



601 Coronation Drive Fund
ARSN 610 941 654
Product Disclosure Statement

Dated 14 June 2017

Issued by
One Managed Investment Funds Limited

ACN 117 400 987

AFSL 297042

HIGH STREET
DINING

TOOWONG
MEMORIAL PARK

SHERWOOD ROAD
DINING

TOOWONG VILLAGE
(SUB-REGIONAL CENTRE)

TOOWONG
TRAIN STATION

BICENTENNIAL
WALK & BIKEWAY



BRISBANE CBD
(3.5KM)

601 CORONATION DRIVE

REGATTA HOTEL
REGATTA
FERRY TERMINAL

BRISBANE CITY
BUS STOP

INDOOROOPILLY SHOPPING
CENTRE
(MAJOR REGIONAL CENTRE - 2.7KM)

UNIVERSITY OF
QUEENSLAND
(2KM)

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RESPONSIBLE ENTITY

One Managed Investment Funds Limited
ACN 117 400 987
AFS licence no. 297042

FUND MANAGER

Capital Property Funds Pty Limited
ACN 162 323 506

PRODUCT DISCLOSURE STATEMENT

601 Coronation Drive Fund

ARSN 610 941 654

At a glance:

- A modern A grade style office building located approximately 3.5 km from the Brisbane CBD in Toowong.
- On 12 August 2016, the Fund completed the acquisition of the Property located at 601 Coronation Drive Toowong, QLD for \$45,200,000.
- Since completing the acquisition, the Fund has been paying distributions on a quarterly basis at 8.00% per annum (annualised)¹.
- Tenants include:
 - Queensland College of Teachers (a Queensland government statutory body).
 - Arthur J Gallagher (the world's 4th largest insurance broking and risk management company).
 - Indue Ltd (a Brisbane based financial payments and settlement service provider).
 - Jumbo Interactive Limited (an international online lottery provider, headquartered in Toowong and listed on the ASX).
- An expected investment term of 5 years from the initial allotment of Units on 4 August 2016, with certainty of exit after 7 years.

¹ Past performance is not a reliable indicator of future performance.

IMPORTANT INFORMATION

ISSUER

The issuer of Units in the 601 Coronation Drive Fund ARSN 610 941 654 (Fund) is One Managed Investment Funds Limited ACN 117 400 987 (Responsible Entity, we, us, our). The Responsible Entity holds an AFS licence (no. 297042).

FUND MANAGER

The Responsible Entity has appointed Capital Property Funds Pty Limited ACN 162 323 506 (Fund Manager) as the fund manager under an investment management agreement which delegates the day-to-day investment management of the Fund to the Fund Manager.

THIS DOCUMENT

This Product Disclosure Statement (PDS), issued by us, is dated 14 June 2017. It relates to the offer of Units in the Fund. This PDS has not been lodged with ASIC and is not required by the Corporations Act to be lodged with ASIC. The Responsible Entity will notify ASIC that this PDS is in use in accordance with section 1015D of the Corporations Act. ASIC takes no responsibility for the contents of this PDS.

NO PERFORMANCE GUARANTEE

None of the Fund Manager, the Responsible Entity, nor any of their directors, related parties or associates, guarantee the performance or success of the Fund, the repayment of capital or any particular rate of capital or income return to Investors. Past performance is not a reliable indicator of future performance.

NO INVESTMENT ADVICE OR RECOMMENDATION

The information contained in this PDS is not financial product advice. This PDS contains important information, however it does not take into account your investment objectives, financial situation or particular needs. Accordingly, before you invest, you should read this PDS (and any supplementary PDS and website updates) carefully and in its entirety, and obtain independent financial and taxation advice about whether an investment in the Fund is suitable for you.

INFORMATION

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

ELECTRONIC PDS

An electronic version of this PDS and Application Form appears at www.capitalpropertyfunds.com.au and www.oneinvestment.com.au/601-coronation-drive-fund. If you have received this PDS electronically, then the Responsible Entity will give you a paper copy free of charge, on request. To request a paper copy of this PDS, please telephone the Responsible Entity on 02 8277 0000, or alternatively the Fund Manager on 02 8004 6218.

AVAILABILITY OF OFFER

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

WEBSITE INFORMATION

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

RISKS

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

MASTER TRUST OR WRAP ACCOUNTS

The Responsible Entity authorises the use of this PDS as disclosure to Indirect Investors who access the Fund through an IDPS, nominee or custody service and those investors may rely on this PDS. People who invest in the Fund through an IDPS do not become Direct Investors. The operator or custodian of the IDPS, nominee or custody service will be recorded as the Investor in the Investor register and will be the person who exercises the rights and receives the benefits as an Investor. Reports and documentation relating to the Fund will be sent to the operator of the IDPS, nominee or custody service. Investors using these services should be aware that they may be subject to different conditions from those set out in this PDS, particularly in relation to:

- arrangements for the application and transfer of Units
- fees and expenses, and
- distribution calculation and timing.

Indirect Investors should contact their adviser or the operator of their IDPS with any queries relating to an investment in the Fund.

GLOSSARY AND PHOTOGRAPHS

Throughout this PDS, certain defined terms are used. Terms are defined in Section 11 of this PDS (if necessary). Photographs are of the Fund's property assets, unless otherwise indicated.

FUND MANAGER'S LETTER

Dear Investor

On behalf of Capital Property Funds Pty Limited, the Fund Manager, we are pleased to invite you to invest in the 601 Coronation Drive Fund ARSN 610 941 654 (The Fund).

On 12 August 2016, the Fund completed the acquisition of 601 Coronation Drive Toowong, QLD (the Property) for \$45,200,000. Investor distributions are derived from net rental income and since settlement on 12 August 2016, the Fund has been paying quarterly distributions at 8.00% p.a (annualised).

The Property is a modern office building providing A grade style office accommodation and is located approximately 3.5 km from the Brisbane CBD.

Constructed in 2007, the Property provides large efficient floor plates of approximately 1,282 sqm and enjoys an abundance of natural light and picturesque views over the Brisbane River and towards the Brisbane CBD.

The Property also enjoys excellent access to Brisbane's public transport network, with bus, train and ferry services all within short walking distance. Notably, the Toowong train station is located directly behind the Property.

Toowong is a vibrant commercial and retail hub and provides extensive transport amenity. Toowong Village Shopping Centre adjoins the Property and is serviced by 1,709 car spaces. This sub-regional shopping centre provides tenants of the Property with a large number of retail outlets, including David Jones, Kmart, Coles and over 50 speciality outlets.

As at 31 March 2017, 601 Coronation Drive's occupancy was 79% (by area) and 96% income producing due to a 2 year rent guarantee provided by the Vendor over part of the Ground Floor and part of Level 4 when the Property was purchased. The rental income is underpinned by a mix of high quality tenants, including:

- Queensland College of Teachers (a Queensland government statutory body).
- Arthur J Gallagher (the world's 4th largest insurance broking and risk management company).
- Indue Ltd (a Brisbane based financial payments and settlement service provider).
- Jumbo Interactive Limited (an international online lottery provider, headquartered in Toowong and listed on the ASX).



Future development potential

With a permissible height for the Property of up to 15 storeys, we believe this site, having an area of 2,654 sqm, could one day accommodate a larger development outcome. This may provide alternative sale options at the end of the Fund's expected investment term. Investors should note, planning permissions may change over time and it is possible that future planning permissions for the Property may become more generous or alternatively more restrictive.

It is not intended that the Fund will undertake redevelopment of the Property.

Alignment of interests

The executive directors of the Fund Manager have acquired Units in the Fund. Also for the period ending 30 June 2017, if the income distribution paid to Investors falls below 8.00% per annum (annualised), the Fund Manager will forgo up to \$100,000 of its management fee which will be used to supplement distributions to Investors. If applicable, this forgone fee cannot be recouped by the Fund Manager in later years.

We encourage you to read this PDS in full before deciding to invest and you should seek independent financial and taxation advice about whether an investment in the Fund is suitable for you.

Yours faithfully



Joe Christie
Executive Director
CAPITAL PROPERTY FUNDS



Andrew Kerr
Executive Director
CAPITAL PROPERTY FUNDS



SECTION 1 OFFER OVERVIEW

1.1 Key Features

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

Feature	Overview	Refer to section
Key Features of the Offer		
MINIMUM APPLICATION AMOUNT	<p>The minimum application amount for new investors under the Offer is 20,000 Units at the offer price of \$1.00 per Unit for a total cost of \$20,000. Existing Investors may make minimum additional investments of \$5,000. The Responsible Entity may waive the minimum application amount at its discretion.</p>	Section 2
AMOUNT TO BE RAISED	<p>As at the date of this PDS, the Target Offer Amount is approximately \$6.5 million by the issue of 6.5 million Units at \$1.00 each. Equity raised by the issue of Units under this PDS will be used to redeem the remaining Underwriting Units at \$1.00 each. Oversubscriptions may be accepted at the Responsible Entity's discretion.</p> <p>If the value of the NTA per Unit increases in value to a level that would dilute existing Investors by continuing to issue Units at \$1.00 each, then the Responsible Entity will close the Offer and stop the fundraising at the set price of \$1.00.</p>	Section 2
Key Features of the Fund		
INVESTMENT TYPE	<p>The Fund is a single asset, fixed term, unlisted, registered managed investment scheme investing in the freehold commercial property located at 601 Coronation Drive, Toowong, QLD.</p>	Section 3
FUND OBJECTIVE AND INVESTMENT STRATEGY	<p>The Fund's objective is to do the following:</p> <ul style="list-style-type: none">▪ Provide Investors with a regular and stable income return underpinned by rental income from a mix of tenants.▪ Provide Investors with the potential for capital growth upon disposal of the Property.▪ Provide a fixed term investment with a clearly defined exit strategy. <p>The Fund's investment strategy is to do the following:</p> <ul style="list-style-type: none">▪ Maintain the Property's rental income.▪ Maximise returns for the Fund during its term and upon the disposal of the Property.▪ Maintain and enhance the leasing profile of the Property through the implementation of a proactive leasing strategy.▪ Implement a capital works program to improve the NABERS rating (currently 2.5 stars) and the general efficiency of the Property.▪ Ensure the Property remains a high quality office building capable of attracting and retaining high quality tenants.	Section 3

Feature	Overview	Refer to section
UNIT PRICING AND ISSUE OF UNITS	Units will be issued on the last Business Day of each week at a price of \$1.00 each until such time as all Underwriting Units are redeemed or the Responsible Entity closes the Offer in its absolute discretion.	Section 2
NTA PER UNIT	As at 31 March 2017, the NTA per Unit is \$0.89. Quarterly Investor updates which provide updated NTA calculations are made available via the Fund Manager's web site: www.capitalpropertyfunds.com.au	
RESPONSIBLE ENTITY	One Managed Investment Funds Limited (AFS licence no. 297042) is the Responsible Entity for the Fund and holds title to the Fund's assets. The Responsible Entity is a subsidiary of the One Investment Group. One Investment Group holds over 200 trustee roles with assets in these trusts in excess of \$10 billion.	Section 5
FUND MANAGER	Capital Property Funds Pty Limited has been appointed by the Responsible Entity to manage the Fund.	Section 5
EXPECTED TERM OF THIS INVESTMENT	The initial term of the investment is 5 years from 4 August 2016 which was the date of the initial allotment of Units. The investment can be extended for two further 2 year terms in accordance with the Liquidity Events described in the section below.	Section 2



