

ASCOT CAPITAL LIMITED

CAPABILITY STATEMENT



DECEMBER 2014

Ascot
Capital
LIMITED

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Introduction

Ascot Capital Limited (Ascot Capital) is a Western Australian property development business and its directors and shareholders have a long and successful history of developing quality assets in Australia and around the world. Ascot Capital is a Public Company and through Australian Financial Services Licence (AFSL 345050 – 28 April 2010) provides services to Wholesale Clients and/or Sophisticated Investors in own managed investment scheme structures.

Ascot Capital sources property assets which provide an acceptable rate of return to wholesale clients. The investment strategy is to create a scheme that will provide shelter against short term investment volatility as well as create value through prudent and proactive asset and income management. The forecast investment returns are based on projected internal rate of returns based on identified and disclosed assumptions.

Ascot Capital has created a network of potential investors, obtained the confidence of banking institutions and formed strong relationships with significant service providers.

Ascot Capital is responsible for circa \$1bn of property assets in Australia. This has created significant responsibilities and accountabilities towards its major investors/partners. Accordingly, adequate resources and facilities have been acquired, and systems and controls implemented, to ensure that Ascot Capital complies with its responsibilities.

Services Provided by Ascot Capital

Through the own managed investment scheme structure, Ascot Capital provides the following services:

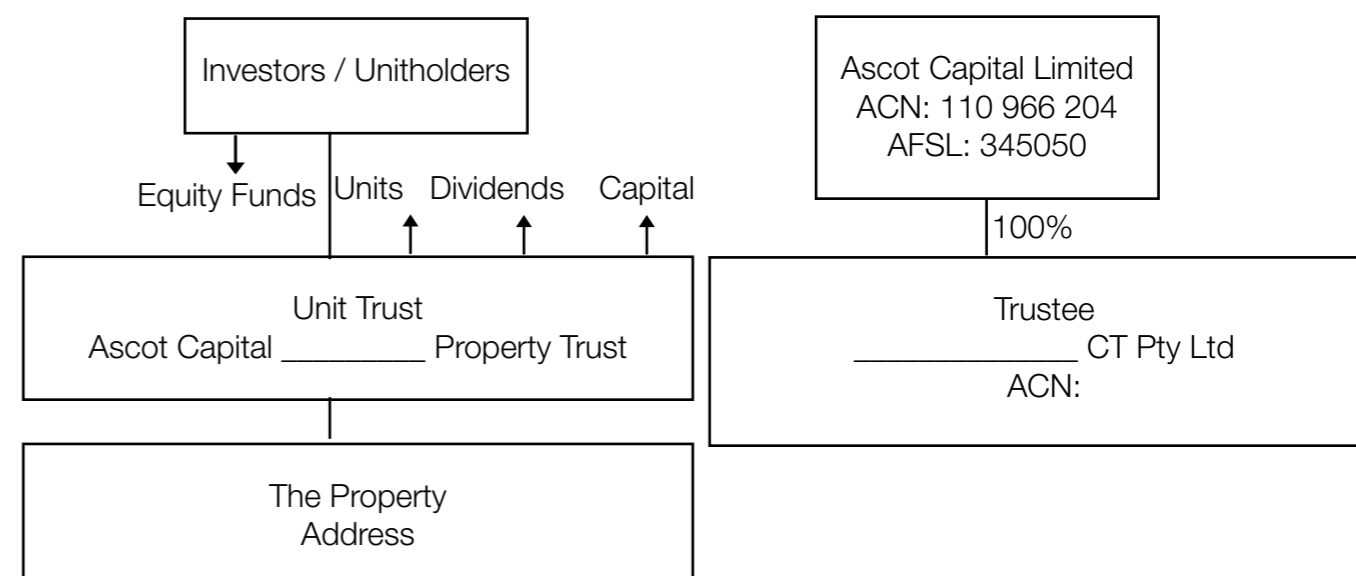
- Identification of investment opportunities.
- Optimise financial performance of the investment.
- Continuous assessment of the market and review of investment terms to maximise investor returns.
- Presents an audited annual report and statement of accounts that will provide investors with information on the management and performance of the product.
- Presents independent valuations of property.
- Equity and debt raising – within defined ranges.
- Tenancy Management – maintaining a high quality tenancy mix with acceptable initial weighted average lease expiry criteria.
- Appoints and oversees property manager and leasing agent.
- Provides asset management services.
- Development management.
- Arrange property insurance and risk reviews.

