particular cases. The Broker Firm Offer or any part of it may be closed at any earlier date and time, without further notice. Your Broker may also impose an earlier closing date. Applicants are therefore encouraged to submit their Applications as early as possible. Please contact your Broker for instructions.

8.10.5. How to pay

Applicants under the Broker Firm Offer must lodge their Application Form and pay their Application Monies to their Broker in accordance with instructions provided by that Broker. Applicants under the Broker Firm Offer must not send their Application Forms to the Registry.

8.10.6. Allocation policy under the Broker Firm Offer

Stapled Securities, which will be allocated to Brokers for allocation to their Australian resident clients, will be issued to the Applicants nominated by those Brokers (subject to the right of the JLMs and the Responsible Entity to reject or scale back Applications). It will be a matter for the Brokers how they allocate stock among their eligible Australian retail clients, and they will hold sole responsibility for ensuring that clients who have been provided a firm allocation receive their Stapled Securities.

8.10.7. Announcement of final allocation in the Broker Firm Offer

Applicants in the Broker Firm Offer should confirm their final allocation with the Broker from whom they received their allocation. They may also call the Offer Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) from 8.30am until 5.30pm (AEST) Monday to Friday to confirm their allocations during the Offer Period. If you sell Stapled Securities before receiving a holding statement, you do so at your own risk, even if you have confirmed your firm allocation with your Broker or obtained details of your holding from the Offer Information Line.

8.11. Priority Offer

8.11.1. Who can apply?

The Priority Offer is open to:

- Original Unitholders; and
- persons who have received an invitation from the Responsible Entity to participate in the Priority Offer;
  in each case, who have a registered address in Australia.

If you are invited by the Responsible Entity to participate in the Priority Offer, you will be treated as an Applicant under the Priority Offer in respect of those Securities that are allocated to you.

The Priority Offer is not capped.

8.11.2. How to apply

If you have received a personalised invitation to apply for Stapled Securities under the Priority Offer and you wish to apply for all or some of those Stapled Securities, you must apply in accordance with the instructions provided in your personalised invitation to apply. Recipients of the Priority Offer invitation should read the separate Offer letter and this PDS carefully and in their entirety before deciding whether to apply under the Priority Offer. If you are unclear in relation to any matter or are uncertain as to whether Stapled Securities are a suitable investment for you, you should seek professional guidance from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest.

To apply under the Priority Offer, you must complete the Priority Offer Application Form in accordance with the instructions provided in your Priority Offer invitation. By making an Application, you declare that you were given access to this PDS, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this PDS or the complete and unaltered electronic version of this PDS.

Applications must be received by no later than 5.00pm (AEST) on Monday, 13 December 2021 and it is your responsibility to ensure this occurs.
The minimum Application under the Priority Offer is $2,000 worth of Stapled Securities.

8.11.3. How to pay

Payment may be made via BPay only. Application Monies must be received by no later than 5.00pm (SAEST) on Monday, 13 December 2021 and it is your responsibility to ensure that this occurs. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment.

8.11.4. Allocation policy

The allocation of Stapled Securities among Applicants in the Priority Offer will be determined by the Responsible Entity in consultation with the Joint Lead Managers. The Priority Offer is not capped, but the Responsible Entity reserves the right in consultation with the Joint lead Managers to scale-back applications.

8.12 No cooling-off

Applicants should note that there will not be any applicable cooling off period in relation to Applications. Once an Application has been lodged, it cannot be withdrawn. Should quotation of Stapled Securities be granted by the ASX, Stapled Securityholders will have the opportunities to sell their Stapled Securities at the prevailing market price, which may be different to the Offer Price.

8.13. Acknowledgements of Applicants

By submitting an Application, each Applicant under the Offer acknowledges, confirms and agrees:

- that the Applicant has reviewed and read in full a printed or electronic copy of this PDS (and any supplementary PDS);
- that the Applicant has submitted a complete and accurate Application Form per the instructions laid out in this PDS;
- that all information provided by an Applicant in any filings related to the application process is complete, accurate and not misleading (including by any omission of relevant information);
- declared that, where applicable (i.e., the Applicant is a natural person) the Applicant(s) is/are over 18 years of age and do/does not suffer from any legal disability preventing them from applying for Stapled Securities;
- that the signature (particularly where a corporate or trust/trustee) is valid and binding;
- that, once the Responsible Entity or a Broker receives an Application Form, it may not be withdrawn;
- that it has applied for the number of Stapled Securities (or equivalent dollar amount) shown on the front of the Application Form;
- to being allocated and issued the number of Stapled Securities applied for (or a lower number allocated in a way described in this PDS), or no Stapled Securities at all;
- to become a Stapled Securityholder of Acure Core Plus REIT and to be bound by the terms of the Constitution and the terms and conditions of the Offer;
- that the Responsible Entity and the JLMs and their respective officers or agents, are authorised to do anything on behalf of the Applicant(s) necessary for Stapled Securities to be allocated to the Applicant(s), including to act on instructions received by the Registry upon using the contact details in the Application Form;
- that, in some circumstances, the Responsible Entity may not pay distributions;
- that the information contained in this PDS (or any supplementary PDS) is not financial product advice or a recommendation that Stapled Securities are suitable for the Applicant(s), given the investment objectives, financial situation or particular needs (including financial and taxation issues) of the Applicant(s);
- that the Applicant(s) is/are a resident of Australia (except as applicable to the Priority Offer and Broker Firm Offer);
- that the Offer may be withdrawn by the Responsible Entity and/or may otherwise not proceed in the circumstances described in this PDS; and
- that if listing does not occur for any reason, the Offer will not proceed.

By submitting an Application, each Applicant in the Offer will be taken to have represented, warranted and agreed as follows:

- it understands that the Stapled Securities have not been, and will not be, registered under the US Securities Act or the Securities laws in accordance with the US Securities Act registration requirements or of any state of the United States and may not be offered, sold or resold, pledged or transferred in the United States or to US Persons, except in accordance with the US Securities Act regulation requirements or in a transaction exempt from, or not subject to, registration under the US Securities Act and any other applicable state Securities laws;
- it is not in the United States;

- it has not sent and will not send this PDS or any other material relating to the Offer to any person in the United States;
- it is purchasing the Stapled Securities in an offshore transaction meeting the requirements of Regulation S; and
- it will not offer or sell the Securities in the United States or in any other jurisdiction outside Australia except in transactions exempt from, or not subject to, registration requirements of the US Securities Act and in compliance with all applicable laws in the jurisdiction in which Securities are offered and sold.

8.14. Restrictions on distribution

No action has been taken to register or qualify this PDS, the Securities or the Offer or otherwise to permit a public offering of the Securities in any jurisdiction outside of Australia. This PDS does not constitute an offer or invitation to apply for Stapled Securities in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation or issue under this PDS. This PDS may not be released or distributed in the United States, and may only be distributed to persons outside the United States to whom the Offer may lawfully be made in accordance with the laws of any applicable Offer jurisdiction as set out in this PDS. This PDS does not constitute an offer to sell, or a solicitation of an offer to buy, Securities in the United States. The Securities have not been, and will not be, registered under the US Securities Act or the Securities law of any state of the United States and may not be offered, sold, re-sold, pledged or transferred in the United States or to US Persons except in accordance with US Securities Act registration requirements or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable state Securities law. See Section 14.2 for further details regarding foreign selling restrictions.

8.15. Discretion regarding the Offer

The Responsible Entity may withdraw the Offer at any time before the issue of Stapled Securities to successful Applicants. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest). The Responsible Entity and the Joint Lead Managers also reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant or bidder fewer Stapled Securities than applied or bid for.

8.16.Application to ASX for listing of Acure Core Plus REIT and quotation of Stapled Securities

The Responsible Entity will apply within seven days of the PDS Date for admission of Acure Core Plus REIT to the Official List and quotation of the Stapled Securities on ASX. Acure Core Plus REIT's expected ASX code will be 'AXR'.

ASX takes no responsibility for this PDS or the investment to which it relates. The fact that ASX may admit Acure Core Plus REIT to the Official List is not to be taken as an indication of the merits of Acure Core Plus REIT or the Stapled Securities offered for subscription.

If permission is not permitted for the official quotation of the Stapled Securities on ASX, all Application Monies received by the Responsible Entity will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.

Subject to certain conditions (including any waivers obtained by the Responsible Entity from time to time), the Responsible Entity will be required to comply with the Listing Rules.

8.17. CHESS and issuer sponsored holdings

The Responsible Entity has applied (or will apply) to participate in the ASX's Clearing House Electronic Sub-register System (CHESS) and will comply with the Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in Securities quoted on ASX under which transfers are affected in an electronic form.

When the Stapled Securities become approved financial products (as defined in the ASX Settlement Operating Rules), holdings will be registered in one of two sub-registers, being an electronic CHESS sub-register or an issuer sponsored sub-register. For all successful Applicants, the Stapled Securities of a Stapled Securityholder who is a participant in CHESS or a Stapled Securityholder sponsored by a participant in CHESS will be registered on the CHESS sub-register. All other Stapled Securities will be registered on the issuer sponsored sub-register.

Following Completion, Stapled Securityholders will be sent a holding statement that sets out the number of Stapled Securities that have been allocated to them. This statement will also provide details of a Stapled Securityholders Holder Identification Number (HIN) for CHESS holders or, where applicable, the Stapled Securityholder Reference Number (SRN) of issuer sponsored holders. Stapled Securityholders will subsequently receive statements showing any changes to their Securityholding. Certificates will not be issued.

Stapled Securityholders will receive subsequent statements shortly after the end of the month in which there has been a change to their holding and as otherwise required under the Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Stapled Securityholders sponsoring broker in the case of a holding on the CHESS sub-register or through the Registry in the case of a holding on the issuer sponsored sub-register. Acure Core Plus REIT and the Registry may charge a fee for these additional issuer sponsored statements.

8.18. Conditional selling of Stapled Securities on-market

It is expected that trading of the Stapled Securities on ASX on a conditional basis will commence on Thursday, 16 December 2021.

Trades occurring on ASX before the date on which the Stapled Securities are issued will be conditional on Implementation of the Stapling, settlement of the Offer and settlement of the Underwriting Agreement (the 'Conditions').

Conditional trading will continue until Acure Core Plus REIT has advised ASX that the Conditions have been satisfied, which is expected to be on 20 December 2021.

If the Conditions have not been satisfied by the end of the conditional settlement trading period or the Offer is withdrawn, the Offer will not complete and all trades conducted during the conditional settlement trading period will be invalid and will not settle. All Application Monies received will be refunded to Applicants. No interest will be paid on any Application Monies refunded as a result of the Offer not completing.

Following satisfaction of the Conditions, trading on ASX will begin on an unconditional, normal settlement basis on 20 December 2021. Following the issue of Stapled Securities, successful Applicants will receive a holding statement setting out the number of Stapled Securities issued to them under the Offer. It is expected that holding statements will be dispatched by standard post on Wednesday, 8 December 2021.

It is the responsibility of each person who trades in Stapled Securities to confirm their own holding before trading in Stapled Securities. Investors will be able to confirm their holdings by telephoning the Offer Information Line on 1300 737 760 (within Australia) from 8.30am to 5.30pm (AEST), Monday to Friday. If you sell Stapled Securities before receiving a holding statement, you do so at your own risk. Acure Core Plus REIT, the Share Registry, the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, if you sell Stapled Securities before receiving your holding statement, even if you obtained details of your holding from the Offer Information Line or confirmed your firm allocation through a Broker.

8.19. Brokerage, commission and stamp duty

No brokerage, commission or stamp duty is payable by Applicants who apply for Stapled Securities under the Offer. Various fees in relation to the Offer may be payable by Acure Core Plus REIT to the Joint Lead Managers. See Section 11 for further details. Investors who buy or sell Stapled Securities on the ASX may be subject to brokerage and other Transaction Costs. No stamp duty will be payable by an investor on any subsequent trading of Stapled Securities in Acure Core Plus REIT on the ASX, provided all of the Securities are quoted on the ASX at all relevant times and the investor does not acquire (whether alone or together with related associates) 90% or more of the Stapled Securities in Acure Core Plus REIT.

8.20. Foreign selling restrictions

This PDS has been prepared to comply with the requirements of the laws of Australia. The distribution of this PDS in jurisdictions outside of Australia may be restricted by law and persons who come into possession of this PDS should seek their own advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable Securities laws. This document does not constitute an offer of Stapled Securities in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Stapled Securities may not be offered or sold, in any country outside Australia except to the extent permitted below.

See Section 14.2 for further details regarding foreign selling restrictions.

8.21. Taxation issues

Some tax implications of investing in Acure Core Plus REIT are explained in Section 11. It is intended to be a brief guide only and does not purport to be a complete statement of the relevant tax law, nor does it take into account your individual circumstances. Accordingly, we strongly recommend that you seek independent professional taxation advice on the tax implications of investing in Acure Core Plus REIT relevant to your specific circumstances.

8.22. Return of Application Monies

Application Monies for the Stapled Securities may be held for up to one month, starting on the day on which the money was received, before the Stapled Securities are issued or the Application Monies are returned.

Application Monies will be refunded (in full or in part) in Australian dollars where an Application is rejected, an Application is subject to scale-back or the Offer is withdrawn (either partially or completely) or cancelled.

No interest will be paid on any refunded amounts. Refund cheques will be sent following Completion of the Offer or as otherwise applicable in the circumstances outlined above.

See Section 12.3 for further details regarding stamp duty.

8.23. Enquiries

This PDS provides information for potential investors in Acure Core Plus REIT, and should be read in its entirety. If, after reading this PDS, you have any questions about any aspect of an investment in Acure Core Plus REIT, please contact your stockbroker, accountant or independent financial adviser. Enquiries from Australian resident investors relating to this PDS, or requests for additional copies of this PDS should be directed to the Offer Information Line on 1300 737 760(within Australia) or +61 2 9290 9600 (outside Australia).

ACURE
FUNDS MANAGEMENT

9

INDEPENDENT LIMITED ASSURANCE REPORT

MOORE

Moore Australia

Level 15, Exchange Tower,
2 The Esplanade, Perth, WA 6000
PO Box 5785, St Georges Terrace, WA 6831

T +61 8 9225 5355
F +61 8 9225 6181
www.moore-australia.com.au

28 October 2021

The Directors
Acure Funds Management Limited as Responsible Entity
For Acure Core Plus REIT
Level 18
140 St George's Terrace
PERTH WA 6000

Dear Directors

Investigating Accountant's Report

1. Introduction

This report has been prepared at the request of the Directors of Acure Funds Management Limited (the "AFM" or "the RE") as Responsible Entity for Acure Core Plus REIT ("ACP" or" the Fund") for inclusion in a product disclosure statement to be issued by the RE ("PDS") in respect of the proposed offer ("the Offer") and the listing of the Fund on the Australian Stock Exchange ("ASX").

Expressions defined in the PDS have the same meaning in this report.

The report does not address the rights attaching to the units to be issued in accordance with the Offer, nor the risks associated with accepting the Offer. Moore Australia Corporate Finance (WA) Pty Ltd has not been requested to consider the PDS for the Fund, nor the merits and risks associated with becoming a unit holder and accordingly has not done so, nor purports to do so.

Consequently, Moore Australia Corporate Finance (WA) Pty Ltd has not made and will not make any recommendation, through the issue of this report, to potential investors of the Fund, as to the merits of the Offer and takes no responsibility for any matter or omission in the PDS other than responsibility for this report.

2. Scope of Report

The Directors of the RE have requested Moore Australia Corporate Finance (WA) Pty Ltd prepare an Investigating Accountant's Report on:

Historical Financial Information

The Directors of the RE have requested that Moore Australia Corporate Finance (WA) Pty Ltd review:

- The statutory and pro forma historical notionally consolidated Statements of Profit or Loss and Other Comprehensive Income of the Fund for the years ended 30 June 2019, 2020 and 2021;
- The statutory historical notionally consolidated Statements of Cash flows of the Fund for the years ended 30 June 2019, 2020 and 2021; and
- The statutory historical notionally consolidated Statement of Financial Position of the Fund as at 30 June 2021;

which is collectively termed the "Historical Financial Information".

MOORE

Historical Financial Information (continued)

The Historical Financial Information is presented in an abbreviated form insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to financial reports in accordance with the *Corporations Act 2001*.

The notionally consolidated Historical information comprises that of the Fund and the trusts it has acquired by way of the "stapling" process. The Historical Financial Information has been extracted from the audited financial statements of the stapled trusts, for the years ended 30 June 2019, 2020 and 2021.

Reliance Auditing Services audited the financial statements of the trusts, in accordance with Australian Auditing Standards, for the years ended 30 June 2019, 2020 and 2021, issuing unmodified opinions on those financial statements.

The statutory and pro forma notionally consolidated Statements of Profit or Loss of the Fund for the years ended 30 June 2019, 2020 and 2021 are included at section 6.3 of the PDS, and reflect the results set out in the audited financial statements of the trusts after adjusting for items explained at foot note 1 in section 6.3 so as to comply with requirements of Australian Accounting Standards.

The statutory notionally consolidated Statements of Cash flows of the Fund for the years ended 30 June 2019, 2020 and 2021 are included at section 6.8 of the PDS, and are presented without adjustment.

The statutory notionally consolidated Statement of Financial Position of the Fund as at 30 June 2021 is included in section 6.11 of the PDS, and is included without adjustment.

Pro Forma Historical Financial Information

The Directors of the RE have requested that Moore Australia Corporate Finance (WA) Pty Ltd review the Pro Forma Consolidated Statement of Financial Position of the Fund as at Allotment Date adjusted to include funds to be raised pursuant to the PDS and the completion of certain other transactions as disclosed in section 6.5and pro-forma of the PDS.

which is collectively termed the "Pro Forma Historical Financial Information".

The Pro Forma Historical Financial Information is derived from the Statutory Historical Statements of Financial Position of the stapled trusts as at 30 June 2021, adjusted for the effects of the pro forma adjustments described in Section 6.5. The Pro Forma Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of the Fund's future financial position.

The Pro Forma Historical Financial Information has been extracted from each of the financials reports of the stapled trusts for the year ended 30 June 2021 The financial reports of the stapled trusts for the year ended 30 June 2021 were audited by Reliance Auditing Services, as noted above.

The Pro Forma Historical Financial Information is presented in the PDS in an abbreviated for, 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.

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Pro Forma Historical Financial Information and the events or transactions to which the pro forma adjustments relate as described in section 6.5 of the PDS, as if those events or transactions had occurred as at the date of the historical financial information.

Forecast Financial Information

The Directors of the RE have requested that Moore Australia Corporate Finance (WA) Pty Ltd review:

- The forecast statutory consolidated statements of profit or loss of the Fund for the period from Allotment Date to 30 June 2022 and for the six months ended 31 December 2021 ("1HFY23"), as set out in section 6.3.2 of the PDS ("Statutory Forecast Consolidated Statements of Profit or Loss"); and

MOORE

- The pro forma forecast consolidated distribution statements of the Fund for the period from Allotment Date to 30 June 2022 and for 1HFY23, as described in section 6.3.1 of the PDS ("Pro Forma Forecast Distribution Statements")

which is collectively termed the "Forecast Financial Information".

The Forecast Financial Information of the Fund has been prepared based on the recognition and measurement principles contained in Australian Accounting Standards and the Fund's adopted accounting policies. Details of the underlying best-estimate assumptions used in the preparation of the Forecast Financial Information are set out in section 6.6 of the PDS.

The Forecast Financial Information has been prepared by management and adopted by the Directors in order to provide prospective investors with a guide to the potential future performance of the Fund for the seven months ending 30 June 2022 and for the six months ending 31 December 2022. There is considerable judgement involved in preparing Forecast Financial Information as they relate to events and transactions that have not yet occurred and may not occur. Actual results are likely to be different from the Forecast Financial Information as events and transactions may not occur, and frequently do not occur, as anticipated, and variations may be material. In addition, the actual financial performance may include any gains or losses arising from movements in the market values of investment properties.

The best-estimate assumptions used by the Directors in the preparation of the Forecast Financial Information are based on future events and transactions that the Directors expect to occur, and actions that management are expected to take, and are subject to a number of uncertainties and contingencies which may be outside of the control of the Fund. Evidence may be available to support these best-estimate assumptions; however, such evidence is future orientated and often speculative in nature. As such, we express no opinion on whether the Forecast Financial Information will be achieved. The limited assurance conclusion expressed in this report has been formed on the above basis.

Prospective investors should be aware of the material risks and uncertainties in relation to an investment in the Fund, which are detailed in section 7 of the PDS, and the inherent uncertainty relating to the Forecast Financial Information. The sensitivity analysis included in section 6.7 of the PDS illustrates the impact on the Forecast Financial Information of changes in the key assumptions used in its preparation.

We have assumed and relied upon the representations provided to us from management and Directors of the RE, that all material information concerning the prospects and proposed operations of the Fund have been disclosed to us, and that the information provided to us and used to prepare the Forecast Financial Information is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

3. Scope of Review

Directors' Responsibilities

The Directors of the RE are responsible for;

- the preparation and presentation of the Historical Financial Information
- the preparation and presentation of the Pro Forma Historical Financial Information, including the selection and determination of the Pro Forma adjustments made to the Historical Financial Information;
- the preparation of the Forecast Financial Information, including the best-estimate assumptions underlying the Forecast Financial Information and the selection and determination of the pro forma adjustments made to the forecast statutory consolidated statements of profit or loss and included in pro forma forecast consolidated distribution statements; and
- the Information contained within the PDS.

This responsibility includes for the operation of such internal controls as the Directors determine are necessary to enable the preparation of the Financial Information presented in the PDS that is free from material misstatement whether due to fraud or error.

Our Responsibilities

We have conducted our engagement in accordance with Australian Auditing Standard ASRE 2405 *Review of Historical Financial Information Other than a Financial Report*. We have also considered and complied with the requirements of ASAE 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Historical Financial Information included in a Prospectus or other Document* and ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any financial information used to compile the Pro forma Historical Financial Information or Forecast Financial Information, nor have we, in the course of this engagement, performed an audit of the financial information used in compiling the Historical Financial Information, the Pro Forma Historical Financial Information, or the Forecast Financial Information itself.

We made such inquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances including:

- a review of contractual arrangements;
- a review of financial statements, management accounts, work papers, accounting records and other documents, to the extent considered necessary;
- analytical procedures, to the extent considered necessary;
- a review of the audited financial statements of the stapled trusts for the years ended 30 June 2019 2020 and 2021, including a review of the auditor's work papers for the year ended 30 June 2021 and making enquiries of the auditor, to the extent considered necessary;
- a comparison of consistency in application of the recognition and measurement principles in Accounting Standards and other mandatory professional reporting requirements in Australia, with the accounting policies adopted by the Fund;
- a review of the best-estimate assumptions and pro forma adjustments used to compile the Forecast Financial Information and Pro Forma Historical Financial Information; and
- enquiry of Directors, management and advisors of the RE.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

4. Conclusions

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information of the Fund is not presented fairly, in all material respects, in accordance with the stated basis of preparation as described in Section 6.3 of the PDS.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information of the Fund is not presented fairly, in all material respects, in accordance with the stated basis of preparation as described in Section 6.5 of the PDS.

Statutory Forecast Consolidated Statements of Profit or Loss

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that;

i) the Directors' best-estimate assumptions used in the preparation of the Statutory Forecast Consolidated Statements of Profit or Loss do not provide reasonable grounds for the Statutory Forecast Consolidated Statements of Profit or Loss;

ii) in all material respects, the Statutory Forecast Consolidated Statements of Profit or Loss;

   a) are not prepared on the basis of the Directors' best estimate assumptions, as described in Section 6.6 of the PDS

b) are not presented fairly in accordance with the stated basis of preparation, being the accounting policies adopted and used by the Fund and the recognition and measurement principles contained in Australian Accounting Standards. and

iii) the Statutory Forecast Consolidated Statements of Profit or Loss themselves are not unreasonable.

Pro Forma Forecast Distribution Statements

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that;

i) the Directors' best-estimate assumptions used in the preparation of the Pro Forma Forecast Distribution Statements do not provide reasonable grounds for the Pro Forma Forecasts;

ii) in all material respects, the Pro Forma Forecast Distribution Statements;

a) are not prepared on the basis of the Directors' best estimate assumptions, as described in Section 6.6 of the PDS

b) are not presented fairly in accordance with the stated basis of preparation, being the accounting policies adopted and used by the Fund and the recognition and measurement principles contained in Australian Accounting Standards applied to the Statutory Forecast Consolidated Statements of Profit or Loss and the Pro Forma Adjustments as if those adjustments had occurred as at completion of the Offer. and

iii) the Pro Forma Forecast Distribution Statements themselves are not unreasonable.

5. Other Matters

Moore Australia Corporate Finance (WA) Pty Ltd does not have any pecuniary interest that could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion on this matter.

Moore Australia Audit (WA), an audit practice owned by the same persons who own Moore Australia Corporate Finance (WA) Pty Ltd, has been appointed auditor of the Fund.

Moore Australia Corporate Finance (WA) Pty Ltd will receive a professional fee for the preparation of this Investigating Accountant's Report.

Moore Australia Corporate Finance (WA) Pty Ltd were not involved in the preparation of any other part of the PDS and accordingly makes no representations or warranties as to the completeness and accuracy of any information contained in any other part of the PDS.

Moore Australia Corporate Finance (WA) Pty Ltd consents to the inclusion of this report in the PDS in the form and context in which it is included. At the date of this report, this consent has not been withdrawn.

Yours faithfully

Neil Pace

Neil Pace
Director
Moore Australia Corporate Finance (WA) Pty Ltd

MOORE

MOORE AUSTRALIA CORPORATE FINANCE (WA) PTY LTD

Australian Financial Services Licence No. 240773

FINANCIAL SERVICES GUIDE

This Financial Services Guide is issued in relation to our Investigating Accountants Report for Acure Core Plus REIT ("ACP"). Our report has been prepared at the request of the Directors of the Responsible Entity for inclusion in the Product Disclosure Statement to be dated on or about 9 November 2021 in respect of the initial public offering of fully paid units in ACP and listing of ACP on the Australian Securities Exchange.

Moore Australia Corporate Finance (WA) Pty Ltd

Moore Australia Corporate Finance (WA) Pty Ltd ("MACF") has been engaged by the directors of the Responsible Entity to prepare an Investigating Accountants Report in respect of the initial public offering of fully paid units in ACP and listing of ACP on the Australian Securities Exchange.

MACF holds an Australian Financial Services Licence – Licence No 240773.

Financial Services Guide

As a result of our report being provided to you we are required to issue to you, as a retail client, a Financial Services Guide ("FSG"). The FSG includes information on the use of general financial product advice and is issued so as to comply with our obligations as holder of an Australian Financial Services Licence.

Financial Services we are licensed to provide

MACF holds an Australian Financial Services Licence which authorises us to provide reports for the purposes of acting for and on behalf of clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate restructures or share issues, and to carry on a financial services business to provide general financial product advice for securities to retail and wholesale clients.

We provide financial product advice by virtue of an engagement to issue a report in connection with the issue of securities of a company or other entities.

Our report includes a description of the circumstances of our engagement and identifies the party who has engaged us. You have not engaged us directly but will be provided with a copy of our report as a retail client because of your connection with the matters on which our report has been issued. We do not accept instructions from retail clients and do not receive remuneration from retail clients for financial services.

Our report is provided on our own behalf as an Australian Financial Services Licensee authorised to provide the financial product advice contained in this report.

General Financial Product Advice

Our report provides general financial product advice only, and does not provide personal financial product advice, because it has been prepared without taking into account your particular personal circumstances or objectives either financial or otherwise, your financial position or your needs.

Some individuals may place a different emphasis on various aspects of potential investments.

An individual's decision in relation to the proposed transaction may be influenced by their particular circumstances and, therefore, individuals should seek independent advice.

Benefits that we may receive

We will charge fees for providing our report. The basis on which our fees will be determined has been agreed with, and will be paid by, the person who engaged us to provide the report. Our fees have been agreed on either a fixed fee or time cost basis. We estimate that our fees for the preparation of this report will be approximately $40,000 plus GST.

Remuneration or other benefits received by our employees

All our employees receive a salary. Employees may be eligible for bonuses based on overall productivity and contribution to the operation of MACF or related entities but any bonuses are not directly in connection with any assignment and in particular are not directly related to the engagement for which our report was provided.

Referrals

We do not pay commissions or provide any other benefits to any parties or person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

MACF is the licensed corporate advisory arm of Moore Australia (WA) Pty Ltd, Chartered Accountants. The directors of MACF may also be partners in Moore Australia (WA) Pty Ltd Chartered, Accountants.

Moore Australia (WA) Pty Ltd, Chartered Accountants is comprised of a number of related entities that provide audit, accounting, tax, and financial advisory services to a wide range of clients.

MACF's contact details are set out on our letterhead.

Moore Australia Audit (WA), a related entity to MACF, has been appointed auditor of ACP but is yet to provide audit services to the Fund.

Complaints resolution

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to The Complaints Officer, Moore Australia (WA) Pty Ltd, PO Box 5785, St George's Terrace, Perth WA 6831.

On receipt of a written complaint we will record the complaint, acknowledge receipt of the complaint and seek to resolve the complaint as soon as practical.

If we cannot reach a satisfactory resolution, you can raise your concerns with Australian Financial Complaints Authority Limited ("AFCA"). AFCA is an independent body established to provide advice and assistance in helping resolve complaints relating to the financial services industry. MACF is a member of AFCA. AFCA may be contacted directly via the details set out below.

Australian Financial Complaints Authority Limited
GPO Box 3
Melbourne VIC 3001
Toll free: 1800 931 678
Email: info@afca.org.au

ACURE
FUNDS MANAGEMENT

10

SUMMARY OF VALUATION REPORTS

18 October 2021

The Directors
Acure Funds Management Ltd a/t/f Australind Trust

To the Directors

RE: VALUATION SUMMARY LETTER AS AT 19 AUGUST 2021

301 (LOT 225) OLD COAST ROAD, 1 & 5 (LOTS 224 & 226) MARDO AVENUE, AUSTRALIND, WESTERN AUSTRALIA

Instructions

Burgess Rawson (WA) Pty Ltd ('Burgess Rawson") accepted instructions dated 26 July 2021 to prepare a market Valuation for the property above. The valuation report have been prepared for Acure Funds Management Ltd a/t/f Australind Trust and the Due Diligence Committee established for the Initial Public Offering and ASX Listing of the property. The Valuation is prepared in accordance with the Australian Property Institute Australia and New Zealand Valuation and Property Standards, 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 properties as at 19 August 2021 on a market value 'As Is" basis subject to existing lease agreements.