Feature	Overview	Refer to section
LIQUIDITY EVENTS	<p>Prior to the end of the initial 5 year term, there will be a Liquidity Event, where the Responsible Entity will provide Investors with the opportunity to realise their investment through the completion of a withdrawal request form. This form will allow each Investor to nominate the number of Units (if any) they wish to redeem at the conclusion of the initial 5 year term.</p> <p>If the Responsible Entity receives withdrawal requests from Investors in respect of more than 50% of the Units on issue, then the Fund will be wound up with the Responsible Entity completing an orderly sale of the Property.</p> <p>Alternatively, if the Responsible Entity does not receive withdrawal requests from Investors in respect of more than 50% of the Units on issue, then the investment term will be extended for a further 2 years.</p> <p>If the investment term is extended, then the Responsible Entity in consultation with the Fund Manager will implement a liquidity strategy and use its best endeavours to satisfy the withdrawal requests received from those Investors who wish to exit.</p> <p>However there is no guarantee that any withdrawal request will be able to be satisfied and the strategy will have regard to what is in the best interests of all Investors at the time. The strategy for satisfying withdrawal requests may include raising equity, arranging debt finance, matching existing Investors who may wish to acquire further Units in the Fund with those Investors who wish to exit the Fund or using a combination of these options.</p> <p>If the initial 5 year investment term is extended for 2 years, then approximately 6.5 years from the initial allotment date, there will be a further Liquidity Event.</p> <p>Under this Liquidity Event, the Responsible Entity will provide Investors with the opportunity to realise their investment through the completion of a withdrawal request form. This form will allow each Investor to nominate the number of Units (if any) they wish to redeem at the conclusion of the extended 7 year term.</p> <p>The investment term cannot be extended beyond 7 years from the initial allotment date, unless the Responsible Entity—</p> <ul style="list-style-type: none"> ▪ receives no withdrawal requests under the Liquidity Event, or ▪ is able to provide liquidity for those Investors who want to exit the Fund through the Liquidity Event. <p>If the Responsible Entity is able to satisfy the conditions set out above, then the investment term may be extended for a further 2 years (i.e., to 9 years from the initial allotment date).</p> <p>Following the end of that investment term, the Fund will be wound up and the Responsible Entity will complete an orderly sale of the Property.</p>	Section 2
WITHDRAWAL RIGHTS	<p>You will not have a right to withdraw your investment during the life of the Fund. Under the Liquidity Events you will be provided with an opportunity to lodge a withdrawal request and those withdrawal requests may be accepted by the Responsible Entity, but there is no guarantee that they will be accepted.</p> <p>This is a fixed-term investment with no ongoing liquidity.</p>	Section 2

Feature	Overview	Refer to section
DISTRIBUTION POLICY	<p>Distributions are paid quarterly to Investors, within 4 weeks of the end of each calendar quarter, except for the quarter ending in June of each year, where distributions for that quarter are expected to be paid within 2 months of 30 June.</p> <p>The Fund will only pay distributions from cash from operations and reserves (not borrowings).</p> <p>There is no distribution reinvestment facility available to Investors.</p>	Section 2
BORROWINGS	<p>The Fund Manager secured a debt facility to acquire the Property. As at 31 March 2017, the Fund's loan to value ratio (LVR) was 55% and the interest cover ratio was 3.38 times. All debt funding is non-recourse to Investors.</p> <p>Quarterly Investor updates which provide updated information on the Fund borrowings are made available via the Fund Manager's web site: www.capitalpropertyfunds.com.au</p>	Section 3
UNDERWRITING UNITS	<p>In order to complete the acquisition of the Property on 12 August 2016, the Fund Manager secured underwriting commitments of \$8,600,000 through the issue of 8,600,000 Underwriting Units at \$1.00 each. The holders of Underwriting Units have additional withdrawal rights and following settlement of the Property, the Fund Manager continued to raise equity to reduce the Fund's gearing ratio and to redeem some of the Underwriting Units.</p> <p>At the date of this PDS, approximately 6,500,000 Underwriting Units remain on issue. The Target Offer Amount of approximately \$6.5 million will be used to redeem these Underwriting Units at \$1.00 each (ie. for the same price they were issued).</p> <p>The Fund Manager bears all costs of the underwriting arrangements and will not pass these costs on to the Fund. As at the date of this PDS, the Fund Manager holds 1,600,000 Underwriting Units, which may be redeemed using equity raised under this PDS.</p>	Section 2
TAX INFORMATION	<p>This PDS contains general information in relation to tax. Before investing, you should obtain your own independent tax advice, taking into account your own circumstances.</p>	Section 9
COMPLAINTS	<p>The Responsible Entity has a procedure for handling complaints. It is also a member of the Financial Ombudsman Service, an independent external dispute resolution organisation.</p>	Section 10
SMSF & SUPERANNUATION FUNDS	<p>Self-managed super funds and complying superannuation funds are able to invest in the Fund, subject to their own investment criteria.</p>	Section 2

Feature	Overview	Refer to section
Key Features of The Property		
PROPERTY	<p>Located on the Brisbane river and approximately 3.5 km from the Brisbane CBD, the Property was constructed in 2007 and provides modern A grade style office accommodation.</p> <p>The Property provides ground floor and five upper storeys of office accommodation equating to 7,286 sqm of net lettable area. The typical floor plate is 1,282 sqm and every level has an abundance of natural light.</p> <p>The Property is serviced by 3 levels of secure basement car parking with 124 car bays.</p> <p>The site area is 2,654 sqm and the current town planning parameters allow for a permissible height of 15 storeys which means the current site could accommodate a much larger development outcome.</p> <p>It is not the intention of the Fund to redevelop the Property. However, the Fund Manager believes this feature of the Property may mean there may be a greater number of potential purchasers for the Property at the end of the Fund's expected investment term. These potential purchasers may include developers as well as investors seeking to purchase the Property as an existing asset.</p>	Section 4
ABOUT THE TENANTS	A detailed tenancy schedule and tenant profile is provided in Section 4 of this PDS.	Section 4
RENTAL GUARANTEE	As at 31 March 2017, the building is 79% occupied and 96% income producing due to a rent guarantee (ending in April 2018) provided by the vendor over part of the Ground Floor and part of Level 4.	Section 4.5
ALIGNMENT OF INTERESTS	<p>The executive directors of the Fund Manager have acquired Units in the Fund, and the Fund Manager is incentivised to achieve outperformance via a performance fee structure on disposal of the Property.</p> <p>For the period ending 30 June 2017, to the extent the income distributions paid to Investors falls below 8.00% per annum, the Fund Manager will forgo up to \$100,000 of its management fee. This money will be used to supplement distributions to Investors during this period and will not be recouped by the Fund Manager in later years.</p>	Section 7
PURCHASE PRICE	\$45,200,000.	Section 4
VALUATION	\$45,200,000 (prepared on 6 July 2016 for mortgage security purposes).	Section 10
RE-VALUATION POLICY	<p>The Property will be independently re-valued at least once every three years and prior to any Liquidity Event. The Property will also be re-valued by the Fund Manager if the Fund Manager has advised the directors of the Responsible Entity that it is likely there has been a material change in the value of the Property. Any intervening valuation will be subject to a short form valuation assessment by an independent valuer.</p>	Section 10

Feature	Overview	Refer to section
WALE (BY INCOME)	As at 31 March 2017, the weighted average lease expiry (WALE) by income, including the rental guarantees, is approximately 4.24 years. Quarterly Investor updates which provide updated information on the WALE for the Fund are made available via the Fund Manager's web site: www.capitalpropertyfunds.com.au	Section 4

Risks

There are risks associated with investing in the Fund. Distributions are not guaranteed and neither are any capital returns. Past performance is not a reliable indicator of future performance. Section 6 of this PDS provides more detail in relation to the risks of investing but some of the main risks include:

GENERAL RISKS	General risks associated with an investment in the Fund include, but are not limited to: <ul style="list-style-type: none"> ▪ Downturn in economic and market conditions. ▪ Interest rate and inflation fluctuations. ▪ Legislative, regulatory and tax changes. 	Section 6
REAL ESTATE RISKS	Real estate specific risks associated with investment in the Fund include, but are not limited to: <ul style="list-style-type: none"> ▪ Decrease in the value of the Property. ▪ Decrease in the Property's net operating income. ▪ Higher than expected capital expenditure requirements. ▪ Force majeure events such as natural disasters, market volatility or terrorism. 	Section 6

Feature	Overview	Refer to section
FUND RISKS	<p>General risks associated with investment in the Fund include, but are not limited to:</p> <ul style="list-style-type: none"> ▪ Investment returns not being achieved. ▪ The Fund term may be extended from 5 years up to 7 years without an opportunity to exit. ▪ The debt facility secured over the Property contains a number of covenants which, if breached, would allow the lender to retain Property income and in certain circumstances, force a sale of the Property. ▪ As at 31 March 2017, the Fund's LVR was 55%. A higher LVR means a higher reliance on debt may expose the Fund to additional risks, for example if there are increases in interest rates or a reduction in the Property's value. Under the debt facility the Fund's maximum LVR is 60% until 12 August 2017 and then 55% for the remaining term of the loan. Therefore at the current level of gearing any fall in the value of the Property after 12 August 2017, would cause the Fund to breach that covenant under the debt facility. ▪ There is a risk that new finance may not be obtained upon the expiry of the Fund's debt facility in August 2019, or that it may not be obtained on the same or better terms. ▪ You will only be able to withdraw from the Fund under the Liquidity Events described in this PDS. ▪ Investment in a single asset lacks diversification. ▪ There is a risk insufficient equity will be raised under this PDS. The Fund Manager is required to allocate a portion of its management fee to satisfy commitments under the terms of the underwriting arrangements and therefore the performance of the Fund Manager may be impacted if Underwriting Units remain on issue. 	Section 6
Fees and Other Costs		
FEES AND COSTS	<p>Fees and costs have been paid by the Fund to the Fund Manager, the Responsible Entity and to consultants who have assisted with the Offer. Ongoing annual costs will also be payable in relation to the management and administration of the Fund.</p>	Section 7

1.2 ASIC Disclosure Benchmarks and Principles

On 28 March 2012, ASIC issued Regulatory Guide 46 “**Unlisted property schemes: Improving disclosure for retail investors**” which contains 6 disclosure benchmarks and 8 disclosure principles for unlisted property funds. These are intended to assist investors to analyse and understand the risks associated with investing in these types of funds and decide whether such investments are suitable for them.

