

ACUMEN CAPITAL

Property Securities Fund

PRODUCT DISCLOSURE STATEMENT

This Product Disclosure Statement is dated 29 May 2003 and relates to the offer of Units in the Acumen Capital Property Securities Fund (ARSN 104 341 988) by Acumen Capital Securities Limited (ACN 103 736 081)

Initial Offer partially underwritten by
UBS Warburg Australia Limited (ACN 008 582 705)



Responsible Entity:
**ACUMEN CAPITAL
SECURITIES LIMITED**
ACN 103 736 081



Underwriter to the issue:

UBS Warburg

NOTICE

This Product Disclosure Statement (PDS) is dated 29 May 2003 and was lodged with the Australian Securities and Investments Commission (ASIC) on that date.

ASIC, and the Australian Stock Exchange (ASX) and their respective officers, take no responsibility for the contents of this PDS or the merits of the Offer.

The Offer closes on 25 June 2003, unless the Responsible Entity elects to close the Offer early or extend it, which it may do at its discretion and without notice.

Neither the Responsible Entity, the directors of the Responsible Entity, the Underwriter or the Custodian guarantee the performance or success of the Offer, the repayment of capital or any particular rate of capital or income return.

Neither the Underwriter nor the Custodian is the issuer of this PDS. Neither party makes any representation and takes no responsibility for the accuracy or truth of any statement or omission from any part of this PDS.

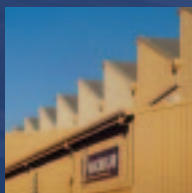
An electronic version of this PDS appears at the following website: www.acumencapital.com.au. The Offer under this PDS is available to persons receiving the PDS within Australia (whether or not the PDS indicates it is available to persons in other countries).

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 carefully in its entirety and, if required, obtain independent legal and financial advice.

The Responsible Entity has not authorised any person to give any information or to make any representation in connection with the Offer or the Units which is not contained in this PDS. No such information or representation may be relied upon as having been authorised by the Responsible Entity in connection with the Offer.

Throughout the PDS certain defined terms are used. Defined terms appear in the glossary in Section 18 of this PDS.

Photographs in this PDS do not represent assets of the Acumen Capital Property Securities Fund (ARSN 104 341 988) ("the Fund").



OFFER STATISTICS

Issue price of Units	\$1.00
Net asset backing per Unit	\$0.93 - \$0.96
Units on offer to the public	40.0 million units
Units underwritten	26.7 million units
Units on offer to the Interest Owners	24.7 million units
Total Units on offer	64.7 million units

Please refer to Section 7 for full details on the assumptions adopted in calculating the net asset backing per Unit and total Units on offer.

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IMPORTANT DATES

Offer opens	29 May 2003
Offer closes	25 June 2003
Allotment of Units (estimated)	30 June 2003
Units granted official quotation by ASX (estimated)	8 July 2003

The Responsible Entity and the Underwriter reserve the right to vary the above dates without notice, including the date the Offer closes. Applicants are therefore encouraged to submit their Application Form as early as possible.

Section 1

CORPORATE DIRECTORY

Acumen Capital
Property Securities Fund

Level 5
London House
216 St George's Terrace
Perth WA 6000

Responsible Entity

Acumen Capital Securities Limited
Level 5
London House
216 St George's Terrace
Perth WA 6000

Telephone: (08) 9226 3888
Facsimile: (08) 9226 3999

Directors of the
Responsible Entity

R. Rayner
S. Dixon
R. Bevan
B. Motteram

Underwriter

UBS Warburg Australia Limited
Level 25
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

Auditors to the Fund
and Responsible Entity

KPMG
152-158 St George's Terrace
Perth WA 6000

Solicitors to the Fund
and Responsible Entity

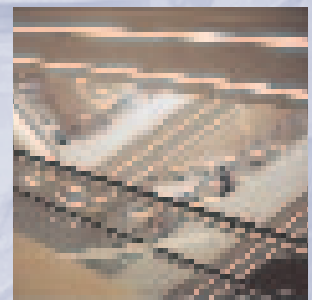
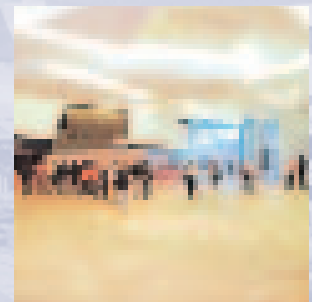
Freehills
250 St George's Terrace
Perth WA 6000

Registry

Computershare Investor Services Pty Limited
Level 2
45 St George's Terrace
Perth WA 6000

Custodian

Permanent Trustee Australia Limited
35 Clarence Street
Sydney NSW 2000



Section 2

KEY FEATURES AND BENEFITS

Offer to public	The offer to the public is for 40.0 million Units at an Offer Price of \$1.00 per Unit to raise \$40.0 million (Initial Offer).
Offer to Interest Owners	The offer to the Interest Owners is for 24.7 million Units at an Offer Price of \$1.00 per Unit to enable the Interest Owners to invest in the Fund (Interest Owners Offer).
Minimum subscription	The minimum subscription to be raised under the Initial Offer is \$26.7 million.
Offer partially underwritten	\$26.7 million of the Initial Offer is underwritten by UBS Warburg Australia Limited.
ASX Listing	No later than seven days after the date of this PDS, the Responsible Entity will apply to the ASX for the Fund to be admitted to the ASX's Official List. Once the Units have been granted Official Quotation by the ASX the Units can be traded on the ASX.
Focus of the Fund	To maintain an asset allocation over the medium to longer term that is predominantly weighted towards unlisted Property Securities (both wholesale and retail trusts).
Investment objective	The Fund aims to provide investors with attractive returns, which are expected to include a high proportion of distributable income with tax advantages.

Fund investments The asset allocation range for the Fund once fully invested is:

Sector	% of gross assets
• Unlisted Property Securities	up to 100%
• Listed Property Securities	up to 50%
• Direct Property	up to 20%
• Cash and cash equivalents	up to 20%

Unlisted Property Trusts	<p>The Fund has entered into Conditional Contracts to purchase the Interests in the Unlisted Property Trusts from the Interest Owners for a total cash consideration of \$24.7 million (see Section 6).</p> <p>The Interest Owners are offered 24.7 million Units to enable them to reinvest the cash consideration owing to them under the Conditional Contracts in Units in the Fund.</p> <p>The Units offered to the Interest Owners are:</p> <ul style="list-style-type: none"> • In addition to the Initial Offer; and • The same Units as the Units offered under the Initial Offer, and therefore, carry the same rights. <p>The initial investments of the Fund will be:</p> <ul style="list-style-type: none"> • \$24.7 million units in the Unlisted Property Trusts detailed in Section 6; and • Cash held pending investment into new Property Securities.
Minimum application amount	\$10,000
Additional investments	Multiples of \$1,000
Application price per Unit	\$1.00
Eligible investors	<p>Individuals and partnerships may invest in the Fund. Trusts, companies and superannuation funds may invest in the Fund subject to their own constitutions or trust deeds.</p>

Section 2

KEY FEATURES AND BENEFITS

Continued

Fees

Management fee

0.50% per annum (including GST) of the Gross Asset Value of the Fund, accrued daily and paid quarterly in arrears plus a Performance Fee (see below).