Burgess Rawson has been instructed to provide a full Valuation Report in addition to this Summary Letter which is included in the Prospectus document. 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, General Assumptions, Disclaimers, Limitations, 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, it is considered prudent to consider the entire contents of our Valuation Report. Therefore, we recommend that this Summary Letter be read and considered together with the Valuation Report. We accept no responsibility for reliance upon the Summary Letter.

Valuation Rationale and Methodology

In arriving at our opinion of value, we have employed industry recognised valuation methodologies. We have considered relevant general and economic factors and in particular have investigated recent sales and leasing transactions of comparable properties (as detailed within each report). In arriving at our opinion of market value in accordance with the instructions, we have placed primary emphasis on the capitalisation of market net income approach and where appropriate have also adopted discounted cash flow analysis

Capitalisation Approach

The estimated total income on a face market rental basis has been adjusted to reflect anticipated operating costs to produce a net income on a fully leased basis. The adopted fully leased net income has been capitalised in perpetuity from the valuation date at a market derived capitalisation rate, which we feel reflects the nature, location, and tenancy profile of the property when compared with current market investment criteria.

We have then made various capital adjustments to the calculated core value, including variables such as: Existing Vacancies, Existing Commitments, Rent Adjustments, Impending Expiries, Capital Expenditure

Discounted Cash Flow Approach

The Discounted Cash Flow analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of both rental and capital growth over an assumed investment horizon. A wide range of assumptions are made including a target or pre-selected internal rate of return, rental growth, occupancy, sale price of the property at the end of the investment horizon, potential capital expenditure, costs associated with the initial purchase of the property, and also its disposal at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10 year investment horizon in which we have assumed that the property is sold at the commencement of the 11th year. The cash flow analysis comprises annual income streams. The analysis proceeds on a before tax basis, and while we have not qualified any potential taxation benefits associated with the property, we are of the view that these are an issue which a prospective purchaser would reflect in its consideration.

The analysis is predicated on the assumption of a cash purchase. No allowance for interest and other funding costs have been made.

Valuation Summary

In arriving at our opinion of market value in accordance with the instructions, we have placed primary emphasis on the capitalisation of market net income approach and where appropriate have also adopted discounted cash flow analysis. A detailed explanation of the asset's investment credentials and the application of the discounted cash flow and capitalisation of market and/or passing income methodology are provided in each Valuation Report.

The adopted market value is $47,400,000 as at 19 August 2021. The analysis is summarised below.

	'As Is'
Current Net Passing Income	$2,842,348 pa
Estimated Market Net Rental (Fully Leased after Ongoing Vacancies)	$3,446,642 pa
Passing / Initial Yield	6.0%
Reversionary Yield	7.27%
Internal Rate of Return (IRR)	7.75%
Capitalisation Rate Adopted	6.50%
Terminal Capitalisation Rate	7.0%
Building Area Rate ($ / m^2)	$5,108
Land Area Rate ($ / m^2)	$1,349
Weighted Average Lease Expiry (WALE) – By Income	8.99 Years
Weighted Average Lease Expiry (WALE) – By Area	7.60 Years
Current Vacancy (% of GLAR)	12.9%

Yours sincerely

Steve Kish
Director
Fellow of Australian Property Institute
Certified Practising Valuer
Licensed Valuer No. 498 in WA

D 08 9288 0280
M 0414 964 866
E skish@burgessrawson.com.au

LEVEL 10
477 COLLINS STREET
MELBOURNE VIC 3000

URBIS.COM.AU
Urbis Investment Management Pty Ltd
ABN 29 631 758 677

6 October 2021

Mr Angelo Del Borrello
Acure Asset Management
Level 18, 140 St Georges Tce
PERTH WA 6000

Dear Marco,

VALUATION OF SHEPPARTON HOME , VICTORIA

1. INSTRUCTIONS

We refer to instructions issued by Acure Asset Management as manager requesting formal valuation of Shepparton Home. The asset is currently owned and managed by Acure Funds Management a/t/f Shepparton Home Trust

We have specifically been instructed to assess the market value of Shepparton Home effective 31 September 2021 which will be relied upon for the Initial Public Offering (IPO) of ACURE Core Plus REIT

We have prepared a comprehensive Valuation Report for Shepparton Home in accordance with our instructions. This letter and its content should be read in conjunction with our full valuation report effective 31 September 2021 as we note this letter ('Letter') does not include all essential information and the assumptions which are detailed in our Valuation Reports. The Valuation Report provides a detailed description of the property, its current tenancy configuration and agreements, assumptions impacting value and local market characteristics.

We understand this Letter summarising our valuations is required for inclusion in the Prospectus to be issued by the Manager in connection with the IPO ACURE Core Plus REIT (the 'Prospectus'). Urbis Valuations Pty Ltd have not prepared the Prospectus.

2. DATE OF VALUATION

As instructed the date of valuation is 31 September 2021.

The property was inspected on 15 September 2021. The valuation reflects the valuer's view of the market at that date and does not purport to predict the future. The valuation has therefore been prepared on the assumption that market and physical conditions of the improvements remain unchanged between the date of inspection and the date of valuation.

URBIS

3. BASIS OF VALUATION

We have assessed the market value of Shepparton Home in accordance with the definition of market value as approved by the Australian Property Institute (‘API’) included as follows:

“The estimated amount for which an asset should exchange on the date of valuation between a willingbuyer and a willing seller in an arm’s length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion.”

In considering this definition, the International Valuation Standards which have been adopted by the API, define a willing seller as follows:

‘A willing seller is neither an over eager nor a forced seller, prepared to sell at any price, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller ismotivated to sell the property at market terms for the best price attainable in the (open) market after proper marketing, whatever that price may be.’

Accordingly, although a willing seller will not necessarily just accept the first offer that is made, he/ she is a seller in the current market and therefore is not seeking a market price which may be unattainablein the current market’.

The above market definition is consistent with the Australian Accounting Standards Board definition offair value detailed in AASB116, being:

‘Fair value is the amount for which an asset could be exchanged between knowledgeable willing parties in arm’s length transaction’.

We have adopted the above definitions in undertaking our assessment of value.

4. QUALIFICATIONS AND ASSUMPTIONS

This valuation provides particulars on the information provided by our instructing client, the investigations we have undertaken in completing the valuation.

Our valuations have been completedunder the strict assumption that no material information to the valuation has been withheld in any instance.

5. SCOPE OF WORK AND APPROACH

In undertaking our valuations our approach in each instance has generally comprised the following:

- Securing relevant individual property information from Acure Asset Management including but not limited to title particulars, building particulars, lease, outgoings, capex, and incentive particulars.
- A physical inspection of Shepparton Home.
- Market research with local and active real estate agents and other market participants in addition to relevant authorities.
- Use of Urbis’ proprietary valuation computer model to compare our analysis and conclusion.
- Where a property is under development our instructions have been to assess the value on an ‘As If Complete’ basis subject to the proposed tenancy; and

Our valuations have been undertaken utilising the methods that are consistent with those adopted in the marketplace, namely:

- Capitalisation approach; and
- Discounted Cash Flow (DCF) approach.

Attachments (including valuation executive summaries) should be read in conjunction with our full valuation reports dated 31 September 2021 (the 'full valuation report'). We note that this letter does not contain all the necessary information and assumptions which are detailed in the full valuation reports.

The full valuation reports form an integral part of our advice and provide descriptive commentaries on the individual properties' characteristics in addition to the local market dynamics and any general, specific and special assumptions under which each valuation has been prepared.

6. VALUATION METHODOLOGY

The property assessed in the portfolio has been assessed utilising both the capitalisation of income and discounted cash flow valuation approaches.

The valuation approach is briefly summarised as follows:

6.1. CAPITALISATION APPROACH

The capitalisation approach involves the assessment of a net market income for the various components of the subject property. The net market income is capitalised at a rate derived from the analysis of comparable sales evidence with subsequent capital adjustments made as appropriate. These capital adjustments may include a combination of rental reversions, unexpired incentives, vacancy downtime and incentive allowances, future vacancy allowances and capital expenditure.

The yield / capitalisation rate adopted is selected having regard to the following key considerations:

- Demonstrated market yields.
- The physical condition and design of the facility.
- The location, zoning and title restrictions that apply.
- The current and potential earnings profile for the property; and
- The current tenancy, quality of covenant and remaining lease term.

6.2. DISCOUNTED CASH FLOW (DCF) APPROACH

For each of the properties we have undertaken a 10-year discounted cash flow analysis based upon the structured passing rental under the existing lease and a range of assumptions to reflect our expectations with regards to tenant retention/vacancies, rental growth, incentives, capital expenditure items and a number of other factors.

The forecasts represent what we believe a potential purchaser of each property would adopt as being realistic and achievable assumptions.

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

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

7. PECUNIARY INTEREST

We confirm that we are not a related corporation of our client and that the valuers and Urbis Valuations Pty Ltd have no economic interest in the client or the subject properties that would conflict with the proper valuation of the properties or could be reasonably regarded as being capable of affecting the valuer's ability to give an unbiased opinion.

8. SUMMARY OF VALUATION

8.1.1. The Subject Property

Shepparton Home is located on the northeast corner of the Benalla Road/Midland Hwy and Doyles Road intersection, approximately 163.4 radial kilometres north of the Melbourne CBD.

Shepparton Home benefits from its proximity to the Midland Highway which is east west oriented and is a major road connector providing access to Melbourne via the National Hwy M31 as well as access to Shepparton Town Centre to the west of the subject.

Shepparton Home comprises of a large format retail centre situated on one land parcel with a total GLA of 13,661m2 that is set out in a L-shape surrounding an at grade car park. A total of 417 car bays are provided over a single ground level, with access and egress provided via Midland Hwy/Benalla Road.

Large format retail is the dominant category. The stores are predominantly located along the western and southern boundaries of the subject property. Tenants include Fantastic Furniture, Godfreys, Plush, Derrimut Health and Fitness, OMF, Pets Domain, Provincial Homes, Early Settler and Focus on Furniture.

8.1.2. Income

Based on the tenancy schedule, profit and loss statements and copies of leases provided, we have summarised the current income of Shepparton Home

On balance, we consider that the subject property is currently let at what we consider to be an approximate market rental overall, with variances explained below.

The variance between Passing Income and Market Income is attributed to adjustments to vacancies ($272,449).

In undertaking our valuation, we have relied upon the tenancy schedule/business revenue and expenditure statements provided to us in respect of current net and gross revenues. We have not verified this information by reference to cheque receipts or other audit procedures. Urbis accepts no responsibility for any material impact on value if a formal audit of the cash flow is materially different to that stated on the tenancy schedule/business statements as provided to us.

8.1.3. Outgoings

We have made an upwards adjustment to the management expense to reflect a market level management fee that would be applicable under standard external management arrangements. The management fee quates to 3.5% of gross income which in in line with the expected market range of 3% – 5% for management fees for this size and type of large format centre.

Land tax and Council rates amounts have a been checked against actual notices provided by the manager.

We consider that the outgoings adopted are fair and reasonable for this centre.

8.1.4. Market Commentary

The Large Format Retail (LFR) sector has generally shown overall positive performance over the COVID-19 impacted environment. Managers of LFR properties are reporting that a high proportion of tenants (90%+) remained open or reopened soon after mandatory lock downs with customer traffic being comparable to the corresponding period in 2019.

Household goods spending saw consistent increases in overall retailing during the February through July period underpinning the most difficult time for most traditional retailers. This trend has sizably moderated since July however is still trending above the long-term average. The increase time spent at home for consumers has driven this large focus on household goods and bodes well for tenant stability in this short term, a key concern for many owners in other shopping centre categories.

This being said transaction volume across the sector, as with the wider retail sector, saw limited activity at the start of the year. Those transactions that have occurred point to the security of predominately ASX listed tenants who occupy these types of centres. A lack of available stock has seen transactional volume fall over the year, with sales generally concentrated to southern states. The sector has shown an uplift in transactions and activity in recent months and is generally capitalising on the positive consumer sentiment, and an increase in traditional sales programs being observed within the sector.

In August 2021, the Goodwin and Kenyon Group disposed of their Campbelltown asset in HomeBase Campbelltown for $48.3m. The 11,000m² anchored by The Good Guys reportedly transacted below 5.0% through an off-market transaction.

June 2021 saw the regionally located Homemaker Lake Haven transacted for $46.25m to Metro Diversified Property Management. The centre featured a vacant ex Bunnings and a total centre area of 21,759m². The sale reflected some of the softer metrics in the sector over recent times owing to the aforementioned vacancy in a regional location, with a 7.40% equivalent yield and 7.68% IRR.

In May 2021, it was announced that Aventus Group sold MacGregor Home in Brisbane's south to Sterling Capital for $42.15m in an off-market transaction. The 12,330sqm centre is anchored by The Good Guys and supported by 4 mini-major and specialty tenants, providing a reported WALE of 6.3

years at the time of sale. The property reportedly transacted at a 55% premium to book value reflecting an initial yield of 6.00%.

In April 2021, it was announced that Home Consortium Limited entered into a conditional agreement to sell 100% interest in a portfolio of seven large format assets and one neighbourhood shopping centre to the HomeCo. Daily Needs REIT for $266.4m. The seven large format retail assets being acquired include Marsden Park (NSW), Box Hill (VIC), South Morgan (VIC), Upper Coomera (QLD), Bundall (QLD), Mackay (QLD) and Toowoomba (QLD) which are subject to requisite approvals, expected to be approved and completed in July 2021. The REIT will also acquire the Armstrong Creek Town Centre for a total purchase price of $55.6m, reflecting a 6.00% capitalisation rate, due to settle in late April 2021.

In April 2021, QIC sold Robina Home & Life Centre QLD to Primewest Large Format Retail Trust No. 2 for $66m at an initial yield (passing) of 5.98%. The 14,782m2 centre is anchored by Nick Scali and The Good Guys along with 14 specialties including a café and vacancy. The sale reflected a WALE of 3.49 years by income and 3.55 years by area inclusive of a rental guarantee over the vacant tenancy.

In February 2021, QIC sold Watergardens Homeplace VIC to Gerry Harvey for $97m via an Expressions of Interest campaign managed by Colliers International. The 25,931m^2 centre is anchored by a Bunnings Warehouse and Harvey Norman along with 6 specialty tenancies and 2 pad site tenancies. The centre was highly sought after due to a limited number of competing large format retail centres in the trade area with the nearest Harvey Norman being 16 kilometres away while the nearest Bunnings Warehouse is 10 kilometres away. The sale reflected an initial yield (passing) of 4.79%, an equivalent market yield of 4.89% and IRR of 5.38%. The centre also reflected a WALE of 4.18 years by income and 4.58 years by area.

In November 2020, Profinance Properties Pty Ltd sold Homebase Wagga Wagga NSW to a private investor for $46m via an Expressions of Interest campaign. The 20,312sqm centre is leased to 19 tenants across three buildings and provides a WALE of 4.47 years by income. The sale reflects an initial yield (passing) of 7.25% and an equivalent market yield of 7.06%.

Tamworth Homespace transacted to Primewest in October 2020, further consolidating their Large Format exposure into regional NSW having also purchased an adjoining centre in November 2019 from Stockland. The sale at $15.1m reflected an initial yield of 7.6% and allows a dominant large format presence within the regional hub. The centre reflects a good 5.8 WALE and features a Harvey Norman anchor.

In April 2020, the Humich family sold the Midland Megaplex in Perth to the Lester Group for $57.5m in an off-market transaction. The 2017 constructed centre of 20,913m² is leased to 13 tenants including local supermarket Spudshed, Spotlight and Anaconda with 1,803m² currently vacant. The centre sold on a fully leased yield of 7.24% inclusive of a 2-year rental guarantee over the vacant tenancies.

In a second off-market deal in May 2020, Assembly Funds Management and Cadence Property Group have purchased the City West Plaza in the Melbourne northwest suburb of Sunshine North. The 22,000m² centre is anchored by a Harvey Norman with 12 other tenancies and 812 car spaces. The reported price was $39m reflecting an initial yield of 5.84% and a fully leased yield of 6.95%.

In May 2020, Charter Hall continued their strategy of purchasing freestanding Bunnings's properties with the purchase of a new 16,000m² store at Clyde North in Melbourne. The fund manager purchased the asset on a 4.5% yield for $42.3m. It is subject to a 12-year lease to Bunning from September 2019. In November 2019, they also acquired a two-level Bunnings in Perth on a reported yield of 6.9%.

This trend continued in November 2020, with Charter Hall acquiring another Bunnings Portfolio from the CBRE Global Investments Portfolio for $353m. The sale included six individual Bunnings's assets across Sydney, Melbourne, Brisbane and Adelaide. A WALE of 10 years and 4.63% blended yield headlined the sale.

Bunnings based assets have remained a popular capital solution over the decade, with the sale of Bunnings Pymble in April 2020 for $76,520,000 showing that they are demanding strong pricing metrics in excess of traditional LFR assets. The sale was reported to reflect a 4.59% yield and 5.78% IRR.

In November 2019, McGraths Hill was sold by Aventus Group to Aventus Property Syndicate 1 (APS1), a third-party wholesale fund for $42.5 million at a market yield of 6.93%. The property is located 52km to the northwest of Sydney within the Hawkesbury region. The centre is anchored by a Bunnings Warehouse and Harvey Norman with 7 specialty tenants. The centre has a total GLA of 16,478m² and was fully let at the time of sale.

8.2. VALUATION SUMMARY

The table below provides a summary on our assessment of Shepparton Home.

VALUATION RECONCILIATION
SHEPPARTON HOME

MARKET CAPITALISATION APPROACH		
Assessed Value		23,700,000
Market Capitalisation Rate		7.00%
DISCOUNTED CASH FLOW APPROACH		
Assessed Value		23,100,000
Discount Rate		7.50%
Terminal Capitalisation Rate		7.25%
ADOPTED VALUE		**23,400,000**
Passing Yield		6.25%
Passing Yield (Fully Leased)		7.41%
Equivalent Yield		7.10%
Internal Rate of Return (10 years)		7.28%
Value per m²		1,713
SURPLUS LAND VALUATION		
Surplus Land	0m² @ $0/m²	-
Adopted Land Value		-
ADOPTED VALUE (Incl. Surplus Land)		**23,400,000**

Key Assumptions included within our valuation include:

8.2.1. Capitalisation Calculation Assumptions

We have adopted a core capitalisation rate of 7.00% for the Capitalisation Approach after consideration of the sales evidence.

Regarding these calculations, we make the following comments:

- A vacancy allowance of 1.50% has been factored into our projected income, equating to **-$33,135**.
- Existing vacancy allowances for the two current vacancies at the centre reflecting allowances for tenant letting up (downtime), incentives, leasing costs equating to a total capital value deduction of **-$239,568**.
- We have adopted a 24-month adjustment window within our Capitalisation of Income approach for tenant letting up (downtime), incentives, leasing costs and refurbishment costs for imminent lease expiries equating to a total capital value deduction of **-$231,714**
- We have incorporated a sinking fund allowance of 1.5% of gross income. This totals **-$104,769**
- The total Capital Value deductions equate to **-$576,051**.

8.3. DISCOUNTED CASH FLOW ASSUMPTIONS

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

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

In determining our adopted discount rate and terminal yield, we have relied on the above-mentioned comparable sales evidence and current cash flow modelling assumptions which are reflective of the current market and reflective of Shepparton Home.

Based on the comparable sales evidence and assumptions noted above, we have adopted a discount rate of 7.50% and a terminal capitalisation rate of 7.25%.

A copy of our DCF calculations is provided overleaf. Also included is a sensitivity analysis which reflects the change in valuation result based on variances in the applied discount rate and residual capitalisation rate.

Notes in relation to our DCF analysis include:

- A vacancy allowance of 1.50% has been factored into our projected income.
- We have also allowed a current refurbishment allowance of all speciality tenancies equivalent to $25/m² for renewing tenants and $50/m² for expiring tenants and escalated across the cash flow. These allowances have been adopted within the cash flow as below.
- We have incorporated a sinking fund allowance of 1.5% of gross income throughout the cashflow.

The terminal value is based on the Year 11 income.

9. DISCLAIMER

This Letter is dated 7 October 2021 whilst the valuation of the property is effective 31 September 2021. They incorporate information and events up to that date of valuation only and exclude any information arising, or event occurring, after that date which may affect the validity of Urbis Valuations Pty Ltd's (**Urbis**) opinion in this Letter. Urbis prepared this letter for the benefit only, of Acure Asset Management as Manager and Instructing Party for the purpose of inclusion in the Prospectus and First Mortgage Security Purposes (collectively the 'Purposes') and not for any other purpose or use. To the extent permitted by applicable law, Urbis expressly disclaims all liability, whether direct or indirect, to the REIT Manager and the REIT Trustee which relies or purports to rely on this Letter for any purpose other than the Purposes, and to any other person which relies or purports to rely on this report for any purpose whatsoever (other than the Purposes).

In preparing this Letter, Urbis was required to make judgements which may be affected by unforeseen future events, the likelihood and effects of which are not capable of precise assessment.

All surveys, forecasts, projections and recommendations contained in or associated with this letter are made in good faith and on the basis of information supplied to Urbis at the date of this Letter which Urbis has made efforts to ensure that the information is from sources which Urbis considers reliable and upon which Urbis has relied. Achievement of the projections and budgets set out in this Letter will depend, among other things, on the actions of others over which Urbis has no control.

Whilst Urbis has made all reasonable inquiries it believes necessary in preparing this Letter, it is not responsible for determining the completeness or accuracy of information provided to it. Urbis (including its officers and personnel) is not liable for any errors or omissions, including information provided by the Manager or another person or upon which Urbis relies, provided that such errors or omissions are not made by Urbis recklessly or in bad faith.

This Letter has been prepared with due care and diligence by Urbis and the statements and opinions given by Urbis in this Letter are given in good faith and in the reasonable belief that they are correct and not misleading, subject to the limitations above.

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

Urbis Valuations Pty Ltd

Matthew Cleary, BBus, (Property), AAPI, RCIS
Regional Director and Certified Practising Valuer

18 October 2021

The Directors
Acure Funds Management Ltd a/t/f Naval Base Trust

To the Directors

RE: VALUATION SUMMARY LETTER AS AT 10 AUGUST 2021

LOT 6 LEATH ROAD, NAVAL BASE, WESTERN AUSTRALIA

Instructions

Burgess Rawson (WA) Pty Ltd ('Burgess Rawson") accepted instructions dated 26 July 2021 to prepare a market Valuation for the property above. The valuation report have been prepared for Acure Funds Management Ltd a/t/f Naval Base Trust and the Due Diligence Committee established for the Initial Public Offering and ASX Listing of the property. The Valuation is prepared in accordance with the Australian Property Institute Australia and New Zealand Valuation and Property Standards, 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 properties as at 10 August 2021 on a market value 'As Is" basis subject to existing lease agreements.

Burgess Rawson has been instructed to provide a full Valuation Report in addition to this Summary Letter which is included in the Prospectus document. 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, General Assumptions, Disclaimers, Limitations, 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, it is considered prudent to consider the entire contents of our Valuation Report. Therefore, we recommend that this Summary Letter be read and considered together with the Valuation Report. We accept no responsibility for reliance upon the Summary Letter.

Valuation Rationale and Methodology

In arriving at our opinion of value, we have employed industry recognised valuation methodologies. We have considered relevant general and economic factors and in particular have investigated recent sales and leasing transactions of comparable properties (as detailed within each report). In arriving at our opinion of market value in accordance with the instructions, we have placed primary emphasis on the capitalisation of market net income approach and where appropriate have also adopted discounted cash flow analysis

Capitalisation Approach

The estimated total income on a face market rental basis has been adjusted to reflect anticipated operating costs to produce a net income on a fully leased basis. The adopted fully leased net income has been capitalised in perpetuity from the valuation date at a market derived capitalisation rate, which we feel reflects the nature, location, and tenancy profile of the property when compared with current market investment criteria.

We have then made various capital adjustments to the calculated core value, including variables such as: Existing Vacancies, Existing Commitments, Rent Adjustments, Impending Expiries, Capital Expenditure

Discounted Cash Flow Approach

The Discounted Cash Flow analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of both rental and capital growth over an assumed investment horizon. A wide range of assumptions are made including a target or pre-selected internal rate of return, rental growth, occupancy, sale price of the property at the end of the investment horizon, potential capital expenditure, costs associated with the initial purchase of the property, and also its disposal at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10 year investment horizon in which we have assumed that the property is sold at the commencement of the 11th year. The cash flow analysis comprises annual income streams. The analysis proceeds on a before tax basis, and while we have not qualified any potential taxation benefits associated with the property, we are of the view that these are an issue which a prospective purchaser would reflect in its consideration.

The analysis is predicated on the assumption of a cash purchase. No allowance for interest and other funding costs have been made.

Burgess Rawson

Sales
Leasing
Management
Residential
Valuations & Advisory

Valuation Summary

In arriving at our opinion of market value in accordance with the instructions, we have placed primary emphasis on the capitalisation of market net income approach and where appropriate have also adopted discounted cash flow analysis. A detailed explanation of the asset's investment credentials and the application of the discounted cash flow and capitalisation of market and/or passing income methodology are provided in each Valuation Report.

The adopted market value is $33,100,000 as at 10 August 2021. The analysis is summarised below.

	'As Is'
Current Net Passing Income	$2,231,602 pa
Estimated Market Net Income (as at 1 October 2021)	$2,298,551 pa
Passing / Initial Yield	6.74 %
Reversionary Yield	6.94 %
Capitalisation Rate Adopted	6.70 %
Terminal Yield Adopted	7.50 %
Discount Rate Adopted	7.75 %
IRR Reflected	8.86 %
Improved Land Area Rate ($ / m^2)	$288
Weighted Average Lease Expiry (WALE)	6.17 Years
Site Coverage	18.6 %

Yours sincerely

Steve Kish
Director
Fellow of Australian Property Institute
Certified Practising Valuer
Licensed Valuer No. 498 in WA

D 08 9288 0280
M 0414 964 866
E skish@burgessrawson.com.au

Valuation Rationale and Methodology

In arriving at our opinion of value, we have employed industry recognised valuation methodologies. We have considered relevant general and economic factors and in particular have investigated recent sales and leasing transactions of comparable properties (as detailed within each report). In arriving at our opinion of market value in accordance with the instructions, we have placed primary emphasis on the capitalisation of market net income approach and where appropriate have also adopted discounted cash flow analysis

Capitalisation Approach

The estimated total income on a face market rental basis has been adjusted to reflect anticipated operating costs to produce a net income on a fully leased basis. The adopted fully leased net income has been capitalised in perpetuity from the valuation date at a market derived capitalisation rate, which we feel reflects the nature, location, and tenancy profile of the property when compared with current market investment criteria.

We have then made various capital adjustments to the calculated core value, including variables such as: Existing Vacancies, Existing Commitments, Rent Adjustments, Impending Expiries, Capital Expenditure

Discounted Cash Flow Approach

The Discounted Cash Flow analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of both rental and capital growth over an assumed investment horizon. A wide range of assumptions are made including a target or pre-selected internal rate of return, rental growth, occupancy, sale price of the property at the end of the investment horizon, potential capital expenditure, costs associated with the initial purchase of the property, and also its disposal at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10 year investment horizon in which we have assumed that the property is sold at the commencement of the 11th year. The cash flow analysis comprises annual income streams. The analysis proceeds on a before tax basis, and while we have not qualified any potential taxation benefits associated with the property, we are of the view that these are an issue which a prospective purchaser would reflect in its consideration.

The analysis is predicated on the assumption of a cash purchase. No allowance for interest and other funding costs have been made.

Burgess Rawson

Sales
Leasing
Management
Residential
Valuations & Advisory

Valuation Summary

In arriving at our opinion of market value in accordance with the instructions, we have placed primary emphasis on the capitalisation of market net income approach and where appropriate have also adopted discounted cash flow analysis. A detailed explanation of the asset's investment credentials and the application of the discounted cash flow and capitalisation of market and/or passing income methodology are provided in each Valuation Report.

The adopted market value is $33,100,000 as at 10 August 2021. The analysis is summarised below.

	'As Is'
Current Net Passing Income	$2,231,602 pa
Estimated Market Net Income (as at 1 October 2021)	$2,298,551 pa
Passing / Initial Yield	6.74 %
Reversionary Yield	6.94 %
Capitalisation Rate Adopted	6.70 %
Terminal Yield Adopted	7.50 %
Discount Rate Adopted	7.75 %
IRR Reflected	8.86 %
Improved Land Area Rate ($ / m^2)	$288
Weighted Average Lease Expiry (WALE)	6.17 Years
Site Coverage	18.6 %

Yours sincerely

Steve Kish
Director
Fellow of Australian Property Institute
Certified Practising Valuer
Licensed Valuer No. 498 in WA

D 08 9288 0280
M 0414 964 866
E skish@burgessrawson.com.au

Level 30, 367 Collins Street
Melbourne VIC 3000

CIVAS (VIC) Pty Limited | ABN 21 168 282 620

DX 178 Melbourne

MAIN +61 3 9629 8888
FAX +61 3 9092 1357
www.colliers.com.au

18 October 2021

Mr Peter Isaksson
Senior Asset Manager | Distribution | Acquisitions
Accure Funds Management Ltd as Trustee for the Industrial Trust No. 1
27 Currie Street
Adelaide SA 5000

Dear Peter,

RE: Valuation of 63 Currumbin Creek Road, Currumbin Waters QLD & 125-175 Patullos Lane, Somerton VIC

Introduction

We refer to the instructions issued by Accure Asset Management (the 'Manager') requesting CIVAS (QLD) Pty Limited and CIVAS (VIC) Pty Limited ('CIVAS') assess the Freehold Market Value of 63 Currumbin Creek Road, Currumbin Waters QLD and 125-175 Patullos Lane, Somerton VIC (the 'Properties'). The Properties are currently held by Accure Funds Management Ltd as Trustee for the Industrial Trust No. 1.

We have specifically been instructed to assess the market value of the Properties as at 9 July 2021 (63 Currumbin Creek Road, Currumbin Waters QLD) and 29 July 2021 (125-175 Patullos Lane, Somerton VIC) for Financial Reporting and First Mortgage Security purposes.

In addition, we have subsequently been instructed to provide a summary of each Valuation Report suitable for inclusion in a Product Disclosure Statement (the 'PDS') to be issued by the Manager in connection with the IPO ACURE Core Plus REIT. CIVAS has not prepared the PDS.

This letter is the above mentioned summary (Summary Letter) and outlines the key considerations adopted in arriving at our opinion of Market Value. For further information reference should be made to each full Valuation Report for 63 Currumbin Creek Road, Currumbin Waters QLD (Our Ref: B7601) and 125-175 Patullos Lane, Somerton VIC (Our Ref: VM10121), as at 9 July 2021 and 29 July 2021 respectively, held by the Manager.