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

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

Disclosure benchmarks and principles	Summary	Refer to section
GEARING (Benchmark 1: Gearing policy and Disclosure Principle 1: Gearing ratio)	Benchmark – satisfied. The Fund meets this benchmark because the Responsible Entity maintains and complies with a written policy that governs the level of gearing at an individual credit facility level. A fund’s gearing ratio (being a fund’s total interest bearing liabilities divided by the value of the fund’s assets) indicates the extent to which the fund’s assets are funded by borrowings. As at 31 March 2017 the Fund’s gearing ratio is 52.1%.	Section 3
INTEREST COVER (Benchmark 2: Interest cover policy and Disclosure Principle 2: Interest cover ratio)	Benchmark – satisfied. The Fund meets this benchmark because the Responsible Entity maintains and complies with a written policy that governs the level of interest cover at an individual credit facility level. An interest cover ratio gives an indication of a fund’s ability to meet interest payments from earnings. The lower the interest cover ratio, the higher the risk that the Fund will not be able to meet its interest payments.	Section 3
INTEREST CAPITALISATION (Benchmark 3: Interest capitalisation)	Benchmark – satisfied. The interest expense of the Fund is not capitalised.	
SCHEME BORROWING (Disclosure Principle 3: Scheme borrowing)	This principle requires disclosure of information on the Fund’s borrowing maturity and any associated risks. The Fund maintains and complies with a written policy that governs the level of gearing. All funding is non-recourse to Investors.	Section 3
PORTFOLIO DIVERSIFICATION (Disclosure Principle 4: Portfolio diversification)	The principle requires disclosure of information on the composition of the Fund’s property investment. The Fund owns the office building at 601 Coronation Drive, Toowong, Queensland.	Section 4

Disclosure benchmarks and principles	Summary	Refer to section
VALUATIONS (Benchmark 4: Valuation policy)	<p>Benchmark – satisfied. The Responsible Entity maintains and complies with a written valuation policy.</p> <p>A valuation policy helps investors understand how assets will be valued and can help them assess the reliability of valuations.</p> <p>Upon request the Responsible Entity will provide you with a copy of its Valuation Policy.</p>	Section 10
RELATED PARTY TRANSACTIONS (Benchmark 5: and Disclosure Principle 5: Related party transactions)	<p>Benchmark – satisfied. The Responsible Entity maintains and complies with a written policy on related party transactions, including the assessment and approval processes for such transactions, and arrangements to manage conflicts of interest.</p> <p>This principle requires the provision of information on a responsible entity’s approach to related party transactions. The Responsible Entity’s policy helps to ensure that any actual or potential conflicts of interest are identified and appropriately dealt with.</p>	Section 10
DISTRIBUTION PRACTICES (Benchmark 6 and Disclosure Principle 6: Distribution practices)	<p>Benchmark – satisfied. The Fund will only pay distributions from cash from operations and reserves (excluding borrowings).</p> <p>Information on a fund’s intended distribution practices helps investors assess matters such as the sources of distributions.</p>	Section 2
WITHDRAWAL ARRANGEMENTS (Disclosure Principle 7 : Withdrawal arrangements)	<p>This disclosure principle addresses disclosure of withdrawal arrangements within the Fund. There is no ongoing liquidity and there are very limited opportunities to withdraw from the Fund.</p>	Section 2.8
NET TANGIBLE ASSETS (Disclosure Principle 8: Net tangible assets)	<p>The Fund’s net tangible assets (NTA) calculation shows the value of the Fund on a per Unit basis.</p> <p>This amount can be used as an approximate measure of what an Investor could expect to receive per Unit held (before selling costs) and the value of tangible or physical assets of the Fund.</p>	Section 2.6

Updates to the information required under the ASIC disclosure principles will be placed on the following websites on a quarterly basis:

www.capitalpropertyfunds.com.au and www.oneinvestment.com.au/601-coronation-drive-fund.

SECTION 2 OFFER DETAILS

2.1 The Offer

This PDS offers investment in the Fund through the holding of Units. You may apply to invest in the Fund by completing the Application Form and submitting it with your Application Money.

By holding Units, you will share in the income generated from the property located at 601 Coronation Drive, Toowong, QLD.

If the Fund terminates at any time and the Property is sold, then Investors will participate in the net sale proceeds.

Distributions are not guaranteed and neither are any capital returns. An investment in the Fund comes with risks associated with investing in commercial property. You should refer to Section 6 for more information about the risks associated with this investment.

2.2 Amount being raised and how it will be used

The Fund is seeking to raise a Target Offer Amount of approximately \$6,500,000 under this PDS. Over subscriptions may be accepted at the Responsible Entity's discretion.

The Responsible Entity will use the Target Offer Amount to redeem Underwriting Units. The Responsible Entity may close the Offer before all the Underwriting Units are redeemed if the value of the NTA per Unit has increased in value to a level that would dilute existing Investors by continuing to issue Units at \$1.00 each.

2.3 Underwrite

To enable the Fund to complete the acquisition of the Property on 12 August 2016, the Fund Manager secured underwriting commitments of \$8,600,000 through the issue of 8,600,000 Underwriting Units. The holders of Underwriting Units have additional withdrawal rights and following settlement of the Property, the Fund Manager continued to raise equity to reduce the Fund's LVR and to redeem some of the Underwriting Units.

As at the date of this PDS, approximately 6,500,000 Underwriting Units remain on issue. The Target Offer Amount will be used to redeem these Underwriting Units.

The Fund Manager bears all costs of the underwriting arrangements and will not pass these costs on to the Fund. As at the date of this PDS, the Fund Manager holds 1,600,000 Underwriting Units, which may be redeemed using equity raised under this PDS.

2.4 Application price and minimum investment amount

Units under the Offer are priced at \$1.00 each.

The minimum amount you must invest is \$20,000. The Responsible Entity reserves the right to accept applications for lower amounts, at its discretion.

Existing Investors may make minimum additional investments of \$5,000.

2.5 Allotment of Units

Units will be issued on the last Business Day of each week at a price of \$1.00 each. Before Units are issued, the Fund Manager will confirm to the Responsible Entity the NTA per Unit is not greater than \$1.00 and therefore that it is appropriate for the Responsible Entity to issue Units at \$1.00 each or redeem Underwriting Units at \$1.00 each. If the value of the NTA per Unit does increase in value to a level that would dilute existing Investors by continuing to issue Units at \$1.00 each, then the Responsible Entity will close the Offer.

2.6 Net tangible assets (NTA)

The NTA calculation helps you understand the value of the Fund's assets upon which the value of a Unit is determined. The NTA is calculated as follows:

$$\text{NTA} = \frac{\text{Net assets} - \text{intangible assets} \pm \text{other adjustments}}{\text{Number of Units on issue}}$$

On acquisition of the Property, acquisition costs diluted the Fund's NTA backing. As at 31 March 2017 the NTA per Unit was \$0.89.

2.7 Distributions

The Fund will calculate its net income on a monthly basis and will accrue this amount (if any) for payment to Investors on a quarterly basis. Distributions are calculated in cents per Unit and will be paid to you based on the number of Units you held each day throughout the quarter.

Currently, distributions are paid quarterly to Investors, within 4 weeks of the end of each calendar quarter, except for the quarter ending in June of each year, where distributions for that quarter are expected to be paid within 2 months of 30 June.

Distribution payments are made by electronic funds transfer.

Distributions will only be paid from the Fund's cash from operations and reserves. The Responsible Entity will not pay any distributions from borrowings.

There is no distribution reinvestment facility.

A proportion of distributions are expected to comprise tax-deferred amounts. A tax report detailing the tax deferred amount will be provided to Investors at the end of each financial year.

2.8 Illiquid investment

You will not have any right to withdraw your money from the Fund. You will have an opportunity to submit a withdrawal request under the Liquidity Events (refer to Section 2.11 for more details). There is, however, no guarantee that those withdrawal requests will be accepted.

Investment in the Fund is illiquid and the Responsible Entity does not expect to make any withdrawal offers.

Therefore, once your Application has been accepted, you should expect that your investment will remain in the Fund until the end of the expected investment term or any extension to the term (see Section 2.10 below).

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

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

2.9 How you can invest

Applications to invest must be made by completing the Application Form which accompanies this PDS and is also available from the Fund Manager or the Responsible Entity.

2.10 Expected investment term

The initial term of the investment is 5 years from the initial allotment of Units on 4 August 2016.

The investment term can be extended for two further 2 year terms (see Section 2.11 below).

In addition, under the Corporations Act, Investors may call a meeting at any time to propose resolutions directing the Responsible Entity to sell the Property and wind-up the Fund.

2.11 Liquidity Events

First Liquidity Event

Prior to the end of the initial 5 year term, there will be a Liquidity Event, where the Responsible Entity will provide Investors with the opportunity to realise their investment through the completion of a withdrawal request form. This form will allow each Investor to nominate the number of Units (if any) they wish to redeem at the conclusion of the initial 5 year term.

If the Responsible Entity receives withdrawal requests from Investors in respect of more than 50% of the Units on issue, then the Fund will be wound up with the Responsible Entity completing an orderly sale of the Property or procuring the sale of all Units.

Alternatively, if the Responsible Entity does not receive withdrawal requests from Investors in respect of more than 50% of the Units on issue, then the investment term will be extended for a further period of 2 years.

If the investment term is extended, then the Responsible Entity in consultation with the Fund Manager will implement a liquidity strategy and use its best endeavours to satisfy the withdrawal requests received from those Investors who wish to exit. This strategy will have regard to what is in the best interests of all Investors at the time and may include raising equity, arranging debt finance, matching existing Investors who may wish to acquire further Units in the Fund with those Investors who wish to exit the Fund or using a combination of these options.

Further Liquidity Event

The investment term cannot be extended beyond 7 years from 4 August 2016, unless the Responsible Entity—

- receives no withdrawal requests under a further Liquidity Event, or
- is able to provide liquidity for those Investors who want to exit the Fund through the Liquidity Event.

If the Responsible Entity is able to satisfy the conditions set out above, then the investment term may be extended for a further 2 years (i.e., to 9 years from 4 August 2016).

Following the end of that investment term, the Fund will be wound up and the Responsible Entity will complete an orderly sale of the Property.

Independent valuation

The Responsible Entity will have the Property valued by an independent valuer prior to the Liquidity Event(s). These valuations will not be more than three months old at the date of the relevant Liquidity Event. For more information on the Responsible Entity's valuation policy, refer to Section 10.

Information to be provided to Investors

At each Liquidity Event, the Responsible Entity will communicate formally with Investors providing:

- details of the independent valuation of the Property,

- the Fund Manager's recommendations as to whether the Fund should be wound up or the investment term extended for a further term of 2 years,
- an outline of the liquidity strategy the Fund Manager proposes in order to fund the withdrawal of redeeming Investors, and
- the Unit Price that Investors will receive if Investors redeem Units or the Fund is wound up. The estimated Unit Price will reflect the NTA per Unit and estimated costs of selling the Property and winding up the Fund.

Power of attorney

Upon a Liquidity Event, each holder of Units appoints the Responsible Entity and its authorised officers and agents as their attorney to do any act or thing, including to execute, sign and deliver any document that the attorney considers necessary or desirable to implement the steps required to provide liquidity in accordance with this PDS (including executing transfers, assignments, application forms, subscriptions and other assurances of the Units being transferred or issued).

2.12 SMSF and complying superannuation funds

Self-managed super funds and complying superannuation funds may invest in the Fund, subject to their own investment criteria.



Location shot of Toowong Shopping Village

SECTION 3 THE FUND

3.1 Objective and strategy

The Fund's objective is to do the following:

- Provide Investors with a regular and stable income return underpinned by rental income from a mix of tenants.
- Provide Investors with the potential for capital growth upon disposal of the Property.
- Provide a fixed term investment with a clearly defined exit strategy.

The Fund's investment strategy is to do the following:

- Maintain the Property's rental income.
- Maximise returns for the Fund during its term and upon the disposal of the Property.
- Maintain and enhance the leasing profile of the Property through the implementation of a proactive leasing strategy.

- Implement a capital works program to improve the NABERS rating and the general efficiency of the Property.
- Ensure the Property remains a high quality office building capable of attracting and retaining high quality tenants.

3.2 Structure

The Fund is an unlisted unit trust, registered with ASIC as a managed investment scheme (ARSN 610 941 654). There is no intention to list the Fund on a secondary market such as the ASX.

The Fund was established by the Constitution, which regulates the relationship between the Responsible Entity and the Investors. Section 10 sets out further information about the Constitution.

The Responsible Entity has appointed the Fund Manager as the manager of the Fund under an investment management agreement. This agreement is summarised in Section 10 of this PDS.

3.3 Borrowings

The Fund Manager finalised a debt facility that was drawn on 12 August 2016 to partially fund the acquisition of the Property.