Investment Structure

Each Managed Investment Scheme is structured as follows:

- A special purpose investment trust will be created for each specific property investment. Each trust will be managed by a separate corporate trustee. The board members within the corporate trustee will comprise of directors of Ascot Capital as well as representatives of the unit holders.
- Investors will be issued units in that trust. During the life of the trust, a Unitholder may, subject to the terms of the Trust Deed, sell or transfer their units at any time. The trust will not hold any financial products including the units on trust and each unit holder will hold the units in their own right.
- The anticipated investment term for each scheme will be between 5 and 10 years. This period will be continuously reviewed as regards the initial assumptions in order to maximise returns on sale with a full return of capital to investors on completion of the term.
- Each scheme will have an appropriate level of gearing as determined by commercial banking covenants and the investor profiles.
- All projects will remain close-ended in nature and upon completion of each project, all investors will be paid out as per the relevant arrangements in place and the vehicle will be wound up at this time. Performance Management fees payable to Ascot Capital will be paid out on the sale of the asset.

Ascot Capital has set up the necessary processes and structures to demonstrate a commitment to overall corporate governance and accountability as well as transparency to unit holders.



Management Fees Earned by Ascot Capital Limited

Ascot Capital Limited earns its income through management fees for each scheme. Management fees will be calculated on a case by case basis and the terms and conditions will be clearly documented and estimated in each Information Memorandum and in the return calculations, and will consist of the following:

- Initial acquisition fee that will cover Ascot Capital for costs and evaluation services in identifying, evaluating, negotiating and financing the opportunity.
- Annual asset management fee to cover all property management and administration issues, communication with unit holders, evaluation of development options for the property, and ensuring as far as possible that the value of the property is maintained or enhanced.
- Performance fee will be payable following the sale of the property.
- Return on Equity - Ascot Capital and related entities also have a share in each investment.

Current Portfolio

1. Single Large Investor Properties

- 1.1 Jandakot Airport – South of Perth – Jandakot
- 1.2 Wesfarmers House – Perth CBD
- 1.3 Troode Street – West Perth

2. Syndicated Properties

- 2.1 Havelock Street – West Perth
- 2.2 McCoy Street – South Perth
- 2.3 Bennett Street – East Perth
- 2.4 Butler Boulevard – Burbridge Business Park – Adelaide
- 2.5 Eastern Parade – Gillman – Adelaide
- 2.6 North Plympton – Adelaide
- 2.7 Paris Road – Australind, Western Australia
- 2.8 Hay Street – West Perth
- 2.9 Burton – Adelaide

1.1 Ascot Capital Limited - Managed Properties - Jandakot Airport, Perth, Western Australia

Jandakot Airport is situated 16 kilometres to the south of the Perth CBD and in close proximity to major arterial routes – Roe Highway and Kwinana Freeway. The airport is the only general aviation airport in the Perth metropolitan area and one of the busiest airports in Australia in terms of aircraft movements.

Jandakot Airport comprises an overall area of approximately 622 hectares which incorporates 225 hectares of aviation operations, 202 hectares of conservation land, 156 hectares of mixed use land which is currently being developed and known as **Jandakot City**. The balance of the land consists of roads and related infrastructure.

Since the acquisition of the 99 year head lease from the Commonwealth of Australia in 2005, significant infrastructure, environmental and planning expenditure has transformed bushland into a rapidly growing mixed business / industrial park.



1.1 Ascot Capital Limited - Managed Properties - Jandakot Airport, Perth, Western Australia continued

The business model applied by Ascot Capital Limited here is to design, construct and lease facilities to tenant specifications. Lease terms range from 10 – 25 years and in the past 5 years, 67 hectares has been leased to 40 tenants with 215,000m² under roof. A further 16 hectares is under Heads of Agreement / Agreement for Lease status. Once fully developed, it is expected that the precinct will have 550,000m² of built form, and based on the current take-off and pipeline, it is expected that this would be in 7 years.