Performance fee

20% (including GST) of outperformance against the Benchmark Return, paid in cash half-yearly. Any previous underperformance must be recovered before a performance fee becomes payable.

The Benchmark Return is the annualised compound return of the S&P/ASX200 Property Accumulation Index.

MER expectation

0.70% per annum on an ungeared basis (prior to calculation of the performance fee) for the first year of the Fund.

Income distribution frequency

Quarterly, with the exception of the first distribution period which will be for the period from allotment to 30 September 2003.

Income distribution options

Either electronic funds transfer or Distribution Reinvestment Plan, subject to the election of the Unitholder.

No brokerage or commission will be applicable for any Units issued under the Distribution Reinvestment Plan. The Responsible Entity can elect to suspend and/or re-introduce the operation of the Distribution Reinvestment Plan at its discretion.

If no election is made, distributions will be reinvested in further Units.

Distributions will not be paid by cheque.

Tax

A portion of the income the Fund will receive from its underlying investments is likely to be tax-advantaged.

The tax-advantaged component of these distributions will flow through to investors when distributed by the Fund.

Under current tax law, income and capital gains distributed to you by the Fund are assessable to you and taxable in the year to which they relate. The Responsible Entity recommends that you obtain independent tax advice relevant to your personal circumstances as to the taxation consequences of an investment in the Fund.

The key features and benefits set out in this Section 2 are a summary only, and investors should read the whole PDS.

IMPORTANT INFORMATION ABOUT THE OFFER

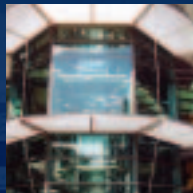
The offer period closes at 4pm Eastern Standard Time on 25 June 2003.

The Responsible Entity and the Underwriter reserve the right to close the Offer early or to extend the closing date.

The Responsible Entity may also accept or reject applications relating to the Initial Offer in its absolute discretion.

The Responsible Entity will accept applications relating the Interest Owners Offer in accordance with the priority allocation given by the Responsible Entity to the Interest Owners.

Section 3



YOUR QUESTIONS ANSWERED

Who is Acumen Capital Securities Limited?

Acumen Capital Securities Limited (ACN 103 736 081) is the Responsible Entity, or manager of the Fund.

The Responsible Entity has been granted an Australian Financial Services Licence (licence number 226442) by ASIC which authorises the Responsible Entity to operate the Fund, as well as authorising the Responsible Entity to acquire and dispose of all financial products necessary for it to operate the Fund.

The two shareholders of this company are Acumen Capital Limited and Western Pacific Portfolio Planning Pty Ltd.

Acumen Capital Limited is an established property funds management company with more than \$115 million in funds under management. The two major shareholders of Acumen Capital Limited are Multiplex Constructions Pty Ltd and the Hawaiian Group of Companies.

Western Pacific Portfolio Planning Pty Ltd is an Australia-wide financial planning group with in excess of \$850 million in funds under advice.

Why will the Fund invest primarily in unlisted Property Securities?

The unlisted property fund market has grown strongly in size over the last five years. Currently the unlisted sector, which includes wholesale property funds and unlisted property syndicates, comprises net assets under management in excess of \$15 billion (see Section 5).

There are many reasons for the increase in size of this market, including:

- Attractive income returns;
- Direct property-based investment;
- Taxation benefits;
- Access to the professional management skills of the various managers;
- Significant investor demand; and
- Growing investor sophistication.

The Responsible Entity has designed the Fund to provide investors with an investment that not only includes many of these features, but also provides investors with:

- Liquidity;
- Regular ASX market pricing;
- Diversification in terms of:
 - Geographic spread
 - Property asset classes
 - Tenancy mix
 - Different fund managers;

- An investment vehicle that:
 - Gains access to new issues (both unlisted and listed);
 - Retains all commission and underwriting fee income within the Fund for distribution to investors; and
 - Is regularly reviewed and monitored by independent research groups as a consequence of its ASX listed status;
- An experienced manager that will:
 - Make all future investment decisions on behalf of the Fund and its investors; and
 - Attend to all future administration and voting matters associated with the underlying Fund investments.

Where will the Fund source suitable unlisted Property Securities in which to invest?

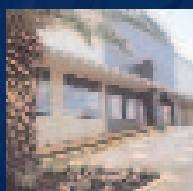
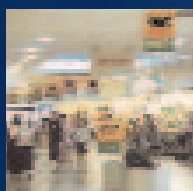
The Responsible Entity will consider the suitability of new issues, or units in existing property trusts, companies or funds (if available) for purchase, should they meet the investment criteria of the Fund.

All investments of the Fund will need to be approved by the Investment Committee of the Fund (see Section 4 for further details).

Section 3

YOUR QUESTIONS ANSWERED

Continued



What are unlisted Property Securities?

In the context of this PDS, unlisted Property Securities mean interests in both wholesale property trusts and retail property syndicates, which are not listed on the ASX.

Wholesale property trusts are those trusts available to sophisticated investors such as institutions (eg. industry or corporate superannuation funds) and high net worth individuals which require minimum investment levels of \$500,000 or more. They are typically large funds which are conservatively geared and provide a total return focus, and therefore, often provide lower distribution yields. They usually hold securely leased property assets which are of 'investment grade' quality.

Retail property syndicates are trusts which are structured to permit investment from 'retail' investors. Usually they provide a higher distribution yield than wholesale vehicles and may be more aggressively geared. They may comprise assets which are not of 'investment grade' quality but often provide the potential for managers to 'add value' in some way, including through capital upgrade or refurbishment, tenancy reconfiguration or rental increases.

What else will the Fund invest in?

From time to time, the Responsible Entity may choose to access ‘opportunistic’ investments in the Listed Property Trust (“LPT”) sector. At various points in the property and equities cycle, well priced opportunities arise amongst the various trusts and entities which comprise the LPT investment universe.

The Fund may make investment through the ASX in the secondary market, or through its relationship with major market participants, such as its Underwriter, investment bank UBS Warburg.

The Fund may also invest in new issues in the LPT sector.

What are the components of my return?

Your total return may include income and capital growth. The income component includes:

- Distributions and dividends on the Fund’s investments;
- Commission and underwriting fees from investments made in unlisted and listed Property Securities;
- Rental income from direct property investments;
- Interest income earned on any cash deposits the Fund may hold; and
- Realised profits on investments sold by the Fund.

The capital component is from changes in the market price of the Fund’s Units on the ASX.

What is meant by the Fund receiving “commissions and underwriting fees from investments made in unlisted Property Securities”?