We inspected 63 Currumbin Creek Road, Currumbin Waters QLD and 125-175 Patullos Lane, Somerton VIC on 9 July 2021 and 29 July 2021 respectively. We note that we have not made additional detailed inquiries in this regard nor have we re-inspected the Properties. Given potential changes to the market and the Properties since those dates, we caution that our valuations represent our opinion as at the respective date of valuation only. We do not accept any liability for losses arising from such subsequent changes in value.

Basis of Valuation

The valuations have been completed in accordance with the following definition of Market Value as defined by the International Valuation Standards Council (IVSC) and endorsed by the API:

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

We further note that the valuations have been undertaken for financial reporting purposes and have been completed in accordance with International Financial Reporting Standards 13 (as defined in the International Valuation Standards 2017 – Fair Value), Australian Accounting Standards Board AASB 13 – Fair Value Measurement and AASB 140 – Investment Property. The Fair Value definition is as follows:

AASB 13	*"…the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."*
Highest & Best Use	The Fair Value of an asset is determined by reference to its highest and best use, that is, the use of the asset that is physically possible, legally permissible and financially feasible. We believe that the current use of the Properties is reflective of the highest and best use.

Qualifications and Assumptions

Each Valuation Report provides particulars on the information provided by the Instructing Party. Our valuations have been completed under the strict assumption that no material information to the valuation has been withheld in any instance.

In the preparation of each Valuation Report we have made a variety of key assumptions and important comments. In this regard we advise that each report, including appendices, must be read and understood by the nominated parties to whom reliance is extended in order that the various assumptions and comments are understood in the context of the adopted valuation.

Valuation Methodology

In determining the Market Value of the Properties, CIVAS has examined the available market evidence and applied this analysis to the Capitalisation of Net Income Approach and the Discounted Cash Flow (DCF) Approach. We have had regard to the Direct Comparison Approach on the basis of a rate per square metre of GLA.

The Capitalisation of Net Income Approach has been undertaken by applying a yield to both the potential fully let passing net income (initial yield) and the potential reversionary net income (equated reversionary yield). To the value derived, adjustments have been made for any rental reversions, vacancies, leasing costs and capital expenditure required over the first two years.

The DCF has been undertaken over a 10-year time horizon discounting the net income over this period on a monthly basis together with the value of the property, net of selling expenses, in the 121st month. The net present value has been determined after allowing for capital expenditure and costs associated with the purchase of the property.

Our valuations have been undertaken on a GST exclusive basis.

Level 30, 367 Collins Street
Melbourne VIC 3000

CIVAS (VIC) Pty Limited | ABN 21 168 282 620

DX 178 Melbourne

MAIN +61 3 9629 8888
FAX +61 3 9092 1357
www.colliers.com.au

18 October 2021

Mr Peter Isaksson
Senior Asset Manager | Distribution | Acquisitions
Accure Funds Management Ltd as Trustee for the Industrial Trust No. 1
27 Currie Street
Adelaide SA 5000

Dear Peter,

RE: Valuation of 63 Currumbin Creek Road, Currumbin Waters QLD & 125-175 Patullos Lane, Somerton VIC

Introduction

We refer to the instructions issued by Accure Asset Management (the 'Manager') requesting CIVAS (QLD) Pty Limited and CIVAS (VIC) Pty Limited ('CIVAS') assess the Freehold Market Value of 63 Currumbin Creek Road, Currumbin Waters QLD and 125-175 Patullos Lane, Somerton VIC (the 'Properties'). The Properties are currently held by Accure Funds Management Ltd as Trustee for the Industrial Trust No. 1.

We have specifically been instructed to assess the market value of the Properties as at 9 July 2021 (63 Currumbin Creek Road, Currumbin Waters QLD) and 29 July 2021 (125-175 Patullos Lane, Somerton VIC) for Financial Reporting and First Mortgage Security purposes.

In addition, we have subsequently been instructed to provide a summary of each Valuation Report suitable for inclusion in a Product Disclosure Statement (the 'PDS') to be issued by the Manager in connection with the IPO ACURE Core Plus REIT. CIVAS has not prepared the PDS.

This letter is the above mentioned summary (Summary Letter) and outlines the key considerations adopted in arriving at our opinion of Market Value. For further information reference should be made to each full Valuation Report for 63 Currumbin Creek Road, Currumbin Waters QLD (Our Ref: B7601) and 125-175 Patullos Lane, Somerton VIC (Our Ref: VM10121), as at 9 July 2021 and 29 July 2021 respectively, held by the Manager.

We inspected 63 Currumbin Creek Road, Currumbin Waters QLD and 125-175 Patullos Lane, Somerton VIC on 9 July 2021 and 29 July 2021 respectively. We note that we have not made additional detailed inquiries in this regard nor have we re-inspected the Properties. Given potential changes to the market and the Properties since those dates, we caution that our valuations represent our opinion as at the respective date of valuation only. We do not accept any liability for losses arising from such subsequent changes in value.

(viii) The valuations are current as at the dates of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period as a result of general market movements or factors specific to the particular property. We do not accept liability for losses arising from such subsequent changes in value. Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of 90 days from the dates of valuation, or such earlier date if you become aware of any factors that have any effect on the valuations.

In the case of advice provided in this letter and our full valuation reports which is of a projected nature, we must emphasise that specific assumptions have been made by us which appear realistic based upon current market perceptions. It follows that any one of our associated assumptions set out in the text of this summary may be proved incorrect during the course of time and no responsibility can be accepted by us in this event.

Valuers Experience and Interest

Luke Mortimer AAPI MRICS (Registered Real Estate Valuer No. 5120) has had in excess of eight years continuous experience in the valuation of property of similar type and is authorised by law to practise as a Valuer in Queensland. Ben McCallum AAPI MRICS (Australia Property Institute Member No. 70321) has had in excess of 10 years continuous experience in the valuation of property of similar type in Victoria.

We confirm that the nominated Valuers do not have a pecuniary interest or other conflict of interest that would conflict with the proper valuation of the Properties or could reasonably be regarded as being capable of affecting that person's ability to give an unbiased opinion of the value of the Properties, and we advise that this position will be maintained until 90 days from the Dates of Valuation.

Yours sincerely,

CIVAS (VIC) Pty Limited

Ben McCallum
National Director
Valuation & Advisory Services

Encl. Executive Summaries

Summary Letter Verification: Andrew Collins – Head of Risk Management & Business Transformation **QA ID:** 1082568

This Summary Letter has undergone verification of the PDS Qualifications and Warnings as per the requirements in accordance with the Colliers International Quality Management System (QMS). This QMS has been independently and externally audited and certified in accordance with ISO9001:2015, which confirms the quality of the verification and Quality Assurance process.

63 Currumbin Creek Road, Currumbin Waters QLD

$1,228,831 Net Passing Income | 11,489.00 m² GLA | WALE 4.32 Years by Income | Currumbin Waters, QLD | 100.00% Leased | 2.968 Hectare Land Holding

Valuation Details

Instructing Party

Mr Aaron Wong
Chief Financial Officer
Acure Asset Management
27 Currie Street
Adelaide South Australia 5000

Reliant Parties	Acure Funds Management Ltd; and An Intending Mortgagee subject to expressed written approval from CIVAS (QLD) Pty Limited.
Registered Proprietor	Acure Funds Management Ltd A.C.N. 151 502 680 Trustee Under Instrument 716856754
Purpose of Report	Financial Reporting & First Mortgage Security Only
Interest Valued	100% Freehold interest
Date of Valuation	9 July 2021
Date of Inspection	9 July 2021

Property Overview

The subject property comprises a purpose built manufacturing facility comprising multiple original (constructed circa 1980's) and interconnected warehouses of sawtooth design which accommodate various business practice associated with the manufacturing (casting) and paint coating of steel products. There have been several ancillary buildings constructed to service the operation, including small workshops, offices, storage rooms and chemical storage areas. In its current configuration the facility provides approximately 1,509 square metres of office and 9,980 square metres of warehouse and manufacturing accommodation, with a Gross Lettable Area (GLA) of 11,489 square metres.

The subject property is located within the Gold Coast suburb of Currumbin Waters, which forms part of an established industrial precinct.

The site is irregular in shape and extends to a total site area of approximately 29,680 square metres (2.968 hectares). The land is zoned 'Medium Impact Industry' pursuant to the Gold Coast City Plan 2016. The current use as a metal casting facility does not appear to be a conforming use.

At the date of Valuation, the property is fully leased to AVK Currumbin Pty Ltd on a lease expiring on 31 October 2025 with 2 further terms of 5 years each.

Site Frontage

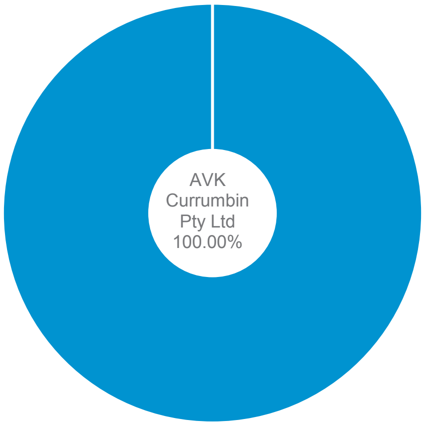
Site Aerial

Tenancy Details

Major Tenants

AVK Currumbin Pty Ltd	11,489.00 m²
Remainder of Tenanted GLA	-
Vacant GLA	-
Total GLA	**11,489.00 m²**
Weighted Average Lease Expiry (Area)	4.32 years
Weighted Average Lease Expiry (Income)	4.32 years

Tenant Composition by GLA



Financial Details

Component	Passing Income	Market Income
Industrial	$1,228,831	$1,062,733
Outgoings Recoveries	$391,162	$391,162
Total Gross Passing Income	**$1,619,992**	**$1,453,894**
Vacant Areas (Gross)	-	
Potential Fully Leased Gross Income	**$1,619,992**	**$1,453,894**
Adopted Outgoings ($34.05 /m²)	($391,162)	($391,162)
Potential Fully Leased Net Income	**$1,228,831**	**$1,062,733**
	-	-
Adjusted Potential Fully Leased Net Income	**$1,228,831**	**$1,062,733**
Net Passing Income	**$1,228,831**	

Component	Avg. Passing Rent	Avg. Market Rent
Industrial	$107 /m² Net	$93 /m² Net

Passing Capitalisation Approach

Adopted Cap Rate	Fully Leased Passing NOI	Total Adjustments	Cap Result
6.500%	$1,228,831	($1,606,002)	$17,300,000

Market Capitalisation Approach

Adopted Cap Rate	Fully Leased Market NOI	Total Adjustments	Cap Result
5.750%	$1,062,733	($855,445)	$17,600,000

DCF Approach (10 Year DCF)

CAGR (Net Face)	Avg. Incentives	Total Capex		DCF Metrics		DCF Result	DCF Ratios	
Industrial	Industrial	Inflated	% of Value	Term Yield	Disc. Rate	Rounded	% Term	% Cash Flow
2.94%	17.00%	$422,877	2.40%	6.000%	6.750%	$17,500,000	58.83%	41.17%

Valuation

Adopted Value (100% Freehold Interest)	$17,600,000 (GST Exclusive)
Initial Passing Yield	6.98%
Equivalent Initial Yield	6.40%
Equivalent Revisionary Yield	5.76%
Internal Rate of Return (including capex)	6.63%
Direct Comparison Rate	$1,532 /m² of GLA

Valuation completed by: Luke Mortimer, AAPI MRICS - Associate Director, Industrial e: luke.mortimer@colliers.com ph: + 61 7 3370 1789

NOTE: This Executive Summary must be read in conjunction with the full report and the details contained therein.

Liability Limited by a scheme approved under Professional Standards Legislation.

Key Assumptions & Important Comments

The outbreak of COVID-19 had a significant impact on financial markets globally in 2020, however the industrial property sector has remained resilient into 2021. The fundamentals for industrial and logistics property remain sound over the short to medium term and as a result the sector has been less impacted than others.

Accordingly, we highlight that our valuation provides a ‘point in time’ opinion only, which is subject to future changes in market conditions. CIVAS (QLD) Pty Limited recognises that the global risk outlook, particularly with regard to COVID-19, is extremely fluid. For that reason, we recommend the situation be closely monitored and regular updates be initiated by the reliant parties.

The subject property IS included on the Environmental Management Register.

The site has been subject to the following Notifiable Activity or Hazardous Contaminant:

- SMELTING OR REFINING - fusing or melting metalliferous metal or refining the metal.
- FOUNDRY OPERATIONS - commercial production of metal products by injecting or pouring molten metal into moulds and associated activities in works having a design capacity of more than 10t/year.

We assumed that the subject property is not contaminated to a level that would preclude any beneficial use under the current zoning, however acknowledge that it is a potentially contaminating use under the API guidelines.

The subject property is located within a flood overlay as detailed in the Site Particulars – Environmental Issues section of this report.

Should the tenant vacate the premises upon expiry, we consider the replacement tenant pool to be limited. We note that the letting up period is an inherent risk and while our adopted letting up assumptions are considered reasonable the dynamics of the market should be monitored closely and may warrant a review of the allowances adopted herein.

Key Assumptions & Important Comments

- We have been provided with an untitled and undated building plan which we have confirmed with onsite measurements to the best of our ability. Should a building survey plan prove these areas to be incorrect – this report should be returned to the valuer for comment and where appropriate, amendment.

- We assume all information provided by Acure Funds Management is correct and current.

- We reserve the right to review and in appropriate circumstances revise our valuation report should any of the key assumptions or comments set out in this report prove to be incorrect.

125-175 Patullos Lane, Somerton VIC

$2,471,688 Net Passing Income | 31,819.00 m² GLA | 9.00 Years by Income | Somerton | 100.00% Leased | Significant Land Holding

Valuation Details

Instructing Party

Mr Aaron Wong
Chief Financial Officer
Acure Asset Management
Level 18, 140 St Georges Terrace
Perth WA 6000

Reliant Parties	**Financial Reporting** • Acure Funds Management Ltd **First Mortgage Security** • Intending Mortgagee subject to expressed written approval from Colliers International.
Registered Proprietor	Acure Funds Management Ltd
Purpose of Report	Financial Reporting & First Mortgage Security
Interest Valued	100% Freehold interest
Date of Valuation	29 July 2021
Date of Inspection	29 July 2021

Property Overview

The property comprises an industrial production facility utilised for the manufacture and storage of steel pipe products with a Gross Lettable Area (GLA) of approximately 31,819 square metres comprising office buildings with a combined area of approximately 1,566 square metres, production buildings with a combined area of approximately 27,019 square metres along with ancillary buildings with a combined area of approximately 3,234 square metres.

Additional site improvements include concrete, asphalt and crushed gravel paved hardstand with a total combined area of approximately 41,625 square metres, asphalt and concrete paved driveways, asphalt paved car parking, a single concrete paved crossover for ingress and egress, cyclone wire boundary fencing and minor landscaping.

The site is an irregular shaped allotment with an area of approximately 121,700 square metres (12.17 hectares) zoned Industrial 1 (IN1Z) under the Hume Planning Scheme. The site coverage is approximately 26% (GLA to site area) which is reasonably typical for production facilities of this nature.

The property is located in the outer northern Melbourne suburb of Somerton, approximately 21 kilometres by road from the Central Business District and is situated in an area of mixed industrial and residential development. The location provides good access to the local arterial road transport network including Sydney Road (Hume Highway) and the Hume Freeway via Cooper Street.

The property is fully occupied by Steel Mains Proprietary Limited under lease, expiring 31 July 2030, with a current passing income of $2,471,688 per annum triple net and annual fixed increases of 3.00%. Two further option terms of five years and ten years respectively are provided.

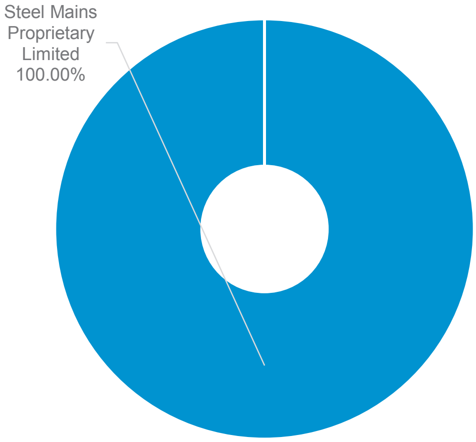
Office and Engineering Services

Site Aerial

Tenancy Details

Major Tenants	
Steel Mains Proprietary Limited	31,819.00 m²
Remainder of Tenanted GLA	-
Vacant GLA	-
Total GLA	**31,819.00 m²**
Weighted Average Lease Expiry (Area)	9.00 years
Weighted Average Lease Expiry (Income)	9.00 years

Tenant Composition by GLA



Financial Details

Component	Passing Income	Market Income
Industrial	$2,471,688	$2,471,688
Outgoings Recoveries	$477,285	$477,285
Total Gross Passing Income	**$2,948,973**	**$2,948,973**
Vacant Areas (Gross)	-	
Potential Fully Leased Gross Income	**$2,948,973**	**$2,948,973**
Adopted Outgoings ($15.00 /m²)	($477,285)	($477,285)
Potential Fully Leased Net Income	**$2,471,688**	**$2,471,688**
Net Passing Income	**$2,471,688**	

Component	Avg. Passing Rent	Avg. Market Rent
Industrial	$78 /m² Net	$78 /m² Net

Passing Capitalisation Approach

Adopted Cap Rate	Fully Leased Passing NOI	Total Adjustments	Cap Result
5.500%	$2,471,688	($510,343)	$44,400,000

Market Capitalisation Approach

Adopted Cap Rate	Fully Leased Market NOI	Total Adjustments	Cap Result
5.500%	$2,471,688	($510,343)	$44,400,000

DCF Approach (10 Year DCF)

CAGR (Net Face)	Avg. Incentives	Total Capex		DCF Metrics		DCF Result	DCF Ratios	
Industrial	Industrial	Inflated	% of Value	Term Yield	Disc. Rate	Rounded	% Term	% Cash Flow
3.20%	25.00%	$314,063	0.70%	6.000%	6.250%	$44,900,000	62.25%	37.75%

Valuation

Adopted Value (100% Freehold Interest)	$44,700,000 (GST Exclusive)
Initial Passing Yield	5.53%
Equivalent Initial Yield	5.47%
Equivalent Revisionary Yield	5.47%
Internal Rate of Return (including capex)	6.29%
Direct Comparison Rate	$1,405 /m² of GLA

Valuation completed by: Ben McCallum, AAPI MRICS - National Director e: ben.mccallum@colliers.com ph: + 61 3 9612 8840

NOTE: This Executive Summary must be read in conjunction with the full report and the details contained therein.

Key Assumptions & Important Comments

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. With regards to the industrial property sector, while certain locations may see a fall in rents and a rise in incentives, core institutional investment grade industrial markets are expected to remain resilient. Whilst there may be qualified levels of demand for secondary assets as risk becomes priced in, particularly where the tenant covenant is not a key strength, core assets with strong tenant covenants have remained highly sought after by both domestic and global capital and yields have continued to firm post the onset of COVID-19. Furthermore, with the weight of capital shifting to the industrial sector, land values in the Melbourne metropolitan area have not only remained resilient but, as recent site sales evidence has indicated, have increased from pre-COVID-19 pricing as developers look to secure industrial land for future development.

The fundamentals for industrial and logistics property remain sound over the short to medium term and as a result the sector is expected to be less impacted than others by the COVID-19 pandemic. With the exception of population growth which has temporarily declined as net overseas migration has ceased due to international border closures, the other key drivers of infrastructure investment and growth in e-commerce will continue to remain strong in the current environment.

CIVAS (VIC) Pty Limited recognises that the global risk outlook, particularly with regard to COVID-19, is extremely fluid. For that reason, we recommend the situation be closely monitored and regular valuation updates initiated by the reliant party.

We draw your attention to the fact that the market value adopted herein is subject to the issues outlined above and should be closely monitored in light of future events.

Key Assumptions & Important Comments

- We assume all information provided by the Instructing Party is correct and current.
- We have assumed that there are no other encumbrances or notations except those shown on Title or noted in this valuation report.
- We have assumed that the property is not impacted by any environmental issues. We have also assumed the use of the property complies with all relevant environmental law.
- We have assumed that the property complies with the appropriate statutory regulations and that there are no other defects applicable to the subject.
- We assume that appropriate permission has been granted by the relevant statutory authority in relation to the existing improvements on site and that these improvements have been constructed in accordance with the relevant requirements.
- We assume there are no GST or arrears liabilities over the subject property unless identified.
- We have assumed for the purpose of this valuation the property is not contaminated in any way that would impact the beneficial use of the property or subject to environmentally based externalities that may impact upon value. If this assumption is found to be incorrect, or if the party on whose instruction this valuation is provided wishes our valuation to be based on a different assumption, then this valuation should be referred back to the Valuer for comment and in appropriate cases, amendment. We have also assumed the use of the property complies with all relevant environmental law.
- We reserve the right to review and in appropriate circumstances revise our valuation report should any of the above key assumptions and important comments result in matters that will have a material impact on valuation.

18 October 2021

The Directors
Acure Funds Management Ltd a/t/f 64 GEH Trust

To the Directors

RE: VALUATION SUMMARY LETTER AS AT 11 AUGUST 2021

64 (LOT 7) GREAT EASTERN HIGHWAY, SOUTH GUILDFORD, WESTERN AUSTRALIA

Instructions

Burgess Rawson (WA) Pty Ltd ('Burgess Rawson") accepted instructions dated 26 July 2021 to prepare a market Valuation for the property above. The valuation report have been prepared for Acure Funds Management Ltd a/t/f 64 GEH Trust and the Due Diligence Committee established for the Initial Public Offering and ASX Listing of the property. The Valuation is prepared in accordance with the Australian Property Institute Australia and New Zealand Valuation and Property Standards, 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 properties as at 11 August 2021 on a market value 'As Is" basis subject to existing lease agreements.

Burgess Rawson has been instructed to provide a full Valuation Report in addition to this Summary Letter which is included in the Prospectus document. 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, General Assumptions, Disclaimers, Limitations, 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, it is considered prudent to consider the entire contents of our Valuation Report. Therefore, we recommend that this Summary Letter be read and considered together with the Valuation Report. We accept no responsibility for reliance upon the Summary Letter.

Valuation Rationale and Methodology

In arriving at our opinion of value, we have employed industry recognised valuation methodologies. We have considered relevant general and economic factors and in particular have investigated recent sales and leasing transactions of comparable properties (as detailed within each report). In arriving at our opinion of market value in accordance with the instructions, we have placed primary emphasis on the capitalisation of market net income approach and where appropriate have also adopted discounted cash flow analysis

Capitalisation Approach

The estimated total income on a face market rental basis has been adjusted to reflect anticipated operating costs to produce a net income on a fully leased basis. The adopted fully leased net income has been capitalised in perpetuity from the valuation date at a market derived capitalisation rate, which we feel reflects the nature, location, and tenancy profile of the property when compared with current market investment criteria.

We have then made various capital adjustments to the calculated core value, including variables such as: Existing Vacancies, Existing Commitments, Rent Adjustments, Impending Expiries, Capital Expenditure

Discounted Cash Flow Approach

The Discounted Cash Flow analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of both rental and capital growth over an assumed investment horizon. A wide range of assumptions are made including a target or pre-selected internal rate of return, rental growth, occupancy, sale price of the property at the end of the investment horizon, potential capital expenditure, costs associated with the initial purchase of the property, and also its disposal at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10 year investment horizon in which we have assumed that the property is sold at the commencement of the 11th year. The cash flow analysis comprises annual income streams. The analysis proceeds on a before tax basis, and while we have not qualified any potential taxation benefits associated with the property, we are of the view that these are an issue which a prospective purchaser would reflect in its consideration.

The analysis is predicated on the assumption of a cash purchase. No allowance for interest and other funding costs have been made.

Valuation Summary

In arriving at our opinion of market value in accordance with the instructions, we have placed primary emphasis on the capitalisation of market net income approach and where appropriate have also adopted discounted cash flow analysis. A detailed explanation of the asset's investment credentials and the application of the discounted cash flow and capitalisation of market and/or passing income methodology are provided in each Valuation Report.

The adopted market value is $15,200,000 as at 11 August 2021. The analysis is summarised below.

	'As Is'
Current Net Passing Income	$1,057,692 pa
Estimated Market Net Income	$890,110 pa
Passing / Initial Yield	6.96 %
Reversionary Yield	5.86 %
Capitalisation Rate Range Adopted	6.0 %
Terminal Yield Adopted	7.0%
Discount Rate Adopted	7.35%
IRR Reflected	8.34%
Land Area Rate ($ / m^2)	$614
Weighted Average Lease Expiry (WALE) – By Income	7.42 Years
Site Coverage	19.4 %

Yours sincerely

Steve Kish
Director
Fellow of Australian Property Institute
Certified Practising Valuer
Licensed Valuer No. 498 in WA

D 08 9288 0280
M 0414 964 866
E skish@burgessrawson.com.au

Savills Valuations Pty Ltd
ABN 73 151 048 056
E rjacob@savills.com.au
DL +61 (0)8 9488 4184
F +61 (0)8 9488 4112

Level 27
108 St Georges Terrace
Perth WA 6000
T +61 (0)8 9488 4111
savills.com.au

The Directors
Acure Funds Management Ltd
ATF Apartment 66 Unit Trust
Level 18, 140 St Georges Terrace
Perth WA 6000

18 October 2021

Dear Sirs/Madams,

PRODUCT DISCLOSURE STATEMENT - SUMMARY LETTER

PROPERTY: **'OUTBACK TRAVEL CENTRE' – LOTS 101 & 9001, GREAT NORTHERN HIGHWAY, CAPRICORN WA**

DATE OF VALUATION: **15 SEPTEMBER 2021**

We refer to your instructions requesting a market valuation of the freehold interest (subject to the tenancy agreement in place) of the abovementioned property. We understand that the valuation is required for **Financial Reporting** purposes and for the inclusion in a Product Disclosure Statement (PDS) to be issued by **Acure Funds Management Ltd ATF Apartment 66 Unit Trust**. We have prepared a comprehensive format valuation report which is available upon request from the Responsible Entity. The following is a summary of that report. Parties seeking detailed information of our valuation should refer to our full valuation report held by Responsible Entity.

We confirm our valuation was prepared in accordance with the Corporations Act.

PROPERTY SUMMARY

The subject property comprises a mixed use development located in proximity to the Pilbara township of Newman, approximately 1,200 kilometres north of the Perth metropolitan area. The property is contained within two Certificates of Title has a total area of 4.6184 ha. The property comprises four distinct components, being a BP roadhouse/truckstop, a 140 room hotel 2 level hotel, freestanding tavern and ground lease area.

The improvements vary in age and quality, however generally provide a reasonable level of accommodation. The BP Roadhouse is located to the property frontage, providing a shop/restaurant area, 11 conventional bowsers, 3 high flow truck bowsers.

Located to the rear of the development is the hotel area, providing a total of 140 conventional hotel rooms, in addition to a mess hall area. The hotel rooms generally a main bedroom area and adjoining ensuite. The rooms provide either a single or double/queen sized bedroom. Overall, the level of accommodation is considered to be relatively basic.

The tavern is located to the northern end of the development, fronting Great Northern Highway. This component comprises a main bar/restaurant area, rear kitchen facilities and large beer garden.

The final component of the land holding is a 1,888 m² ground lease area, which is leased to Fortescue Metals Group. This land component is unimproved, with the exception of some boundary fencing, and is currently utilised as lay down area.

LEGAL DESCRIPTION

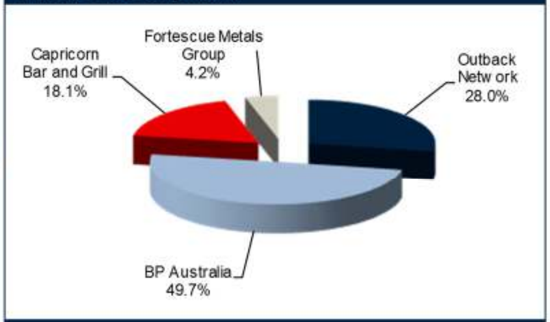
The subject property is legally described as an estate in fee simple in being Lots 101 and 9001 on Deposited Plan 77330 and being the whole of the land contained within Certificates of Title Volume 2845 Folio 317 and 318.

LETTABLE AREA

With reference to the lease agreements and tenancy information provided to us by Acure Funds Management Ltd. We note that largely, the tenancies are configured on a landholding basis. We summarise our understanding of the tenancies below:

LETTABLE AREA SUMMARY	Use	Lettable Area (m²)	%
(Top 5 Tenants)			
Outback Network (T2)	Hotel	12,501.00	28.0%
BP Australia (T1)	Roadhouse	22,227.00	49.7%
Capricorn Bar and Grill (T3)	Bar & Grill	8,065.00	18.1%
Fortescue Metals Group (T4)	Ground Lease	1,888.00	4.2%
-	-	-	-
Other Tenants (0)			
Other Hotel Tenants		-	-
Other Roadhouse Tenants		-	-
Other Tenants		-	-
Vacant Areas		-	-
Average Floorplate Size (Hotel, 0 floors)		-	
Total Lettable Area		**44,681.00**	**100.0%**
Carparking Spaces (income producing)		-	
The property does not provide for parking that is income producing.			

Lettable Area Composition



We stress we have relied upon these areas for the purposes of this valuation, and should a building survey prove these areas to be incorrect we reserve the right to review this valuation.

TENANCY OVERVIEW

At the date of valuation the property was leased to four individual tenancies, with lease expiries December 2021 and November 2032. The largest tenancies by income are BP Australia and Outback Network, comprising 90% of the net passing income of the property.

Tenant	Level / Suite	Renewal Type	Lettable Area m²	Lease Term (yrs)	Comm. Date	Expiry Date	Next Rent Review	Next Review Type	Remaining Term (yrs)	Net/ Gross	Base Rent $ pa	$/m²
Outback Network	T2	Hotel	12,501.0	15.0	1-Jul-14	30-Jun-29	1-Jul-22	CPI	7.7	Net	971,106	78
BP Australia	T1	Roadhouse	22,227.0	15.0	29-Nov-17	28-Nov-32	29-Nov-22	2.00%	11.2	Net	974,189	44
Capricorn Bar and Grill	T3	Bar & Grill	8,065.0	15.0	24-Nov-17	23-Nov-32	24-Nov-22	2.00%	11.1	Net	162,365	20
Fortescue Metals Group	T4	Ground Lease	1,888.0	4.6	1-Jun-19	31-Dec-23	1-Jun-22	$60,000	2.2	Net	54,000	29
Total			44,681.0								2,161,660	48

TENANT COVENANT

The major tenant within the complex is BP Australia. We provide a company overview as follows:

- BP plc is a multinational oil and gas company head quartered in London.
- Market capitalisation of over AUD$131.1 billion as at 5 October 2021;
- Moody's AA credit rating;
- The Australian retail fuel market is currently dominated by the two supermarket chains - Woolworths and Coles, BP and Caltex. Key players in Australia's retail fuel industry are continuing to expand their networks and the number of service stations continues to increase, albeit at a moderated level than in previous years.