In addition, 13.5 hectares was sold in 2014 to Aldi for their West Australian distribution centre.

The first tenant was MRC SPF (a supplier of stainless steel pipes and fittings to the Oil and Gas Industry) and they are currently negotiating doubling the size of their current facility. Following shortly thereafter, CSR Viridian (the largest glass manufacturer in Australia); Halliburton and General Electric Oil & Gas. All these international companies have taken the opportunity to consolidate their previously scattered operations into one facility specifically designed to suit their needs – and all within 16kms of the city centre and 12 kms of the Fremantle Port.

GE has recently taken occupation of a 3rd workshop / maintenance facility and they now occupy over 20,500m² under roof including a 2,200m² Specialised Training Centre, and a 4,000m² A grade office building. Other significant Oil & Gas Industry tenants include Halliburton, Oceaneering and Premium Casing Services.

A 5,600m² mixed use retail building supplements a 7,200m² supermarket that has been trading for 2 years on a 24 x 7 basis.

Around the airport itself are ground lease sites which are utilised principally for aeronautical services. These include the Royal Flying Doctor Service and the principal flying schools for Singapore Airlines and China Southern Airlines. There are a total of 105 sites making up 27 hectares with individual site sizes ranging from 78 square metres to 4.9 hectares. Many of the sites have been improved by the lessees to include a mixture of building styles and the majority of the leases are relatively long term and include options. Recently completed was a \$12m aircraft and helicopter facility for the Police Airwing on a 25 year lease.

Investment Details:	Date - 2005
	Head Lease - Commonwealth of Australia 99 years
	Cost of Acquisition - \$48m
	Infrastructure - \$40m
Valuation:	December 2014 - circa \$650m
Management	Property Management - CB Richard Ellis / Ascot Capital Limited
	Asset Management - Ascot Capital Limited