Following the acquisition by the Fund of the Interests, the Responsible Entity will invest the Fund’s cash reserves in suitable unlisted Property Securities. Typically, the managers of these respective unlisted Property Securities shall pay a commission based upon the amount of funds invested in new issues. Any such commissions the Fund receives from the investments it makes will be distributed as part of the quarterly income distributions the Fund shall pay to Unitholders.

The Responsible Entity may also use the Fund’s cash reserves to provide underwriting services on capital raisings for select unlisted Property Securities.

Any such underwriting will be restricted to:

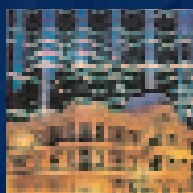
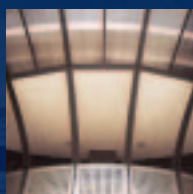
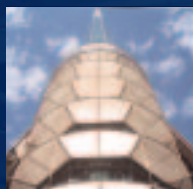
- Unlisted Property Securities the Investment Committee of the Responsible Entity has reviewed and is satisfied with; and
- Dollar amounts the Responsible Entity would be prepared to invest in the respective unlisted Property Security.

As with the commission income, any underwriting fees the Fund shall receive from underwriting select capital raisings for unlisted and listed Property Securities will be distributed to Unitholders as part of the quarterly income distributions out of the net operating income of the Fund.

Section 3

YOUR QUESTIONS ANSWERED

Continued



What benefits does an investment in this Fund provide to superannuation master trust investors?

The Fund provides superannuation master trust investors with two specific benefits, namely:

- Liquidity; and
- Regular market pricing and reporting.

Because of these features, it is therefore possible for superannuation master trusts to invest into a vehicle, other than Listed Property Trusts, that satisfies their property asset allocation of investment funds.

Will the Fund raise further capital from investors in the future?

Yes, this is possible, however it is dependent upon:

- The performance of the Fund;
- The rate at which the Fund is able to make new investments; and
- The future state of financial markets.

The price at which further Units will be issued will be in accordance with the Fund's Constitution. Details on Unit pricing can be found in Section 15.

How will the Fund NTA be calculated?

The Fund NTA will be the Gross Asset Value of the Fund less any Liabilities at that time.

The Gross Asset Value of the Fund is based upon the market value of the underlying Fund assets, as determined by the Responsible Entity.

In making this determination, the Responsible Entity will have regard to:

- Original acquisition price or updated NTA as advised by the relevant Responsible Entity (whichever the case may be) for unlisted Property Securities;
- Current ASX trading price for listed Property Securities; and
- Original purchase price plus acquisition costs (or updated market value by an approved valuer) for direct Property investments.

The Responsible Entity will have each direct Property investment valued at least once every three years (or sooner should the Responsible Entity consider there has been a significant change in value).

The Responsible Entity may change these valuation methodologies and policies for each category of asset from time to time, in which case investors will be notified accordingly.

What Unlisted Property Trusts will the Fund have interests in upon listing?

The Fund has entered into the Conditional Contracts and thereby secured the right to acquire an initial \$24.7 million portfolio of Interests in the Unlisted Property Trusts.

These Interests comprise units in:

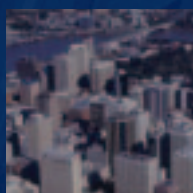
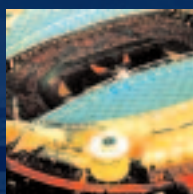
- Deutsche Northgate Property Trust (Hobart suburban retail)
- Deutsche Gordon Property Trust (Sydney suburban retail)
- Deutsche Abbotsford Property Trust (Melbourne suburban office)
- Centro Roselands Property Trust (Sydney suburban retail)
- Centro Kidman Park Property Trust (Adelaide industrial)
- Investa Collins Property Trust (Melbourne CBD office)
- Investa Brisbane Commercial Trust (Brisbane CBD office)
- Investa North Sydney Property Trust (North Sydney office)
- Investa First Industrial Trust (diverse industrial)
- Investa Second Industrial Trust (diverse industrial)
- Acumen 186 St George's Terrace Property Trust (Perth CBD office).

See Section 6 for further details on the portfolio of Unlisted Property Trusts.

Under the Conditional Contracts the consideration to be paid for the purchase of the Interests is cash. Funds raised from the Initial Offer will be used to pay the cash consideration owing to the owners of the Interests (the Interest Owners) upon the sale of the Interests to the Fund.

In accordance with the Interest Owners Offer, the Interest Owners can elect to reinvest the cash consideration which will be owed to them under the Conditional Contracts in Units in the Fund.

Section 3



YOUR QUESTIONS ANSWERED

Continued

How will the Fund acquire future investments?

The funds raised from the Initial Offer will be used to:

- Acquire the Interests pursuant to the Conditional Contracts; and
- Make further investments.

Beyond this, the Fund will make further investments using funds sourced from either:

- Short Term borrowings;
- Further issue of Units (dependent upon Fund performance, investor demand and market conditions); and/or
- Sale of existing investments.

By investing in the Fund, what do I own?

Investors will own Units in a listed unit trust that will predominantly invest in unlisted Property Securities.

How will the Fund seek to enhance returns?

The Fund will seek to enhance returns through:

- Access to new issues in the listed and unlisted Property Securities arena;
- Receipt of wholesale investment commissions or underwriting fees for investments made in unlisted and listed Property Securities; and
- Utilising Short Term borrowings to leverage returns from investments made.

Does the Fund make distributions?

The initial distribution will be in respect of the period from allotment to 30 September 2003. Thereafter, the Fund will make distributions every quarter.

Distributions will be paid as soon as possible following the end of each quarter, and in any case, within two calendar months of the end of the quarter.

Are distributions likely to be tax-advantaged?

Yes, because a portion of the income the Fund will receive from its underlying investments is likely to be tax-advantaged.

The tax-advantaged component of these distributions will flow through to investors when distributed by the Fund.

The expression “tax-advantaged” means that Unitholders do not pay any income tax on the stated tax-advantaged proportion of any cash distribution.

However, Unitholders must note that the amount of the tax-advantaged distribution is deducted from the cost base of the investment for capital gains tax purposes, and therefore it will have to be taken into account at the time the Units are sold or the Fund is wound up. At that time, capital gains tax may have to be paid in respect of the amounts previously treated as being tax-advantaged.

Unitholders are encouraged to read the full Taxation Report prepared by KPMG at Section 13 and to seek independent tax advice relevant to their own personal circumstances as to the taxation consequences of an investment in the Fund.

How is the Responsible Entity incentivised to deliver performance to investors?

The Responsible Entity will be paid a Performance Fee that is directly linked to the performance of the Fund.

The performance of the Fund is measured against an underlying Benchmark Return, which in this instance, is the S&P/ASX200 Property Accumulation Index.

Should the Fund outperform this Benchmark Return, the Responsible Entity shall be paid a fee that is of equal to 20% (including GST) of this outperformance. Any previous underperformance of the Fund must be recovered before a Performance Fee becomes payable.

See Section 15 for further details on the calculation of the Performance Fee.