Facility Limit \$m	Drawn Amount \$m	Undrawn Amount \$m	Facility period	Interest Rate p.a.
Tranche A - \$22.6m	\$22.6m	\$0.0m	3 years (expiring 12 August 2019)	4.365% (Fixed for 3 years)
Tranche B - \$4.52m	\$2.26m	\$0.0m	3 years (expiring 12 August 2019)	4.82% (Floating)

LVR as at 31 March 2017	55%
Bank LVR covenant	60% (until 12 August 2017 and then 55% for the remaining term of the loan).
Weighted average cost of interest	Approximately 4.41%
ICR as at 31 March 2017	3.38 times
Bank ICR covenant	2.0 times

All borrowings are non-recourse to Investors, however Investors rank behind the lender in the event the Fund was to default on its loans. Other creditors of the Fund may also rank before an Investor's interest in the Fund.

The Fund provides quarterly reports to Investors which provide information on the Fund's borrowings, ICR and NTA backing. The reports can be downloaded from the Fund Manager's web site: www.capitalpropertyfunds.com.au

3.4 Loan to Value ratio (LVR)

As at 31 March 2017, the LVR of the Fund is 55%. This is the gearing ratio required by the bank's covenants as disclosed above. The Fund Manager considers a long-term LVR of between 50% and 55% to be an optimal level of debt. At the date of this PDS the bank's LVR covenant is 60%, however this will decrease to 55% on 12 August 2017. Any decrease in the value of the Property after 12 August 2017 will cause a breach of this covenant.

The Fund Manager expects to reduce the Fund's LVR from time to time, by making additional principal reduction payments from free cash flow received from revenue generated by the Fund.

Through implementing this strategy, the LVR of the Fund should reduce over time.

3.5 Interest cover ratio (ICR)

An interest cover ratio is a measure of how many times loan interest is covered by the Fund's EBITDA. A property fund's interest cover is a key indicator of its financial health. The lower the interest cover, the higher the risk that the Fund will not be able to meet its interest payments. A fund with a low interest cover only needs a small reduction in earnings (or a small increase in interest rates or other expenses) to be unable to satisfy its debt repayment obligations.

ASIC Regulatory Guide 46 requires the Responsible Entity to disclose the Fund's interest cover ratio calculated as follows:

$$\text{Interest cover ratio} = \frac{\text{EBITDA} - \text{unrealised gains} + \text{unrealised losses}}{\text{Interest expense}}$$

As at 31 March 2017 the Fund's interest cover ratio is 3.38 times.

3.6 Interest rate hedging

The Fund Manager finalised a 3 year debt facility that was drawn on 12 August 2016 to partially fund the acquisition of the Property.

As at 31 March 2017, \$22,600,000 or 90.9% of the Fund's debt facility has the interest cost fixed at 4.365% pa until 12 August 2019.



SECTION 4 THE PROPERTY

4.1 About the Property

THE ASSET	601 Coronation Drive, Toowong, Queensland
PURCHASE PRICE	\$45,200,000
INDEPENDENT VALUATION	\$45,200,000 (prepared on 6 July 2016 for mortgage security purposes)
YEAR BUILT	2007
REAL PROPERTY DESCRIPTION	Lot 1 on Survey Plan 200206
SITE AREA	2,654sqm
BRIEF ASSET DESCRIPTION	601 Coronation Drive presents a modern, six storey commercial office building comprising ground level and five upper levels of A-Grade style office accommodation, and three basement levels of car parking.
OFFICE TENANTS (% OF NLA)	Indue Ltd (25.9%), Arthur J. Gallagher (17.6%), Jumbo Interactive Ltd (19.2%), Queensland College of Teachers (16.6%)
TOTAL ASSET NLA	7,286sqm
TYPICAL FLOOR PLATES	1,282sqm
CAR PARKING	124 car bays (1:58sqm)
WALE	4.24 years (by income as at 31 March 2017)
OCCUPANCY	As at 31 March 2017, 601 Coronation Drive's occupancy is 79% (by area) and 96% income producing due to a rent guarantee provided by the Vendor over part of the Ground Floor and part of Level 4.
FUTURE REDEVELOPMENT POTENTIAL	<p>The Property currently has a permissible height of up to 15 storeys. Assuming planning permissions remain the same, this site, having an area of 2,654sqm, could one day accommodate a much larger development outcome.</p> <p>Investors should note that planning permissions may change over time and it is possible that future planning permissions for the Property may be more generous or alternatively more restrictive.</p>

4.2 Location

601 Coronation Drive is situated approximately 3.5km from the Brisbane CBD, in the riverside suburb of Toowong. Adjoining the Toowong Village Shopping Centre, the Property is located on a prominent corner site offering excellent brand exposure and access.

Toowong is a vibrant and thriving commercial and retail hub, servicing a large proportion of the inner western corridor.



Toowong Train Station is located directly behind the Property. Serviced by the inner-city Ipswich line, the CBD is only three stops away, where employees are provided with all-line connectivity servicing the greater South-East Queensland region including Sunshine Coast, Gold Coast and Ipswich.



Frequent bus services are available 50m from the Property's doorstep, with additional bus stops located around the Toowong Village Precinct.



Unique to Brisbane's inner-city, the CityCat Ferry network is another great way to access the CBD and neighbouring suburbs. Located only 150m from the Property, the newly redeveloped Regatta Terminal offers frequent services to 24 destinations along the banks of the Brisbane River.



The CityCycle bike hire network is easily accessible and utilised via the newly refurbished Bicentennial Bikeway. Located adjacent to the Property, the public walk and bikeway connects users directly into the City extending along Coronation Drive and the picturesque Brisbane River.

4.3 Surrounding Development & Investment

Encompassing an established commercial and retail hub, quality residential areas and the nearby University of Queensland, the Toowong precinct is a sought after-work, live and play, lifestyle destination. The immediate area is continuing to experience increased development for both the public and private sectors.

Significant improvements to retail amenity have occurred throughout the precinct including, the recently completed \$50 million major refurbishment and repositioning of the Toowong Village Shopping Centre.

4.4 Tenancy Schedule - 601 Coronation Drive, Toowong Qld

As at 31 March 2017

TENANT	LEVEL	NET LETTABLE AREA (sqm)	RATE (\$/sqm)	EXPIRY	OPTIONS	ANNUAL REVIEW MECHANISM
RENTAL GUARANTEE*	Ground	587	\$500	April 2018		
JUMBO INTERACTIVE LIMITED	Ground	116	\$512	7/06/2018	6 Years	Fixed 3.5%
VACANT	Ground	325	-	-	-	-
JUMBO INTERACTIVE LIMITED	Level 1	1,282	\$512	7/06/2020	6 years	Fixed 3.5%
ARTHUR J. GALLAGHER (Formally OAMPS Insurance)	Level 2	1,282	\$535	31/05/2019	3 years	Fixed 4.0%
INDUE LIMITED	Level 3	1,282	\$510	30/11/2023	5 years	Fixed 3.0%
INDUE LIMITED	Level 4	607	\$525	30/11/2023	5 years	Fixed 3.0%
RENTAL GUARANTEE*	Level 4	587	\$525	April 2018		
QUEENSLAND COLLEGE OF TEACHERS	Level 5	1,211	\$500	30/09/2023	5 years	Fixed 3.5%
TELSTRA	Rooftop rental	12	\$1,861	31/05/2022	Nil	Fixed 3.0%
TOTAL		7,291				

Notes: * Rent guarantee provided for 2 years from Settlement Date.

4.5 Rental guarantee

At the settlement date of 12 August 2016, the Vendor of the Property provided a rental guarantee as outlined below:

1. On Level 4 of the Property.

The Vendor provided \$615,300 to the Fund. This payment equated to a 2 year rental guarantee at \$525 per square metre.

2. On the ground floor of the Property.

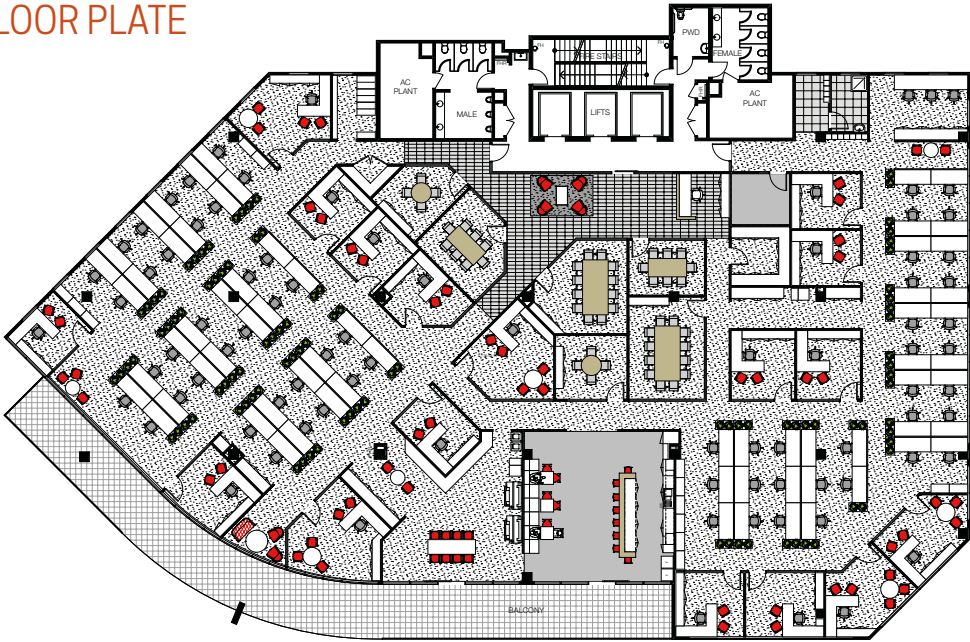
The Vendor provided \$587,000 to the Fund. This payment equated to a 2 year rental guarantee at \$500 per square metre.

3. 11 car parking spaces.

The Vendor provided \$72,600 to the Fund. This payment equated to a 2 year rental guarantee at \$3,300 per annum per parking bay.

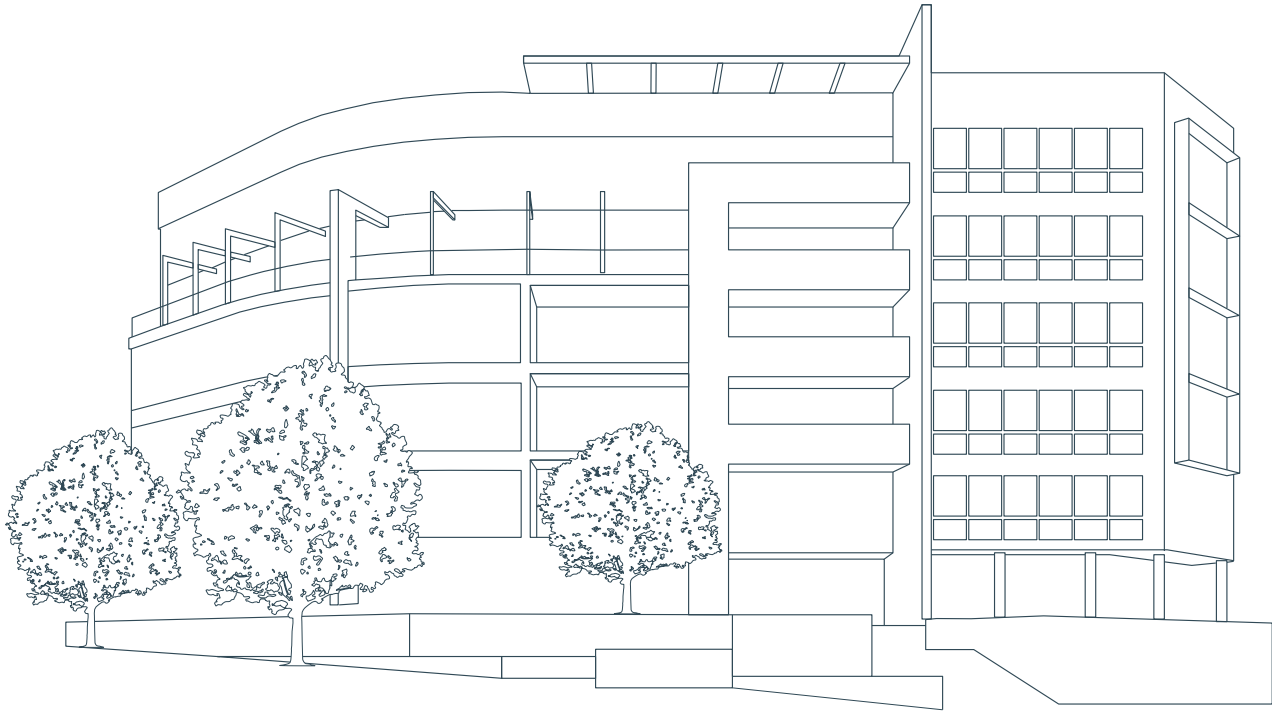
The payments made by the Vendor at the Settlement Date in relation to the rental guarantee constitute an asset of the Fund and will not be repaid (in whole or in part) to the Vendor.