1.1 Ascot Capital Limited - Managed Properties - Jandakot City, Perth, Western Australia continued

General Electric

Site – 15,000m²
Office – 4,000m²



1.1 Ascot Capital Limited - Managed Properties - Jandakot City, Perth, Western Australia continued

General Electric - Oil & Gas Campus

Site – 27,000m²

Office – 1,000m²

Workshop – 6,400m²

Pits 9 x 9 x 9 and 6 x 6 x 6

40t and 100t Gantry



1.1 Ascot Capital Limited - Managed Properties - Jandakot City, Perth, Western Australia continued

General Electric - Conference Centre



Conference – 2,000m²

General Electric - Global Services



Site – 10,800m²
Office – 760m²
Workshop – 4,400m²

1.1 Ascot Capital Limited - Managed Properties - Jandakot City, Perth, Western Australia continued

Sandvik

Site – 11,000m²

Office – 600m²

Workshop / Warehouse – 4,000m²



1.1 Ascot Capital Limited - Managed Properties - Jandakot City, Perth, Western Australia continued

Jako

Site – 8,000m²
Office – 600m²
Warehouse – 2,400m²



1.1 Ascot Capital Limited - Managed Properties - Jandakot City, Perth, Western Australia continued

Aveling

Site – 12,000m²
Office – 2,500m²
Parking – 250 bays



1.1 Ascot Capital Limited - Managed Properties - Jandakot City, Perth, Western Australia continued

World Wire Cables

Site – 10,000m²

Office – 150m²

Warehouse – 4,000m²



1.1 Ascot Capital Limited - Managed Properties - Jandakot City, Perth, Western Australia continued

Caffi Logistics



Site – 22,700m²
Office – 300m²
Warehouse – 12,000m²



1.1 Ascot Capital Limited - Managed Properties - Jandakot City, Perth, Western Australia continued

Kincrome

Site – 8,700m²
Office – 300m²
Warehouse – 3,000m²



1.1 Ascot Capital Limited - Managed Properties - Jandakot City, Perth, Western Australia continued

M3 Logistics

Site – 15,000m²

Office – 250m²

Warehouse – 7,000m²



1.1 Ascot Capital Limited - Managed Properties - Jandakot City, Perth, Western Australia continued

Hisco

Site – 1.6ha
Office – 250m²
Warehouse – 4,000m²



1.1 Ascot Capital Limited - Managed Properties - Jandakot City, Perth, Western Australia continued

Techtronic Industries

Site – 1.6ha

Warehouse – 3,600m²



1.1 Ascot Capital Limited - Managed Properties - Jandakot City, Perth, Western Australia continued

Contract Resources

Site – 11,400m²
Office – 600m²
Warehouse – 4,000m²



1.1 Ascot Capital Limited - Managed Properties - Jandakot City, Perth, Western Australia continued

HCN

Site – 12,000m²
Office – 540m²
Warehouse – 5,000m²



1.1 Ascot Capital Limited - Managed Properties - Jandakot City, Perth, Western Australia continued

PFP

Site – 23,000m²
Office – 750m²
Warehouse – 6,000m²



1.1 Ascot Capital Limited - Managed Properties - Jandakot City, Perth, Western Australia continued

Police Airwing

Site – 7,800m²
Office / amenities – 1,600m²
Hardstand – 4,000m²
Hangars – 3,500m²



1.1 Ascot Capital Limited - Managed Properties - Jandakot City, Perth, Western Australia continued

Actuant Energy

Site – 2ha

Office – 285m²

Warehouse – 2,000m²



1.1 Ascot Capital Limited - Managed Properties - Jandakot City, Perth, Western Australia continued

Oceaneering

Site – 3.1ha

Office – 1,800m²

Warehouse – 6,500m²



1.1 Ascot Capital Limited - Managed Properties - Jandakot City, Perth, Western Australia continued

West Coast Energy

Site – 14,000m²
Office – 1,000m²
Warehouse – 2,500m²



1.1 Ascot Capital Limited - Managed Properties - Jandakot City, Perth, Western Australia continued

APB Britco

Site – 5ha
Workshop A – 6,500m²
Workshop B – 3,400m²



1.1 Ascot Capital Limited - Managed Properties - Jandakot City, Perth, Western Australia continued

Super Amart

Site – 4.3ha

Office – 500m²

Building area – 23,000m²



1.1 Ascot Capital Limited - Managed Properties - Jandakot City, Perth, Western Australia continued

Kmart MDP



Site – 10ha
Office – 1,700m²
Warehouse – 40,000m²

Aquatechnics



Site – 3.6ha

1.1 Ascot Capital Limited - Managed Properties - Jandakot City, Perth, Western Australia continued

Aldi Distribution MDP

Site – 13.5ha
Building area – 49,000m²



1.1 Ascot Capital Limited - Managed Properties - Jandakot City, Perth, Western Australia continued

Coregas



Site – 10,000m²
Office – 270m²
Warehouse – 500m²

Eftech



Site – 6,000m²
Office – 250m²
Warehouse – 1,000m²

Visa



Site – 15,000m²
Office – 350m²
Warehouse – 3,000m²

1.1 Ascot Capital Limited - Managed Properties - Jandakot City, Perth, Western Australia continued

Retail Centre / Supermarket / Butchery / Pharmacy / Liquor Store / Restaurant



Spudshed

Site – 23,000m²

Retail – 3,000m²

Warehouse – 3,000m²

Mixed Use
Site – 1.6ha
Parking – 200 bays
Mixed use – 5,400m²



1.1 Ascot Capital Limited - Managed Properties - Jandakot City, Perth, Western Australia continued

CSR Viridian - Glass Manufacturing

Site – 26,000m²
Office – 900m²
Workshop – 12,500m²



1.1 Ascot Capital Limited - Managed Properties - Jandakot City, Perth, Western Australia continued

ERGT - Oil & Gas Training Facility

Site – 2.7ha
Office – 1,600m²
Training – 4,800m²



1.1 Ascot Capital Limited - Managed Properties - Jandakot City, Perth, Western Australia continued

Halliburton - Oil & Gas Maintenance Facility

Site – 4ha



1.1 Ascot Capital Limited - Managed Properties - Jandakot City, Perth, Western Australia continued

2 Sabre Crescent - Offices

Site – 10,000m²
Office – 3,500m²
68 Bay under croft



1.1 Ascot Capital Limited - Managed Properties - Jandakot City, Perth, Western Australia continued

MRC Global - Oil & Gas

Site 17
Site – 1.64ha
Warehouse – 7,500m²

Site 18
Site – 2.8ha
Office - 1,000m²
Warehouse – 11,000m²



1.2 Ascot Capital Limited - Managed Properties

Wesfarmers House, Perth, Western Australia

Wesfarmers House is an 'A' grade landmark building in Perth and is fully tenanted on long term leases to 4 significant Australian organisations: Wesfarmers (2020), WA Land Authority (2023), Santos (2022) and Talbot Oliver (2018).