WALE (LEASE TERM CERTAIN)

The subject property currently has a WALE of 9.40 years by income and 9.82 by area.

TENANCY EXPIRY ANALYSIS		Area m²	Remaining Lease Term (Years)
Major Tenants			
Outback Network (T2)	Hotel	12,501.00	7.74
BP Australia (T1)	Roadhouse	22,227.00	11.15
Capricorn Bar and Grill (T3)	Bar & Grill	8,065.00	11.14
Fortescue Metals Group (T4)	Ground Lease	1,888.00	2.24
Overall Weighted Average Lease Duration (by income)			**9.40**
Overall Weighted Average Lease Duration (by area)			**9.82**

Overall, the WALE for the property is considered to be very good from an investment perspective.

CONVENIENCE RETAIL COMMENTARY

Overview

The Australian retail fuel industry has undergone significant change over the last ten to fifteen years which has seen major oil companies restructure their property and convenience assets, in a bid to protect and grow their market share. This change has seen oil companies align themselves closer with major retailers such as Woolworths and Coles in order to improve their retail offering and protect long term revenues. Portfolio sale and leasebacks (BP, Ampol & 7-Eleven) have become prevalent as all groups look to redeploy capital into their business with a focus on convenience retailing and upgrade of sites.

There remains significant and sustained interest in fuel based companies within Australia, particularly over the last 2-3 years.

The Investment Market

Investors are attracted to service stations because of the generally long term lease covenants to major listed companies, which have partnerships with the supermarket majors.

The majority of service stations are now providing an increased store based amenity including larger format convenience based stores, supermarket, fast food outlets and coffee shops (including drive through services) and in some cases adjoining automated car washes and nationally branded motor mechanics.

Analysis of recent national sales indicates that those service stations located in metropolitan areas and are underpinned by underlying redevelopment potential have reflected firm yields while service stations located in regional or rural areas reflected softer yields, in particular where land values are low and there is limited redevelopment potential.

The analysis of market rentals has been a challenge for private investors. Passing rentals are often difficult to analyse given the commercial sensitivity around fuel volumes and retail sales by operators. Rents are a function of trade, however the importance of the overall network (including fuel card use) is a major consideration. Our discussions with industry participants confirm that the range of net rental to EBITDA is currently in the order of 30% to 37%. In recent times, with all major industry participants looking to improve their retail network, competition for sites has been high and the upper end of this range has become acceptable.

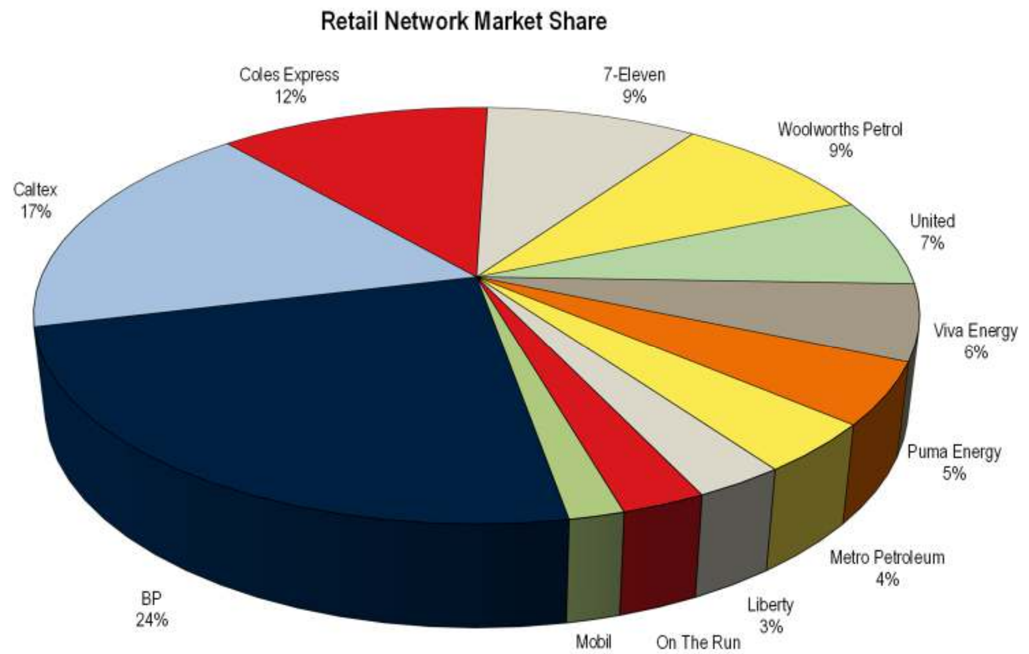
The retail trade is also critical to the majority of sites. New and modern sites with efficient pump island layout and shop front parking provide greater customer flow to high margin items in the store. Typically, convenience store retail sales contribute 8% to 10% of turnover as rent (over and above the fuel gross profit).

A thorough analysis of the surrounding competition and road network is therefore essential in the valuation of service station assets and review of rent sustainability. A reduction in ‘turn in’ rates can be a result of new or refurbished competition, independent pricing and changes to traffic flows in the surrounding road network.

Sales of service stations leased to the major fuel retailers (Shell/Coles Express, Caltex/Woolworths & BP) generally reflect firmer yields than those leased to independents or larger private companies (7-Eleven, Puma & United), due to their perceived stronger lease covenants, however the yield spread appears to be reducing in the current market which is particularly buoyant for fuel related assets.

Australian Retail Market

The Australian retail fuel market is currently dominated by the two supermarket chains - Coles and Woolworths, BP and Caltex. Key players in Australia's retail fuel industry are continuing to expand their networks and the number of service stations continues to increase, albeit at a moderated level than in previous years. According to GapMaps Retail Network Report March 2020, there were 58 store openings and 54 closures for a net increase of 4 sites in the 12 months to March 2020. Mobil (17), Caltex (9) and On the Run (7) have been the most active opening new sites in the past 12 months while BP has closed the most sites (21).



Source: GapMaps March 2020

HOTEL / TAVERN COMMENTARY

General

The hotel investment market in Australia has been strong over the last few years both for going-concerns businesses as well as leased investments. This has been driven by further interest rate reductions and the significant amount of capital chasing investment returns.

The most active purchasers in the market are established hotel operators, large corporates, multiple hotel owners, high net worth investors or syndications. In some instances, alternate uses have been the influencing factor in pricing, especially for inner city and metropolitan hotels with further development potential.

Prior to the spread of COVID19 in March 2020 the investment market continued to see a firming of yields across various commercial property sectors. With the spread of the COVID-19 virus and introduction of widespread personal and business restrictions, we saw buyers adopt a wait and see approach with many property sales delayed or withdrawn from the market.

As the spread of the virus within Australia appeared to have been contained and the various restrictions eased in the second half of 2020, investor sentiment improved and demand for quality investment opportunities improved. The impacts of the current lock-down in NSW and VIC and the various snap lock-downs continue to unfold.

There have been several leased hotel investment sales in the last 12 months which illustrate the current strength of the investment market. This is especially the case for defensive assets with leases secured by strong tenant covenants and sound underlying fundamentals.

ALE Property Group offloaded four hotels in Queensland and one hotel in Victoria in March 2021. The hotels were leased to ALH and achieved a value range of between $3,060,000 and $13,900,000 and a yield range of 4.15% and 4.98%. In all instances these assets were sold at or well above book value and generated strong investor interest despite a perception that all were at above market rental levels.

Due to the success of the initial campaign, ALE then sold The Boundary Hotel, Bentleigh East VIC in May 2021 which achieved a value of $33m and an initial yield of 4.23%. More recently they sold the Tudor Inn, Cheltenham VIC which set a new benchmark with an initial yield of 3.79% and The Royal Exchange Hotel, Toowong QLD which reflected 4.01%.

In another transaction Charter Hall acquired the freehold interest subject to a new lease to ALH in the Terrey Hills Tavern, Terrey Hills NSW at an initial yield of 4.25%.

VALUATION ANALYSIS

The valuation has been determined by reconciliation between the Capitalisation of Net Income approach and Present Value of Income and Land Value Approaches.

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

Income / Expense	Occupied Area	Passing Rent	
	m^2	$ pa	$/m²
Passing Income:			
Outback Network (T2)	12,501.00	$971,106	$78
BP Australia (T1)	22,227.00	$974,189	$44
Capricorn Bar and Grill (T3)	8,065.00	$162,365	$20
Fortescue Metals Group (T4)	1,888.00	$54,000	$29
Total Passing Income	**44,681.00**	**$2,161,660**	**$48**
Add Outgoings recovered in Net valuation		$462,957	
Total Gross Passing Income		**$2,624,617**	
Less:			
Statutory Expenses (Incl. Land Tax):		$70,524	$2
Operating Expenses:		$446,829	$10
Non-Recoverable Outgoings:		-	-
Total Outgoings Expenses		**$517,352**	**$12**
NET INCOME		**$2,107,264**	**$47**

Investment Parameters: As can be seen from the evidence detailed within this report, yields for service station and tavern properties have seen some compression over the past 12-18 months. In establishing our Core Capitalisation rate, we have had particular regard to the tenant covenant, Pilbara locality and long WALE of the subject property.

Our targeted rates reflect the re-pricing and re-calibration of return requirements within the last six months, which has been evident in WA and interstate sales activity. This is the result of the widening yield spread between debt and property returns. Whilst Market Yield and IRR rates appear to reflect a circa 100 bps spread between Perth and capital cities in the Eastern States, larger assets with national and international appeal are considered to command pricing that tempers this spread.

Given the different components of the subject property, we consider it appropriate to adopt individual capitalisation rates. After having consideration for the evidence above, we have adopted the following yield profile for the subject property:

Component	Adopted Capitalisation Rate
Roadhouse	7.00%
Hotel	8.00%
Bar & Grill	8.00%
Ground Lease	7.00%

Based on the above capitalisation rates, we have adopted a blended capitalisation rate for the property of 7.74% displaying an equated market yield of 7.73%.

On a direct comparison basis, we have adopted a range of rates on an improved site rate basis. We have adopted an appropriate range between \$575/m² and \$625/m² which we have applied to the improved land holding of 46,184 m².

Direct Comparison Approach (Improved Site Area)			
Comparisons	**Site Area (m²)**	**\$/m²**	**Total \$**
Low	46,184.00	\$575	\$26,555,800
Midpoint	46,184.00	\$600	\$27,710,400
High	46,184.00	\$625	\$28,865,000
Adjusted Value			\$27,710,400
Assessed Value via Direct Comparison Approach (Improved Site Area)			**\$27,700,000**

RECONCILIATION OF VALUES

Valuation Reconciliation			Value
Capitalisation Result	@	7.99%	\$26,700,000
Capitalisation Result	@	**7.74%**	**\$27,600,000**
Capitalisation Result	@	7.49%	\$28,500,000
Direct Comparison	**@**	**\$600/m²**	**\$27,700,000**
ADOPTED VALUE			**\$27,600,000**
Initial Yield			7.64%
Market Yield			7.73%
\$Value/m²			\$618

LIABILITY DISCLAIMER

Savills has prepared this letter and the format valuation based upon information made available to us at the date of valuation. We believe that this information is accurate and complete, however we have not independently verified all such information except where a reasonable person in the position of Savills Valuations Pty Limited and the Valuers, Mr Ryan Jacob and Mr Chris Walker would consider such information to be misleading or incorrect. Savills is not providing advice about a financial product, nor the suitability of the investment set out in the PDS. Such an opinion can only be provided by a person who holds and Australian Financial Services Licence. Savills does not, nor does the Valuer, hold an Australian Financial Services Licence and is not operating under such a licence in providing its opinion as to the value of the property detailed in this report.

Savills has prepared this summary for inclusion in the Product Disclosure Statement and has only been involved in the preparation of this summary and the valuation referred to therein. Savills specifically disclaim liability to any person in the event of any omission from, or false or misleading statements included in, this Product Disclosure Statement, other than in respect of the Valuation and this summary.

This letter has been countersigned to verify the letter is issued by this Company. Any reliance upon this letter should therefore be based upon the actual possession or sighting of an original document duly signed and countersigned in the before mentioned manner. Savills Valuations Pty Ltd liability is limited by a scheme approved under Professional Standards Legislation

VALUATION DATE

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

VALUERS’ INTEREST

We confirm that Savills Valuations Pty Limited and the appointed Valuers, Mr Ryan Jacob and Mr Chris Walker, do not have any pecuniary interest that would conflict with the proper valuation of the property and the valuation being made independently of Responsible Entity and/or its officers. Savills Valuations Pty Limited was paid a fee of $13,500 plus GST for undertaking the valuation of the property and preparing the valuation report and this summary valuation letter. This letter does not include advice on a financial product. Neither the Valuer nor Savills Valuations Pty Ltd are licensed to provide financial services and the information detailed herein (and the full valuation report) is not intended to provide advice on your investment decision.

VALUATION SUMMARY

We assess the market value of the freehold interest in ‘Outback Travel Centre’ - Lots 101 & 9001, Great Northern Highway, Newman WA as at 15 September 2021 and subject to the details and qualifications contained within our full report, to be as follows:

$27,600,000(*)
(Twenty Seven Million, Six Hundred Thousand Dollars)

(*) This valuation amount is exclusive of a Goods and Services Tax.

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

Market activity is being impacted in many sectors. As at the valuation date we consider that we can attach less weight to previous market evidence for comparison purposes to fully inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

Our valuation is therefore reported on the basis of ‘material valuation uncertainty’ as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market we recommend that you keep the valuation of this property under frequent review.

Prepared by **Savills Valuations Pty Ltd.**

Ryan Jacob
Certified Practising Valuer
Licensed Valuer No.44673
For the State of Western Australia

Chris Walker
Certified Practising Valuer
Licensed Valuer No.44397
For the State of Western Australia

Liability limited by a scheme approved under Professional Standards Legislation. Savills will not be liable for loss of business, revenue, contracts, savings or consequential losses

CBRE Valuations Pty Limited
ABN 15 008 912 641
QV1, Level 25
250 St Georges Terrace
Perth WA 6000
T 61 8 9320 0000
stewart.nuttall@cbre.com.au
www.cbre.com.au

11 October 2021

Aaron Wong
Acure Funds Management Ltd
140 St Georges Terrace
Perth, WA 6000

Attention: The Directors, Acure Funds Management Ltd

Dear Directors

Valuation Summary

Valuation Report / PDS

BP Brown Range, 1134 (Lot 2) North West Coastal Highway, Brown Range (Carnarvon)

Instructions

CBRE Valuations Pty Limited ("CBRE") accepted instructions dated 1 September 2021 to prepare a market Valuation for the interest in the property listed above. The Valuation is to be relied upon for Prospectus purposes only and is specifically addressed for use and reliance upon by the parties named above. The Valuation is prepared in accordance with the Australian Property Institute Australia and New Zealand Valuation and Property Standards, 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 as at 10 September 2021 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 which is included in the Prospectus document. 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, General Assumptions, Disclaimers, Limitations, 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, it is considered prudent to consider the entire contents of our Valuation Report. Therefore, we recommend that this Summary Letter be read and considered together with the Valuation Report. We accept no responsibility for reliance upon the Summary Letter.

Instruction Summary:

Instructing Party	Aaron Wong of Acure Funds Management Ltd
Date of Instruction	1 September 2021
Report Copy	We refer the reader to Acure Funds Management Ltd to obtain a copy of our Valuation Report.

Brief Description of the Property and Tenancy Details

Property Details

Owner Name/s	Acure Funds Management Ltd
Property Type	Service Station / Roadhouse
RPD	Lot 2 on Diagram 32404. Certificate of Title Volume 1910 Folio 831.
Land Area	21,423 sqm
Land Use	Occupied Service Station / Roadhouse
Zoning	Zoned "Special Use" under the Shire of Carnarvon Local Planning Scheme No. 13.
Council	Shire of Carnarvon.

Brief Description

Overview	The property comprises a circa 2013 constructed Outback Travel Centre roadhouse located some 5 kilometres east of Carnarvon on the southern alignment of the North West Coast Highway. Improvements include road train refill and parking, convenience store, truck driver's lounge with laundry and shower facilities, service station, commercial kitchen, rear storage area, male and female amenities and dining area plus alfresco.

Tenancy Details

Occupancy	Leased to BP Australia Pty Ltd. The leased commenced on 29 November 2017 for a 15 year term with three 5 year options.
Vacancy	Nil, being fully leased to BP Australia Pty Ltd.

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 select Critical Assumptions noted in the full Valuation Report include:

Discounted Cash Flow	Our valuation calculations include rental growth assumptions throughout a defined cash flow period. These assumptions have been based on prevailing economic and market conditions as at the date of valuation. Market conditions will change over time influenced by internal and external factors against which a review of the assumptions may be warranted. Therefore reliance upon these projections must be made with full acceptance of their limited reliability and with due consideration of the commercial risks related to such forecasts. The Discounted Cash Flow method of valuation referred to in the Valuation Report has been undertaken for the purpose of assisting in the determination of the current market value of the interest in the property and we make no guarantees or warranty as to the accuracy of future rental income stream projections, as these can be impacted by a combination of unforeseen circumstances.
Information Provided	We have relied upon information provided, including a copy of the lease, by Acure Funds Management Ltd.

Information Available	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.
Est. Selling Period	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; Use and Reliance; Site Details including Location, Legal, Environmental and Town Planning; and Building Improvements along with analysis of the asset's Occupational and Financial attributes. This is followed by a comprehensive Economic, Investment Market, 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.

Valuation Methodology

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 placed primary emphasis on the capitalisation of net income approach and have additionally undertaken a DCF analysis as a supporting method of valuation. A detailed explanation of the asset's 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 conclusions for BP Brown Range as at 10 September 2021 as follows:

Market Value	**As Is – Subject to existing occupancy arrangements.** **$11,900,000 exclusive of GST**

The two primary valuation approaches which we have adopted in valuing the subject property include the capitalisation of market net income and discounted cashflow approach. The capitalisation approach involves assessing the market net income of the property and capitalising this at a market derived rate.

Having reviewed market evidence, the adopted fully leased net income has been capitalised in perpetuity from the valuation date at a capitalisation rate of 6.50%, which we feel reflects the nature, location, and tenancy profile of the property when compared with current market investment criteria.

Our capitalisation valuation calculations are as follows:

CBRE

CAPITALISATION ANALYSIS

		Base	Outgoings	% Rent	Total
Income	BP Australia Pty Ltd	742,846	-	30,000	772,846
	Specialties	-	-	-	-
	Total	742,846	-	30,000	
NET PASSING INCOME					772,846
CAPITALISED VALUE	Capitalise In Perpetuity @		6.50%		11,889,932

	Sensitivity Analysis		
	6.25%	12,400,000	
Adopt	6.50%	11,900,000	11,900,000
	6.75%	11,400,000	

In addition to the capitalisation approach, we have also adopted a discounted cashflow approach over a 10 year time frame, using a target or preselected discount rate. From our analysis of comparable investment sales, we consider an appropriate discount rate for the subject property to be 7.75%. When applied to the forecast cashflow of the property the discounted cashflow approach discloses a value of $11,800,000.

We have reconciled the adopted value, as at 10 September 2021, as follows:

VALUATION RECONCILIATION

Capitalisation Approach	Assessed Value	11,900,000
	Capitalisation Rate	6.50%
Discounted Cash Flow Approach	Assessed Value	11,800,000
	Target IRR	7.75%
	Terminal Yield	7.50%
MARKET VALUE ADOPTED		11,900,000
	Initial Yield	6.49%
	Indicated IRR	7.67%
	Capital Value Rate ($psm)	11,900

Consent

CBRE provides its consent for the inclusion of this Summary Letter within the Prospectus for Acure Funds Management Ltd subject to:

1. CBRE's prior consent to the form and context in which the Summary Letter will appear, including prior consent that the valuation or Summary Letter has been accurately reproduced in the Offer Document and is being used for the purposes for which it is produced;

2. CBRE having no liability or responsibility for any content of the Offer Document which does not form this Summary Letter;

3. Acure Funds Management Ltd making recipients of the Offer Document aware of the following liability disclaimers in writing.

Liability Disclaimer

We do not provide financial advice	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 to invest in/with Acure Funds Management Ltd.
Prospectus comment	CBRE disclaims any liability to any person in the event of an omission from, or false and misleading statements included in the Prospectus, other than in respect to this Summary Letter and the full Valuation Report.
Limitations	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 Prospectus. 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.
Information relied upon	CBRE has prepared the full Valuation Report and this Summary Letter relying on and referring to information provided by third parties in 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.
Qualified to full Valuation Report	References to the Property's value within this Summary Letter or the Prospectus 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, general assumptions, disclaimers, limitations, 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 Prospectus must be read and considered together with the Valuation Report. This Summary Letter is to be read in conjunction with our full Valuation Report dated 10 September 2021 and is subject to the Assumptions, Limitations, Disclaimers and Qualifications contained therein. We refer the reader to Acure Funds Management Ltd to obtain a copy of the Full Valuation Report.
No Responsibility	No responsibility is accepted for any loss or damage arising as a result of reliance upon this Summary Letter and the Full Valuation Report.
Restricted	Neither this Summary Letter nor the full Valuation Report may be reproduced in whole or in part without prior written approval of CBRE.

Report Fee	CBRE charges a professional fee for producing valuation reports, and the fee paid by Acure Funds Management Ltd for the Valuation Report and this Summary Letter was $9,900 inclusive of GST plus travel disbursements of $435.86 inclusive of GST.
Valuer's Interest	We confirm that the valuer does not have a pecuniary interest that would conflict with a proper valuation of the interest in the property.
Reliance & Liability	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

Stewart Nuttall FAPI FRICS
Licensed Valuer No. 581
Certified Practising Valuer
Senior Director
Valuation & Advisory Services

Liability limited by a scheme approved under Professional Standards Legislation.

CBRE Valuations Pty Limited
ABN 15 008 912 641
QV1, Level 25
250 St Georges Terrace
Perth WA 6000
T 61 8 9320 0000
stewart.nuttall@cbre.com.au
www.cbre.com.au

11 October 2021

Aaron Wong
Acure Funds Management Ltd
140 St Georges Terrace
Perth, WA 6000

Attention: The Directors, Acure Funds Management Ltd

Dear Directors

Valuation Summary
Valuation Report / PDS
BP Karratha West, Lot 9 Resource Road, Gap Ridge (Karratha) WA 6714

Instructions

CBRE Valuations Pty Limited ("CBRE") accepted instructions dated 1 September 2021 to prepare a market Valuation for the interest in the property listed above. The Valuation is to be relied upon for Prospectus purposes only and is specifically addressed for use and reliance upon by the parties named above. The Valuation is prepared in accordance with the Australian Property Institute Australia and New Zealand Valuation and Property Standards, 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 as at 17 September 2021 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 which is included in the Prospectus document. 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, General Assumptions, Disclaimers, Limitations, 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, it is considered prudent to consider the entire contents of our Valuation Report. Therefore, we recommend that this Summary Letter be read and considered together with the Valuation Report. We accept no responsibility for reliance upon the Summary Letter.

Instruction Summary:

Instructing Party	Aaron Wong of Acure Funds Management Ltd
Date of Instruction	1 September 2021
Report Copy	We refer the reader to Acure Funds Management Ltd to obtain a copy of our Valuation Report.

CBRE

Brief Description of the Property and Tenancy Details

Property Details

Owner Name/s	Acure Funds Management Ltd
Property Type	Service Station / Roadhouse
RPD	Lot 9 on Deposited Plan 75062. Certificate of Title Volume 2813 Fol 269.
Land Area	10,933 sqm
Land Use	Occupied Service Station / Roadhouse
Zoning	Zoned "Industrial Development" under the City of Karratha Local Planning Scheme No. 8.
Council	City of Karratha.

Brief Description

Overview	The property comprises a circa 2015 constructed BP Karratha West roadhouse located some 8 kilometres west of the Karratha city centre on the eastern corner of Resource Road and Exploration Drive, some 50 metres east of the Dampier Road intersection. Improvements include road train refill and parking, convenience store, café, unoccupied retail store, truck driver's lounge with laundry and shower facilities, service station, commercial kitchen, rear storage area, male and female amenities, and dining area plus alfresco.

Tenancy Details

Occupancy	Leased to BP Australia Pty Ltd. The leased commenced on 29 November 2017 for a 15 year term with three 5 year options.
Vacancy	Nil, being fully leased to BP Australia Pty Ltd.

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 select Critical Assumptions noted in the full Valuation Report include:

Discounted Cash Flow	Our valuation calculations include rental growth assumptions throughout a defined cash flow period. These assumptions have been based on prevailing economic and market conditions as at the date of valuation. Market conditions will change over time influenced by internal and external factors against which a review of the assumptions may be warranted. Therefore reliance upon these projections must be made with full acceptance of their limited reliability and with due consideration of the commercial risks related to such forecasts. The Discounted Cash Flow method of valuation referred to in the Valuation Report has been undertaken for the purpose of assisting in the determination of the current market value of the interest in the property and we make no guarantees or warranty as to the accuracy of future rental income stream projections, as these can be impacted by a combination of unforeseen circumstances.

Information Provided	We have relied upon information provided, including a copy of the lease, by Acure Funds Management Ltd.
Information Available	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.
Est. Selling Period	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; Use and Reliance; Site Details including Location, Legal, Environmental and Town Planning; and Building Improvements along with analysis of the asset's Occupational and Financial attributes. This is followed by a comprehensive Economic, Investment Market, 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.

Valuation Methodology

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 placed primary emphasis on the capitalisation of net income approach and have additionally undertaken a DCF analysis as a supporting method of valuation. A detailed explanation of the asset's 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 conclusions for BP Karratha West as at 17 September 2021 as follows:

Market Value	**As Is – Subject to existing occupancy arrangements.** **$13,800,000 exclusive of GST**

The two primary valuation approaches which we have adopted in valuing the subject property include the capitalisation of market net income and discounted cashflow approach. The capitalisation approach involves assessing the market net income of the property and capitalising this at a market derived rate.

Having reviewed market evidence, the adopted fully leased net income has been capitalised in perpetuity from the valuation date at a capitalisation rate of 6.25%, which we feel reflects the nature, location, and tenancy profile of the property when compared with current market investment criteria.

Our capitalisation valuation calculations are as follows:

CBRE

CAPITALISATION ANALYSIS

		Base	Outgoings	% Rent	Total
Income	BP Australia Pty Ltd	848,966	-	5,643	854,610
	Specialties	-	-	-	-
	Total	848,966	-	5,643	
NET PASSING INCOME					854,610
CAPITALISED VALUE	Capitalise In Perpetuity @		6.25%		13,673,756

	Sensitivity Analysis		
	6.00%	14,200,000	
Adopt	6.25%	13,700,000	13,700,000
	6.50%	13,100,000	

In addition to the capitalisation approach, we have also adopted a discounted cashflow approach over a 10 year time frame, using a target or preselected discount rate. From our analysis of comparable investment sales, we consider an appropriate discount rate for the subject property to be 7.50%. When applied to the forecast cashflow of the property the discounted cashflow approach discloses a value of $14,000,000.

We have reconciled the adopted value, as at 17 September 2021, as follows:

VALUATION RECONCILIATION

Capitalisation Approach	Assessed Value	13,700,000
	Capitalisation Rate	6.25%
Discounted Cash Flow Approach	Assessed Value	14,000,000
	Target IRR	7.50%
	Terminal Yield	7.25%
MARKET VALUE ADOPTED		13,800,000
	Initial Yield	6.19%
	Indicated IRR	7.65%
	Capital Value Rate ($psm)	13,800

Consent

CBRE provides its consent for the inclusion of this Summary Letter within the Prospectus for Acure Funds Management Ltd subject to:

1. CBRE's prior consent to the form and context in which the Summary Letter will appear, including prior consent that the valuation or Summary Letter has been accurately reproduced in the Offer Document and is being used for the purposes for which it is produced;

2. CBRE having no liability or responsibility for any content of the Offer Document which does not form this Summary Letter;

3. Acure Funds Management Ltd making recipients of the Offer Document aware of the following liability disclaimers in writing.

Liability Disclaimer

We do not provide financial advice	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 to invest in/with Acure Funds Management Ltd.
Prospectus comment	CBRE disclaims any liability to any person in the event of an omission from, or false and misleading statements included in the Prospectus, other than in respect to this Summary Letter and the full Valuation Report.
Limitations	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 Prospectus. 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.
Information relied upon	CBRE has prepared the full Valuation Report and this Summary Letter relying on and referring to information provided by third parties in 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.
Qualified to full Valuation Report	References to the Property's value within this Summary Letter or the Prospectus 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, general assumptions, disclaimers, limitations, 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 Prospectus must be read and considered together with the Valuation Report. This Summary Letter is to be read in conjunction with our full Valuation Report dated 17 September 2021 and is subject to the Assumptions, Limitations, Disclaimers and Qualifications contained therein. We refer the reader to Acure Funds Management Ltd to obtain a copy of the Full Valuation Report.
No Responsibility	No responsibility is accepted for any loss or damage arising as a result of reliance upon this Summary Letter and the Full Valuation Report.
Restricted	Neither this Summary Letter nor the full Valuation Report may be reproduced in whole or in part without prior written approval of CBRE.

Report Fee	CBRE charges a professional fee for producing valuation reports, and the fee paid by Acure Funds Management Ltd for the Valuation Report and this Summary Letter was $9,900 inclusive of GST plus travel disbursements of $479.45 inclusive of GST.
Valuer's Interest	We confirm that the valuer does not have a pecuniary interest that would conflict with a proper valuation of the interest in the property.
Reliance & Liability	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

Stewart Nuttall FAPI FRICS
Licensed Valuer No. 581
Certified Practising Valuer
Senior Director
Valuation & Advisory Services

Liability limited by a scheme approved under Professional Standards Legislation.

Savills Valuations Pty Ltd
ABN 73 151 048 056
E rjacob@savills.com.au
DL +61 (0)8 9488 4184
F +61 (0)8 9488 4112

Level 27
108 St Georges Terrace
Perth WA 6000
T +61 (0)8 9488 4111
savills.com.au

The Directors
Acure Asset Management Ltd
ATF Outback Port Hedland Unit Trust
Level 18, 140 St Georges Terrace
Perth WA 6000

6 October 2021

Dear Sirs/Madams,

PRODUCT DISCLOSURE STATEMENT - SUMMARY LETTER

PROPERTY: LOT 331 HERMATITE DRIVE, WEDGEFIELD WA
DATE OF VALUATION: 28 SEPTEMBER 2021

We refer to your instructions requesting a market valuation of the freehold interest (subject to the tenancy agreement in place) of the abovementioned property. We understand that the valuation is required for **Financial Reporting** purposes and for the inclusion in a Product Disclosure Statement (PDS) to be issued by Acure Funds Management Ltd as responsible entity of the Outback Port Hedland Unit Trust. We have prepared a comprehensive format valuation report which is available upon request from the Responsible Entity. The following is a summary of that report. Parties seeking detailed information of our valuation should refer to our full valuation report held by Responsible Entity.