TYPICAL FLOOR PLATE



Level 4





4.6 Major Tenant Profiles



JUMBO INTERACTIVE LIMITED

From their global headquarters in Toowong, Jumbo Interactive Limited (Jumbo) sell lottery tickets online throughout the world including in North America, Europe and the Asia-Pacific. Listed on the Australian Securities Exchange (ASX: JIN) Jumbo partner with international lottery organisations to develop transactional websites. In 2005, Jumbo expanded into national lotteries with the acquisition of the OzLotteries.com and in the 2013 financial year succeeded in securing agreements in Germany and the USA.

www.jumbointeractive.com



INDUE LTD

Headquartered in Brisbane, Indue Ltd (Indue) delivers financial payment products and settlement services. Indue offers their clients a unique combination of human capital and technical know-how to meet any transaction-related challenge. Indue integrate strategic business advice with leading-edge technology to offer products and services in Cards, Payments, ATMs, Securitisation and Fraud & AML.

www.indue.com.au

STACKING PLAN

LEVEL 5	1,211m ²	Queensland College of Teachers
LEVEL 4	607m ² / 587m ²	Indue / Rental Guarantee
LEVEL 3	1,282m ²	Indue
LEVEL 2	1,282m ²	Arthur J. Gallagher (formally OAMPS Insurance)
LEVEL 1	1,282m ²	Jumbo Interactive
GROUND	116m ² / 325m ² / 587m ²	Jumbo Interactive / Vacant / Rental Guarantee
BASEMENT 1-3	124 Car Bays	



ARTHUR J. GALLAGHER (FORMALLY OAMPS INSURANCE BROKERS)

Arthur J. Gallagher, the world's fourth largest insurance broking and risk management company, expanded its presence in Australia through the acquisition of OAMPS Insurance Brokers in 2014. The company provides insurance broking solutions to a wide range of clients from small to medium enterprises through to large multi-national corporations. The Arthur J. Gallagher brand now covers over 30 branches nationally and comprises around 1,000 employees who deliver a personalised local service backed by a global network of international expertise to over 120,000 clients.

www.ajg.com.au



QUEENSLAND COLLEGE OF TEACHERS

The Queensland College of Teachers is a Queensland government statutory body, established in January 2006. Its purpose is to regulate, enhance and promote the teaching profession in Queensland in the best interests of the public and the profession.

www.qct.edu.au

SECTION 5 MANAGEMENT OF THE FUND

5.1 Responsible Entity: One Managed Investment Funds Limited ACN 117 400 987, AFSL no. 297042

One Managed Investment Funds Limited has extensive experience as a corporate trustee and custodian, and is a professional responsible entity operating numerous schemes. One Managed Investment Funds Limited is a subsidiary of the One Investment Group (OIG). OIG is an independent Australian funds management business that focuses on providing responsible entity/trustee and other services associated with funds management. OIG operates a number of entities that, pursuant to the Corporations Act, are licensed to conduct financial services businesses and to act as responsible entities for registered schemes and as trustees for unregistered schemes.

OIG's licensed entities hold over 200 trustee roles, administering a range of asset classes including hedge funds, real estate, shipping, private equity, fixed income, credit, equities and aviation. The total value of the assets within these trusts is in excess of \$10 billion.

OIG's capabilities include:

- Responsible entity services.
- Trustee services.
- Corporate trust services.
- Fund administration and taxation services.
- Custody services.

The Responsible Entity's compliance committee meets on a quarterly basis and comprises the required external compliance committee members.



5.2 Fund Manager: Capital Property Funds Pty Limited ACN 162 323 506

Capital Property Funds Pty Limited (Capital Property Funds) is the fund manager of the Fund and is responsible for the day-to-day management of the Fund and the Property. The management team at the Fund Manager have an average of over 20 years' experience in the property, managed funds and financial services industries including extensive experience in establishing and managing property funds and their portfolios.



Julia Novella – Capital Property Funds Pty Limited – Head of Funds Management



Julia holds a Bachelor of Business (Land Economics), a Masters of Property Development and is a certified Property Agent.

Julia is well qualified and has extensive knowledge of the property industry spanning over 25 years. Julia commenced her career in property and asset management working with major real estate agencies such as Raine & Horne Commercial, Stanton Hillier Parker and CBRE.

Prior to Capital Property Funds, Julia held senior roles specialising in the asset management of commercial, retail and industrial properties. Julia worked on the Meridian Investment Trust at Global Funds Management, and following several mergers & acquisitions, moved to Tyndall Investment, James Fielding and Mirvac. She has over 15 years asset management experience specialising in the funds management area.

Julia has implemented management systems and provided input into strategic business planning, while maintaining an overall view of property market trends and opportunities in an effort to maximise the performance of property assets.

Andrew Kerr – Executive Director of Capital Property Funds Pty Limited – Corporate Finance

Andrew has a Bachelor of Commerce (Valuation & Property Management), a Masters of Commerce (Finance) from the University of New South Wales and is also a Chartered Financial Analyst (CFA).



Andrew has extensive knowledge and over 25 years' experience within the financial services and real estate industries. Andrew was Managing Director, Head of Real Estate, Merrill Lynch, Sydney, and has held senior real estate investment banking positions at UBS and Goldman Sachs.

Prior to his investment banking experience Andrew was previously an Equity Analyst at UBS responsible for Infrastructure & Utilities sectors and Director and Head of Strategic Investment Advice division at Jones Lang LaSalle.

Andrew was a founding Managing Director of Telopea Real Estate Partners, a real estate group covering real estate advisory and investment management, capital markets transactions, initial public offerings, principal investing, development, asset repositioning, investment sales and funding for all major property types and classes. He is a former director of the ASX listed Becton Property Group and Living and Leisure Australia Group.

Andrew is a member of the Capital Property Funds Investment Committee and is responsible for overseeing all structuring and financing of property transactions.

Andrew is an Authorised Representative (number 1000168) of Libertas Financial Planning Pty Ltd ACN 160 419 134 (AFSL no. 429718).

Joe Christie – Executive Director of Capital Property Funds Pty Limited – Funds Management, Distribution and Investor Relations



Joe has a Bachelor of Commerce (major in Accounting), a CPA qualification and also has a Graduate Certificate in Applied Finance.

After completing university, Joe spent several years in chartered accounting with KPMG (Sydney) and subsequently moved into financial services where he has spent the past 15 years. Prior to Capital Property Funds, Joe was the national business development manager for Oasis Asset Management Limited ACN 090 906 371 (a business now owned by ANZ Bank).

Joe is responsible for establishing an investment fund once a property has been identified by the origination team and this includes preparing the scheme documents, negotiating any debt facilities and liaising with third party research providers. Joe also assists the property origination team conduct financial feasibility analysis of potential property acquisitions.

Joe is an Authorised Representative (number 457305) of Libertas Financial Planning Pty Ltd ACN 160 419 134 (AFSL no. 429718).

John Coombs – Capital Property Funds Pty Limited – Financial Controller & Company Secretary



John has a Bachelor of Commerce, is a Chartered Accountant and also a Chartered Company Secretary.

John commenced his career with KPMG (formerly Peat Marwick Mitchell & Co) and subsequently spent several years working with large Life companies.

More recently, John spent 15 years as the company secretary and chief accountant for Milton Corporation Limited (an ASX listed investment company).

John has extensive funds management expertise and brings a wealth of knowledge and experience to the team at Capital Property Funds.

SECTION 6 RISKS

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

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

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

- Property investment risks including the risk that property values decline and the risk that there is a decrease in Fund income.
- Fund investment risks in relation to holding Units in the Fund.
- General investment risks including economic and market conditions.

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

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

6.1 Property investment risks

An investment in the Fund comes with risks associated with investing in commercial property.

In general, these risks include, but are not limited to:

- A downturn in the value of the Property, and in the property market in general, which can be caused or exacerbated by many factors, including restrictions on the availability of credit (both locally and globally).
- Increased competition for the Property, from new or existing commercial office properties in Brisbane's near city market, which could attempt to attract the Fund's tenants.
- A downturn in the economy (at either a local or global level, or both).
- Amendments to laws or government policy having

a detrimental effect on the Fund or the Property. The following Property specific risks may cause the estimates and assumptions in this PDS to be negatively impacted:

Valuation and sale price

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

Property income

There is a risk that the Fund's revenue may decrease as a result of falling rental demand, rent payments decreasing, tenant incentives offered, tenants or guarantors failing to fulfil obligations under lease agreements or the Property not being fully tenanted. Where an existing vacancy persists for longer than expected, or there is an adverse change in sentiment toward the Property such that it is unable to be fully leased, the income of the Fund will be lower than expected and the value of the Property may decrease. The Fund will also be required to pay marketing expenses and commissions to estate agents who introduce new tenants to the Property and also provide leasing incentives to secure new tenants which will reduce the income or value of the Property and therefore the Fund.

Capital expenditure

There is a risk that capital expenditure could exceed expectations resulting in increased funding costs and therefore lower distributions.

Tenancy and leasing risks

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

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

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

Expiry of rental guarantee risk

At the date of the PDS, vacancies exist on part of Level 4 of the Property and on part of the ground floor of the Property, collectively equating to 21% of the net lettable area. Although the Fund has a rental guarantee in respect of 78% of these vacancies, if the Fund Manager fails to obtain suitable tenants for these areas after April 2018 then this will have a negative impact upon the income available for distribution from the Fund.

Insurance risks

Various factors might influence the cost of maintaining insurance over the Property, or the extent of cover available. Increased insurance costs, or limits on cover, can have a negative impact on the performance of the Fund. There are also some potential losses that cannot be insured including force majeure events.

Force majeure events

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

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

Future development potential risk

The ability of the Property to one day accommodate more intense development, and therefore provide alternative sale options at the end of the Fund's expected investment term, is dependent on the planning regulations in effect at the time of sale of the Property. There is no guarantee the planning regulations will be the same when the Property is sold as they are now. They may be more or less restrictive. For example, if planning regulations are more restrictive, then this may reduce the expected value of the Property and therefore the returns to Investors.

Disaster risk

Disasters, such as natural phenomena, Acts of God and terrorist attacks may damage or destroy the Property. It is not possible to insure the Property against some of these events. Occurrence of these events could also lead to insurance becoming unavailable for such events in the future, or premiums increasing above levels expected by the Fund Manager. The Property is located in an area that was affected by an extreme weather event causing floods in January 2011. The Property experienced basement level inundation and damage to the lifts and car park air extraction systems. The damage has been repaired, and measures have been taken to minimise potential future damage to the Property from flooding.