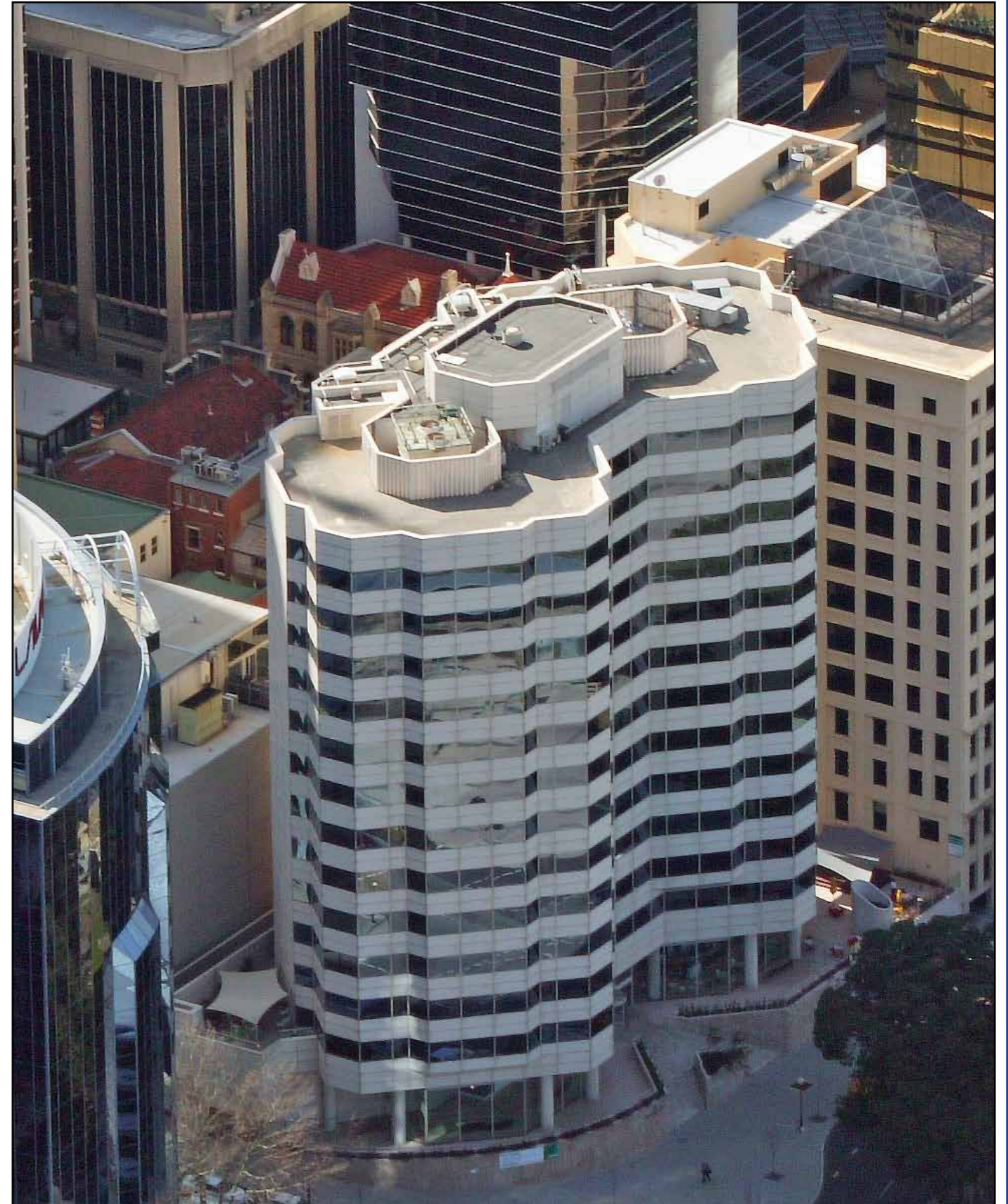
Description: An 11 storey office building which is located at 40 The Esplanade in the Perth CBD close to the main rail station and bus port. Significant refurbishments have taken place in the past 3 years including the lifts, chillers and all toilets.