We confirm our valuation was prepared in accordance with the Corporations Act.

PROPERTY SUMMARY

The subject property comprises a circa 5-year-old BP branded Truck Stop. The property comprises a 2.2599ha ‘General Industrial’ zoned lot which is broadly regular in shape. The property benefits from three street frontages and is situated within the Wedgefield Industrial Area and is utilised as a large, unmanned diesel fuelling depot.

The service station provides four (4) dispenser islands in starter gate formation. A freestanding 5.3m clearance truck canopy of 300 m² is situated over three of the dispensers, with the last uncovered dispenser allowing access to vehicles exceeding 5.3m in height. The remainder of the site is comprised of concrete, bitumen and unsealed hardstand. Additional improvements comprise signage pylon situated to the south-western corner, swale drains, and steel fencing. The fuel infrastructure is the property of the lessor, as identified in ‘Annexure B’ of the Lease.

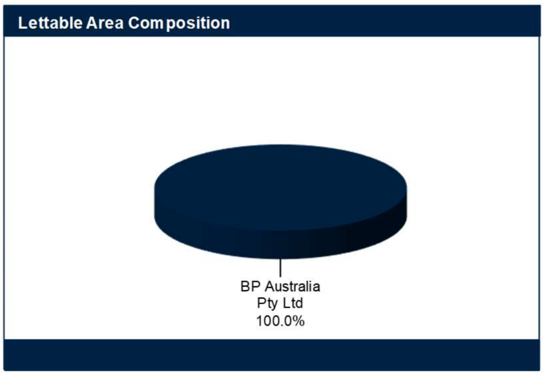
LEGAL DESCRIPTION

The subject property is legally described as an estate in fee simple in being Lot 331 on Deposited Plan 404322 and being the whole of the land contained within Certificate of Title Volume 2871 Folio 24.

LETTABLE AREA

With reference to the lease agreements (Item 1 of the Lease), the lease relates to the use of the whole property including all buildings and land. Savills have assessed the lettable area to be the entire site area. This is common practice for the assessment of service stations given the variability and scale of the improvements.

LETTABLE AREA SUMMARY	Use	Lettable Area (m²)	%
(Top 5 Tenants)			
BP Australia Pty Ltd (Lot 331)	Industrial	22,599.00	100.0%
Other Tenants (0)			
Other Industrial Tenants		-	-
-		-	-
Other Tenants		-	-
Vacant Areas		-	-
Average Floorplate Size (Industrial, 0 floors)		**-**	
Total Lettable Area		**22,599.00**	**100.0%**
Carparking Spaces (income producing)		-	
The property does not provide for parking that is income producing.			



We note that situated upon the site is a 300 m² canopy which covers the fuel dispensers onsite. The remainder of the site is improved with concrete and bitumen hardstand.

TENANCY OVERVIEW

As at the date of valuation the property is fully leased to BP Australia. BP Australia have their lease expiring of November 2032 with the property reflecting a WALE of 11.17 years by income. We summarise the leases within the property as follows:

Tenant	Lettable Area m²	Lease Term (yrs)	Comm. Date	Expiry Date	Next Rent Review	Next Review Type	Remaining Term (yrs)	Net/ Gross	Base Rent $ pa	Base Rent $/m²
BP Australia Pty Ltd	22,599.0	15.0	29-Nov-17	28-Nov-32	29-Nov-21	2.00%	11.2	Net	649,459	29
Total	**22,599.0**								**649,459**	**29**

BP Australia have 3 x 5-year options. A market rent review is due on the commencement of each option period.

Tenant Covenant

- BP plc is a multinational oil and gas company head quartered in London.
- Market capitalisation of over AUD$131.1 billion as at 5 October 2021;
- Moody's AA credit rating;
- The Australian retail fuel market is currently dominated by the two supermarket chains - Woolworths and Coles, BP and Caltex. Key players in Australia's retail fuel industry are continuing to expand their networks and the number of service stations continues to increase, albeit at a moderated level than in previous years.

WALE (Lease term certain)

The subject property currently has a WALE of 11.17 years by income and 11.17 by area.

TENANCY EXPIRY ANALYSIS		Area m²	Remaining Lease Term (Years)
Major Tenants			
BP Australia Pty Ltd (Lot 331)	Industrial	22,599.00	11.17
Vacant Areas		-	
Overall Weighted Average Lease Duration (by income)			**11.17**
Overall Weighted Average Lease Duration (by area)			**11.17**

Convenience Retail Commentary

Overview

The Australian retail fuel industry has undergone significant change over the last ten to fifteen years which has seen major oil companies restructure their property and convenience assets, in a bid to protect and grow their market share. This change has seen oil companies align themselves closer with major retailers such as Woolworths and Coles in order to improve their retail offering and protect long term revenues. Portfolio sale and leasebacks (BP, Ampol & 7-Eleven) have become prevalent as all groups look to redeploy capital into their business with a focus on convenience retailing and upgrade of sites.

There remains significant and sustained interest in fuel based companies within Australia, particularly over the last 2-3 years.

We note the following reported activity from major industry participants as follows:

- In September 2020 Charter Hall Retail REIT (ASX:CQR) and Charter Hall Long WALE REIT (ASX: CLW) announced that it had acquired a 49% interest in in a portfolio of 70 Long WALE triple net leased convenience retail properties leased to BP in New Zealand. The portfolio was acquired in a sale and leaseback transaction, providing a 20 year WALE at acquisition with initial lease terms ranging from 18 to 22 years with annual CPI rent increases (plus up to 0.5% in the first five years). The acquisition price of circa NZD $262 million represents a 6.25% initial yield. The deal followed Charter Halls acquisition of 225 BP service stations within Australia in a similar sale and leaseback scenario in December 2019, as further detailed below.
- In August 2020 Ampol (ASX: ALD) announced an agreement for a Charter Hall and GIC Consortium to acquire a 49% interest in the Ampol Property trust which includes 203 convenience retail properties throughout Australia. As part of the transaction, a Charter Hall and GIC consortium acquired a 49% minority interest in the property trust for $682 million, reflecting a weighted average capitalisation rate of 5.50% and valuing the entire property

trust at 1.4 billion. The Ampol portfolio provided initial lease terms ranging from 11 through to 22 years, a 19.2-year WALE and 10 year initial option terms, plus multiple 5 years options thereafter. The properties will be subject to CPI annual rent reviews, with minimum 2% and maximum 5% increases per annum.

- In June 2020 Chevron Australia Downstream Pty Ltd (NYSE:VVX)., a wholly-owned subsidiary of Chevron Corporation, announced that it has completed the acquisition from Puma Energy Asia Pacific B.V of all shares and equity interest of Puma Energy (Australia) Holdings Pty Ltd for the amount of AU$425 million. Puma is one of Australia's largest independent fuel operators, operating circa 288 retail fuel sites around Australia, representing approximately 4.8% of the Australian fuel retailing market. The purchase by Chevron comes only four years after it decided to exit the Australian retail fuel market through the $4.62 billion sale of its half-share of Caltex.
- Caltex Australia (now Ampol) is in the process of rebranding all its sites to Ampol, following the termination of a licensing agreement with Chevron, who own the rights to the Caltex brand, at a cost of circa $165 million. The breakdown in negotiations follows Chevrons re-entry into the Australian retail fuel market following the acquisition of Puma. Chevron has plans to rebrand the Puma sites to Caltex.
- In February 2020 Viva Energy, which held a 35.5% stake in the Viva Energy REIT announced it was selling 5% to listed fund manager Charter Hall and another 5% to the Charter Hall Long WALE REIT. The remaining 25.5% was also sold down through investment banks. Following the exit of Viva Energy as a major shareholder, the REIT was renamed to Waypoint REIT in May 2020. The property trust controls a portfolio of 469 service stations across the country, valued at close to $2.7 billion.
- In December 2019 listed funds manager Charter Hall Group (ASX: CHC) announced the purchase of a 49% non-controlling stake in 225 BP fuel outlets for a reported $840 million, in a sale and leaseback agreement with BP, who retain a controlling 51% stake. Charter Hall split its ownership across the Charter Hall Long Wale REIT (ASX: CLW), Charter Hall Retail REIT (ASX: CQR) and Charter Hall Group (CHC). The acquisition was reported to include 225 assets, predominately located across the eastern seaboard, providing a WALE of 20 years (staggered between 18-22 years) and annual CPI reviews. The deal was reportedly struck on a blended yield of circa 5.50%. The deal follows a failed attempt by BP to purchase Woolworths petrol business in December 2016 for $1.8 billion following an announcement by the ACCC that it intended to block the acquisition, citing concerns over reduced competition within the retail fuel market.
- The 7-Eleven Group conducted a sale and leaseback of 33 service stations across two portfolio auctions through Burgess Rawson in late 2019 and early 2020. Each property was subject to a new 12 year lease to 7-Eleven with annual 3.0% reviews. The first portfolio auction saw 15 service stations sell for a total of $77,935,000 reflecting a blended yield of 4.70%. The second portfolio auction saw 18 service stations sell for a total of $78,171,000 reflecting a blended yield of 4.83%. The established properties were predominately located on the eastern seaboard.
- Caltex Australia (now Ampol), divested 25 inner-city service stations for a reported $136 million in a bid to free up cash reserves within the business. Ampol have flagged its intention to sell more inner city sites.
- Viva Energy Australia (ASX: VVR) announced the acquisition of the remaining 50% stake in Liberty Oil's wholesale business (Liberty Oil Holdings) for $42 million. It also announced the establishment of a new retail joint venture to continue to grow the existing Liberty Oil retail business (Liberty Oil Convenience), of which it will own 50%. As part of the transaction, Viva

Energy also has the option to acquire (and its existing partners have the option to sell to Viva Energy) the remaining 50% of the Liberty Oil Convenience Business in 2024.

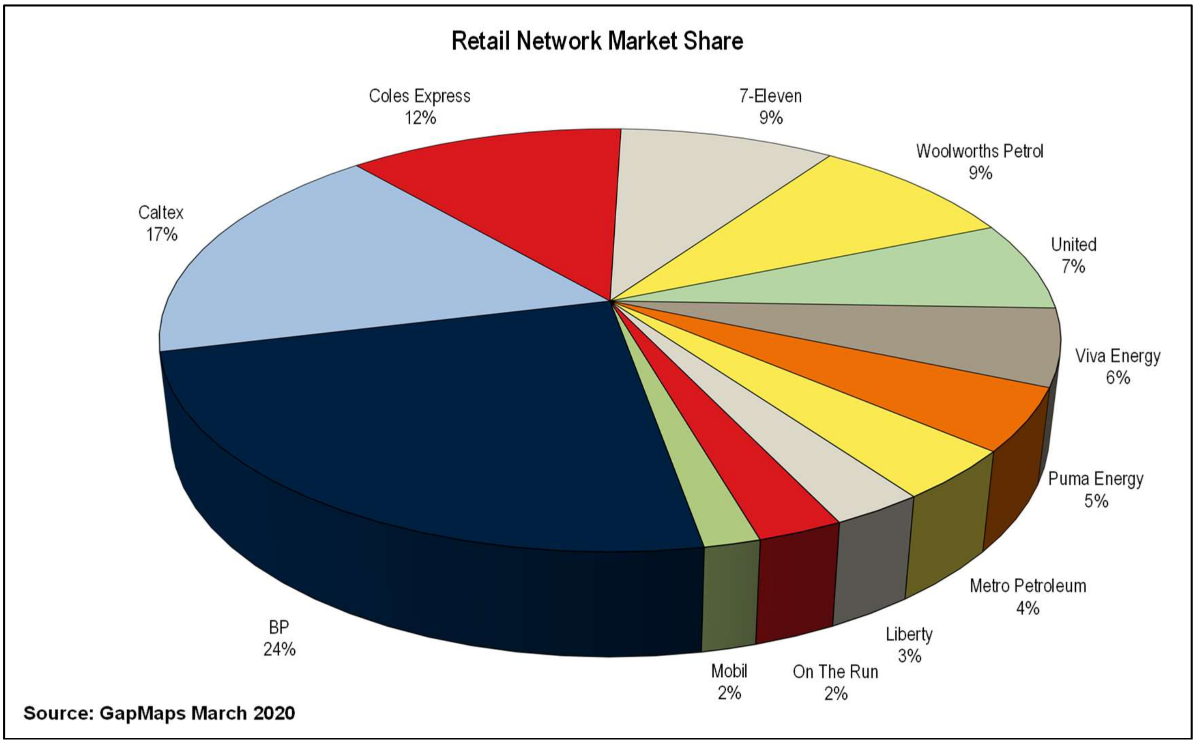
In February 2019 Coles (ASX: COL) entered into a new 10-year agreement with VIVA Energy Australia (ASX: VVR). Under the new agreement, Viva now set retail fuel prices, collect the full retail margin and receive higher royalties on Coles Express convenience store sales. In exchange, Coles now take a commission on every litre of fuel sold. Viva paid Coles a one-off payment of $137 million to reflect the value transfer.

In late 2018, Woolworths agreed terms with UK based EG Group, to sell its fuel business comprising approximately 540 fuel convenience sites for circa $1.725 billion. As part of the transaction, Woolworths Group and EG Group entered into a 15-year commercial agreement, covering fuel discount redemption, loyalty and wholesale product supply. EG Group is one of the world's largest independent fuel station and convenience retailer, with a diversified portfolio of sites across 8 countries. They operate circa 5,000 sites globally, employing more than 25,000 people with revenues in excess of $US20 Billion.

Prior to the sale of its fuel business to EG Group, and subsequent to the failed negotiations with BP, Woolworths agreed to a new 15-year wholesale fuel supply deal with Caltex. Under the deal, the four cents a litre discount deal for Woolworth's shoppers was expanded to 125 Caltex sites, adding to the 638 Woolworths rewards redemptions sites. The deal includes an agreement by Caltex and Woolworths to co-create a convenience retail offering, across 250 Caltex retail sites, which will be co-branded.

Australian Retail Market

The Australian retail fuel market is currently dominated by the two supermarket chains - Coles and Woolworths, BP and Caltex. Key players in Australia's retail fuel industry are continuing to expand their networks and the number of service stations continues to increase, albeit at a moderated level than in previous years. According to GapMaps Retail Network Report March 2020, there were 58 store openings and 54 closures for a net increase of 4 sites in the 12 months to March 2020. Mobil (17), Caltex (9) and On the Run (7) have been the most active opening new sites in the past 12 months while BP has closed the most sites (21).



The Investment Market

Investors are attracted to service stations because of the generally long term lease covenants to major listed companies, which have partnerships with the supermarket majors.

The majority of service stations are now providing an increased store based amenity including larger format convenience based stores, supermarket, fast food outlets and coffee shops (including drive through services) and in some cases adjoining automated car washes and nationally branded motor mechanics.

Analysis of recent national sales indicates that those service stations located in metropolitan areas and are underpinned by underlying redevelopment potential have reflected firm yields while service stations located in regional or rural areas reflected softer yields, in particular where land values are low and there is limited redevelopment potential. Similarly, properties with rents above $300,000 per annum with a low underlying land have typically reflected softer yields in comparison to those properties with lower rents of between say $150,000 per annum and $250,000 per annum net.

The analysis of market rentals has been a challenge for private investors. Passing rentals are often difficult to analyse given the commercial sensitivity around fuel volumes and retail sales by operators. Rents are a function of trade, however the importance of the overall network (including fuel card use) is a major consideration. Our discussions with industry participants confirm that the range of net rental to EBITDA is currently in the order of 30% to 37%. In recent times, with all major industry participants looking to improve their retail network, competition for sites has been high and the upper end of this range has become acceptable.
The retail trade is also critical to the majority of sites. New and modern sites with efficient pump island layout and shop front parking provide greater customer flow to high margin items in the store. Typically, convenience store retail sales contribute 8% to 10% of turnover as rent (over and above the fuel gross profit).

A thorough analysis of the surrounding competition and road network is therefore essential in the valuation of service station assets and review of rent sustainability. A reduction in 'turn in' rates can be a result of new or refurbished competition, independent pricing and changes to traffic flows in the surrounding road network.

Sales of service stations leased to the major fuel retailers (Shell/Coles Express, Caltex/Woolworths & BP) generally reflect firmer yields than those leased to independents or larger private companies (7-Eleven, Puma & United), due to their perceived stronger lease covenants, however the yield spread appears to be reducing in the current market which is particularly buoyant for fuel related assets.

VALUATION ANALYSIS

The valuation has been determined by reconciliation between the Capitalisation of Net Income approach and Present Value of Income and Land Value Approaches.

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

Income / Expense	Occupied Area	Passing Rent	
	m^2	$ pa	$/m²
Total Passing Income	**22,599.00**	**$649,459**	**$29**
Add Outgoings recovered in Net valuation		$96,932	
Total Gross Passing Income		**$746,391**	
Less:			
Statutory Expenses (Incl. Land Tax):		$17,456	$1
Operating Expenses:		$79,476	$4
Non-Recoverable Outgoings:		-	-
Total Outgoings Expenses		**$96,932**	**$4**
NET INCOME		**$649,459**	**$29**

Investment Parameters: As can be seen from the evidence detailed within this report, yields for service station properties have seen some compression over the past 12-18 months. In establishing our Core Capitalisation rate, we have had particular regard to the tenant covenant, Pilbara locality and long WALE of the subject property. After having consideration for the evidence, we have adopted a Core Capitalisation rate for 6.75%.

The Present Value of Income and Land Value Approach calculates the present value of the remaining income and defers the current market value of underlying property for the remaining lease term certain (inclusive of escalations). An appropriate discount rate has been adopted (5.00% for income and 6.00% for the underlying land).

Incorporating the valuation approaches and assumptions into our proprietary valuation models, a value of $9,600,000 has been produced. On analysis the adopted value reflects an initial yield of 6.77%, an equated market yield of 6.77% and $Rate of $425/m² on an improved site basis.

LIABILITY DISCLAIMER

Savills has prepared this letter and the format valuation based upon information made available to us at the date of valuation. We believe that this information is accurate and complete, however we have not independently verified all such information except where a reasonable person in the position of Savills Valuations Pty Limited and the Valuers, Mr Ryan Jacob and Mr Chris Walker would consider such information to be misleading or incorrect. Savills is not providing advice about a financial product, nor the suitability of the investment set out in the PDS. Such an opinion can only be provided by a person who holds and Australian Financial Services Licence. Savills does not, nor does the Valuer, hold an Australian Financial Services Licence and is not operating under such a licence in providing its opinion as to the value of the property detailed in this report.

Savills has prepared this summary for inclusion in the Product Disclosure Statement and has only been involved in the preparation of this summary and the valuation referred to therein. Savills specifically disclaim liability to any person in the event of any omission from, or false or misleading statements included in, this Product Disclosure Statement, other than in respect of the Valuation and this summary.

This letter has been countersigned to verify the letter is issued by this Company. Any reliance upon this letter should therefore be based upon the actual possession or sighting of an original document duly signed and countersigned in the before mentioned manner. Savills Valuations Pty Ltd liability is limited by a scheme approved under Professional Standards Legislation

VALUATION DATE

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

VALUERS' INTEREST

We confirm that Savills Valuations Pty Limited and the appointed Valuers, Mr Ryan Jacob and Mr Chris Walker, do not have any pecuniary interest that would conflict with the proper valuation of the property and the valuation being made independently of Responsible Entity and/or its officers. Savills Valuations Pty Limited was paid a fee of $5,500 plus GST for undertaking the valuation of the property and preparing the valuation report and this summary valuation letter. This letter does not include advice on a financial product. Neither the Valuer nor Savills Valuations Pty Ltd are licensed to provide financial services and the information detailed herein (and the full valuation report) is not intended to provide advice on your investment decision.

savills

VALUATION SUMMARY

We assess the market value of the freehold interest in Lot 331 Hematite Drive, Wedgefield WA as at 28 September 2021 and subject to the details and qualifications contained within our full report, to be as follows:

$9,600,000(*)
(Nine Million, Six Hundred Thousand Dollars)

***(*) This valuation amount is exclusive of a Goods and Services Tax**.*

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

Market activity is being impacted in many sectors. As at the valuation date we consider that we can attach less weight to previous market evidence for comparison purposes to fully inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

Our valuation is therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market we recommend that you keep the valuation of this property under frequent review.

Prepared by **Savills Valuations Pty Ltd.**

Ryan Jacob
Certified Practising Valuer
Licensed Valuer No.44673
For the State of Western Australia

Chris Walker
Certified Practising Valuer
Licensed Valuer No.44397
For the State of Western Australia

Liability limited by a scheme approved under Professional Standards Legislation. Savills will not be liable for loss of business, revenue, contracts, savings or consequential losses

ACURE
FUNDS MANAGEMENT

11 TAXATION

11. Taxation

This section is a general summary of the Australian income tax, GST and stamp duty implications arising for Securityholders that acquire Securities in the REIT under this Offer. As this summary is necessarily general in nature, Securityholders should consult with their professional tax advisor regarding their particular circumstances.

This taxation summary only addresses the position of Securityholders who are residents and non-residents of Australia for income tax purposes and hold their Securities on capital account.

This taxation summary does not address the Australian tax consequences for Securityholders who:

- hold their Securities on revenue account or as trading stock;
- are subject to the Taxation of Financial Arrangement provisions (Division 230 of the Income Tax Assessment Act 1997 (Cth) ("1997 Act") in relation to gains and losses in respect of their Securities; or
- are non-residents of Australia who hold their Securities in carrying on a business at or through a permanent establishment in Australia.

This taxation summary does not address any tax consequences of the Offer arising under the laws of jurisdictions other than Australia. This following discussion is based on Australian law and administrative practice as at 1 November 2021. Securityholders should be aware that the ultimate interpretation of taxation law rests with the Courts and that the law, and the way the Commissioner of Taxation and state and territory revenue authorities administer the law, may change at any time. The expected tax implications of investing in the REIT described above may change as a result of changes in the taxation laws and interpretation of them by the Courts and/or the Australian Taxation Office ("ATO"). Accordingly, it is recommended that any Securityholders seek their own professional advice, specific to their own circumstances, of the taxation implications of investing in the REIT.

This taxation summary also does not cover the Australian taxation implications of a sale or redemption of the units in the Trusts.

Baker & McKenzie is not involved in the marketing of the Securities and its role should not be interpreted to mean that it encourages any party to invest.

11.1. Tax consequences of acquiring Securities under the Offer

The Offer is an initial public offering for the acquisition of the Securities, a stapled security each of which comprises one fully paid ordinary Unit in the following trusts stapled together:

- Australind Unit Trust;
- Industrial Trust No. 1;
- Shepparton Home Trust;
- Apartment 66 Unit Trust;
- OTC Carnarvon Unit Trust;
- OTC Karratha Unit Trust;
- OTC Port Hedland Unit Trust; and
- 64 GEH Trust
  (each a Trust and together the Trusts).

Notwithstanding that the Units in the Trusts will be stapled, for capital gains tax ("CGT") purposes, they should each be treated as separate CGT assets. The initial cost base of the Securities acquired under the Offer will include the Offer Price paid to acquire the Securities, plus certain incidental costs of acquisition (if any) that are not otherwise deductible to the Securityholder. The reduced cost base will be similarly determined.

As noted below, the cost base of the Units in the Trusts may be reduced by tax deferred distributions made by the Trusts. Further, where a Securityholder disposes of a Security, for CGT purposes the Securityholder will be taken to have disposed of a Unit in each of the Trusts.

11.2. Taxation of the REIT

It is intended that the Trusts will elect into the Attribution Managed Investment Trust ("AMIT") regime subject to meeting the requirements to make that election. Accordingly, this summary has been prepared on the basis that the Trusts would qualify as AMIT.

The Trusts can only make an election into the AMIT regime if they qualify as a Managed Investment Trust ("MIT") which requires the Trusts to meet separate requirements.

The tax comments in sections 11.2 to 11.4 do not apply to the extent that the Trusts do not qualify as AMITs.

As AMIT, the Trusts will be treated as "flow-through" entities for Australian income tax purposes under the AMIT rules such that the net income of the REIT will be taxable in the hands of the Securityholders on an attribution basis. The REIT will be required to determine its 'determined trust components' each income year, which broadly reflect the taxable income of the REIT split into various classes of income for tax purposes. These components are then 'attributed' to the Securityholders.

The Responsible Entity is not subject to tax in respect of the income and gains derived by the REIT provided the Responsible Entity attributes (in full) the 'determined trust components' of the REIT to Securityholders within three months of the end of each income year and the Responsible Entity limits the REIT's activities to undertaking, or controlling entities that undertake, 'eligible investment business' for Australian taxation purposes.

It is intended that the REIT will be administered such that all of the REIT's determined trust components' in each income year will be attributed to Unitholders and the REIT undertakes only 'eligible investment business'. On this basis, the REIT should not have any liability for Australian income tax (other than non-resident withholding tax, which is payable on behalf of non-residents).

11.3. Australian resident Securityholders

11.3.1. Taxation of distributions

As the Trusts intend to elect into the AMIT regime subject to meeting the requirements to make that election, assuming those elections are made, the Trusts will provide each Securityholder with AMIT member annual statement ("AMMA statement") after 30 June each year summarising the amounts and character of the Trust's income that is attributable to their membership interests in the Trust (i.e., each Securityholder's "member component"). The AMMA statement will also set out the tax-exempted, tax-free and tax-deferred components (if any) of income distributions paid and the amount of any net capital gains arising from the dealings in the Trust's investments. The member components in the AMMA statement should be included in the tax return of each Australian resident Securityholder and subject to Australian income tax at their marginal tax rate.

If the Trusts make MIT CGT Choices under section 275-115 of the 1997 Act such that any profit on the disposal of the Trust's investments in, relevantly, shares, non-share equity in a company, units in a unit trust and real property should be characterised as being on capital account. Where the distributed capital gain includes a discount capital gain component (i.e., where the REIT was entitled to apply the 50% CGT discount to a particular capital gain), each Securityholder must:

1. gross-up the discount capital gain by a factor of two - effectively reversing the application of the 50% discount at the level of the REIT;
2. apply against the capital gain any available carry forward or current capital losses of the Securityholder; and
3. if the Securityholder is a superannuation fund, individual or trust: apply the appropriate CGT discount to the remaining net capital gain (33.33% for superannuation funds and 50% for individuals and trusts – no CGT discount is available to companies).

For completeness, the Federal Government has announced that the gross-up mechanism discussed at (a) above will be removed in the future. Legislation is currently being developed which will no longer allow AMITs and MITs to apply the 50% CGT discount at the Trust level (with the start date for this legislation commencing on or after three months after the date of royal assent of the enabling legislation). However, it is noted that this is a technical amendment only and it is not expected that these proposed amendments would affect the overall tax position of Securityholders.

In light of the initial structure and asset mix of the REIT, it is currently not expected that distributions from the REIT would include franked distributions. However, if distributions do in the future include franked distributions, subject to the application of anti-avoidance provisions (such as the dividend imputation holding period and related payment rules), such franked distributions generally entitle Australian resident Securityholders to obtain a tax offset (the franking credit) that is available to offset against their income tax liability. Franked distributions and franking credits are included in a Securityholder's assessable income. If the franking credits exceed the tax payable on a Securityholder's taxable income, the excess credits may be refundable to the Securityholder if the Securityholder is a resident individual or complying superannuation fund. Excess franking credits may generate tax losses if the Securityholder is a corporate entity.

11.3.2 Adjustments in the cost base in the Securities

The cost base a Securityholder has in their Securities (being their Units in the Trusts) may increase or decrease annually depending on whether, very broadly, the REIT distributions are more or less than the amount attributed to the Securityholder under the AMMA statement. Securityholders may be required to make both upward and downward adjustments to the cost base of their Units in the Trusts where during an income year there is a difference between the:

1. total of the amounts (money or property) that a Securityholder is entitled to from the Trust and the tax offsets that are allocated to a Securityholder during the year; and
2. tax components included in that Securityholder's assessable income or non-assessable non-exempt income.

If the amount in (1) exceeds the amount in (2), the cost base of the Securityholder's Units in the relevant Trust should be reduced by the excess amount for CGT purposes. Conversely, where the amount in (1) falls short of the amount in (2) during an income year, the cost base of the Securityholder's Units in the relevant Trust should generally be increased by the shortfall amount for CGT purposes.

Should the cost base be reduced to below zero, the amount in excess of the cost base of the Trust should be a capital gain that is to be included the Securityholder's taxable income. A Securityholder may be entitled to the CGT discount in respect of this gain (of 50% for trusts and individuals or 33.33% for superannuation funds) on any net capital gain, if the Units in the relevant Trust have been held for at least 12 months from the date of acquisition. Companies are not entitled to CGT discounts on their capital gains.

To the extent that the Trusts do not qualify as AMIT the tax discussion above will not apply.

11.4. Non-resident Securityholders

11.4.1. Taxation of distributions

The Trusts will provide AMMA statements to each non-resident Securityholders after 30 June each year in respect of their Units in the Trusts. Non-resident Securityholders should include this information in their taxation returns if required by the ATO in Australia, and any relevant taxation authority in their country of tax residence. Any foreign sourced income (and gains from the sale of assets that are not taxable Australian property) derived by the Trusts would generally not be subject to Australian withholding tax when distributed by the Trusts to non-resident Securityholders.

The Responsible Entity will withhold tax from Australian sourced income attributed to the non-resident Securityholder during the income year (if any). The various components of the net income of the Trusts which will be regarded as having an Australian source may include Australian sourced interest, dividends and Australian sourced gains.

The rate of withholding tax on distributions (including deemed payments) will depend on the type of income and the country of tax residence of the Securityholder and any applicable double taxation agreement/exchange of information agreement, but generally:

- no tax will be withheld from franked dividends (if any);
- tax will be withheld from unfranked dividends (if any) at the applicable rates;
- 10% should be withheld on interest income;
- 15% will generally be withheld from other Australian sourced net income (other than dividends, interest, royalties, and capital gains from a capital gains tax asset that is not taxable Australian property) paid to Securityholders that are resident in countries that are Information Exchange Countries (i.e. countries with which Australia has entered into an exchange of information agreement and are specified in the income tax regulations);
- 30% will be withheld from other Australian sourced net income (other than dividends, interest, royalties, and capital gains from a capital gains tax asset that is not taxable Australian property) paid to Securityholders that are resident in countries that are not Information Exchange Countries.