6.2 Fund investment risks

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

Fund Manager risk

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

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

The Fund Manager is required to allocate a portion of its management fee to satisfy commitments under the terms of the underwriting arrangements. Therefore, if insufficient equity is raised under this PDS to redeem all remaining Underwriting Units, the performance of the Fund Manager may be impacted.

Liquidity

There is no established external secondary market for the sale of Units in the Fund. Investors may arrange for their own private sale and the Responsible Entity, without obligation, will assist in that process. There is no right for Investors to require these Units to be purchased by the Fund Manager, the Responsible Entity or by any other person, or to have their Units redeemed.

The Responsible Entity retains the right to provide some liquidity to Investors, and will advise Investors of its intention to do so and its policy for redemptions if it is able to or elects to provide liquidity. The Fund will not be listed on the ASX or any other exchange.

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

Investment term

There is no guarantee that Investors' capital will remain invested for the expected investment term of 5 years from 4 August 2016. There are circumstances which may result in the term of the Fund being shorter or longer, including:

- While it is not the current intention to dispose of the Property before the end of the initial 5 year term, if the Responsible Entity, on advice from the Fund Manager, considers it appropriate to take advantage of a selling opportunity, then it may sell the Property prior to the proposed termination date if it believes that an early disposal of the Property would maximise returns to Investors.
- If Investors holding more than 50% of the Units on issue elect not to take advantage of the first Liquidity Event, then the Responsible Entity may extend the term of the Fund for a further 2 years. The Fund cannot be extended past the extended term (i.e. 7 years from the allotment date), unless the Responsible Entity either receives unanimous approval for an extension or the Responsible Entity is able to provide certainty that Investors wanting to exit the Fund after the extended term are able to exit the Fund.

Investment return

Neither the performance of this investment nor the repayment of Investor contributions subscribed is guaranteed. The tax deferred component of the distribution will depend on the Fund satisfying various requirements. If the Fund does not satisfy these requirements, then the tax deferred component of the distribution could be materially less. Changes to taxation laws may result in changes to the tax deferred component of distributions from the Fund.

General borrowing risks

The Fund has established a debt facility to partially fund the acquisition of the Property. Gearing comes with risk, and gearing a property investment can

increase the potential for capital losses, as well as gains. In the event that the Fund is unable to service its borrowings, then distributions may be reduced or suspended and the lender may enforce its security over the Property. This may include the lender exercising its power to sell the Property, which may lead to the Property being sold for a lower price than would have been obtained had the Property been sold voluntarily by us in the ordinary course of business.

The debt facility obtained to acquire the Property will expire during the initial 5 year term. The Fund Manager will actively manage the Fund's debt maturity profile but there can be no guarantee that replacement debt will be available at the time on the same terms or at all.

Gearing and ICR risk

The Fund is a geared investment product; its level of gearing can be measured using the gearing ratio. The level of the Fund's gearing will magnify the effect of any movements in the value of the Property.

At the date of this PDS the bank's LVR covenant is 60%, however this will decrease to 55% on 12 August 2017. Any decrease in the value of the Property after 12 August 2017 will cause a breach of this covenant.

Breach of debt covenants risk

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

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

Refinancing Risk

There is a risk that the Fund Manager may not be able to refinance the Fund's debt facility upon its expiration on terms acceptable to it before expiry of the current facility.

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

Interest rate risk

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

Where any fixed rate borrowings reach their maturity, interest rates may have increased and the Fund Manager may not be able to extend or refinance those borrowings at the same fixed rates. This would lead to increased interest costs for the Fund and therefore it may have a negative impact on Investors' returns. Furthermore, if a derivative is entered into to hedge interest rate risk, then break fees may apply if the derivative needs to be terminated early.

Tax and stamp duty risk

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

Legal and counterparty risk

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

Property due diligence and use of experts

In acquiring the Property, the Fund Manager has engaged experts to prepare reports on behalf of the Fund Manager's due diligence enquiries for the Property. These reports have been relied on by the Fund Manager in assessing the risks associated with ownership of the Property. Whilst the Fund Manager has no reason to believe those enquiries were not appropriate and complete, we cannot guarantee that all risks and potential problems associated with this investment were identified and have been properly dealt with.

Concentration risk

Generally, the more diversified a portfolio, the lower the impact that an adverse event affecting one investment will have on the income or capital value of the portfolio. The Fund owns a single property and is not diversified by asset class, geographic location of properties or exposure to different property sectors.

Fundraising risk

There is a risk that continuing to issue Units at \$1.00 would dilute existing Investors' interests if the value of the NTA per Unit increases above \$1.00. The Responsible Entity has established reporting arrangements with the Fund Manager to confirm the NTA per Ordinary Unit is not greater than \$1.00 and it is appropriate for the Responsible Entity to issue Units at \$1.00 each or redeem Underwriting Units at \$1.00 each before Units are issued each week.

If the value of the NTA per Unit does increase in value to a level that would dilute existing Investors by continuing to issue Units at \$1.00 each, then the Responsible Entity will close the Offer and stop the fundraising at the set price of \$1.00.

Forward looking statements

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

6.3 General risk factors

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

- The state of the Australian and world economies.
- Inflation movements.
- Negative consumer sentiment which may keep the value of assets depressed.
- Natural disasters and man-made disasters beyond the control of the Responsible Entity or the Fund Manager.
- The illiquidity and cost of capital markets.

It should be noted that the performance of this investment, the repayment of capital or of any particular rate of return, is not guaranteed by the Responsible Entity, the Fund Manager, their directors or their associates. Property investment, by its nature, carries a level of risk and no guarantee is or can be given that an investment in the Fund will not decrease in value and that Investors will not suffer losses.

SECTION 7 FEES AND OTHER COSTS

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

7.1 Consumer advisory warning

DID YOU KNOW?

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

For example, total annual fees and costs of 2% of your account 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 fund or your financial adviser.

TO FIND OUT MORE

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

7.2 Fees and other costs

This section shows fees and other costs that may be charged to the Fund. These fees and costs are paid from the Fund assets. You should read all information about fees and costs as it is important to understand their impact on the Fund. Information with respect to tax is set out in Section 9.

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the Fund		
ESTABLISHMENT FEE The fee to open your investment.	Nil	Not applicable
CONTRIBUTION FEE The fee on each amount contributed to your investment.	Nil	Not applicable
WITHDRAWAL FEE The fee on each amount you take out of your investment.	Nil	Not applicable
EXIT FEE The fee to close your investment	Nil	Not applicable

Type of fee or cost	Amount	How and when paid
Management costs		
The fees and costs for managing your investment	OFFER COSTS There are no costs and expenses payable by the Fund for this Offer. Costs and expenses including stamp duty associated with the initial offer under the first product disclosure statement for the Fund were \$3,599,511	The Fund Manager has agreed to pay all costs and expenses associated with this Offer including the cost of producing this PDS and any other costs associated with continuing to issue Units and redeem Underwriting Units. The initial offer costs were paid to various service providers and consultants on capitalisation of the Fund (e.g., solicitors, the valuer, and the tax adviser) out of the Fund's assets.
	ACQUISITION FEE 2% of the purchase price of the Property ¹	This was paid to the Fund Manager on completion of the acquisition of the Property out of the Fund's assets.
	RESPONSIBLE ENTITY FEE The greater of \$66,000 (with annual CPI increases) or 0.08% per annum of the Fund's gross asset value ²	Payable to the Responsible Entity monthly in arrears out of the Fund's assets.
	ONGOING MANAGEMENT FEE Fee of 0.55% per annum of the gross value of the Property from time-to-time ³	Payable to the Fund Manager monthly in arrears. The Responsible Entity pays the Fund Manager for the ongoing management of the Fund out of the Fund's assets.
	DISPOSAL FEE 1% of the gross sale price of the Property ⁴	Payable to the Fund Manager on completion of the sale of the Property or winding up of the Fund out of the Fund's assets.
	PERFORMANCE FEE Up to 20% of the amount by which the IRR to Investors exceeds 10% per annum after the Property is sold or steps are taken to remove the Fund Manager ⁵	Payable to the Fund Manager on completion of the sale of the Property or wind-up of the Fund out of the Fund's assets.
	EXPENSES Expected to be 0.19% and up to a maximum amount of 0.35% per annum of the gross value of the Fund assets ⁶	Deducted from the income or assets of the Fund and are either paid when incurred to the relevant person, or reimbursed to the Responsible Entity or the Fund Manager.

Notes:

1. See Acquisition fee under Section 7.4(a)
2. See Responsible Entity fee under Section 7.4(b)
3. See Ongoing management fee under Section 7.4(c)
4. See Disposal fee under Section 7.4(e)
5. See Performance fee under Section 7.4(f).
6. See Operating costs and expense recovery under Section 7.4(g).

Type of fee or cost	Amount	How and when paid
Service fees		
SWITCHING FEE The fee for changing investment options.	Nil	Not applicable

7.3 Example of annual fees and costs for the Fund

This table gives an example of how the fees and costs for the Fund can affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

Example	Balance of \$50,000 with a contribution of \$5,000 during year
CONTRIBUTION FEES	Nil For every additional \$5,000 you put in, you will be charged \$0
PLUS MANAGEMENT COSTS	1.75% For every \$50,000 you have in the Fund, you will be charged \$875 each year ^{1,2}
EQUALS COST OF FUND	If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of between - \$875 to \$963 ^{1,2,3}

Notes:

- 1 This example has been prepared based on an indirect cost ratio of 1.75% per annum of net assets, which has been calculated assuming estimated expenses of 0.19% per annum of gross assets (which includes the amount payable for custody fees to the Responsible Entity), management fees of 0.55% per annum of the gross value of the Property and Responsible Entity fees which are 0.08% per annum of the gross assets of the Fund or a minimum of \$66,000 per annum. Gearing of 52.1% has also been assumed.
- 2 Additional fees may apply (e.g., the acquisition fee, disposal fee and any performance fee). The acquisition and disposal fees and any performance fee have not been included in the example above, because they are not ongoing fees (they are only collected on acquisition or sale of the Property or removal of the Responsible Entity or the Fund Manager) and cannot reasonably be estimated by us as at the date of this PDS.
- 3 Provided your additional application of \$5,000 was accepted by the Responsible Entity and assuming the Fund was still accepting applications. The amount of this fee will depend upon the time during the year your additional application was made.

7.4 Additional explanation of fees and costs

(a) Acquisition fee

An acquisition fee was paid on completion of the acquisition of the Property, out of the Fund's assets. The fee was 2% of the purchase price of the Property (being \$45,200,000) and equated to \$904,000 and was paid in consideration for the work performed by the Fund Manager for creating the 601 Coronation Drive Fund.

(b) Responsible Entity fee

For acting as the responsible entity of the Fund, the Responsible Entity is entitled to a fee equal to the greater of—

- \$66,000 per annum with annual CPI increases, or
- 0.08% per annum of the gross value of the Fund's assets.

If the gross value of the Fund's assets is \$45,200,000, then the Responsible Entity is entitled to a Responsible Entity fee of \$5,500 per month (plus annual CPI increases).

(c) Ongoing management fee

The Fund Manager is paid an ongoing management fee of 0.55% per annum of the gross value of the Property from time to time. If the gross value of the Property is \$45,200,000, then the Fund Manager is entitled to an ongoing management fee of \$20,716 per month.

From the initial allotment of Units on 4 August 2016 until 30 June 2017 (i.e. Year 1) to the extent the income distributions paid to Investors falls below 8.00% per annum (annualised), the Fund Manager will forgo up to \$100,000 of its ongoing management fee to support distributions. This amount will not be recouped by the Fund Manager in later years.