Purchase Details: Date - December 2008
Cost - \$84.8m

Rental: Annual - \$7.1m with significant reversionary increases in 2015
Lettable Area - 11,008m², 54 car bays

Valuation: Circa \$94m

Management: Property Management - CB Richard Ellis
Asset Management - Ascot Capital Limited



1.3 Ascot Capital Limited - Managed Properties

Troode Street, West Perth, Western Australia

This was an investment in a vacant development site acquired in 2008, for commercial development and with the intention of rezoning the plot ratio significantly. This has been achieved, and the first stage has now been completed and originally tenanted by a listed engineering company. The building was sold in 2014. The new planning approvals allow a further 8,000m² of NLA on the balance of the land of 2,674m² which is being considered for residential development.

Description: This property is located in Troode Street, West Perth close to the Mitchell Freeway. Construction of the first stage of an office building was undertaken in 2012 with the sole tenant, taking occupation in October 2012 on a 10 year lease.

Purchase Details: Date - December 2007
Cost - \$11.2m
Stage 1 - \$9.2m
Valuation - Surplus Land - \$5.6m

Rental: Annual - \$1.4m
Lettable Area - 2,226m² plus 37 car bays

Management: Property Management - Knight Frank
Asset Management - Ascot Capital Limited



2.1 Ascot Capital Limited - Managed Properties

1 Havelock Street, West Perth, Western Australia

This 'A' grade office building is in West Perth which is an established mixed use suburb situated less than a kilometre of the Perth Central Business District. The building is leased to 3 tenants – global engineering and environmental consultancy Golder Associates occupies 90%. Extensive refurbishments are planned for 2015. There is additional developable space on which there is currently a tennis court and this will provide an additional 1,000m² of NLA.

Description: This is a 4 storey office building situated on freehold land in West Perth approximately 30 metres from the intersection of Kings Park Road and Havelock Street. This precinct offers direct access to the Perth CBD and major motorways and is approximately 10km from the Perth Domestic & International Airports.

Purchase Details: Date - December 2010
Cost - \$30m

Valuation: \$36m - June 2013

Rental: Annual - \$2.7m
Lettable Area - 5,086m² plus 515 car bays over 2 levels of basement

Management: Property Management - CB Richard Ellis
Asset Management - Ascot Capital Limited



2.2 Ascot Capital Limited - Managed Properties

McCoy Street, South Perth, Western Australia

This single tenanted property is used as a pathology laboratory with a 10 year triple net lease to a listed Medical Services Company. This was purchased in 2011 and housed in the syndicate business. The land value at the time of acquisition was 75% of the purchase consideration and there was significant potential to further develop the site on expiry of the lease. This property is currently under contract at a very favourable discount rate of below 7%, generating a IRR of approx 17%.

Description: This is a 4 storey office building situated on freehold land in West Perth approximately 30 metres from the intersection of Kings Park Road and Havelock Street. This precinct offers direct access to the Perth CBD and major motorways and is approximately 10km from the Perth Domestic & International Airports.

Purchase Details: Date - July 2011
Cost - \$8.8m

Sale Details: Selling Price - \$11.5m 18 December 2014

Valuation: \$11.5m

Rental: Annual - \$0.8m
Lettable Area - 3,428m²

Return on Equity: 13.33%

Management: Property Management - CB Richard Ellis
Asset Management - Ascot Capital Limited



2.3 Ascot Capital Limited - Managed Properties

Bennett Street, East Perth, Western Australia

This property was acquired in December 2012. The initial yield was 8.8% and a WALE of 6.8 years. There are 3 tenants including a leading bank, IT company and the Australian Red Cross. There was significant long term redevelopment potential on the surplus land which is currently open car parking. This has been finalised and work has commenced on a 42 apartment project. The forecast profit on sale of these apartments is \$2.8m which will be returned to unitholders.

Description: 118 Bennett Street is a prominent 5 level office building located in East Perth. The property has flexible future development potential for commercial, residential or hotel uses.