This is a final withholding tax.

11.4.2. Adjustments in the cost base in the Securities

As with resident Securityholders, the cost base a non-resident Securityholder has in their Securities (being their Units in the Trusts) may increase or decrease annually depending on whether, very broadly, the REIT distributions are more or less than the amount attributed to the Securityholder under the AMMA Statement. Non-resident Securityholders may be required to make both upward and downward adjustments to the cost base of their Units in the Trusts where during an income year there is a difference between the:

1. total of the amounts (money or property) that a Securityholder is entitled to from the Trusts and the tax offsets that are allocated to a Securityholder during the year; and
2. tax components included in that Securityholder's assessable income or non-assessable non-exempt income.

If the amount in (1) exceeds the amount in (2), the cost base of the Securityholder's Units in the relevant Trusts should be reduced by the excess amount for CGT purposes. Conversely, where the amount in (1) falls short of the amount in (2) during an income year, the cost base of the Securityholder's Units in the relevant Trust should generally be increased by the shortfall amount for CGT purposes.

Should the cost base be reduced to below zero, the amount in excess of the cost base of the relevant Trust should not be included in the Securityholder's taxable income as a capital gain on the basis that:

1. the Securities are not held by the Securityholder in carrying on a business through a permanent establishment in Australia; or
2. the Securityholder, together with its associates, does not hold directly or indirectly an interest of at least 10% in the REIT (subject to certain integrity rules being satisfied).

11.5. Tax File Number (TFN) and Australian Business Number (ABN) Withholding

It is not compulsory for a Securityholder to quote their TFN or ABN to the Responsible Entity when acquiring the Securities. If a Securityholder is making this investment in the course of a business or enterprise, the Securityholder may quote an ABN instead of a TFN. Failure by a Securityholder to quote an ABN or TFN or claim an exemption may cause the Responsible Entity to withhold tax at the top marginal rate plus the Medicare Levy, which is currently 47% on distributions of income to the Securityholder. The Securityholder may be able to claim a credit in their annual tax return for any TFN or ABN tax withheld.

11.6. GST

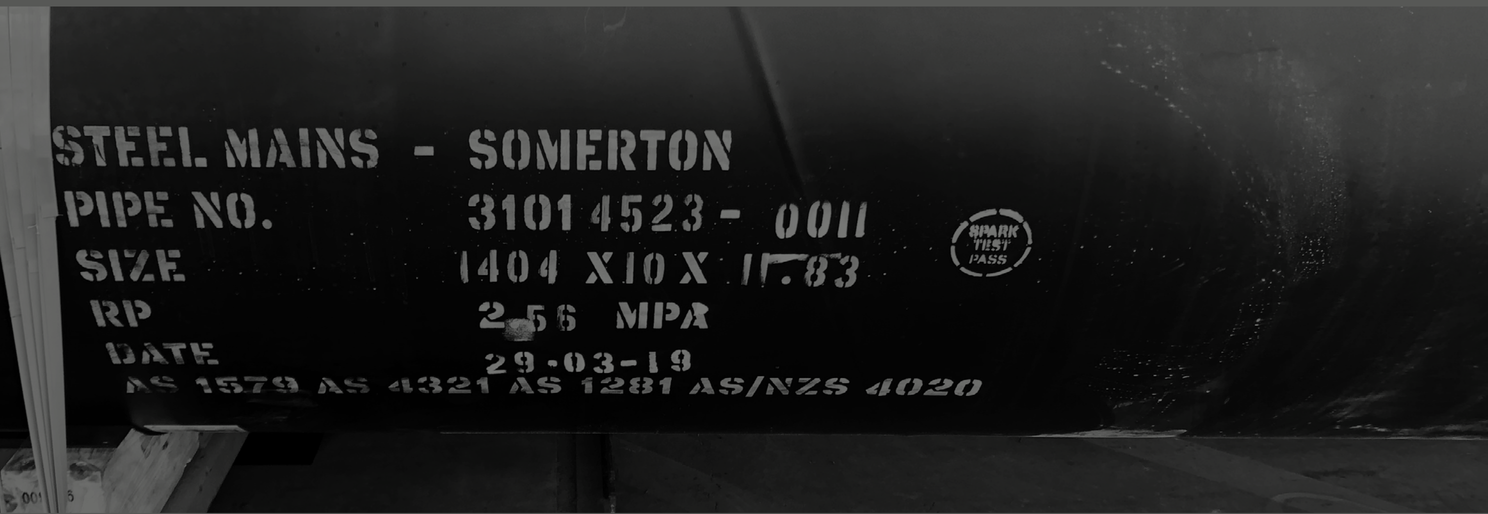
No GST should be payable in respect of the acquisition of the Securities pursuant to the Offer.

There may be an indirect GST cost for acquirers of Securities when they pay for services in connection with the acquisition of Securities under the Offer. Full input tax credits will generally not be available for GST incurred in respect of these services acquired (e.g. legal and other adviser fees). This will depend on the circumstances of the particular Securityholder.

11.7. Stamp duty

No stamp duty should be payable by the Securityholders in respect of acquisitions of Securities pursuant to the Offer. This is provided that the REIT is admitted to the ASX and all of the Securities of the REIT are quoted on the ASX at all relevant times (including for example the dates of issue, purchase or transfer of the Securities or agreement for such purchase or transfer) and provided that no person, either alone or with associated persons, acquires a 90% or greater interest in the Securities in the REIT.

ACURE
FUNDS MANAGEMENT



12 FEES AND OTHER COSTS

12. Fees and other costs

The Corporations Act requires Acure Funds Management Ltd as the Responsible Entity of the REIT to include the following standard consumer advisory warning. The information in the consumer advisory warning is standard across all product disclosure statements and is not specific to information on fees and costs in the REIT.

Consumer Advisory Warning

DID YOU KNOW?

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

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

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

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

TO FIND OUT MORE

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

12.1.Fees and other costs

The following table shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the REIT as a whole. Taxes are set out in Section 11. You should read all the information about fees and costs because it is important to understand their impact on your investment. All fees are quoted before GST.

Type of fee or cost	Amount	How and When Paid
Fees when your money moves in or out of the REIT		
Establishment fee The fee to open your investment.	Nil	Not Applicable
Contribution fee The fee on each amount contributed to your investment.	Nil	Not Applicable
Withdrawal fee The fee on each amount you take out of your investment.	Nil	Not Applicable
Termination fee The fee to close your investment.	Nil	Not Applicable
Management costs		
Ongoing management costs A fee for the management and operation of the REIT	**Management Fee** The Manager is entitled, from Allotment Date, to a Management Fee calculated based on the following: **Gross Asset Value ("GAV") — Fee p.a.** Up to $500M — 0.75% $500M to $1BN — 0.65% over $1BN — 0.55%	To be paid from the income or assets of the REIT monthly in arrears.
	Other Management Fees The Responsible Entity and the Manager are entitled to be paid or reimbursed for expenses relating to proper performance of their duties as Responsible Entity and Manager (estimated to equal $0.54m per annum which is equal to approximately 0.22% of GAV at Completion Expenses are reimbursable to the Responsible Entity and Manager from the REITs' income and assets as and when incurred	Expenses are reimbursable to the Responsible Entity and Manager from the REITs' income and assets as and when incurred
Switching fees		
The fee for changing investment options	Nil	Not Applicable

ACURE
FUNDS MANAGEMENT

12.2. Example of annual fees and costs

The following table gives an example of how the fees and costs to REIT can affect your investment over a 1 year period.
You should use this table to compare this product with other managed investment products. All amounts are exclusive of GST.

Type of fee or cost		Balance of $50,000 with a contribution of $5,000 during year[1]
Contribution Fees	Nil	For every additional $5,000 you put in, you will be charged $0
PLUS Management Management fees	**Gross Asset Value ("GAV") — Fee p.a.** Up to $500M — 0.75% $500M to $1BN — 0.65% over $1BN — 0.55%	For every $50,000 you have invested you will be charged $375[2]
Other Management Fees	0.22% per annum of GAV	For every $50,000 you have invested, you will be charged $110[4]
EQUALS Cost to REIT	If you had an investment of $50,000 at the beginning of the year and you invested an additional $5,000 at the beginning of the year, you would be charged fees and expenses of $485 for that year.	

1. This table assumes that a total of $50,000 is invested under the Offer (i.e. to acquire 50,000 Securities at $1.00 each). If you were to invest $50,000 in Securities subsequent to the Offer, the amount of fees applicable to that investment may differ from the amounts set out in this table if more or less than 50,000 Securities are acquired (even if the REIT's GAV and operating expenses were estimated)
2. This amount has been estimated based on the REIT's expected GAV at Completion of $244.3million and applies the management fee of 0.75% per annum of GAV. This is an estimate only and it is likely that the REIT's GAV, and therefore the amount of the management fee payable to the Responsible Entity will change over time.
3. This amount is an estimate only based on the expected costs of managing the administering the REIT (excluding the management fees)

12.3. Fees and costs associated with the Offer

The following table sets out the fees and costs expected to be incurred in connection with the Offer and the portion of those fees and costs which the REIT will be responsible for.

Stamp Duty Costs

No stamp duty is payable in respect of the Existing Properties as a result of the Offer. The Listing of the REIT on the ASX will give rise to a liability to "listing duty" duty in Victoria for the REIT. The Victorian listing duty payable on the listing of the REIT is currently estimated to be $0.44m.

The subsequent listing of the REIT on the ASX and Official Quotation of the Securities on the ASX will not trigger any stamp duty liability, provided that all of the Securites are quoted at all relevant times and no person, either alone or with associated persons, acquires a 90% or greater interest in the Securities in the REIT.

Offer management, advisers', consultants' and other transaction costs

Transaction costs are estimated to be approximately $7.4 million and include offer management fees, advisers' and consultants' fees, printing, marketing, property valuation fees, costs associated with establishing a listed entity (such as registry, Responsible Entity and an initial listing fee) and broker fees. These costs will be paid by the REIT from the proceeds of the Offer.

The Responsible Entity is the holder of an AFSL and may introduce equity to the offer. In the event the Responsible Entity introduces equity to the offer, the Responsible Entity may receive a fee from the Broker of up to 3% of equity introduced.

Type of Fee or Cost inclusive of GST	Amount ($m)
VIC stamp duty on IPO	0.4
Transaction costs[1]	0.6
Acquisition fees	2.4
Broker fees	4.0
Total fees and costs	**7.4**

[1] Net of $0.25m cost contribution by Acure.

12.4. Additional explanation of fees and costs

To the extent permitted by the Corporations Act, the Responsible Entity and the Manager are entitled to recover all costs and expenses incurred in the proper performance of their duties as Responsible Entity and Manager of the REIT, including in relation to:

- the REIT's external advisers, such as the REIT's Auditor, accounting and tax advisers and legal advisers;
- ongoing fees payable to the ASX and ASIC or other regulatory and government authorities;
- fees payable to the Registry;
- fees payable to valuers and other consulting service providers;
- fees payable to the REIT's Custodian (refer to Section 13 for a description of the fees payable to the Custodian);
- amounts payable to the Manager under the Property Management Agreement (these amounts are described below); and
- expenses (including travel), costs (excluding salaries) and disbursements incurred by Acure Funds Management Ltd personnel in relation to the management and administration of the REIT and the Portfolio.

The Responsible Entity and the Manager estimate that they will incur costs of managing and administering the REIT of approximately $0.54 million per annum which is equal to approximately 0.22% of the REIT's NAV at Completion. This is an estimate only and the actual expenses incurred by the Responsible Entity and Manager may differ.

12.5. Fees to related parties under other arrangements

Certain fees and expenses will be paid from assets of the REIT to related parties of the REIT, including pursuant to the Management Agreements. See below for further detail on the fees payable under those agreements. These amounts, which are summarised below, are not included in the above tables as "management costs", as they are of a kind that would typically be incurred if investors acquired the relevant properties directly and not through the REIT.

12.5.1. Investment Management Agreement

Under the Investment Management Agreement, the Manager is entitled to the following fees;

Property Acquisition Fee
The Investment Manager is entitled to a fee equal to 1% of GAV plus the amount of any cost incurred by the Investment Manager in the course of establishing the REIT.

The Investment Manager is also entitled to a property acquisition fee equal to 1% of the contract value of any real property acquired by a Trustee, including any real property acquired indirectly by way of a sub-trust.

Management Fee
A fee based on the Gross Asset Value (GAV) of the Trust will be payable monthly to the Manager from settlement. This fee is payable for overseeing the Property, administration and management of the Trust and attending to all tenant, investor and compliance matters. For initial calculation purposes, the GAV will be taken to be the initial purchase value of the property and will be amended annually to a value determined by the Trustee. The management fee will be calculated based on the following GAV thresholds:

Gross Asset Value ("GAV")	Fee p.a.
Up to $500M	0.75%
$500M to $1BN	0.65%
over $1BN	0.55%

12.5.2. Property Management Agreement

The Property Management Agreement outlines services that are typically undertaken in the professional management of a commercial property and its tenants. If not provided by the Acure as Manager, these services would otherwise be required to be provided by a third party and would result in a cost to the REIT.

Acure may engage a third party service provider to provide some of the services. In these circumstances, Acure will not charge a fee for this service.

Under the Property Management Agreement, the Manager is entitled to:

- Property Management Fee: up to 3% of gross income for each property for each month;
- Development and Capital Works Fee: 3% of total development or capital work costs undertaken in respect of a property.
- Asset Selling Fee of 1.0% of the gross selling price of a property where the Manager arranges the sale of the Property and no external sales agent is engaged, payable upon settlement. This fee will be reduced by any amount payable to an external sales agent, if one is appointed; and
- Leasing fees: where the Manager performs the leasing of the Property and no external leasing agent is engaged the Manager is entitled to a fee based on the following;

Lease Term	Fee
Up to 3 years	11% of the first year of gross rental (plus GST)
3 to 4 years	12% of the first year of gross rental (plus GST)
4 to 5 years	13% of the first year of gross rental (plus GST)
5 years or more	13% plus 1% for every year over 5 years (capped at 15%) of the first year of gross rental (plus GST)
Existing tenant lease renewals	50% of the fee outlined above

12.5.3. Responsible Entity Fees

Under the Constitutions, the Responsible Entity is entitled to be paid a management fee as a percentage per annum (included in Management Fee in Section 12.5.1 above) of GAV for the overall administration of the REIT including establishing the Fun's compliance plan and procedures, monitoring regulatory and legislative requirements, the issuance of disclosure documents and the appointment and monitoring of external service providers. To the extent the Manager Fee is payable to the Manager under the Investment Management Agreement, the Responsible Entity will waive its rights to receive the equivalent fee under the Constitutions. The Management Fee is calculated based on the following GAV thresholds:

Gross Asset Value ("GAV")	Fee p.a.
Up to $500M	0.75%
$500M to $1BN	0.65%
over $1BN	0.55%

The Responsible Entity will also be reimbursed for all expenses incurred, including those in connection with the establishment, promotion and operation of the REIT, in properly performing its duties.

The Responsible Entity is the holder of an AFSL and may introduce equity to the offer. In the event the Responsible Entity introduces equity to the offer, the Responsible Entity may receive a fee from the Broker.

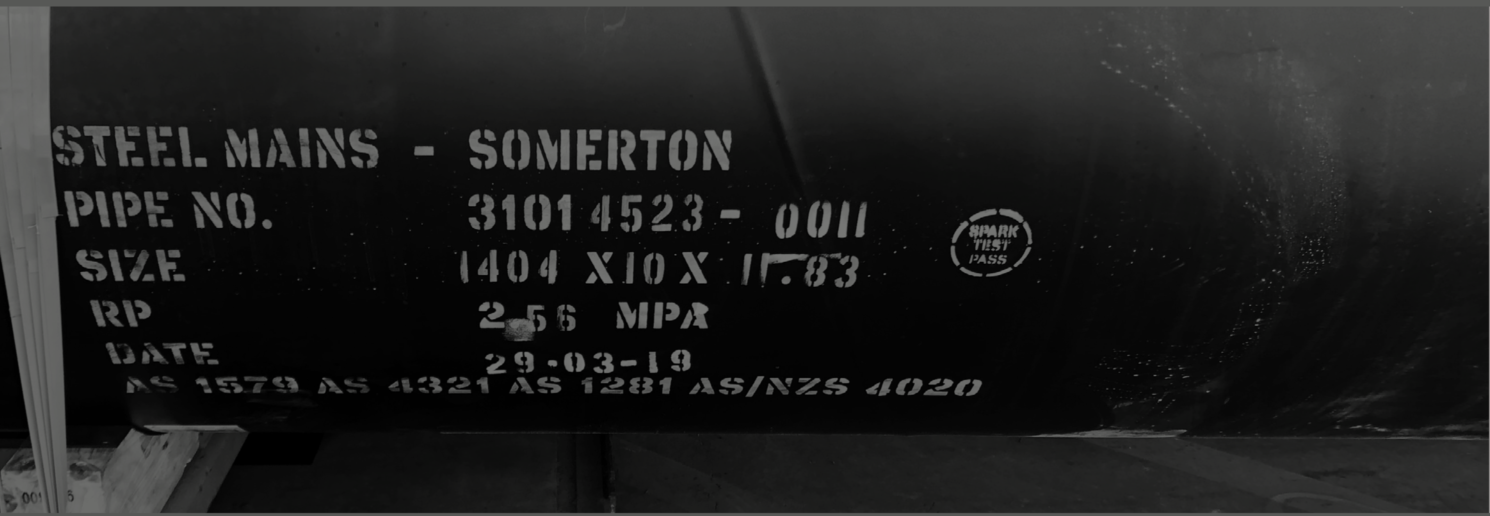
12.6. Fee changes

The Responsible Entity may not increase the fees payable to it as set out in the Constitution without a special resolution of Securityholders first having varied the Constitution. A special resolution requires 75% of the votes cast by those Securityholders entitled to vote on the resolution (by value).
The Manager's fees may not be amended without the agreement of the Responsible Entity and the Manager.

12.7. Taxes

Unless stated otherwise, all fees in this Section 12 are inclusive of non-recoverable GST and less a full input tax credit or reduced input tax credit. For additional information in relation to the taxation implications of an investment in the REIT, please see Section 11.

ACURE
FUNDS MANAGEMENT



13 SUMMARY OF IMPORTANT DOCUMENTS

13. Summary of important documents

13.1. Summary of the Constitutions

The Constitutions of the Trusts are designed to provide for the operation of the REIT. A general summary of the rights attaching to the Securities and other key provisions of the Constitutions are set out below. This summary is not intended to be exhaustive and it is qualified by the Constitutions, Corporations Act, exemptions and declarations by ASIC, Listing Rules, waivers by ASX and the general law.

13.1.1. Units

The beneficial interest in a Trust is divided into units. Each fully paid unit confers an equal undivided interest and a partly paid unit confers an interest of the same nature which is proportionate according to the amount of the application price that has been paid on the unit. A unit confers an interest in the assets of the REIT as a whole, subject to the liabilities (as defined by the Constitutions). It does not confer an interest in a particular asset of a Trust. The Responsible Entity may issue options and financial instruments in accordance with the Constitutions.

13.1.2. Income and distributions

The Responsible Entity must determine the distributable income of a Trust for each Distribution Period. Unless the Responsible Entity determines otherwise prior to the end of the Financial Year, distributable income is:

•the amount which, if distributed to Securityholders for the period, would, to the extent possible, prevent the Trustee being liable to tax under section 99 or section 99A of the Income Tax Assessment Act 1936 (Cth) for the Financial Year as if the period is a year of income; plus

•any additional amount of income which the Responsible Entity considers is appropriate to distribute to Securityholders.

13.1.3. Transfer of Securities

If the Securities are not officially quoted, any transfers of Securities must be effected:

- by instruments of transfer that are:
- in a form approved by the Responsible Entity;
- if necessary, presented for registration duly stamped;
- accompanied by any evidence reasonably required by the Responsible Entity to show the right of the transferor to make the transfer; and in a manner prescribed by the Responsible Entity.

If the Securities are officially quoted, Securities may be transferred in any manner prescribed by the Responsible Entity subject to the Constitution and the ASX Operating Rules.

13.1.4. Redemptions

While Securities are not officially quoted, a Securityholder may make a redemption request in respect of some or all of their Securities by giving the Responsible Entity notice in writing of the request, or in any other manner approved by the Responsible Entity.

While the REIT is listed and the Securities are not Stapled, the Responsible Entity may, subject to and in accordance with the Corporations Act (including any ASIC Relief) and any requirements under the Operating Rules, purchase Securities and cause the Securities to be cancelled.

While the REIT is listed on ASX and the Securities are Stapled, the Responsible Entity may, subject to the Corporations Act and the Operating Rules, purchase Stapled Securities on the ASX or any other financial market on which the trading of Stapled Securities is permitted, and also off-market.

13.1.5. Powers of the Responsible Entity

The Responsible Entity in its capacity as trustee of the Trusts has power to:

- invest in, dispose of or otherwise deal with property and rights in its absolute discretion, including the power to invest in a controlled entity and derivatives;
- borrow or raise money whether or not on security of the assets of the Trusts;
- incur all types of obligations and liabilities including guarantees;
- enter into an arrangement with a person to underwrite the subscription or purchase of Securities on such terms as the Responsible Entity determines;
- enter into an arrangement whereby the Securities will be stapled to interests in another managed investment scheme; and
- apply for quotation of any Securities on any exchange where similar instruments are listed and traded.

The Responsible Entity may authorise any person to act as its agent or delegate (in the case of a joint appointment, jointly and severally) to hold title to any asset of the REIT, perform any act or exercise any discretion within the Responsible Entity's power, including the power to appoint in turn its own agent or delegate.

13.1.6. Meetings

The Responsible Entity may at any time convene a meeting of Securityholders and must do so if the Corporations Act or the ASX Operating Rules require.

13.1.7. Limitation Of Liability and Indemnity in Favour of Responsible Entity

Subject to the Corporations Act, whilst the Responsible Entity acts in good faith and in the proper performance of its duties, the Responsible Entity is not liable in contract, tort or otherwise to Securityholders for any loss suffered in any way relating to the REIT.

Subject to the Corporations Act, the liability of the Responsible Entity to any person other than a Securityholder in respect of the REIT is limited to the amount the Responsible Entity actually receives under its right to be indemnified from the assets of the REIT. The Responsible Entity is entitled to be indemnified out of the assets of the REIT for any liability incurred by it in properly performing any of its duties in relation to the REIT, or by, to the extent permitted by the Corporations Act, any liability incurred as a result of any act or omission of a delegate or agent appointed by the Responsible Entity.

13.1.8. Liability of Securityholders

In the absence of separate agreement with a Securityholder or creditor, the recourse of the Responsible Entity and any creditor of a Trust against a Securityholder in connection with the REIT is limited to the assets of the REIT. The liability of a Securityholder is limited to the amount, if any, which remains unpaid in relation to the Securityholder's subscription for their Securities. However, the Responsible Entity is entitled to be indemnified by a Securityholder or former Securityholder to the extent that the Responsible Entity incurs any liability for Tax or User Pays fees as a result of the Securityholder's action or inaction, or as a result of an act or omission requested by the Securityholder or former Securityholder. The Responsible Entity may redeem some or all of the Securities held by a Securityholder to satisfy any amount of money due to it by the Securityholder.

A Securityholder need not indemnify the Trustee if there is a deficiency in the assets of the Trust or meet the claim of any creditor of the Responsible Entity in respect of the Trust. However the effectiveness of these provisions have not been tested in superior courts.

The Responsible Entity is also entitled to be indemnified by a Securityholder or former Securityholder for any tax payable by the Responsible Entity and any related costs as a result of the operation of the Attribution Managed Investment Trust (AMIT) regime to the extent that the costs and liabilities incurred as a result of an objection or proposed objection by the Securityholder.

13.1.9. Fees and expenses

The Responsible Entity is entitled to receive the following fees under the Constitutions out of the assets of the REIT but will not be charging any of these fees while the Manager is receiving fees under the Investment Management Agreement and the Property Management Agreement:

- a monthly management fee;
- a property acquisition fee; and
- a project management fee.

All expenses incurred by the Responsible Entity, including those in connection with the establishment, promotion and operation of the REIT, or in properly performing its duties, are payable or can be reimbursed out of the assets of the REIT.

13.1.10. Winding Up

On the winding up of the Trust, each Securityholder is entitled to receive an amount of the net proceeds of realisation, after making allowance for all liabilities and expenses of the Trust, proportionate to the number of Securities held.

The Responsible Entity may commence winding up of the Trust in accordance with the termination procedure set out in the Trust Constitutions on the earliest of:

- the date specified by the Responsible Entity as the date of termination of the Trust in a notice given to Securityholders; and
- the date on which the Responsible Entity commences termination or winding up of the Trust in accordance with the Trust Constitutions or by law.

ACURE FUNDS MANAGEMENT

13.1.11. Amendment to constitution

If the Corporations Act allows and while the Trust is not a registered scheme, the Trust Constitutions may be amended by a resolution passed at a meeting of Securityholders of the Trust or by deed executed by the Responsible Entity. While the Trust is a registered scheme, the Trust Constitutions may be amended by special resolution of Securityholders or by deed executed by the Responsible Entity if it reasonably considered the amendment to not adversely affect the Securityholder's rights.

The Responsible Entity has power to amend the fees payable under the Constitution, the Stapling Provisions or any other part of the Trust Constitutions to allow for the Stapling of a new Attached Security to the Securities already in existence.

The Responsible Entity also has the power to amend the Trust Constitutions as the Responsible Entity considers necessary or desirable to facilitate compliance with and the effective operation of the Trust as an AMIT for the purposes of the AMIT regime, and may do so without seeking approval from Securityholders, subject to the Corporations Act as modified by any applicable ASIC relief.

13.2. Stapling Provisions under the Constitutions

The Stapling provisions in the Constitutions prevail over all other provisions of the Constitutions (except to the extent provided in the Constitutions or where it would result in a breach of the Corporations Act, the Operating Rules or any other law).

13.2.1. Intention

The intention of the Stapling Provisions is to ensure that to the extent permitted by law, each Security will be treated as one security.

13.2.2. Stapling Arrangements

Under the Stapling Provisions:

- ("Stapling") each component of a Security ("Attached Security") must be Stapled to each other component of the Security ("Other Attached Security");
- ("No issue") a Trust must not offer or issue an Attached Security without a corresponding and simultaneous offer or issue being made at the same time and to the same person in respect of each Other Attached Security;
- ("No transfer") the Trust must not register any transfer of an Attached Security without a corresponding and simultaneous transfer of each Other Attached Security to the same person at the same time through the same instrument;
- ("Corporate action") a Trust must not cancel, buy-back or redeem an attached security without a corresponding and simultaneous corporate action being made in respect of the Other Attached Security;
- ("New Attached Securities") a Trust may cause a security to be Stapled to a Security (a New "Attached Security") provided certain conditions are satisfied including:
  - o while the Securities are officially quoted, the New Attached Security is also officially quoted or the ASX has indicated in writing it will grant permission for the New Attached Security to be officially quoted;
  - o ASX has indicated that it will approve the Stapling of the New Attached Security to the Securities;
  - o each Trust (excluding the issuer of the New Attached Security) has agreed to the Stapling of the New Attached Security and that the Stapling of the New Attached Security is in the best interests of Securityholders as a whole and is consistent with the then investment objectives of the Trusts and any subsidiary of the Trusts;
  - o the constituent documents for the New Attached Security have provisions giving effect to the Stapling;
  - o the issuer of the New Attached Security has agreed to enter into a deed with the other Trusts acceding to the Stapling Deed;
  - o where the New Attached Security is partly paid, or approval from Securityholders is required to give effect to the transaction, approval of the Securityholders has been obtained; and
  - o the number of New Attached Securities is identical to the number of Securities on issue.
- ("Unstapling by Trusts") an Attached Security may be unstapled if:
  - o if the Stapled Securities are officially quoted, ASX has indicated that it will approve such unstapling and the Other Attached Securities remain quoted on the Official List as a Security;
  - o each Trust has agreed to the unstapling and such unstapling is not contrary to the interests of Securityholders as a whole and is consistent with the then investment objectives of the Trusts and any subsidiary of the Trusts; and
  - o the Stapling Provisions will terminate in respect of the Attached Security that has been unstapled;

- ("Restapling") if an Attached Security becomes unstapled, the Trust of the unstapled component may subsequently determine that the Stapling Provisions should recommence in respect of that same unstapled component;
- ("Unstapling in the event of an unstapling event") where either a special resolution of the members of each Trust is passed to unstaple the Securities, stapling becomes unlawful or prohibited under the Listing Rules, or a winding up is commenced in respect of a Trust, the Securities will be unstapled, provided that:
  - ASX has indicated in writing that it will grant permission for the unstapling of the Security; and
  - each Trust has agreed to the unstapling and that the unstapling is not contrary to the interests of Securityholders as a whole;
- after the unstapling, the Stapling Provisions cease to have effect in respect of that component of the Security;
- ("Capital reallocation") Subject to the Corporations Act and the Listing Rules a Stapled Enity may make a capital payment to another Trust as part of a Capital Reallocation. If a trust makes a capital payment to another Trust as a capital reallocation amount:
  - each Securityholder is taken to have directed the Trust to accept that capital reallocation amount; and
  - the Trust must apply that amount as an additional capital payment in respect of each Security which is Stapled to a Security of the Trust making the capital payment equally in respect of each Security;
- ("Meetings") meetings of holders of each Attached Security may be held in conjunction with the meetings of holders of each Other Attached Security; and
- ("Interests of Securityholders") each Trust may, subject to the Corporations Act and the terms of any applicable ASIC relief, have regard to the interests of Securityholders as a whole and not only to the interests of holders of each component of the Security

13.2.3. Stapling Matters

The Stapling Provisions also provide that by acquiring a Security, each Securityholder will be taken to have consented to each provision in the constituent documents, including without limitation:

- the stapling of the Attached Securities;
- any reorganisation proposal regarding the Attached Securities (subject to an ordinary resolution if required by the constituent document of the relevant Trust);
- the disposal of any partly paid Security on which an instalment is due and payable but unpaid, or in respect of which a call has been validly made but remains unpaid by the due date for payment;
- the disposal of any small holding of Securities that is less than a marketable parcel;
- the restrictions on Securities that are "restricted securities", as that term is defined in the Listing Rules;
- the stapling of New Attached Securities to the Securities;
- the Securityholder becoming a member of any new Trust and being bound by the constituent documents for any New Attached Security;
- the unstapling of one or more Attached Securities or the Securities as a whole;
- the restapling of a Security; and
- the reallocation of capital between the Stapled Entities,

(each, a **Stapling Matter**).