How do I invest?

To invest, you must complete the Application Form at the back of this PDS.

The Application Price of each Unit allotted under the Offer is \$1.00.

Applications must be received by 4.00pm (Eastern Standard Time) on 25 June 2003. The Responsible Entity and Underwriter reserve the right to vary the closing date and to also accept or reject applications relating to the Initial Offer in their absolute discretion.

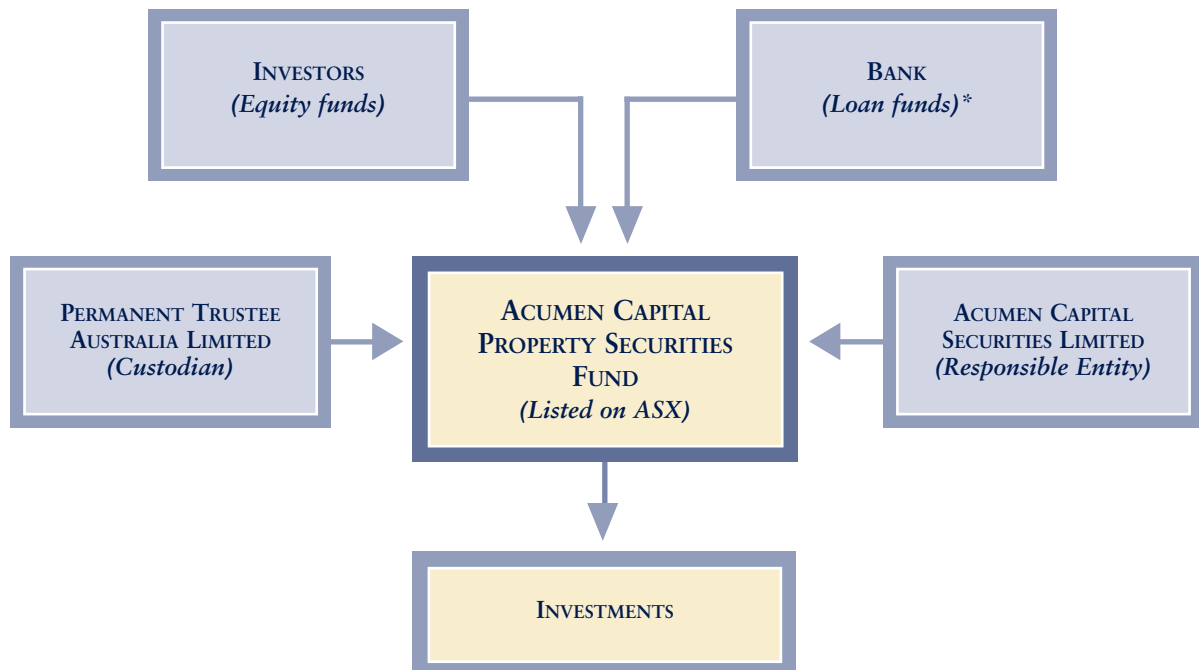
Section 4

THE ACUMEN CAPITAL PROPERTY SECURITIES FUND

Structure

The Fund is a unit trust that will be listed on the ASX and will predominantly invest in a diverse range of unlisted and listed Property Securities.

The structure of the Fund is as follows:



* The Fund will initially have no borrowings.

The major features of an investment in the Fund include:

- Liquidity for Fund investors;
- Diversification (as between investments, property asset class, geographic spread of property assets, tenants and underlying investment managers);
- Property-based investment vehicle;
- Regular market pricing;
- Professional and experienced management;
- Use of Short Term borrowings to enhance returns; and
- Access to commissions and underwriting fees.

Investment objective

The Fund aims to provide investors with attractive returns, which are expected to include a high portion of distributable income with tax advantages.

The Fund will seek to achieve this by:

- Investing predominantly in unlisted Property Securities, ASX listed Property Securities and other property assets/securities that provide a solid income return and medium-to-longer term prospects for capital appreciation; and
- Utilising a prudent level of borrowings to enhance returns.

It is intended that the Fund's assets will be fully invested at most times. Surplus funds may be placed on deposit or invested in bank bills or other suitable money market instruments. It is the Responsible Entity's intention to invest these surplus funds following the establishment of the Fund over the next three to six months in Property Securities, provided these investments satisfy the investment criteria of the Fund.

Asset allocation

The Responsible Entity intends that the principal asset categories and indicative medium to longer term asset allocation ranges of the Fund will be:

Sector	% of gross assets
Unlisted Property Securities	up to 100%
Listed Property Securities	up to 50%
Direct Property	up to 20%
Cash and cash equivalents	up to 20%

At this stage, it is the Responsible Entity's intention to not make any direct Property acquisitions until the Fund reaches a significantly larger size and the appropriate resources are in place to manage any such acquisitions.

The Responsible Entity may decide to alter the asset allocation ranges as a result of changed investment circumstances, in which case, investors will be notified accordingly.



Section 4

THE ACUMEN CAPITAL PROPERTY SECURITIES FUND

Continued

Investing into unlisted Property Securities – the focus of the Fund

The traditional property securities fund is unlisted, and to maintain a level of liquidity, has a significant allocation of assets towards listed Property Securities. It also provides investors with both diversification and access to the professional skills of the manager in maximising the returns from the investment portfolio of the fund.

For these same reasons, and based on the growth in the unlisted Property Securities market, the Responsible Entity has established the Fund to maintain an asset allocation over the medium-to-longer term that is predominantly weighted towards unlisted Property Securities.

Unlisted Property Securities include investments in retail property syndicates and wholesale property trusts.

Retail property syndicates are those typically available to retail investors. Usually they provide a higher distribution yield and are more aggressively geared. They predominantly comprise assets which are not prime investment grade but provide potential for managers to add value through capital upgrade or refurbishment, tenancy reconfiguration or rental increases.

Wholesale property trusts are those trusts typically available to sophisticated investors such as institutions and high net worth individuals.

They are typically conservatively geared, lower yielding and predominantly comprise securely leased investment grade assets.

Pending the achievement of the medium-to-longer term asset allocation, surplus investment funds may also be invested in listed property trusts, direct Property or cash deposits.

The opportunities for re-investment of surplus funds into unlisted Property Securities will fall within two broad categories:

- Investments in select new Property Securities; and
- Acquisition of interests in existing Property Securities,

subject to the restrictions of the Corporations Act, ASX Listing Rules and the Fund Constitution.

In accordance with the Corporations Act, the Fund will only invest in a Managed Investment Scheme if that scheme is registered with ASIC under the Corporations Act.

The Responsible Entity believes opportunities exist to provide liquidity to investors within the unlisted Property Securities sector, and by doing so, for the Fund to perhaps make some acquisitions at a discount to NTA and/or fair market value.

Securities of this type will be selected for their yield-earning ability and their likelihood of delivering enhanced capital returns over the medium-to-longer term.

Because the Fund will be predominantly invested in unlisted Property Securities, the Fund will be listed on the ASX to provide investors with liquidity.