Purchase Details: Date - December 2012
Cost - \$15.3m

Valuation: \$24m

Rental: Annual - \$1.4m
Lettable Area - 3,197m²

Return on Equity: 12.61%

Management: Property Management - CB Richard Ellis
Asset Management - Ascot Capital Limited



2.4 Ascot Capital Limited - Managed Properties

Eastern Parade, Gillman, South Australia

This investment was made in 2010 and was the first property in the syndicate business of Ascot Capital Limited. This was a development project and the property was purchased and extensively refurbished for the sole tenant, P & O Trans Australia Pty Ltd which has a 15 year lease with fixed annual increases of 3.25%.

Description:	The Property is a commercial property located in the Inner North area of Adelaide situated on freehold land in Gillman which is an established industrial area located approximately 12 kilometres north west of the Adelaide CBD.
Purchase Details:	Date - August 2010, refurbishment completed in December 2010 Cost - \$10.6m
Valuation:	\$12.5m
Rental:	Annual - \$1.0m Lettable Area - 7,610m ² and 12,120,m ² of hard stand
Return on Equity:	16.26%
Management:	Property Management - CB Richard Ellis Asset Management - Ascot Capital Limited



2.5 Ascot Capital Limited - Managed Properties

Butler Boulevard, Burbridge Business Park, South Australia

This vacant site was acquired with a development agreement and agreement for lease to the ASX listed mining services company, Boart Longyear. The development was completed in June 2011 and the tenant had extensive fit out installations at their own cost.

Description: The Property is an industrial property located on leasehold land in the Inner West area of Adelaide and is situated in Burbridge Business Park at Adelaide Airport. The site has excellent access and egress to Sir Donald Bradman Drive which is a major arterial road.

Purchase Details: Development commenced September 2010
Cost - \$7.9m

Valuation: \$9.5m

Rental: Annual - \$0.9m
Lettable Area - 6,834m² hard stand / parking area 7,836m²

Return on Equity: 19.09%

Management: Property Management - CB Richard Ellis
Asset Management - Ascot Capital Limited



2.6 Ascot Capital Limited - Managed Properties

North Plympton, Adelaide, South Australia

Description: This property comprises a large high quality commercial facility of 12,358m² situated on 34,000m² of land. The site has significant parking and is adjacent to Adelaide Airport and 7kms from Adelaide CBD.

Purchase Details: Cost - \$12.7m

Valuation: \$14.5m

Rental: Annual - \$1.2m
Lettable Area - 12,338m² hard stand / parking area 21,542m²

Tenant: Metcash Food & Grocery Pty Ltd (8,263m²)
Bidvest Australia Ltd (4,075m²)

Return on Equity: 13.72%

Management: Property Management - CB Richard Ellis
Asset Management - Ascot Capital Limited



2.7 Ascot Capital Limited - Managed Properties

Paris Road, Australind, Western Australia

Description: This property comprises a flat and level light industry zoned parcel situated some 160km south of Perth CBD and approximately 10km north of the regional city of Bunbury. The site has a land area of 43.5 hectares. In addition, a property in Vasse in the south of West Australia was acquired in the same transaction.

Purchase Details: Purchase price & capital investment in infrastructure \$10m

Rental: This is a development strategy and a development approval application has been lodged with the shire for the first tenant who requires a 6,000m² facility.

Management: Asset Management - Ascot Capital Limited



2.8 Ascot Capital Limited - Managed Properties

1314 Hay Street, West Perth, Western Australia

Description: This property comprises ground floor parking plus two upper level office floors that have been extensively refurbished. The building has a net lettable area of 1,892m² with 40 car bays. The site area is 1,250m². The property is located in West Perth.