13.2.4. Powers of Attorney

In respect of each Stapling Matter, each Securityholder irrevocably appoints the Trust as the Securityholder's agent and attorney in the Securityholder's name and on the Securityholder's behalf to do all acts and things and to execute all documents which the Trust considers necessary, in consultation with each other Trust, desirable or reasonably necessary to effect to the Stapling Matter and as proxy to vote at any meeting in favour of a resolution to effect a Stapling Matter.

13.2.5. New Attached Securities

A Trust has the power to do all things considered necessary, desirable or reasonably incidental to give effect to the Stapling of New Attached Securities to the Security. A New Attached Security may be transferred to a Securityholder by any means and in any manner, including but not limited to any combination of issue, sale, reduction of capital, distribution in kind or transfer

13.2.6. Partly Paid Securities

A Security may be offered on terms that the Offer price is payable in instalments. If a call has been validly made on a Security but is unpaid by the due date for payment, the Responsible Entity may serve a notice on that Securityholder requiring payment of the unpaid instalment and any interest calculated from the due date until payment at a fair market rate as determined by the Responsible Entity ("Collection Notice"). If a Collection Notice is not complied with, the Security may be sold ("Defaulted Security"). Subject to the Listing Rules, the Corporations Act and constituent documents all voting rights, entitlements to Distributions and any other rights in respect of the Defaulted Security are suspended until reinstated by the Responsible Entity.

13.2.7. Application Price

The Trusts may agree how the application price for a Security will be allocated between the application price of each component of the Security, and in the absence of agreement will allocate in accordance with certain mechanisms set out in the Constitutions.

13.3. Summary of the Stapling Deed

13.3.1. Cooperation

Each Trust is a party to the Stapling Deed. The Stapling Deed provides that the Trusts must cooperate in respect of all matters necessary to ensure that the Attached Securities are Stapled to the Other Attached Securities and do all things reasonable necessary to assist each other to give effect to the Stapling Deed and their respective obligations under it, from time to time.

Under the Stapling Deed, each Trust must:

- agree from time to time what part of the amount payable for the issue of a Security is to represent the issue price of each component security of the Security;
- consult prior to making any calls in respect of any partly paid securities it issues to Securityholders;
- notify each other Trust if it proposes to take action under its constitution to forfeit and offer for sale any of its securities;
- obtain the consent of each other Trust prior to announcing or paying a distribution or dividend, and in relation to the operation of any dividend or distribution reinvestment policy or plan or bonus security plan;
- not, without the prior consent of each other Trust, undertake a placement or rights issue, or buy-back, repurchase, cancel or redeem any component security of a Security;
- not, and must procure that its controlled entities do not, acquire or dispose of an asset the value of which is 5% or greater of the net tangible assets of that Trust without first giving 10 days prior written notice to, and consulting with, each other Trust;
- obtain the consent of each other Trust before Stapling another entity's securities to its securities, effecting any reorganisation or restructure of its capital or effecting any changes to the stapling arrangements contemplated by the Stapling Deed in order to comply with or overcome the adverse effect of any law, regulation or rule;
- maintain, or procure the maintenance of, a register of Securityholders and ensure that it is entirely consistent with the register of holders of its securities;
- make available to each other Trust all information and provide all assistance in relation to the preparation of financial accounts relating to the Stapled Group; and
- not, and must procure that its controlled entities do not, borrow or raise money without consulting with each other Trust.

Each Trust agrees to:

- act with a view to enhancing the value of the Securities;
- share information with each other Trust;
- adopt identical valuation policies and methods; and
- co-ordinate Securityholder meetings.

13.3.2. Financial Obligations

If any loans or other financial accommodation are undertaken jointly by the Trusts, or if any guarantee or security is given in respect of the loans or other financial accommodation of another Trust, whichever Trust receives the proceeds of the loan or financial accommodation must repay the loan or financial accommodation, pay all fees, interest, expenses and other amounts in respect of the loan or financial accommodation, and indemnify the other Trusts for such amounts.

13.3.3. Financial Benefits

Each Trust agrees with each other Trust that, to the maximum extent permitted by law, if called upon by another, it must, if it or its controlled entities are reasonably capable of doing so on the terms and conditions proposed by the other party, enter into any agreement, document or arrangement and consider doing any other act, matter or thing at the request or direction of the other in respect of lending money, guaranteeing or providing security for any loan, issuing redeemable preference securities or any other form of securities, entering into any joint borrowing with the other and guaranteeing the obligations of or providing an indemnity or undertaking to a third party in respect of the obligations of the other or any of its controlled entities or any other person.

13.3.4. Constitutions to Prevail

If there is any inconsistency between the Stapling Deed and the Constitutions, the provisions of the Constitutions apply to the extent of the inconsistency.

13.3.5. Disputes

A Trust claiming that a dispute has arisen out of the Stapling Deed must notify each Trust in writing. Each party to the dispute must use its best endeavours to resolve the dispute within 10 Business Days of all parties receiving notice of the dispute. If the parties do not resolve the dispute, the chief executive officer or other senior employee of each party must negotiate in good faith to resolve the dispute for a period of 10 Business Days. A Trust must not commence court proceedings about a dispute arising out of the Stapling Deed unless it first complies with the above steps, except where a party seeks urgent injunctive relief, or where the dispute relates to compliance with these steps.

13.4. Summary of the Implementation Deed

Under the Implementation Deed, and subject to certain conditions precedent, the Responsible Entity, as responsible entity of each Trust, has agreed to the redemption of existing unitholders of each Trust in accordance with unitholders elections and stapling of the Units to form a stapled entity being the REIT. Under the Implementation Deed, each party agrees to prepare and/or execute and deliver to the Responsible Entity (or, in the case of the Responsible Entity, retain) certain specified documents (Implementation Documents) and to take certain actions which will, upon becoming effective on the terms of the Implementation Deed, effect the formation of a stapled entity being the REIT.

13.5. Summary of the Investment Management Agreement

The Responsible Entity has entered into an Investment Management Agreement with the Manager on 29 October 2021.

13.5.1. Management Services

Under the Investment Management Agreement, the Manager has been delegated the day-to-day control over the REIT and its controlled entities (the "Group") and the Group's portfolio of assets, subject to the supervision and control of the Responsible Entity and the terms of the agreement.

Services to be provided by the Manager to the REIT and its controlled entities (the "Services") include investment management services with respect to dealings in the Group's assets, management of the equity and debt financing of the Group, day-to-day management of the Group's secretarial, accounting, administrative and reporting, management of auditors, advisers and other consultants, Security Holder relations and meetings, management of all compliance and contractual requirements, including with respect to ASX listing obligations, and other services agreed by the Manager and the Responsible Entity.

The Manager is not required to provide any Services to the extent to that they would comprise services or activities that would require the Manager to hold an Australian Financial Services Licence or that the Responsible Entity cannot delegate to the Manager under law.

The Manager will separately provide property and development management services to the Responsible Entity and the Group under the Property Management Agreement.

The Manager must act in accordance with the requirements of the REIT's investment policy and any applicable legal and other requirements. The Responsible Entity may at any time overrule the Manager to the extent that the Responsible Entity believes doing so is necessary or advisable to comply with any applicable requirement or in the best interests of the Securityholders. The Manager must also seek the approval of the Responsible Entity before incurring any expenditure in excess of $100,000 (excluding expenditure which has been agreed to by the Responsible Entity in the annual operating plan) and entering into any contract in the name of the Responsible Entity or any Group member to acquire or dispose of any asset for a consideration in excess of $100,000 (which thresholds are increased annually by 3%).

13.5.2. Exclusivity

During the term of the Investment Management Agreement, the Responsible Entity must not appoint any other party to perform the Services except where it is necessary to comply with applicable law or regulation, the terms of the REIT's financing arrangements or other applicable requirements, or as otherwise permitted by the Manager.

The Manager and its associates may from time to time perform services for itself and other parties the same as or similar to the services provided under the Investment Management Agreement.

13.5.3. Submission of Investment Proposals

The Manager is not required to first offer to the REIT (and submit an Investment Proposal with respect to) any opportunity to acquire an investment that the Manager identifies and which falls within the REIT's investment policy. The Trusts acknowledge and agreed that the Manager continues to provide investment management services to entities other than the Trusts, without the need for approval from, or notification to, the Trusts.

13.5.4. Term and termination

The Investment Management Agreement commences on allotment.

The initial term of the agreement is 10 years and is automatically extended for successive five year terms unless terminated by either the Manager or the Responsible Entity at least 12 months prior to the end of the initial term or any successive five year term. This means that the initial term of the agreement is at least 10 years unless otherwise terminated in one of the circumstances referred to below.

Where the Responsible Entity gives the required notice that it does not wish to extend the agreement at the end of a term, termination in this circumstance will give rise to the payment of a compensation amount to the Manager equal to five years of management fees under the agreement.

13.5.5. Investment Manager's Termination Rights

The Manager can terminate the Investment Management Agreement:

- at any time on 90 days' notice to the Responsible Entity, if there is a bona fide sale of all or substantially all of the assets of the Group to a third party on an arm's length basis; or
- immediately if:
  - o there is a material default of the agreement by the Responsible Entity which is not rectified (including by way of payment of reasonable compensation) within 90 days of written notice from the Manager;
  - o the Responsible Entity is insolvent (and is not replaced by another trustee within 60 days of becoming insolvent);
  - o a Group entity is insolvent; or
  - o without prior written approval of the Manager, there is a change of control of the Responsible Entity or the REIT, the Responsible Entity is replaced by a responsible entity that is not a member of the Acure Group or a winding-up of the REIT commences.

In addition, the Manager can terminate the agreement on 20 business days' notice where there is a variation to the investment policy of the REIT, and the Manager considers the variation will have a material effect on the Manager's obligations, liability or risk under the agreement.

Termination by the Manager in these circumstances will give rise to the payment of a compensation amount to the Manager equal to five years of management fees under the agreement.

13.5.6. Responsible Entity's Termination Rights

The Responsible Entity can terminate the Investment Management Agreement:

- on 90 days' notice to the Manager, if there is:
  - o a bona fide sale of all or substantially all of the assets of the Group to a third party on an arm's length basis; or
  - o a change of control of the Responsible Entity or the REIT, the Responsible Entity is replaced by a responsible entity that is not a member of the Acure Group or a winding-up of the REIT commences,

  and in these circumstances, a compensation amount equal to 5 years of management fees under the agreement will be payable to the Manager; or

- immediately if:
  - o there is a material default of the agreement by the Manager which is not rectified within 90 days (including by way of payment of reasonable compensation) of written notice from the Responsible Entity; or
  - o the Manager is insolvent and is not replaced by the Acure Group with another manager within 60 days of becoming insolvent.

13.5.7. Management Fee

The Manager is entitled to receive a Management Fee at the end of each calendar month payable monthly calculated based on the GAV at the end of each calendar month (or any part period) and based on the following GAV thresholds:

Gross Asset Value ("GAV")	Fee p.a.
Up to $500M	0.75%
$500M to $1BN	0.65%
over $1BN	0.55%

13.5.8. Property Acquisition Fee

The Manager is entitled to an Property Acquisition Fee equal to 1% of the contract value of any real property acquired by a Trustee, including any real property acquired indirectly by way of a sub-trust, payable within 14 days of completion.

The Investment Manager is entitled to a fee equal to 1% of GAV plus the amount of any cost incurred by the Investment Manager in the course of establishing the REIT.

13.5.9. Application of Fees in subscription for Stapled Securities

The Manager may require from time to time that, in lieu of making cash payments, some or all of the Fees described in Sections 13.5.7 to 13.5.8 (including any GST) be satisfied by the issue of Securities.

The number of Securities to be issued to the manager will be based on the amount of the Fee to be satisfied through the subscription of Securities, divided by the volume weighted average price of Securities during the 5 trading days up to the end of the relevant period to which the Fee relates.

13.5.10. Costs and Expenses

The Manager is entitled to be reimbursed for all costs and expenses it reasonably and properly incurs as Manager other than its own overhead, administrative or salary expenses incurred in the ordinary conduct of its business or expenses that arise as a result of the gross negligence, fraud, wilful misconduct or dishonesty of the Manager or any officer, employee, delegate, agent or contractor of the Investment Manager. The Manager must seek the approval of the Responsible Entity where expenditure would exceed the thresholds described above.

13.5.11. Conflicts and use of associates

The Manager must establish protocols for the prevention and management of conflicts.

The Manager may, in connection with the Investment Management Agreement, invest in, deal with or engage the services of the Manager's associates engaged in separate business activities which are entitled to charge fees, brokerage and commissions provided that they are in the ordinary course of business, on an arm's length commercial basis and approved by the Responsible Entity.

13.5.12. Indemnities

The Manager indemnifies the Responsible Entity against any direct expenses incurred by the Responsible Entity that arise from the gross negligence, fraud, wilful misconduct or dishonesty of the Manager.

The Responsible Entity indemnifies the Manager against any direct expenses reasonably incurred by the Manager in connection with the provision of the Services, except to the extent any expense is caused by the gross negligence, fraud, wilful misconduct or dishonesty of the Manager.

13.6. Summary of the Property Management Agreement

The Responsible Entity has entered into a Property Management Agreement with the Manager on 10 November, 2021.

13.6.1. Property management services

The Manager has been delegated all powers necessary to carry out its obligations under the Property Management Agreement to manage each of the REIT's properties, including each Property in the Portfolio, by providing:

- Property management services, which include day-to-day management, maintenance and operational decision making in connection with the properties, preparation of property business plans, budgets and reports, billing and collection of rental and other amounts and managing disbursements, management of leases and other property-related contracts and tenant and regulatory compliance, management of service, repair and maintenance works and tenant improvements, property marketing, leasing and tenant liaison and other services generally performed by a property manager while using commercially reasonable efforts to maximise revenues and minimise operating costs; and
- Development management services, which include evaluation of the capital potential of properties, preparation of development proposals, management of building and works approvals, management capital expenditure, implementation and management of capital works, and other services generally performed by a development managers.

The Manager will provide the services subject to the supervision and control of the Responsible Entity.

13.6.2. Exclusivity

During the term of the Property Management Agreement, the Responsible Entity must not appoint any other party to perform the services except where it is necessary to comply with applicable law or regulation or other applicable requirements, as set out in Section 13.7.7 or as otherwise permitted by the Manager if the Responsible Entity approves of the appointment.

The Manager may appoint other parties to assist with the delivery of all or part of the services under the agreement.

The Manager and its associates may from time to time perform services for itself and other parties the same as or similar to the services provided under the agreement.

13.6.3. Term and termination

The Property Management Agreement commences of the day on which Securities are allotted and issued to investors pursuant to this PDS.

The initial term of the agreement is 10 years and is automatically extended for successive five year terms unless terminated by either the Manager or the Responsible Entity at least 12 months prior to the end of the initial term or any successive five year term. This means that the initial term of the agreement is at least 10 years unless otherwise terminated in one of the circumstances referred to below.

Where the Responsible Entity gives the required notice that it does not wish to extend the agreement at the end of a term, termination in this circumstance will give rise to the payment of a compensation amount to the Manager equal to five times the fees paid under the agreement in the 12 months up to expiry of the term.

The agreement will not automatically apply to a new property in which the REIT holds, directly or indirectly, less than a 50% interest. The agreement may also be terminated by the Manager or the Responsible Entity on the sale of an individual property or the securities in any entity which directly or indirectly owns a property. The agreement may also be terminated with respect to a property in circumstances where a property is destroyed, or a property is damaged so that the property is unfit or substantially unfit for the Manager to perform its obligations under the agreement.

13.6.4. Manager's termination rights

The Manager can terminate the Property Management Agreement:

- at any time on 90 days' notice to the Responsible Entity; or
- immediately if:
    - o there is a material default of the agreement by the Responsible Entity which is not rectified (including by way of payment of reasonable compensation) within 90 days of written notice from the Manager;
    - o the Responsible Entity is insolvent (and is not replaced by another trustee within 60 days of becoming insolvent);
    - o a Trust is insolvent; or
    - o without prior written approval of the Manager, there is a change of control or the Responsible Entity or the REIT, the Responsible Entity is replaced by a responsible entity that is not member of the Acure Group or winding up of the REIT commences.

Note that in the case of default or the insolvency of a Trust, the Manager's termination right can be exercised in relation to the individual property in respect of which the default or insolvency has occurred or in respect of the whole agreement (at the election of the Manager).

Termination of the agreement by the Manager in these circumstances (other that where the Manager has terminated without cause by giving 90 days' notice) gives rise to the payment of a compensation amount to the Manager equal to five times the fees paid under the agreement in the 12 months up to termination.

13.6.5. Responsible Entity's termination rights

The Responsible Entity can terminate the Property Management Agreement:

- on 90 days' notice to the Manager, if there is:
  - o a bona fide sale of all or substantially all of the assets of the REIT to a third party on an arm's length basis; or
  - o a change of control of the Responsible Entity or the REIT, the Responsible Entity is replaced by a responsible entity that is not a member of the Acure Group or a winding-up of the REIT commences,
- and in these circumstances, a compensation amount equal to five times the fees paid under the agreement in the 12 months up to termination will be payable to the Manager; or
- subject to a termination right arising as described below, immediately if:
  - o there is a material default of the agreement by the Manager which is not rectified (including by way of payment of reasonable compensation) within 90 days of written notice from the Responsible Entity; or
  - o the Manager is insolvent and is not replaced by the Acure Group with another manager within 60 days of becoming insolvent.

13.6.6. Termination in respect of development management services

Where a relevant material default giving rise to a termination right of the Responsible Entity is in respect of development management services for particular development works only (in circumstances where the Manager is otherwise performing its obligations in relation to other services), the Responsible Entity may only terminate the agreement as it applies to development management services for those development works. However, in those circumstances, the exclusive engagement of the Manager to provide development management services would also cease (and the Responsible Entity could engage other parties to provide development management services).

In addition, if the agreement is terminated by either the Manager or the Responsible Entity at the end of its initial term or any subsequent term or in circumstances of a change of control of the Responsible Entity or the REIT or the Responsible Entity being replaced by a responsible entity that is not a member of the Acure Group, the Manager will continue to perform and be paid for development management services in respect of any approved development works that are ongoing at the time of termination, until completion of those works.

13.6.7. Fees

Unless the Manager has appointed other parties to assist with the delivery of all or part of its services, the property management fees payable to the Manager will be as follows:

Property Management Fee:

- 3.0% of gross income for each property for each month.

Leasing Administration Fee:

- The Manager is entitled to a leasing fee based on the following:

Lease Term	Fee
Up to 3 years	11% of the first year of gross rental (plus GST)
3 to 4 years	12% of the first year of gross rental (plus GST)
4 to 5 years	13% of the first year of gross rental (plus GST)
5 years or more	13% plus 1% for every year over 5 years (capped at 15%) of the first year of gross rental (plus GST)
For existing tenant lease renewals	50% of the rates outlined above (plus GST)

Development Management Fee:

- 3% of the total development costs (being the total cost of any development works undertaken in respect of a property). The Manager will only be able to recover an amount equal to 3% of the total development costs from the time that the development proposal is approved to the commencement of construction, with the balance to be paid in instalments from the time that construction commences to completion of the project delivery; and
- where the Manager has appointed other parties to assist with the delivery of substantially all of a particular service in relation to any particular property, the Manager will be entitled to recover the cost of the fees paid to the service providers, in addition to the fees for management, supervision and approval of activities and proposals recommended by these service providers in relation to the particular service provided.

Asset Selling Fee:

- 1.0% of the gross selling price of a property where the Manager arranges the sale of the Property, payable upon settlement. This fee will be reduced by any amount payable to an external sales agent, if one is appointed.

Review:

- The Property Manger's fees will be benchmarked and independently reviewed against market fees at the five year anniversary from commencement of the Property Management Agreement in the initial term and on commencement of any successive term. If the the parties cannot agree on the review of the fees, the parties may refer the review of fees to an expert for determination.

13.6.8. Costs and expenses

The Property Manager is entitled to be reimbursed for all costs and expenses it reasonably and properly incurs as Manager other than expenses that arise as a result of the gross negligence, fraud, wilful misconduct or dishonestly of the Manager or any officer, employee, delegate, agent or contractor of the Manager. The Manager must seek the approval of the Responsible Entity where expenditure is not within budget and the expenditure would exceed any relevant specified thresholds.

The Property Manager is also entitled to recover staff salary, salary on-costs, travel and office operating expenses associated with on-site management, operations, marketing and administration of any property and any off-site accounting, management, IT and operational costs directly related to any property.

The Manager is also entitled to recover the costs of advisers and consultants (including town planners, urban legal advisers, etc.) to assist with the development services and activities, including evaluation of the development potential of properties, preparation of development proposals and approvals, and implementation and management of development works.

13.6.9. Use of associates

The Manager may, in connection with the Property Management Agreement, invest in, deal with or engage the services of the Manager's associates engaged in separate business activities which are entitle to charge fees, brokerage and commissions provided that they are in the ordinary course of business, on an arm's length commercial basis and approved by the Responsible Entity.

13.6.10. Indemnities

The Manager indemnifies the Responsible Entity against any direct expenses incurred by the Responsible Entity that arise from the gross negligence, fraud, wilful misconduct or dishonesty of the Manager.

The Responsible Entity indemnifies the Manager against any direct expenses reasonably incurred by the Manager in connection with the provision of the services, except to the extent any expense is caused by the gross negligence, fraud, wilful misconduct or dishonesty of the Manager.

13.7. Summary of the Custody Agreement

The Custody Agreement was entered into between the Responsible Entity and Equity Trustees Limited (ACN 004 031 298) (Custodian) on 15 October 2021.

Under the Custody Agreement, the Custodian will:

- establish bank accounts for the purpose of holding assets of the REIT;
- provide custody for assets of the REIT;
- hold assets in its own name, but still for the REIT;
- act in accordance with the instructions of the Responsible Entity;

- maintain and update business continuation and disaster recovery procedures;
- implement appropriate measures to prevent unauthorised or unlawful use or disclosure, or accidental loss or destruction or damage, of information and documents in the Custodian's control;
- prepare and furnish to the Responsible Entity all appropriate reports as required;
- retain all relevant books, accounts, records and reports as required;
- maintain insurance of a kind that a prudent custodian would consider appropriate; and
- not subcontract its responsibilities (without the prior written consent of the Responsible Entity).

The Custodian is authorised to provide custodial services.

The Custodian is entitled to be indemnified from the REIT for any direct loss, liability, cost, claim, action, demand or expense that the Custodian may incur or that may be made against the Custodian arising out of the Custodian acting in accordance with an instruction given by the Responsible Entity, or in connection with the provision of services under the Custody Agreement, or by reason of the Custodian being the custodian to the Responsible Entity and the REIT, except to the extent that the relevant loss, liability, cost, claim, action, demand or expense results from the fraud, negligence, or wilful default of the Custodian.

Either party may terminate the Custody Agreement by giving the other party two months' prior written notice. In addition, the Responsible Entity may terminate the Custody Agreement immediately in certain circumstances, including where the Custodian has materially breached the Custody Agreement and has not adequately remedied that beach within five (5) days of receiving written notice of the breach.

The Custodian is entitled to an annual fee of $25,000 if the GAV of the REIT is less than $250m, and an annual fee of $35,000 if the GAV of the REIT is equal to or exceeds $250m. In either case, the annual fee is payable quarterly in arrears.

13.8. Summary of the Compliance Plan

The Compliance Plan of the REIT describes the processes and procedures that the Responsible Entity will use to ensure compliance with its AFSL, the onstitutions, the Corporations Act, and relevant industry and internal standards.

Under the Compliance Plan, the Responsible Entity must have a Compliance Officer who, among other things, reviews compliance on an ongoing basis and reports on compliance matters to the Board of the Responsible Entity.

The Responsible Entity has appointed a Responsible Person to manage each of the following key functional areas:

- Custody & Settlement
- Investment Management
- Investment Administration
- Finance & Accounting
- Compliance Administration
- Customer Service

In addition, the Responsible Entity has appointed an external Compliance Plan Auditor to audit compliance with the Compliance Plan.

13.9. Summary of the Debt Facilities

The REIT has existing Debt Facilities from Bankwest, Westpac and the Commonwealth Bank of Australia (**CBA**). The Debt Facilities have a combined facility limit of $92.7 million and are separately secured by the individual properties of each sub-trust.

13.9.1. Bankwest Debt Facility

The Trusts have existing debt facilities with Bankwest that are intended to remain in place post-completion of the Offer (**Bankwest Debt Facilities**).

Debt Facility Expiry and Limit

The Bankwest Debt Facilities have a combined facility limit of $35.6 million, with a weighted average expiry date of December 2023.

Undertakings and Financial Covenants

The Bankwest Debt Facilities contain undertakings for the Bankwest Debt Facilities that the Responsible Entity considers appropriate or customary for a facility of this nature, including but not limited to:

- not making any material structural change and / or alteration to any secured property without written consent of the lender;
- not entering into, amending, rescinding, canceling or terminating any significant agreement (as defined in the Bankwest Debt documentation) or granting any waiver, consent or indulgence under, or any encumbrance over, any significant agreement without prior consent; and
- not doing anything which would change the form, nature, ownership, control or financial position of the trusts where that change would adversely affect the trust's ability to perform its obligations under the debt facility agreement.

In addition, the Bankwest Debt Facility documentation includes all usual or appropriate financial covenants that the Responsible Entity considers appropriate for a facility of this nature, including but not limited to:

- An LVR of no more than 55% - 60% (depending on the particular facility), defined as the facility limit multiplied by 100 and divided by the security value; and
- Interest cover ratio of at least 1.85 - 2.0 times(depending on the particular facility), defined as net rental income divided by the interest expense (in accordance with the methodology set out in the Bankwest Debt Facility documentation).

Security

The Bankwest Debt Facilities are secured by the following security:

- freehold property mortgages over the following properties:
  - o 290 Benalla Road, Shepparton, Victoria
  - o the Australind Village Shopping Centre; and
  - o the Mardo Commercial Centre;
- general security interest over all of the assets and undertakings of the Australind Trust and the Shepparton Home Trust; and
- all accounts set out in the Set-Off Agreements between Bankwest and the Shepparton Home Trust and Australind Trust.

Events of Default

The Bankwest Debt Facilities contain certain events of default which the Responsible Entity considers customary and usual for a financing of this nature. These events include, but are not limited to:

- failure to pay on time;
- exceeding a Facility Limit or Sublimit;
- insolvency or loss of legal capacity;
- material creditor enforcement action is taken against the relevant Trusts;
- where information is given or a representation or warranty is made to Bankwest which is materially incorrect or misleading and which materially increases the risk in relation to the facility;
- loss of any License required to conduct business;
- assets of the Trusts subject to the facilities are dealt with, or are attempted to be dealt with, in breach of the debt facility agreement without consent;
- failure to provide financial information as required;
- failure to maintain the required insurance;
- Bankwest believes on reasonable grounds that it is, or will become, unlawful or contrary to law to continue with the Facility;
- use of the Facilities other than for the agreed purpose which leads to a materially increase in risk; and
- where there is an unacceptable material change of Control without consent.

13.9.2. Westpac Debt Facilities

Summary

The Trusts have existing debt facilities with Westpac that are intended to remain in place post-completion of the Offer (Westpac Debt Facilities).

Debt Facility Expiry and Limit

The Westpac Debt Facilities have a combined facility limit of $38.2 million, with a weighted average expiry date of August 2023.

Undertakings and Financial Covenants

The Westpac Debt Facilities contain undertakings from the Trusts that provide security for the Westpac Debt Facilities that the Responsible Entity considers appropriate or customary for a facility of this nature, including but not limited to:

- ensure no alterations will occur to the secured property without Westpac's consent;
- not amend or otherwise vary the trust deed without the Westpac's express consent;
- obtain, maintain and renew all authorisations necessary or desirable for the conduct of the business of the Trusts;
- if an event of default or potential event of default has occurred, direct any lessee to pay all rent into Westpac's account; and
- providing Westpac with any information, including financial information, in relation to the trust or any related party as Wetspac may reasonably require or request

In addition, the Westpac Debt Facility documentation includes all usual or appropriate financial covenants that the Responsible Entity considers appropriate for a facility of this nature, including but not limited to:

- an LVR of no more than 50% - 60% (depending on the particular facility), defined as the amount outstanding under the Westpac Debt Facility divided by the market value of the relevant property, based on the most recent valuation accepted by Westpac as the lender; and
- interest cover ratio of 2:1, calculated as the aggregate net rental or other income from the relevant properties divided by the interest payable or accrued each month in respect of the facility.

Security

The Westpac Debt Facilities are secured by the following security:

- Real property mortgages over the following properties:
  - o 63 Currumbin Creek Road, Queensland;
  - o 64 Great Eastern Highway, South Guildford, Western Australia;
  - o 125-175 Patullos Lane, Somerton, Victoria; and
  - o Lot 6 Naval Base Road, Naval Base, Western Australia.

- general security agreements over all of the assets and undertakings of the Currumbin Trust, Somerton Trust, 64 GEH Trust and Naval Base Trust; and
- an International Swaps and Derivatives Association Master Agreement between Westpac and Acure Funds Management Ltd in its capacity as trustee for the Somerton Trust, the Naval Base Trust and the Currumbin Trust. .

Events of Default

The Westpac Debt Facilities contain certain events of default which the Responsible Entity considers customary and usual for a financing of this nature. These events include, but are not limited to:

- failure to pay on time;
- breach of the facility agreement;
- provision of incorrect or misleading information to Westpac;
- committing an act of bankruptcy;
- appointment of an administrator, receive and manager or liquidator;
- a substantial change (direct or indirect) in management, ownership or control;
- insolvency; and

a breach or threatened breach of any authorisation (as defined in the Westpac Debt Facilities documents).

13.9.3. Commonwealth Bank of Australia Debt Facilities

Summary of the Debt Facility

The Trusts have existing debt facilities with the Commonwealth Bank of Australia (**CBA**) that are intended to remain in place post-completion of the Offer (**CBA Debt Facilities**).

Debt Facility Expiry and Limit

The CBA Debt Facilities have a combined facility limit of $18.8 million with a maturity date 28 February 2024.

Undertakings and Financial Covenants

The CBA Debt Facilities contain undertakings from the Trusts that provide security for the CBA Debt Facilities that the Responsible Entity considers appropriate or customary for a facility of this nature, including but not limited to:

- agreeing to do anything CBA asks to bind the Trustee and its successors under the documents;
- exercising the right of indemnity;
- not creating or allowing any encumbrance of security interest over the secured property; and
- compliance with the Trustee's obligations.

The CBA Debt Facilities also contain certain restrictions. These restrictions include, but are not limited to:

- the retirement, removal or replacement of the Trustee;
- any activity which may restrict the Trustee's right of indemnity;
- any activity which may restrict the Trustee's ability to comply with its obligations;
- the termination of the trust;
- variation of the trust deed;
- resettlement of the trust property; or
- mixing of trust property with other property.