Investment management process

The board of the Responsible Entity controls the Fund and its investments. The experience of the directors is set out in Section 8.

The board proposes to establish an Investment Committee that will meet regularly, and at least monthly, to consider investments for the Fund.

The Investment Committee will initially comprise of the executive directors of the Responsible Entity and Rex Bevan, a non-executive director of the Responsible Entity.

Its responsibilities will include, but not be limited to:

- Asset allocation strategies;
- Implementation of investment and operational strategies;
- Review of investment proposals;
- Performance monitoring; and
- Risk management.

In meeting these responsibilities and making Fund investment recommendations, the Investment Committee will apply the following systematic approach:

Economic outlook

The research process starts with a review of the economic environment, including the expected growth rate for the Australian economy, outlook for interest rates and projections for inflation.

Investment market outlook

A view is formed on the expected performance of investment markets, including cash, fixed interest, equity and property markets.

Property market research

Direct property market research is undertaken to assess the future performance of each type of property. This research includes an assessment of expected levels of demand and supply of vacant space and forecast rental and capital growth rates.

Property securities research

The merits of individual securities are assessed using both qualitative and quantitative factors.

Qualitative factors include the perceived ability of management, attractiveness of the underlying assets relative to property assets in both the same and other property sectors and the capital structure of the individual security.

Quantitative factors include the cash generated under the terms of each lease, forecast bond yields and inflation.

The Investment Committee will also access the property securities research of reputable research houses that research the markets in which the Fund will invest. Those research houses include UBS Warburg and Property Investment Research.

Section 4

THE ACUMEN CAPITAL PROPERTY SECURITIES FUND

Continued

Investment criteria

The investment criteria of the Fund, once fully invested, includes:

- Approved managers:
 - Institutional managers (up to 100%)
 - Other emerging managers (up to 20%)

Institutional managers are those managers that already operate a significant property funds management business and which have institutional support (for example, managers of Listed Property Trusts that form part of the S&P/ASX300 Property Index).

Other emerging managers are those managers that have established relationships with institutional and/or corporate finance groups. They may also include other managers that do not have these relationships but have an established property funds management business and a proven track record in meeting investor expectations;

- No exposure greater than:
 - 30% to one individual manager
 - 20% in one Property Security
 - 30% to one tenant;
- A spread of property assets as between the main property sectors of commercial, retail, industrial and diversified Property Securities vehicles;
- Regard for the level of inherent borrowings in the Property Securities vehicles in which the Fund may invest and the impact this would have on the consolidated gearing of the Fund.

The Responsible Entity may decide to change these investment criteria of the Fund, in which case, investors will be notified accordingly.

When making a decision regarding the selection, retention or realisation of investments, the Responsible Entity does not take into account labour standards or environmental, social or ethical considerations.

Borrowings

The Fund will initially have no borrowings.

It is the Responsible Entity's intention to restrict the Short Term borrowings of the Fund to between 0% and 30% of the Total Tangible Assets of the Fund.

Short Term borrowings will be engaged by the Responsible Entity to provide flexibility in making further investments that will enhance the returns from the Fund.

The level of Short Term borrowings may be reduced by:

- the issue of further Units in the Fund; and/or
- the sale of Fund investments.

Any issue of further Units in the Fund will be dependent upon:

- the future performance of the Fund;
- the rate at which the Fund makes new investments; and
- the state of future financial markets.

At this stage, it is the Responsible Entity's intention to not enter into Long Term borrowings for the first 24 months commencing from the first allotment of Units in the Fund.

Loan facilities may be provided to the Fund from a financier or various financiers. Borrowing costs are to be paid from Fund assets.

The Responsible Entity will be required to provide a charge over the assets of the Fund for the benefit of the Fund's financier or financiers. Such a charge gives priority to the interests of the financier or financiers over the investors, so that the financier or financiers may require Fund assets to be sold if there has been a default under the loan facilities.

The Fund will only borrow on a limited recourse basis to Fund investors and financiers will have no recourse to investors if there is a default under any loan facility.

Liquidity

No later than seven days after the date of this PDS, application will be made to the ASX for the quotation by the ASX of the Units to be allotted under the Offer.

Units in the Fund will therefore be transferable on the ASX following Official Quotation.

Units in the Fund will also participate in CHESS. Under CHESS, you will not receive a certificate in relation to your holding of Units, but you will receive a statement of your holding of Units. If you are broker sponsored, you will receive a CHESS statement from Securities Clearing House (SCH). If you are not broker sponsored, you will receive an issuer sponsored statement from the Unitholder Registry.

The CHESS statement will set out the number of Units allotted to you under this PDS, provide details of your holder identification number and the participant identification number of the sponsor.

If you are registered on the issuer-sponsored subregister, your statement will be dispatched by the Unitholder Registry and will set out the number of Units allotted to you under this PDS and your security holder reference number.

A CHESS statement or issuer sponsored statement will automatically be sent to you at the end of any calendar month during which the balance of your holding changes. You may request a statement at any other time. However, a charge may be payable for additional statements.

Reporting

Investors will receive the following reports from the Responsible Entity:

- Quarterly distribution advice (with the exception of the first distribution that will be for the period from allotment to 30 September 2003);
- Half-yearly financial statements, general investment update and review of Fund performance;
- Annual financial statements, general investment update and review of Fund performance; and
- Annual taxation statement for each financial year providing details to complete an Australian tax return.

Section 5

MARKET REVIEW

The Managed Funds Industry

Australia has the world's most highly securitised property market, with more than 50% of investment grade property held in listed and unlisted property funds. The participants in Australia's managed property funds industry can broadly be classified in the table below:

Fund type	Gross assets (\$bn)	Net assets (\$bn)	Typical gearing (2)	Investor base
Listed property trusts (LPTs)	65	45	25-30%	Institutions, individuals
Property securities funds(1)	16+	16	nil	Individuals
Wholesale funds	12+	12	0-20%	Institutions
Property syndicates	7 +	3 +	50-65%	Institutions, individuals

(1) Property securities funds typically own LPT securities

(2) Borrowings as a proportion of gross assets

Source: Property Investment Research Pty Ltd (PIR)

The **listed property trust (LPT)** market, the largest of the managed fund sectors, has experienced strong growth in market capitalisation over the past 15 years, and now totals more than \$45 billion in net assets (\$65 billion gross) and represents circa 8% of the broader Australian equities market. LPTs offer investors high liquidity, moderate gearing and levels of disclosure in line with (and often above) public companies in other industries.

Dedicated **property securities funds** are unlisted, open-ended funds investing in LPT or property company securities. Managers are primarily institutional funds management companies. Funds under management total approximately \$16 billion.

Unlisted property funds hold net assets estimated to exceed \$15 billion (\$20 billion gross), and is equivalent to approximately 30% of the LPT market's \$45 billion market capitalisation.