(d) Removal fee

The Responsible Entity will charge a removal fee if:

- it is removed as responsible entity of the Fund within 3 years after 6 April 2016, other than for gross negligence or for a breach of a fiduciary duty to Investors which causes them substantial loss, or
- it retires as responsible entity of the Fund within 3 years after 6 April 2016 at the request of the Fund Manager in accordance with the Investment Management Agreement.

The amount of the removal fee is the amount of the Responsible Entity fee that the Responsible Entity would have received if it had remained the responsible entity of the Fund for 3 years from 6 April 2016.

The amount of the Responsible Entity fee that the Responsible Entity is entitled to be paid is the greater of \$66,000 per annum (with annual CPI increases), or 0.08% per annum of the gross asset value of the Fund. The Responsible Entity's entitlement to this fee is set out in paragraph (b) above.

The amount of the removal fee is determined based on the gross value of the assets of the Fund at the time that the removal fee becomes payable.

An example of the removal fee is as follows.

In this example it is assumed that the removal fee becomes payable 18 months after 6 April 2016, the Responsible Entity fee has increased by 2.5% (being the CPI) and at that time the gross value of the assets of the Fund is \$45,200,000.

Here, the Responsible Entity would be entitled to a removal fee of \$101,475. The removal fee would be calculated as follows: $(\$67,650)/12 \times 18 = \$101,475$.

The example above is provided for illustrative purposes only, and does not represent any actual or prospective removal fee amount. You should not rely on this example in determining whether to invest in the Fund.

(e) Disposal fee

This fee is payable to the Fund Manager on completion of the sale of the Property or on winding up of the Fund, out of the Fund's assets. The fee is 1% of the gross sale price of the Property, and is in consideration for the work performed by the Fund Manager in selling the Property.

If the Property is sold for \$45,200,000 then the Fund Manager will charge \$452,000 in respect of the disposal fee.

This example is provided for information purposes only and should not be considered a forecast of the Fund's performance. You should not rely on this example in determining whether to invest in the Fund.

(f) Performance fee

The Fund Manager will be entitled to a performance fee on the sale of the Property for the purpose of winding up the Fund, provided the total IRR to be received by Investors on and from 4 August 2016 exceeds 10% per annum. The performance fee will also be payable if steps are taken to remove the Fund Manager. Actual and expected distributions from the net sale proceeds are included in the calculation.

The performance fee will be equal to 20% of the amount by which the IRR to Investors would exceed 10% per annum (after payment of fees).

As an example, if after selling the Property for the purpose of winding up the Fund, it is calculated that Investors would receive an IRR of 12% (after payment of fees) from their investment in the Fund since 4 August 2016, then the IRR will have exceeded the 10% (after payment of fees) benchmark by 2%. Therefore the Fund Manager's performance fee will equal 20% of that 2% excess. If the 2% excess equalled \$500,000 in dollar terms, then the performance fee payable to the Fund Manager would be \$100,000.

This example is provided for information purposes only and should not be considered a forecast of the Fund's performance. You should not rely on this example in determining whether to invest in the Fund.

The Fund Manager will also be entitled to the performance fee if steps are taken to remove it as the manager of the Fund, on an accrued basis.

That is, the Fund Manager would be entitled to a performance fee based on the value of the Fund's assets at the relevant time and using that value to work out what the IRR to Investors would be if the Fund's assets were sold for that value at that point in time. The value of the Fund's assets in these circumstances would be determined by a valuation undertaken by an independent suitably qualified valuer appointed by the Responsible Entity for that purpose.

(g) Operating costs and expense recovery

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

(h) Goods and services tax

Unless otherwise stated, all fees set out in this section are inclusive of the net effect of Goods and Services Tax (GST). This includes GST net of input tax credits or reduced input tax credits as applicable. The Fund may not be entitled to claim a full input tax credit in all instances. Further information on the tax implications associated with an investment in the Fund and GST can be found in Section 9 of this PDS.

(i) Waiver or deferral of payment of fees and reimbursement for expenses

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

(j) Changes to fees

The Constitution allows the Responsible Entity to charge a maximum ongoing management fee of 5% per annum (plus GST) less input tax credits or reduced input tax credits as applicable) of the gross value of the Fund's assets. However, the Responsible Entity will not increase the ongoing management fees from the amount disclosed in this PDS without Investors first approving that increase by passing an Ordinary Resolution at an Investor meeting.

(k) Wholesale investors

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

(l) Adviser remuneration

The Responsible Entity does not pay any commission to financial advisers and other intermediaries. If Investors have arrangements with their financial advisers, they are able to direct the Responsible Entity to pay an amount on their behalf to their adviser. To do so, please contact either the Fund Manager or the Responsible Entity.

(m) IDPS fees

Indirect Investors should be aware that in addition to the fees and charges described above, they will also be liable to pay fees for those services as described in the offer document or guide for their IDPS.

SECTION 8 FINANCIAL INFORMATION

The Fund publishes audited financial accounts, both yearly and half yearly. The most recent accounts for the period ended 31 December 2016 are available for download from the Fund Manager's web site:

www.capitalpropertyfunds.com.au

SECTION 9 TAXATION INFORMATION

The taxation information provided below is a brief guide only and is not intended to be tax advice. The following summary is intended for Australian resident Investors and generally applies to Investors who hold their investment for the purpose of realising a long-term return and hold their investment in the Fund on capital account for tax purposes.

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

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

Taxation issues are complex and taxation laws, their interpretation and associated administrative practices may change over the term of the Fund. The information contained in this section is of a general nature only. It is based on, and limited to, Australian tax law and practice in effect at the date of this PDS, subject to the comments provided in Section 9 below, regarding certain proposed reforms. As the circumstances of each particular Investor will vary, this PDS cannot address all of the taxation issues which may be relevant to a particular Investor. Each Investor must take full and sole responsibility for their own investment in the Fund, the associated taxation implications arising from that investment and any changes in those taxation implications during the course of the investment. Accordingly, prospective Investors should seek their own tax advice which has regard to their own individual circumstances.

9.1 Tax treatment of the Fund

Australian tax position of the Fund

Under current tax law, the Fund should not be liable to pay Australian income tax provided the Fund's Investors are presently entitled to all of the Fund's taxable income in each year and the activities of the Fund are limited to undertaking or controlling "an eligible investment business" for Australian taxation purposes.

It is expected that Investors will be presently entitled to all of the Fund's taxable income in each year. Further, based on the proposed activities of the Fund, it should

only be undertaking "eligible investment business" in the form of deriving rent from real property and other permissible incidental activities.

On this basis, under current tax law the Fund should not have any liability for Australian income tax including capital gains tax.

Issues affecting the calculation of the net income of the Fund

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

Managed investment schemes that fall within the tax definition of a "Managed Investment Trust" (MIT) are able to make an election to treat certain assets, such as real estate, as being on capital account for tax purposes. The Fund meets the definition of an MIT, however it has not to date made a capital election. Nevertheless, it is expected that any gain on eventual disposal of the Property would be a capital gain as it is the intention of the Fund to hold the Property to derive long term rental income.

The capital gain on disposal of the Property will be determined as the consideration received on the disposal of the Property less the tax cost base of the Property. Unless the Property has been held for less than 12 months, the capital gain will be eligible for the 50% CGT discount, which means that 50% of the capital gain generated at the Fund level is included in the net income of the Fund for tax purposes. Implications of the CGT discount at the Investor level are outlined below in Section 9.2.

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

9.2 Tax treatment of Investors

Taxation of distributions - general

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

Where the Fund's net income for tax purposes includes a capital gain that has been discounted (as described in Section 9.1 above), Investors are required at first instance to double their portion of the discounted gain to restore it to its gross (pre-discount) amount and then to determine their own eligibility to the CGT discount. Generally, the following rates of CGT discount apply to the following particular types of Investor:

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

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

the claiming of capital allowances, this excess distribution would generally be treated as a "tax deferred" amount. Tax deferred distributions are not generally assessable to Investors, but reduce the Investor's tax cost base of the Units.

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

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

An annual tax statement will be provided to each Investor setting out details of his or her proportionate share of the Fund's net income for tax purposes and other distribution components within 2 months of the end of each financial year.

Tax losses incurred by the Fund

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

Tax implications of disposing of Units

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

The cost base of an Investor's Units will essentially be the purchase price or issue price paid for the Units, plus any incidental costs on acquisition or disposal, less any tax deferred distributions received.

Subject to satisfying certain integrity rules, any capital gain made by an individual or trust can generally be reduced by 50% if the individual or trust has held the Units for longer than 12 months.

Similarly, any capital gain made by a superannuation fund can generally be reduced by one third if the fund has held the Units for longer than 12 months. Companies are not entitled to this CGT discount.

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

9.3 Other issues

Non-residents

If you are a foreign resident for tax purposes, then the Fund is required to withhold tax from your distributions at the prescribed withholding rates. The Fund is intended to be a managed investment trust (MIT) for Australian tax purposes, which provides favourable withholding rates for distributions to foreign residents in certain foreign jurisdictions.

If you are a foreign resident for tax purposes, then please ensure you seek your own tax advice regarding your situation.

Tax file number or Australian business number declaration

If you are an Australian Resident, then you need not quote a TFN when applying for Units. However, if an Investor does not provide their TFN (or in certain circumstances an Australian Business Number) or claim a valid exemption, then the Responsible Entity will be required to withhold tax from any distribution from the Fund at the highest marginal tax rate plus the Medicare Levy (at the date of this PDS 2%).

Goods and Services Tax (GST)

Given the level of turnover, the Fund will be required to register for GST. GST should not be payable in respect of the acquisition, disposal or withdrawal of Units, nor in respect of any distributions paid by the Fund.

The Fund may not be entitled to claim a full input tax credit in all circumstances. The impact of any restricted entitlement is not anticipated to be significant.

The ultimate GST treatment of the subsequent disposal of the Property may differ from the treatment at acquisition and may depend upon the relevant circumstances at the time.

Stamp duty

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



SECTION 10 ADDITIONAL INFORMATION

10.1 Related party transactions

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

The Fund Manager is not a related party of the Responsible Entity. The contractual arrangements between the Responsible Entity and the Fund Manager are negotiated at arm's length between the parties. The Fund Manager or its associates may engage in lease negotiations with existing or potential new tenants of the Property and would be entitled to receive leasing commissions on normal commercial terms.

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

The Responsible Entity has appointed a related body corporate, One Registry Services Pty Limited ACN 141 757 360, to perform registry services for the Fund.

The Responsible Entity has appointed Unity Fund Services Pty Ltd ACN 146 747 122 (Administrator), an affiliate of One Investment Group, as the administrator of the Fund pursuant to an administration agreement under which the Administrator provides administration services for the day-to-day operation of the Fund. These services include fund accounting, Unit pricing, reporting and preparation of statutory accounts. The Responsible Entity has a policy on proposed or potential related party transactions to ensure that any actual or potential conflicts of interest are identified and appropriately dealt with.

The Fund Manager holds 1.6 million Underwriting Units, which may be redeemed using equity raised under this PDS. Directors of the Responsible Entity and the Fund Manager have co-invested and hold Units in the Fund.

10.2 Change of responsible entity

A change of responsible entity requires Investors to pass an extraordinary resolution to give effect to the replacement. An extraordinary resolution must be passed by at least 50% of the total votes that may be cast by members entitled to vote.

10.3 Reporting

Reporting is provided to Investors on a quarterly basis, the latest Fund reports are available for download from the Fund Managers web site www.capitalpropertyfunds.com.au. Information provided to Investors includes the following:

- An investment confirmation upon issuing Units, including a holding statement.
- Quarterly income distribution detailing your investment and distributions paid to you
- Periodic performance update reports.
- An annual tax statement detailing information required for inclusion in your annual income tax return.