Security

The CBA Debt Facilities are secured by the following properties:

- the property located at Great Northern Highway, Capricorn, Newman, Western Australia (certificates of title volume 2845 folios 317 and 318)
- a Crown lease on land situated at Lot 40 on Deposited Plan 194459
- Lot 331, Hematite Drive, Wedgefield, WA
- Lot 9, Resource Road Gap Ridge, Karratha, WA
- Carnarvon Outback Travel Centre - 1134 North West Coastal Highway, Carnarvon WA

Events of Default

The CBA Debt Facilities contain certain events of default which the Responsible Entity considers customary and usual for a financing of this nature. These events include, but are not limited to:

- incorrect representation or warranty;
- where the original trustee ceases to be the trustee of the trust without consent;
- the making or seeking of a court application or order in respect of the trust property;
- non-compliance with any obligation under the Deed of Covenants and Indemnity between the Trust and CBA; and
- an attempt to create an encumbrance over the secured property that is noncompliance with the facility agreement documents.

13.10. Summary of the Underwriting Agreement

[•]

The REIT will be focused on investment opportunities in Australia only. The REIT will not invest in properties located outside of Australia.

14 ADDITIONAL INFORMATION

14. Additional information

14.1. Sub-trusts

The REIT's structure involves separate wholly-owned sub-trusts for properties in the Portfolio. The trustee of each such sub-trust is Acure Funds Management Ltd.

The nature of the business of each of these sub-trusts is to act as asset level holding trusts for properties in the Portfolio.

14.2. Foreign Selling Restrictions

As at the date of this PDS, no action has been taken to register or qualify the Securities or the Offer or to otherwise permit a public offering of the Securities outside Australia or New Zealand.

The distribution of this PDS (including an electronic copy) outside Australia or New Zealand may be restricted by law. If you come into possession of this PDS outside Australia or New Zealand, then you should seek advice on, and observe, any such restrictions. Any failure to comply with such restrictions may violate securities laws. This PDS does not constitute an Offer or invitation in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an Offer or invitation.

The Securities may be offered in a jurisdiction outside Australia or New Zealand where such offer is made in accordance with the laws of that jurisdiction.

Each person submitting an Application Form will be deemed to have acknowledged that it is aware of the restrictions referred to in this Section 14.2 and to have represented and warranted that it is able to apply for and acquire the Units in compliance with those restrictions.

14.3. ASX Waivers and Confirmations

In order to conduct the Offer, the Responsible Entity has sought, [and been granted], certain in principle waivers and confirmations to the Listing Rules by ASX, including:

- confirmation that the structure of the REIT is appropriate for a listed entity for the purpose of Listing Rule 1.1 (condition 1);
- confirmation under Listing Rule 1.1 (condition 2) that the Trusts constitutions are consistent with the Listing Rules;
- a waiver from the requirement under Listing Rule 1.1 (condition 8) for each Trust individually have the minimum number of holders of securities with a value of at least $2,000 on condition that there is the minimum number of holders of Stapled Securities in the REIT with a value of at least $2,000;
- a waiver from the requirement under Listing Rule 1.1 (condition 9) so that each Trust is not required to separately satisfy the assets test in Listing Rule 1.3, on condition that the Trusts together meet the criteria under the assets test;
- confirmation that the reviewed financial statements provided in this PDS are sufficient for the purpose of Listing Rule 1.3.5(d);
- confirmation under Listing Rules 2.1 (condition 1) and 6.1 that the terms of the Securities are acceptable, appropriate and equitable;
- a waiver from Listing Rule 2.1 (condition 2) so that each Trust is not required to separately satisfy the requirement that the issue price of their securities be above 20 cents on condition that the Stapled Securities together have an issue price of at least 20 cents;
- a confirmation under Listing Rule 3.1 that disclosure by the Responsible Entity on behalf of one entity with the REIT on behalf of the other entity within the REIT on a matter for the purposes of Listing Rule 3.1 satisfies the obligations for each entity within the REIT as required by Listing Rule 3.1;
- a waiver from Listing Rule 6.24 in respect of clause 1 of Appendix 6A to the extent necessary that the rate of a distribution need not be advised to ASX when the distribution record date attaching to that distribution is announced, on condition that an estimated distribution rate is advised to ASX at the time of the announcement and the actual rate is advised to ASX as soon as it becomes known;
- a waiver from Listing Rules 7.1 and 10.11 to the extent necessary to permit the REIT to issue Securities to the Responsible Entity and the Manager in satisfaction of payment of any management or expenses fees payable under the Constitutions and the Investment Management Agreement, without obtaining securityholder approval, subject to the following conditions:
  - the REIT makes full disclosure to any person who may subscribe for Securities under the PDS of the provisions which provide for the periodic issue of Securities in lieu of payment of any management and/or expenses payable to the Responsible Entity or the Manager (the "Provisions");
  - a completed Appendix 3B is lodged for release to the market for each issue of Securities pursuant to the Provisions;
  - the Securities are issued in accordance with the Provisions;
  - details of the Securities issued in lieu of management or expenses are disclosed in the REIT's annual report each year in which Securities are issued; and
  - securityholder approval is sought every third year for the issue of Securities in lieu of any management or expenses fees payable under the Constitutions and the Investment Management Agreement;

- confirmation that the issue of Securities under the Offer will not reduce the REIT's placement capacity under Listing Rule 7.1;
- a waiver from Listing Rule 8.10 to permit the Responsible Entity to refuse to register a transfer of a Security in a Trust if it is not accompanied by a transfer of a Security in the other Trust;
- confirmation that there will be no mandatory escrow of the Securities pursuant to Listing Rule 9.1;
- a waiver from Listing Rule 10.1 to allow the transfer of assets between the Trusts, and their respective wholly owned subsidiaries, on and after the Listing without the approval of securityholders of Stapled Securities, on the following conditions:
  - o the Units in each Trust are stapled to each other; and
  - o no entity in the REIT issues any other equity securities that are not stapled to the corresponding securities of all the other entities in the REIT;
- confirmation that Listing Rule 15.16 does not apply to the management agreements entered into for the Trusts.

14.4. ASIC Relief

The Responsible Entity has also sought, [and been granted] the following relief and modifications from ASIC:

- customary stapling relief modifying Part 5C.7 of the Corporations Act to allow the REIT to be treated as a single stapled economic entity;
- modification of sections 601FC(1)(c), 601FC(1)(e), 601FD(1)(c) - 601FD(1)(e), 601FE(1)(a), 601FE(1)(b), 601JD(1)(c) and 601JD(1)(d) to allow the Responsible Entity and its officers to consider the interests of Securityholders as holders of Securities, not just in their capacity as holders of Securitys in each Trust; and
- modification of section 601LC to allow the Responsible Entity to give financial benefits out of property of the Trust to the Responsible Entity.

14.5. Interests of the Responsible Entity Directors

Other than as set out in this PDS, no Director or proposed Director of the Responsible Entity holds, or held at any time during the last two years any interest in:

- the formation or promotion of the REIT; or
- property acquired or proposed to be acquired by the REIT in connection with either of their formation or promotion with the Offer and no person had paid or agreed to pay, or given or agreed to give, any benefit to a director or proposed director of the Responsible Entity to induce them to become, or to qualify as, a director of the Responsible Entity; or
- for services provided by a Director or proposed Director of the Responsible Entity in connection with either the formation or promotion of the REIT or with the Offer.

14.6. Interests of Experts and Advisers

Other than as set out in this PDS, no person named in this PDS as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this PDS and no promoter of the REIT or Joint Lead Managers of the Offer or financial services licensee named in this PDS as a financial services licensee involved in the Offer, holds at the date of this PDS, or has held in the two years prior to that date, an interest in the formation or promotion of the REIT, any property acquired or proposed to be acquired by the REIT in connection with its formation or promotion or the Offer, nor has anyone paid or agreed to pay any amount, or given or agreed to give any benefit, to such persons for services provided in connection with the formation or promotion of the REIT or the Offer.

14.7. Consents to be Named and Lodgement of PDS

The persons listed in the table below [have given and have not, before the lodgement of this PDS with ASIC, withdrawn their written consent] to:

(a) be named in this PDS in the form and context in which they are named;

(b) the inclusion of their respective reports or statements noted next to their names and the references to those reports or statements in the form and context in which they are included in this PDS; and

(c) the inclusion of other statements in this PDS which are based on or referable to statements made in those reports or statements, or which are based on or referable to other statements made by those persons in the form and context in which they are included:

ACURE
FUNDS MANAGEMENT

Name of person	Named as	Reports or statements
Shaw & Partners Limited	Joint Lead Manager and Underwriter	Not applicable
Morgans Corporate Limited	Joint Lead Manager and Underwriter	Not applicable
Moore Australia Corporate Finance (WA) Pty Ltd	Investigating Accountant	Investigating Accountant's Report in Section 9
Moore Australia (WA) Pty Ltd	Tax Due Diligence Advisor	Taxation Implications in Section 11
William Buck (WA) Pty Ltd	Ongoing Taxation Advisor	Not applicable
Baker McKenzie	IPO Taxation Advisor	Taxation Implications in Section 11
Baker McKenzie	Legal Advisor	Not applicable
Burgess Rawson (WA) Pty Ltd	Valuer	Valuation Report of Properties in Section 10
CIVAS (Vic) Pty Limited (Colliers)	Valuer	Valuation Report of Properties in Section 10
Savills Valuations Pty Ltd	Valuer	Valuation Report of Properties in Section 10
CBRE Valuations Pty Limited	Valuer	Valuation Report of Properties in Section 10
Urbis Investment Management Pty Ltd	Valuer	Valuation Report of Properties in Section 10
Equity Trustees Limited	Custodian	Not applicable
Boardroom Pty Ltd	Registry	Not applicable

Each Director [has given and has not, before lodgement of this PDS with ASIC, withdrawn his or her consent] to be named in this PDS as a director in the form and context in which they are named and for the statements made by and on behalf of him or her to be included in this PDS.

None of the persons referred to above has made any statement that is included in this PDS or any statement on which this PDS is based, other than any statement or report included in this PDS with the consent of that person as specified above.

Each of the persons referred to above:

(a) has not authorised or caused the issue of this PDS, and makes no representation or warranty, express or implied, as to the fairness, accuracy or completeness of the information contained in this PDS; and

(b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in or omissions from this PDS other than references to its name or a statement or report included in this PDS with the consent of that person as specified above.

14.8. Directors' consent to lodgement

Each Director of the Responsible Entity as at the date of this PDS has consented to the lodgement of this PDS with ASIC.

14.9. Litigation

Neither the Responsible Entity nor the REIT is a party to any current litigation material to the financial standing of the Responsible Entity or the REIT and the Directors have no such knowledge of any such potential litigation.

14.10. Environment, Ethical and Social Considerations

The Responsible Entity does not take into account labour standards or environmental, social or ethical considerations when making investment decisions.

14.11. Exercise of Pricing Discretions

The Responsible Entity has elected that ASIC Class Order CO 13/655 will apply to pricing of Securities in the REIT. The Offer Price has been calculated in accordance with the Constitution of the REIT as a fixed price equal to the Issue Price in the PDS. Details of any discretion which will be applied to the pricing of Securities following listing is accessible on the REIT's website www.acuream.com.au free of charge.

14.12. Target Market Determination

A target market determination has been prepared for the Securities investments as required under section 994B of the Corporations Act. It is available for download at www.acuream.com.au. It outlines the class of consumers for which the Securities investments has been designed and the criteria for their eligibility having regard to the target market's objectives, financial situation and needs. It forms part of the Responsible Entity's design and distribution arrangements for Securities investments.

14.13. Privacy and Personal Information

The Application Form requires you to provide information that may be personal information for the purposes of the Privacy Act 1988 (Cth) (as amended) (Privacy Act). The Responsible Entity as the responsible entity of the REIT (and the Registry on its behalf) collects, holds and uses that personal information in order to assess your Application, service your needs as an investor, provide facilities and services that you request and to administer the REIT. The Corporations Act requires certain particulars of Securityholders to be collected and maintained in a public register.

Access to information may also be provided to other REIT entities and to the Responsible Entity's agents and service providers, in circumstances including:

- the Joint Lead Managers, in order to assess your Application and for ongoing administration;
- the Registry, to deal with your holding and organise mail-outs and other essential services;
- printers and mail companies, to prepare and distribute statements and reports to you;
- professional advisers, in relation to specific or general questions of the Responsible Entity, the REIT, or in response to enquiries or disputes;
- market research and support companies of the REIT, for product development and planning, as well as analysing the Securityholder base of the REIT; and
- service companies (such as those which may provide the services of management or a Director, or the Compliance Officer), in respect of any relevant matter relating to the Responsible Entity or the REIT, may process your information, provide services that you request, and inform you about products and services (including future offers of securities) for the REIT or other subsidiaries of the REIT,

on the basis that they deal with such information in accordance with the REIT's privacy policy and otherwise as required by law. If you do not provide the information requested of you in the Application Form, the Responsible Entity, the Joint Lead Managers, and Registry may not be able to process, deal with, or otherwise accept your Application for Securities appropriately. Those entities may not be able to administer your Securityholding going forward and/or send information about the REIT or other managed investment schemes or services of Group, including any future offers of securities.

Under the Privacy Act, you may request access to your personal information held by (or on behalf of) the Responsible Entity. You can request access to your personal information by telephoning or writing to the Registry.

14.14. Application Form

Returning a completed Application Form will be taken to constitute a representation by the Applicant that they:

- have received a printed or electronic copy of the PDS (and any supplementary or replacement document) accompanying the Application Form and have read them all in full;
- agree that their Application is completed and lodged in accordance with this PDS and subject to the declarations and statements on the Application Form;
- declare and confirm that all details and statements in the Application Form are complete and accurate;
- declare and confirm that their signature (particularly where a corporate or trust/trustee) is valid and binding on them;
- acknowledge that once the Application Form is returned it may not be withdrawn;
- agree to being issued the number of Securities referable to the value they apply for (or a lower number issued in accordance with this PDS);
- if natural persons, are at least 18 years old and do not suffer from any legal disability preventing them from applying for Securities; and
- authorise the Responsible Entity and the Joint Lead Managers and their respective officers or agents, to do anything on their behalf necessary for Securities to be issued to them, including to act on instructions received by the Registry using the contact details in the Application Form.

14.15. Cooling-Off Period

Cooling-off rights do not apply to an investment in Securities pursuant to this Offer. This means that, in most circumstances, Applicants cannot withdraw their Application once it has been accepted.

14.16. Access to Information

The Responsible Entity will provide regular communication to Securityholders, including publication of:

- the REIT's half yearly reports which provides an update on the investments held, operation of the REIT and performance for the period;
- the REIT's annual report including audited financial statements for each financial year ending 30 June;
- half yearly distribution statements;
- annual taxation statements; and
- any periodic reports or continuous disclosure notices given by the REIT in accordance with the Corporations Act or ASX Listing Rules.

ACURE
FUNDS MANAGEMENT

This information will be accessible on the REIT's website www.acuream.com.

The Responsible Entity, as a disclosing entity, will be subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to the REIT Trusts may be obtained from, or inspected at, an ASIC office (or may be available through the REIT's website), and will also be lodged with ASX as required, and available through the ASX website.

You also have the right to obtain a copy of each annual report, half yearly report and any periodic reports or continuous disclosure notices from the REIT free of charge.
As at the date of this PDS, the REIT has not lodged with ASIC any annual report or half year report and has not given any periodic reports or continuous disclosure notices to ASX.

14.17. Anti-Money Laundering/Counter-Terrorism Financing Act 2006

The Responsible Entity (and the Registry on its behalf) may be required to collect certain customer identification information and verify that information in compliance with the Anti-Money Laundering/Counter-Terrorism Financing Act 2006 (Cth) (the AML/CTF Act) and AML/CTF Rules before it can issue Securities to Applicants.

Customer identification information may include detailed know your customer (KYC) information in relation to the Applicant such as, for an individual Applicant, name, address, and date of birth and for an Applicant that is a business entity, details of directors and beneficial owners, and where the Applicant is a trustee, details of the trust and beneficiaries. The Responsible Entity may require further KYC information such as information concerning business activities, structure and source of funds of Applicants and from time to time may require an Applicant to provide updated or additional information.

The Responsible Entity may refuse to accept an application or decline to issue Securities to an Applicant until it has satisfactorily concluded a customer identification procedure in relation to the Applicant.

The Responsible Entity may delay or refuse any request or transaction, including by suspending the issue or redemption of Securities in the REIT if the Responsible Entity is concerned that the request or transaction may cause the Responsible Entity to contravene the AML/CTF Act. The Responsible Entity will incur no liability to the Applicant if it does so.

14.18. Copies of Documents

The following documents are available for inspection at the offices of the Responsible Entity between 9.00 am and 5.00 pm (WST) on Business Days in Perth WA. Alternatively, a copy of the following documents may be requested (to be provided free of charge) by contacting the Responsible Entity on +61 8 9322 5448:

- the Constitutions;
- Compliance Plans; and
- the REIT's policy regarding the exercise of discretions under the Constitutions which affect Security price calculations, valuation policy, and other matters.

14.19. Complaints

If you have a complaint about the REIT or the Responsible Entity in connection with your investment in the REIT you can write to the Compliance Officer at:

Acure Funds Management Ltd
Level 18, 140 St Georges Terrace
Perth WA 6000

The Compliance Officer will acknowledge your complaint within one business day or as soon as practicable, and will investigate it and report back to you as soon as practicable, and in any event, within 30 days.

If you are dissatisfied with the response or the complaint is not resolved within 30 days, you may raise the matter directly with the Australian Financial Complaints Authority Limited (AFCA). The AFCA's contact details are:

Australian Financial Complaints Authority Limited
GPO Box 3
Melbourne VIC 3001
Telephone: 1800 931 678
Email: info@afca.org.au
www.afca.org.au

If you are after investment advice you should contact your financial adviser.

ACURE
FUNDS MANAGEMENT

15 GLOSSARY

$ or $A	Australian dollars.
FY22	Twelve months ending 30 June 2022.
AAS or Australian Accounting Standards	The Australian Accounting Standards and other authoritative announcements issued by the AASB.
AASB	Australian Accounting Standards Board.
ABN	Australian Business Number.
Allotment	The allotment of Securities following acceptance of an Application.
Allotment Date	The date on which Allotment occurs, expected to be 1 December 2021.
Applicant	A person who submits a valid Application Form pursuant to this PDS.
Application	An application for Securities under the Offer as described in this PDS.
Application Form	The relevant form attached to, or accompanying this PDS pursuant to which Applicants apply for Securities and which includes an election form for applications under the Reinvestment Offer.
Application Monies	The money paid by an Applicant in respect of being transferred Securities under this PDS.
ARSN	Australian Registered Scheme Number.
ASIC	Australian Securities and Investments Commission.
Assets	In respect of a Trust, has the same meaning given to that term in the relevant Constitution.
ASX	Australian Securities Exchange.
ASX Guidelines	ASX Corporate Governance Principles and Recommendations as amended from time to time.
ATO	The Australian Taxation Office.
Auditor	The auditor of the REIT from time to time, being at the date of this PDS, Moore Australia (WA) Pty Ltd.
Australasia	Australia and New Zealand
Gearing	Calculated as the ratio of net drawn debt (excluding unamortised debt establishment costs) less cash and cash equivalents to total gross property asset value, based on the Pro Forma Consolidated Statement of Financial Position (as set out in Section 6.5).
Board	The Board of Directors of the Responsible Entity.
Broker	A broker appointed by the Joint Lead Managers to act as a participating broker to the Offer.
Broker Firm Offer	The broker firm offer set out in Section 8.10 of this PDS.
Broker Firm Offer Closing Date	The date on which the Broker Firm Offer will close, expected to be Monday, 13 December 2021.
Broker Firm Offer Opening Date	The date on which the Broker Firm Offer will open, expected to be Thursday, 2 December 2021.
Capitalisation Rate	The return of a property or portfolio of properties calculated by dividing the market level of Net Operating Income of that property or portfolio by the assessed Independent Valuation of that property or portfolio.
CHESS	Clearing House Electronic Subregister System, operated under the Corporations Act.
Closing Date	The closing date of the Offer, expected to be at 5.00pm (AEST) on 13 December 2021.
Completion	The Offer Completion and completion of the Restructure.
Constitution or Constitutions	The constitution of each of the Trusts.
Corporations Act	Corporations Act 2001 (Cth).
CPI	The All Groups Consumer Price Index, as issued by the Australian Bureau of Statistics as a general indicator of the rate of change in prices paid for consumer goods and services. CPI rental increases are based on the CPI of the eight capital cities other than for Coates Hire, Kingston which is based on CPI for the City of Brisbane alone.
Custodian	Equity Trustees Limited
Debt Facility	The REIT's $92.7 million combined debt facilities separately secured by the individual property/(ies) of each sub-trust and as described in Section 13.9 of this PDS.
Director	The directors of the Responsible Entity.
Distributions	The distributions made in relation to the Unit component of a Security.
Distribution Yield	The rate of return derived by dividing the Distribution per Unit by the Offer Price.
Financial Information	Refers to the Pro Forma Consolidated Balance Sheet and the Forecast Financial Information.
Forecast Distribution Statements	The forecast distribution statements for the period from Allotment Date to 30 June 2022 and the six month period ended 31 December 2022 as set out in Section 6.4.1 of this PDS.

Forecast Financial Information	The forecast statutory consolidated statements of profit and loss for the period from the Allotment Date to 30 June 2022 and for the six months ending 31 December 2022 and the pro forma forecast consolidated distribution statement for the period from the Allotment Date to 30 June 2022 and for the six months ending 31 December 2022 as set out in Section 6.4.
Forecast Period	The period from Allotment Date to 31 December 2022.
FPO	Financial Services and Markets Act 2000 (Financial Promotions) Order 2005.
FSMA	Financial Services and Markets Act 2000.
Future Acquisitions	Additional properties that may be acquired by the REIT over time.
GAV	Gross asset value, being the gross value of any direct or indirect interest in real estate assets or other assets or investments of the REIT without deducting any liabilities of the Responsible Entity, the Custodian, any Trust or entity in which a Trust has an ownership interest or trustee or responsible entity of one of them, such as debt funding and if a Trust or any sub-trust or Custodian has entered into an arrangement pursuant to which it receives substantially the same economic return as if it held an interest in a real estate asset, the value of that arrangement will be the value of the interest in the real estate asset underlying the economic interest represented by that arrangement.
GLA or Gross Lettable Area	Total lettable floor area including common areas, in square metres.
GST	Goods and Services Tax.
IASB	International Accounting Standards Board.
IFRS	International Financial Reporting Standards.
Independent Valuations	The valuations by the Independent Valuers as set out in the Valuation Report.
Independent Valuer(s)	Individually and collectively as the context requires: • CBRE Valuations Pty Ltd • Colliers International Valuation and Advisory Services (VIC) Pty Ltd • Burgess Rawson • Savills Valuations Pty Ltd • Urbis Valuations Pty Ltd
Interest Cover Ratio	In respect of any 12 month period, the ratio of EBIT divided by the interest expense of the Group of any joint venture.
Investigating Accountant	Moore Australia Corporate Finance (WA) Pty Ltd
Investigating Accountant's Report	The Investigating Accountant's Report prepared by Moore Australia Corporate Finance (WA) Pty Ltd as set out in Section 9 of this PDS.
Investor	A registered holder of Securities in the REIT.
Joint Lead Managers	Morgans Corporate Limited and Shaw and Partners Limited
Listing	Official quotation of the Securities on the ASX and commencement of deferred settlement trading of the Securities on the ASX.
Listing Rules	The official Listing Rules of the ASX from time to time as modified by an express written confirmation, waiver or exemption given by the ASX.
Management Agreements	Together, the Investment Management Agreement and the Property Management Agreement
Management Fee	The management fee which the Responsible Entity is entitled to receive in accordance with the REIT Constitution.
Manager	Acure Asset Management Ltd
Net Operating Income	The sum of rent payable by a tenant to the REIT under the terms of their lease less any direct property expenses and outgoings payable by the REIT.
Lettable Area	Total lettable floor area of a property, in square metres.
NTA or Net Tangible Assets	Equity minus intangible assets, adjusted for any minority interests.
Occupancy	The proportion of total commercial premises area that is subject to a tenancy agreement for a property or portfolio as at 30 June 2021.
Offer	The Public Offer and the Reinvestment Offer under (and as contemplated by) this PDS.
Offer Closing Date	The date on which the Offer is expected to close, being • Monday, 13 December 2021; These dates may be varied without prior notice.
Offer Completion	The allotment of Units to the successful Applicants under this PDS.

ACURE
FUNDS MANAGEMENT

Offer Period	The period between the Opening Date (being 2 December 2021) and the applicable Closing Date (being 13 December 2021).
Offer Price	Fixed price of $1.00 per Security.
Official List	The official list of entities that the ASX has admitted and not removed from listing.
Operating Earnings	Operating Earnings is the organisation's underlying and recurring earnings from its operations. This is determined by adjusting statutory net profit (under AIFRS) for certain non-cash and other items. Operating Earnings has been determined based on guidelines established by the Property Council of Australia and is intended as a supplementary measure of operating performance.
Original Unitholder(s)	Holder(s) of units in the Trust prior to them being stapled
PDS or Product Disclosure Statement	This document, being a product disclosure statement for the purposes of Part 7.9 of the Corporations Act 2001 (Cth) (including the electronic form of this document) and any supplementary or replacement PDS (including any replacement PDS).
PDS Date	The date of the PDS, being the date that the PDS was lodged with ASIC.
PDS Lodgement	The lodgement of this PDS with ASIC.
Portfolio	All of the REIT's property assets or interests in property assets from time to time.
Pro Forma Consolidated Statement of Financial Position	The pro forma consolidated statement of financial position set out in Section 6 of this PDS.
Pro Forma Forecast Consolidated Income Statements	The pro forma forecast income statements for the period from Allotment Date to 30 June 2022 and the six months ending 31 December 2022, as set out in Section 7 of this PDS.
Pro Forma Forecast Consolidated Distribution Statements	The pro forma consolidated distribution statements set out in Section 7 of this PDS.
Property	An asset which forms part of the Portfolio from time to time.
Property Management Agreement	The property management agreement between the Responsible Entity and the Manager as summarised in Section 13.
Public Offer	The Broker Firm Offer.
Register	The registers of the Trusts.
Registry	Boardroom Pty Ltd
Responsible Entity	Acure Funds Management Ltd Australian Financial Services Licence Number 411 056).
Security or Stapled Security	A stapled security in Acure Core Plus REIT each comprising one fully paid ordinary Unit in each Trust stapled to one fully paid ordinary Unit in each other Trust which are Stapled together as described in Section 13.1.
Securityholder or Stapled Securityholder	A registered holder of a Stapled Security.
Settlement	The settlement in respect of the Securities the subject of the Offer under the Underwriting Agreement.
SFA	Securities and Futures Act.
Sophisticated Investor	An Australian resident investor who is a wholesale client within the meaning of section 761G of the Corporations Act.
Stapling Deed	Has the meeting given to it in Section 13.
Stapled / Stapling	The linking together of securities so that one security may not be issued, transferred or otherwise dealt with without a corresponding and simultaneous issue, transfer or dealing of the other securities and which securities are quoted on the ASX jointly as a "Stapled Security" or such other terms as the ASX permits.
Statutory Forecast Consolidated Income Statements	The statutory forecast consolidated income statements set out in Section 6 of this PDS.
Sydney time (AEST)	Time observed in Sydney, Australia.
Total assets	Total assets of the REIT adjusted for the REIT's share of the assets held in equity accounted investments.
Total liabilities	Total liabilities of the REIT adjusted for the REIT's share of the liabilities held in equity accounted investments.
Trust or Trusts	Each of Australind Trust (ABN 83 788 385 645); Industrial Trust No. 1 (ABN 94 854 200 948); Apartment 66 Unit Trust (ABN 74 374 078 698); OTC Carnarvon Unit Trust (ABN 64 106 916 267); OTC Karratha Unit Trust (ABN 16 756 985 160); OTC Port Hedland Unit Trust (ABN 78 227 980 928); Shepparton Home Trust (ABN 77 197 435 829); and 64 GEH Trust (ABN 17 218 270 498) collectively and each of them separately as the context requires.
Unit or Units	Refers to existing units in a Trust or Trusts collectively and each of them separately as the context requires.

WACR or Weighted Average Capitalisation Rate	The average capitalisation rate across the Portfolio or group of properties, weighted by Independent Valuation.
WALE or Weighted Average Lease Expiry	The average lease term remaining to expiry across the Portfolio or a property or group of properties, weighted by gross passing income based on contracted lease expiries.
WAFRR or Weighted Average Fixed Rent Review	The average fixed rent review across the Portfolio or a property or group of properties, weighted by gross passing income.
Yield	The passing Net Operating Income of a property or portfolio of properties divided by the Independent Valuation of the property or portfolio of properties.

CORPORATE DIRECTORY

ACURE CORE PLUS REIT
Level 18, 140 St George's Terrace
Perth WA 6000
ASX Code: AXR

RESPONSIBLE ENTITY
Acure Funds Management Limited
Level 18, 140 St George's Terrace
Perth WA 6000
AFSL 411056

MANAGER
Acure Asset Management Limited
Level 18, 140 St. George's Terrace
Perth WA 6000

JOINT LEAD MANAGERS
Morgans Corporate Limited
Level 29, 123 eagle Street
Brisbane QLD 4000

Shaw and Partners Limited
Level 7, Chifley Tower
2 Chifley Square
Sydney NSW 2000

LEGAL ADVISER
Baker & McKenzie
Level 46, 100 Barangaroo Avenue
Barangaroo NSW 2000

INVESTIGATING ACCOUNTANT
Moore Australia Corporate Finance (WA) Pty Ltd
Level 15, Exchange Tower
2 The Esplanade
Perth, WA 6000

TAXATION ADVISER
William Buck Advisors (WA) Pty Ltd
15 Labouchere Road
SouthPerth, WA 6151

AUDITOR
Moore Australia Audit (WA)
Level 15, Exchange Tower
2 The Esplanade
Perth, WA 6000

REGISTRY
Boardroom Pty Limited
Level 12, Grosvenor Place
225 George Street
Sydney NSW 2000

CUSTODIAN
Equity Trustees Limited
Level 1, 575 Bourke Street
Melbourne VIC 3000

ACURE
FUNDS MANAGEMENT

Acure Funds Management Ltd
ACN: 151 502 680

Level 18, 140 St Georges Terrace Perth WA 6000
GPO Box 2502, St Georges Terrace Perth WA 6831

Phone: +61 8 9322 5448

www.acuream.com.au