The largest component of the unlisted property funds market comprises wholesale funds aimed at institutional investors (\$12 billion or approximately 80% of net assets). The key wholesale fund managers include AMP, Industry Superannuation Property Trust (ISPT), Lend Lease, Colonial, Deutsche Asset Management, Queensland Investment Corporation (QIC) and ING Investment Management.

The balance of the unlisted property market includes property syndicates, comprising gross assets of approximately \$7 billion (or \$3 billion net) and is equivalent to 20% of the unlisted property market's net asset holdings identified in the above table.

Unlisted property fund characteristics differ primarily from LPTs in the following respects:

- **Liquidity:** the LPT market is large and liquid enough to meet the needs of institutional investors. Liquidity is an important benefit of the listed market, and the lack of liquidity in the unlisted market may be a significant deterrent to some investors.
- **Gearing:** unlisted property fund gearing ranges from low (nil to 20%) in wholesale funds to moderate levels (50% to 65%) in many syndicates. This compares with LPTs at 25% to 30%. Higher gearing results in a more pronounced risk reward profile for unlisted property funds, with greater upside (and downside) return potential over the longer term.
- **Diversification and quality:** the size and tenant/geographic diversification of LPT portfolios reduces risk of cash flow volatility. In addition, the major LPTs offer investors access to high grade institutional property. While wholesale funds tend to comprise relatively high quality assets, participation is generally limited to larger institutional investors. Syndicates, by contrast, commonly invest in only one or two smaller properties, resulting in lower diversification and a higher concentration of risk.

In summary, the LPT market offers high liquidity and low gearing relative to syndicates and low risk relative to equities. The trade-off for investors in low-liquidity unlisted property funds (particularly syndicates) is higher gearing and higher risk reward potential.

Property market review

Recent Australian property market performance has been characterised by notable strength in retail property, accompanied by softer industrial and office markets.

The results of the latest asset class returns survey (as at September 2002 – the latest available for direct returns) are summarised below (note this does not reflect the implications of franking credits and tax advantaged distributions):

Asset class performance

Total Return	3 months to end Sep 2002	12 months to end Sep 2002	10 years to Sep 2002 (1)	Volatility
Direct Real Estate (2)	2.3%	10.0%	9.0%	6.7%
Listed Real Estate (3)	1.1%	11.0%	12.0%	10.0%
Equities (4)	(5.1%)	1.4%	11.3%	12.9%
Bonds (5)	5.2%	5.3%	9.0%	4.6%

(1) Compound annual return

(2) Property Council of Australia Investment Performance Index

(3) ASX Listed Property Trust (LPT) Accumulation Index

(4) ASX All Ordinaries Accumulation Index

(5) Commonwealth Bank of Australia (CBA) 5-10 years Bond (All Series) Accumulation Index

Retail has consistently been the strongest property sub-sector. Importantly, retail demonstrates low volatility of total returns even in weaker economic periods such as the early 1990s – a time when both office and industrial markets provided negative total returns. Retail property exposure comprises approximately 47% of the initial investment portfolio of the Fund.

Section 5

MARKET REVIEW

Continued

Retail

Australia's retail real estate market comprises approximately 65 regional centres, 236 discount department store (DDS) based centres and around 650 supermarket-based centres. Between them, these shopping centres total an estimated 11.6 million square metres of floorspace, or around 30% of Australia's total provision of retail floorspace, which is approximately 39 million square metres. The

remainder of Australia's total retail floorspace provision (70%) is provided in strip centres, central business districts (CBDs), bulky goods and freestanding highway retail stores.

Retail continues to be one of the strongest sectors fundamentally. This reflects the consistent improvement in sales growth evident through 2002, with the rebound in discretionary retailing most reassuring. While there remains retailer-specific weakness in the department store category, the specialty retailers have performed strongly. This has reduced some of the pressure on occupancy costs, improving capacity for rental growth on renewals.

Nationwide, shopping centres provided the highest relative rental growth over the 12 months to March 2003. Neighbourhood centres in particular achieved strong growth in line with solid supermarket performance. In Sydney, rents for neighbourhood and sub-regional centres (the majority of the Fund's retail exposure) during the three months to March 2003 were stable.

Reflecting national trends, continued strong investor interest in Sydney retail has led to a firming of yields in all classes, with median yields for regional centres, sub regional centres and multi-tenanted bulky goods centres firming. Sydney sub-regional centre yields as at March 2003 ranged from 8.00% to 8.25% and neighbourhood centre yields ranged from 8.50% to 9.00%.

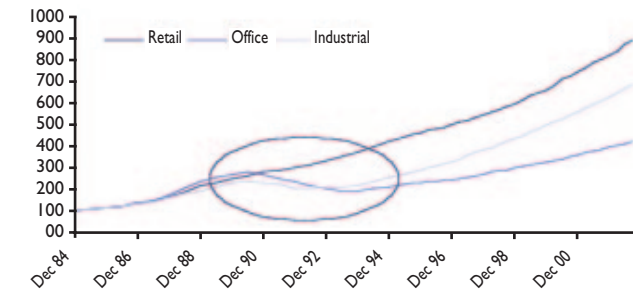
Office

Office market conditions remain relatively soft, reflecting lower demand in most markets. The greatest impact was felt in Sydney and Melbourne, reflecting exposure to service industries. Vacancy rates rose through the three months to March 2003 in Sydney, North Sydney and the Melbourne CBD. Rental levels in Sydney and Melbourne trended lower over the period.

The North Sydney market weakened somewhat during the three months to March 2003, resulting in gross effective rents decreasing. UBS Warburg expects vacancy rates in North Sydney to peak in late 2003, and effective gross rents to grow at 2.5% per annum over the 2002-07 period.

Sydney CBD prime yields as at March 2003 ranged from 6.50% to 7.50%, secondary CBD yields from 7.25% to 8.25%, North Sydney prime yields from 7.75% to 8.25% and North Sydney secondary yields from 8.25% to 8.75%.

Total returns by sector



Source: Property Council of Australia

The Melbourne CBD's net absorption (take-up of space) was negative during the three months to March 2003, predominantly driven by the relocation of some large corporate tenants to fringe locations. The weak medium-term outlook for the Melbourne office market makes it important to ensure that counter cyclical investments are underpinned by above average yield and longer lease tenure.

UBS Warburg expects that, subject to economic conditions, net absorption should show some signs of recovery in the second half of this year, driven by an increase in skilled services employment.

Vacancy and rents are generally stable in Brisbane, Adelaide, Perth and Canberra. Yields have generally remained static despite weak fundamentals, reflecting a lack of investment grade stock and low bond yields.

Brisbane CBD prime yields as at March 2003 were approximately 8.00% and secondary CBD yields were around 9.00%. Melbourne CBD prime yields were approximately 8.00%, with Perth CBD prime yields approximately 8.00%.

Industrial markets

The industrial markets nationally continue to face relatively tough conditions, with weaker tenant demand (no recovery seen in the last three months of 2002), relatively high levels of supply and the global contraction in GDP growth. Rental growth has been weaker than anticipated, with incentives increasing in order to attract tenants. The timing of the return of stronger conditions is contingent on the timing of a global recovery.