Annual and half-year financial reports are available at www.oneinvestment.com.au/601-coronation-drive-fund and www.capitalpropertyfunds.com.au. They will not be sent to you unless requested.

10.4 Important agreements

Constitution

The Constitution is the primary document that governs the way the Fund operates and sets out many of the rights, liabilities and responsibilities of both the Responsible Entity and Investors.

Each Unit gives you an equal and undivided interest in the Fund. However, a Unit does not give you an interest in any particular part of the Fund. Subject to the Constitution, as an Investor you have the following rights:

- The right to share in any distributions.
- The right to attend and vote at meetings of Investors.
- The right to participate in the proceeds of winding up of the Fund.

The Constitution provides the terms of issue of the Underwriting Units. The holders of Underwriting Units have priority withdrawal rights in addition to all of the same rights and entitlements as Investors.

The Constitution contains provisions about convening and conducting meetings of Investors.

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

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

The Constitution provides the terms of issue of the Underwriting Units. The holders of Underwriting Units have priority withdrawal rights in addition to all of the same rights and entitlements as Investors.

A copy of the Constitution is available free of charge by calling the Responsible Entity on 02 8277 0000.

Investment management agreement

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

- The identification and acquisition of assets consistent with the Fund's investment mandate.
- Keeping all assets under review and monitoring their performance.
- Using reasonable endeavours to achieve the investment objectives for the Fund.

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

While the Offer is open, the investment management agreement also contains provisions requiring the Fund Manager to comply with additional reporting arrangements to confirm to the Responsible Entity the NTA per Unit is not greater than \$1.00 and it is appropriate for the Responsible Entity to issue Units at \$1.00 each or redeem Underwriting Units at \$1.00 each before issuing further Units.

The investment management agreement will remain in force until the Fund is wound up, unless the agreement is terminated earlier in accordance with its provisions. The agreement can be terminated by the Responsible Entity if the Fund

Manager is in material breach of the agreement and that breach has not been remedied after a certain time. There are also provisions allowing the Responsible Entity to terminate if, for example, the Fund Manager becomes insolvent.

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

10.5 Fund Manager's authorised representative appointment

The Fund Manager is a corporate authorised representative (Number: 457306) of Libertas Financial Planning Pty Ltd ACN 160 419 134 (AFSL no. 429718).

The Fund Manager's authorisation is limited to its role as a fund manager, and does not extend to any other business that the Fund Manager conducts, or services that the Fund Manager provides. In addition, the only individuals within the Fund Manager who are authorised to provide general financial product advice in relation to the Fund are Joe Christie, Andrew Kerr and Julia Novella.

10.6 Continuous disclosure

The Fund has 100 or more Investors and is a 'disclosing entity' for the purposes of the Corporations Act, and will be subject to regular reporting and disclosure obligations. The Responsible Entity complies with its obligations under the Corporations Act and ASIC's good practice guidance in satisfying its continuous disclosure obligations via website notices. Information and continuous disclosure notices for the Fund will be available at www.oneinvestment.com.au/601-coronation-drive-fund or by calling 02 8188 1510 during business hours (that is, 9am to 5pm on a Business Day). The Fund is required to lodge half-yearly financial reports with ASIC. It is therefore important that you check our website regularly for important information about the Fund.

Investors can also obtain a copy of any of these documents free of charge by contacting us on the number above.

10.7 Privacy

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

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

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

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

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

10.8 Anti-money laundering law

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

10.9 Foreign Tax Compliance Disclosure

Foreign Account Tax Compliance Act (FATCA) is United States (US) tax legislation that enables the US Internal Revenue Service to identify and collect tax from US residents that invest in assets through non-US entities. The OECD Common Reporting Standards for Automatic Exchange of Financial Account information (CRS) is a similar global regime aimed at collecting and reporting on an investor's tax status. If you are a foreign resident for tax purposes, then you should note that the Fund will comply with its FATCA and CRS obligations by collecting, retaining and reporting about certain Investors to the Australian Taxation Office (ATO).

In order for the Fund to comply with its FACTA and CRS obligations, potential investors are required to provide certain information about yourself including your Country of tax residence, and may include providing your US Taxpayer Identification Number (TIN) or CRS Status as appropriate.

10.10 Ethical considerations, labour standards and environmental impact

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

10.11 No cooling-off period

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

10.12 Complaints handling

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

Telephone +61 2 8277 0000

Email complaints@oneasset.com.au
Complaints Officer
One Investment Group

Post PO Box R1471
Royal Exchange
NSW 1225

Complaints will be acknowledged as soon as possible and will always be resolved within 45 days.

If you remain unhappy, you can contact the independent Financial Ombudsman Service (FOS).

To contact FOS:

Telephone 1800 367 287

Email info@fos.org.au

Website www.fos.org.au

Post Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001

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

10.13 Unit pricing policy

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

A copy of the Unit pricing policy is available by calling 02 8188 1510 during business hours.

10.14 Others' consents

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

Unity Fund Services Pty Ltd has given its written consent to be named in this PDS in the form and context in which it is named and has not withdrawn its consent prior to the date of the PDS.

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

One Registry Services Pty Limited has given its written consent to be named in this PDS in the form and context in which it is named and has not withdrawn its consent prior to the date of the PDS.

Capital Property Funds Pty Ltd has given its written consent to be named in this PDS in the form and context in which it is named and has not withdrawn its consent prior to the date of the PDS.

10.15 Valuation policy

Our policy is to have the Property independently revalued at least once every three years and prior to any Liquidity Event. In the intervening years, we will only have the Property independently revalued if we are of the view there is a likelihood that there has been a material change in the value of the Property.

10.16 Updated information

Where there is a change to information which is not materially adverse to Investors, the Responsible Entity may make this updated information available on its website at www.oneinvestment.com.au/601-coronation-drive-fund. If you require a paper copy of any updated information, then please call 02 8188 1510 during business hours and it will be provided to you, without charge. The Responsible Entity will make any other changes to information in this PDS by issuing a supplementary PDS (Supp PDS), in which case, this PDS will be taken to include the information and statements contained in the Supp PDS.

SECTION 11 GLOSSARY

\$	Australian dollars.
ABN	Australian Business Number as defined in the Corporations Act.
ACN	Australian Company Number as defined in the Corporations Act.
Administration Service	An investor directed portfolio service, such as a master trust, wrap account or nominee and custody service.
Administrator	Unity Fund Services Pty Limited ACN 146 747 122.
AFS licence or AFSL	Australian financial services licence as defined in the Corporations Act
AML/CTF	Anti-money laundering and counter-terrorism financing.
Applicant	Someone who applies for Units under this PDS.
Application Form	The application form for the Fund, which accompanies this PDS.
Application Money	The money paid by an Applicant for Units.
ARSN	Australian Registered Scheme Number as defined in the Corporations Act.
ASIC	The Australian Securities and Investments Commission.
ASX	The market operated by ASX Limited.
Auditor	ESV Accounting and Business Advisors, the financial auditor of the Fund.
Business Day	A day on which banks are open for business in Sydney, except a Saturday, Sunday or public holiday.
Capital Property Funds	Capital Property Funds Pty Limited ACN 162 323 506, the manager of the Fund.
CBD	Central business district.
CGT	Capital gains tax.
Constitution	The constitution of the Fund dated 23 February 2016, as amended from time to time.
Corporations Act	The Corporations Act 2001 (Cth) for the time being in force together with the regulations.
CPI	Consumer price index.
Custodian	One Investment Group Limited or such other entity as may hold this position in accordance with the Constitution from time to time.
Direct Investor	An Applicant who applies for Units pursuant to this PDS directly (rather than indirectly through an IDPS).
EBITDA	Earnings before interest, taxes, depreciation and amortisation.
First PDS	The product disclosure statement dated 6 April 2016 and supplementary PDS dated 25 August 2016 offering investment in the Fund.
Fund	601 Coronation Drive Fund ARSN 610 941 654.
Fund Manager	Capital Property Funds Pty Limited ACN 162 323 506.
GST	Goods and Services Tax as defined in A New Tax System (Goods and Services Tax) Act 1999, as amended.
IDPS	An investor directed portfolio service, such as a master trust, wrap account or nominee and custody service.
Indirect Investor	An Applicant who invests in the Fund through an IDPS by directing the operator of their IDPS to acquire Units on their behalf.

Investor	A person who acquires Units pursuant to the Offer.
IRR	Internal rate of return, which is the discount rate that makes the present value of a series of cash flows over a period of time equal to the value of the investment at the start of the measurement period.
Liquidity Event	The process by which the Responsible Entity will: <ul style="list-style-type: none"> ▪ outline its recommendation as to whether the Fund should be would up or extended in light of the Property and property market conditions ▪ determine the wishes of Investors, and ▪ provide liquidity for those Investors wishing to exit the Fund.
LVR	Loan to Value Ratio. The ratio of any outstanding borrowings to the value of the Property.
NABERS	National Australian Built Environment Rating System.
NLA	Net lettable area.
NTA	Net tangible asset backing.
NTA per Unit	The NTA divided by the aggregate number of Units on issue.
Offer	The offer of Units under this PDS.
Ordinary Resolution	A resolution which requires at least 50 percent of the votes cast by Investors present at the meeting, either in person or by proxy.
PDS	This PDS, including any supplementary PDS which the Responsible Entity may issue.
Property	The real property asset located at 601 Coronation Drive, Toowong, Queensland.
Responsible Entity	One Managed Investment Funds Limited ACN 117 400 987, AFSL no. 297042.
Settlement Date	12 August 2016
Target Offer Amount	Approximately \$6,500,000 or such amount needed to redeem all Underwriting Units.
Unit	An ordinary unit in the Fund representing the Investor's proportionate interest in the assets of the Fund.
Unit Price	The price at which a Unit is priced as determined under the Constitution.
Unit Registry	One Registry Services Pty Ltd ACN 141 757 360
Underwriting Units	The classes of units in the Fund issued to the parties who underwrote the offer under the First PDS by subscribing for equity not otherwise subscribed for by Investors. The holders of Underwriting Units have priority withdrawal rights in addition to all of the same rights and entitlements as Investors. At the date of this PDS, there are approximately 6,500,000 Underwriting Units on issue.
Vendor	The vendor of the Property.
WALE	Weighted average lease expiry.

DIRECTORY

Responsible Entity
One Managed Investment Funds Limited

Level 11, 20 Hunter Street
Sydney NSW 2000

Telephone: (02) 8277 0000

Website: www.oneinvestment.com.au/601-coronation-drive-fund

Email: info@oneinvestment.com.au

Fund Manager
Capital Property Funds Pty Limited

Suite 2, Mezzanine Level, 50 Margaret Street
Sydney NSW 2000

Telephone: (02) 8004 6218

Website: www.capitalpropertyfunds.com.au

Email: info@capitalpropertyfunds.com.au

Fund Administrator
Unity Fund Services Pty Limited

Level 11, 20 Hunter Street
Sydney NSW 2000

Telephone: (02) 8277 0070

Legal Adviser
McMahon Clarke

62 Charlotte Street
Brisbane Queensland 4000

www.mcmahonclarke.com

Auditor
ESV Accounting and Business Advisors

Level 18, City Centre
55 Market Street
Sydney NSW 2000

Fund Registry
One Registry Services Pty Limited

Level 11, 20 Hunter Street
Sydney NSW 2000

Telephone: (02) 8188 1510

Website: www.oneregistryservices.com.au

Email: info@oneregistryservices.com.au