Purchase Details: Purchase price - \$9.05m

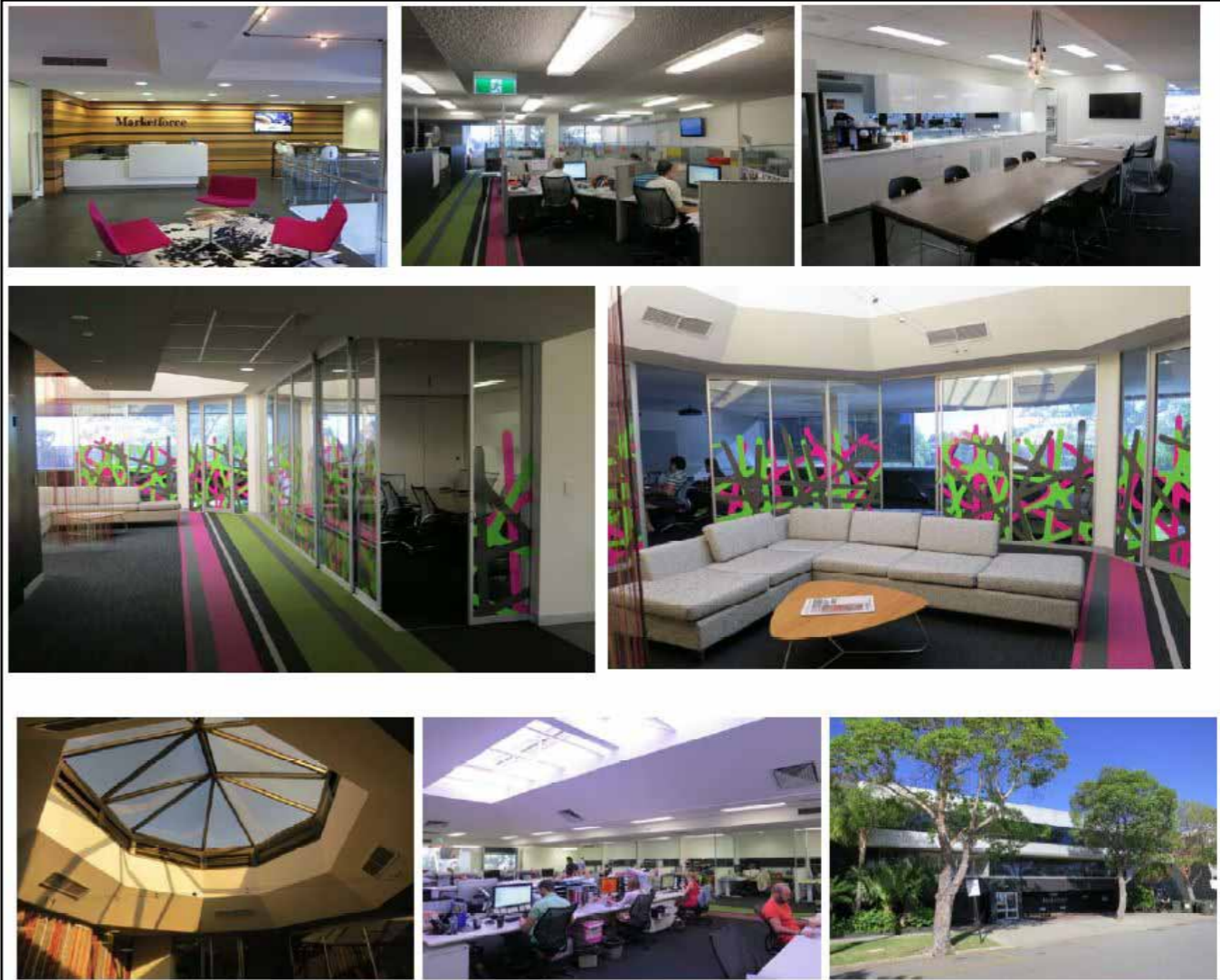
Valuation: \$9.05m

Rental: Annual - \$662k
Lettable Area - 1,892m²

Tenant: Marketforce

Return on Equity: 8.6%

Management: Property Management - CBRE
Asset Management - Ascot Capital Limited



2.9 Ascot Capital Limited - Managed Properties

Burton, Adelaide, South Australia

Description: This property comprises a highly sophisticated production and warehouse property which comprises approximately 5.33 hectares. 20 year triple net lease with a further 5x10 year options.

Purchase Details: Purchase price - \$39.5m

Valuation: \$39.5m

Rental: Annual - \$3.4m
Lettable Area - 10,513m²

Tenant: Inghams Enterprises Pty Limited

Return on Equity: 12.03%

Management: Property Management - Inghams Enterprises
Asset Management - Ascot Capital Limited



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