Industrial rental growth was relatively mild over the last quarter, however it remains positive on a 12 month basis depending upon market segment and quality of stock.

Prime rents in most industrial markets in Sydney experienced mild growth over the 12 months to March 2003. The exception was the northern precinct where increasing supply has impacted rental growth. In Melbourne, falls in prime rents in the city fringe over the past 12 months were offset by secondary city fringe rental growth. Rental growth across the north-west and south-east precincts was solid.

Brisbane rental levels are largely stable. Rental growth is unlikely to occur while both a significant portion of surplus space in the secondary market is unfilled and there is strong competition between developers for new pre-commitments. Existing rents appear to be high enough to justify new development.

There continues to be a relatively high level of new supply in Sydney, Melbourne and Brisbane with economic rents for new developments in line with rents for existing product. This is resulting in a concentration of vacancy in the older secondary stock. Despite this, investor demand remains strong in these markets, with yields continuing to trend firmer.

As at March 2003, Sydney industrial property yields ranged from 9.00% to 9.50% in the outer western suburbs and from 8.75% to 9.00% in North Sydney's high-tech locations.

Section 6

INITIAL INVESTMENT PORTFOLIO

The Fund has entered into the Conditional Contracts and thereby secured the right to acquire an initial investment portfolio of \$24.7 million of Interests in the Unlisted Property Trusts.

KPMG Corporate Finance has prepared a report on whether the price being paid by the Fund for the investments is reasonable (see Section 11).

The portfolio of Interests is made up of eleven different trusts, spread over the retail, office and industrial sectors, and four individual managers.

Initial Portfolio Summary

Manager/Property	Property value (a) (\$ m)	Last valuation date	Fund commencement date (b)	Fund term (years) (c)	Units on issue (d)
DEUTSCHE					
NORTHGATE PROPERTY TRUST	55.00	Dec '02	Sep '97	12	20,000,000
GORDON PROPERTY TRUST	46.00	Jun '01	Sep '98	12	21,700,000
ABBOTSFORD PROPERTY TRUST	14.25	Dec '02	Oct '97	12	5,000,000
CENTRO					
ROSELANDS PROPERTY TRUST (f)	111.36	Jun '02	Jul '98	6	39,800,000
KIDMAN PARK PROPERTY TRUST (g)	32.50	Mar '01	Apr '98	7	11,135,000
INVESTA					
COLLINS PROPERTY TRUST	43.40	n/a	Oct '00	6	22,400,000
BRISBANE COMMERCIAL TRUST	49.50	n/a	Apr '01	6	24,100,000
NORTH SYDNEY PROPERTY TRUST	45.37	n/a	Apr '01	6	24,200,000
FIRST INDUSTRIAL TRUST	48.12	n/a	Dec '01	6	26,300,000
SECOND INDUSTRIAL TRUST	56.75	n/a	Apr '02	6	27,100,000
ACUMEN CAPITAL					
186 ST GEORGE'S TERRACE	10.25	n/a	Oct '01	10	5,400,000

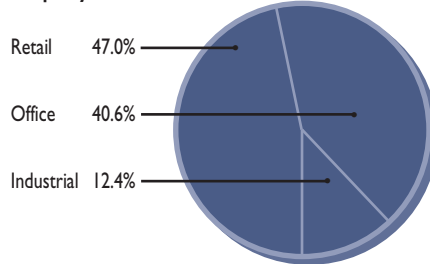
Notes:

- (a) Original purchase price unless independently valued since commencement of trust.
- (b) Based on original prospectus date.
- (c) From trust commencement date per original prospectus (subject to the right (if any) under the respective trust constitution of the manager to terminate the trust earlier).
- (d) Per original prospectus.
- (e) Based upon annualised distributions paid by the respective trusts for the quarter ended 31 December 2002. Past performance is not necessarily a guide to future performance.
- (f) 50% share of property.
- (g) Prior to capital repayment of principal on trust's loan facility.

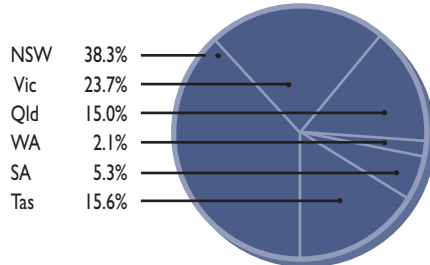
Summary of Portfolio Mix

Units to be purchased	Purchase price per unit	Total purchase price	Yield on purchase price (e)
2,765,000	\$1.40	\$3,871,000	10.18%
1,498,000	\$1.40	\$2,097,000	8.93%
190,000	\$1.35	\$256,000	10.74%
5,400,000	\$1.05	\$5,670,000	10.29%
794,000	\$1.65	\$1,310,000	11.52%
5,240,000	\$1.00	\$5,240,000	9.70%
3,397,000	\$1.00	\$3,397,000	10.50%
636,000	\$1.00	\$636,000	8.00%
1,018,000	\$1.00	\$1,018,000	9.76%
736,000	\$1.00	\$736,000	9.24%
515,000	\$1.00	\$515,000	9.50%
22,189,000		\$24,746,000	10.00%

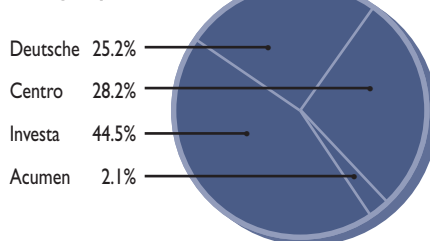
Property class



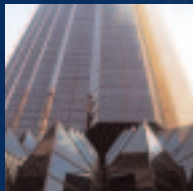
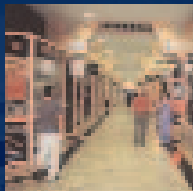
Geographic spread



Manager spread



Section 6



INITIAL INVESTMENT PORTFOLIO

Continued

The Managers

DEUTSCHE ASSET MANAGEMENT (AUSTRALIA) LIMITED

Deutsche Asset Management is part of DB Real Estate, one of Australia's largest real estate fund managers responsible for assets valued at more than \$10 billion. Deutsche's real estate operations encompass listed property and infrastructure trusts, a wholesale property fund, property syndicates and private property portfolios.

Deutsche Industrial Trust (DIT) has outperformed the UBSW Industrial 300 Index ⁽¹⁾ by 7.5% and the S&P/ASX200 Property Accumulation Index over the 1 year period for which data is available.

DIT ranked 2nd overall out of 48 contenders in a recent listed trust industry survey ⁽²⁾ based on a range of financial and investment criteria.

CENTRO PROPERTIES GROUP

Centro Properties Group (CEP) is an ASX listed property investment organisation that specialises in the ownership, management and development of retail properties throughout Australia. Centro has retail property under management of nearly \$2.4 billion.

CEP has outperformed the UBSW Retail 300 Index ⁽¹⁾ on a 1, 3 and 5 year basis by 0.6%, 5.8% and 6.0% respectively. Over the same period, CEP has outperformed the S&P/ASX200 Property Accumulation Index by 2.0%, 4.7% and 6.8% respectively.

CEP ranked 1st overall in a recent listed trust industry survey ⁽²⁾ based on a range of financial and investment criteria.

(1) UBSW Index data April 2003

(2) BDO Listed Property Trust Survey 2003

INVESTA PROPERTY GROUP

Investa Property Group (IPG) is an ASX listed fully integrated property investment manager with funds under management of \$2.7 billion. In addition to the management of its own portfolio, IPG manages a number of wholesale property funds and syndications on behalf of third parties.

IPG has outperformed the UBSW Commercial 300 Index ⁽¹⁾ on a 1, 3 and 5 year basis by 4.6%, 6.0% and 2.9% respectively. Over 3 and 5 years, IPG has outperformed the S&P/ASX200 Property Accumulation Index by 2.9% and 0.8% respectively.

IPG ranked 11th overall in a recent listed trust industry survey ⁽²⁾ based on a range of financial and investment criteria.

IPG was also recently awarded the Property Investment Research Fund Manager of the Year in 2002.

(1) UBSW Index data April 2003

(2) BDO Listed Property Trust Survey 2003

ACUMEN CAPITAL LIMITED

Acumen Capital Limited is a property funds management company with over \$115 million in funds under management.

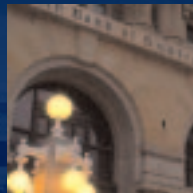
Acumen Capital Limited is the responsible entity for the Acumen Office Trust, the Acumen Diversified Property Trust and the 186 St George's Terrace Property Trust.



Section 6

INITIAL INVESTMENT PORTFOLIO

Continued



DEUTSCHE NORTHGATE SHOPPING CENTRE, GLENORCHY TASMANIA (ARSN 092 632 481)

**Responsible Entity: Deutsche Asset
Management (Australia) Limited
(ACN 076 098 596)**

The Trust owns one of the two major shopping centres in the metropolitan area of Hobart, the Northgate Shopping Centre in Glenorchy.

Northgate Shopping Centre is the major shopping centre in Glenorchy, approximately seven kilometres north-west of the Hobart CBD.

It comprises 19,248 square metres of net lettable area and provides parking for 873 cars. The property is anchored by a Coles supermarket occupying approximately 4,733 square metres, Target Discount Department Store occupying 5,800 square metres and Best & Less occupying 1,195 square metres. In addition, a further 74 specialty retailers occupy the remaining space.

**DEUTSCHE GORDON SHOPPING
COMPLEX, GORDON NSW
(ARSN 092 632 052)**

**Responsible Entity: Deutsche Asset
Management (Australia) Limited
(ACN 076 098 596)**

The Trust owns a community shopping centre on Sydney's upper North Shore.

The Gordon Shopping Complex comprises the Gordon Centre at 807 Pacific Highway and the Gordon Village Arcade at 767 Pacific Highway, directly opposite the Centre.

The Gordon Centre comprises 11,507 square metres of net lettable area and seven levels of car parking accommodating 575 car spaces.

It is anchored by a Woolworths Supermarket, a Harvey Norman furniture and electrical store and a mix of specialty retailers.

The Gordon Village Arcade has 1,846 square metres of net lettable area and is directly linked to a council car park offering approximately 330 car spaces within 100 metres of the Gordon railway station.

**DEUTSCHE ABBOTSFORD PROPERTY
TRUST, ABBOTSFORD VICTORIA
(ARSN 092 632 883)**

**Responsible Entity: Deutsche Asset
Management (Australia) Limited
(ACN 076 098 596)**

The Trust owns a well-located boutique suburban commercial building, situated in the inner east of the Melbourne metropolitan area. This precinct appeals to tenants who prefer non-CBD locations because of the campus-style environment, ease of access to transport routes and availability of inexpensive car parking.

The property provides 5,540 square metres of lettable area and parking for 195 cars.

Section 6

INITIAL INVESTMENT PORTFOLIO

Continued



CENTRO ROSELANDS SHOPPING CENTRE, SYDNEY NSW (ARSN 093 356 480)

**Responsible Entity: CPT Manager Limited
(ACN 054 494 307)**

Roselands Shopping Centre comprises a three-level fully enclosed major regional shopping centre with a wide range of retail outlets, superior access and excellent parking facilities. Gross lettable area is 61,576 square metres, with 3,600 parking bays (1,500 undercover).



The property is located in the south western suburbs of Sydney, approximately 15 kms from the CBD, in a densely populated residential area. Population within the primary catchment area is 105,000, with a further 178,000 in the secondary area.



Major retailers include Grace Brothers, Target, Coles and Woolworth's Food for Less. There are 183 speciality retailers, including many with a national presence.



**CENTRO KIDMAN PARK
DISTRIBUTION CENTRE,
ADELAIDE SA
(ARSN 090 930 902)**

**Responsible Entity: CPT Manager Limited
(ACN 054 494 307)**

The Trust owns a property that comprises a significant office component, large multi-purpose industrial warehouses, and spare land providing future expansion potential. Gross lettable area of the improvements is 51,574 square metres.

The property is well-positioned approximately eight kilometres west of the Adelaide GPO, five kilometres from major rail and sea transport services and eight kilometres from the Adelaide airport.

The property is fully leased to Metcash Trading Limited Australia (formerly Davids) for a period of 15 years (subsequently extended by two and a half years) with the lease having commenced in May 1998. The lease is due to expire in December 2015 and has two further options of ten years and five years.

**INVESTA COLLINS PROPERTY TRUST,
MELBOURNE VICTORIA
(ARSN 093 785 767)**

**Responsible Entity: Investa Properties
Limited (ACN 084 407 241)**

The Trust owns one office building located at 350 Collins Street, Melbourne.

Collins Street is regarded as one of Australia's pre-eminent business addresses, with the properties surrounding 350 Collins Street being home to some of Australia's leading corporations. The high concentration of banks, insurance companies and other financial institutions in this part of Melbourne has made this area one of Melbourne's core corporate locations.

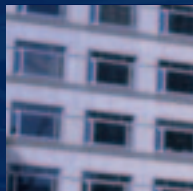
The property asset is a substantial, well refurbished 'B' Grade office building, offering 15 levels of office accommodation and ground floor retail. Net lettable area for the property is approximately 18,000 square metres and there is basement car parking for approximately 65 vehicles. The building has undergone progressive refurbishment over recent years.

Tenants within the building include Citibank Limited, Austock Brokers Pty Ltd, Japanese Chamber of Commerce, The Bank of New York and Energex Limited.

Section 6

INITIAL INVESTMENT PORTFOLIO

Continued



INVESTA BRISBANE COMMERCIAL TRUST, BRISBANE QUEENSLAND (ARSN 096 106 142)

Responsible Entity: Investa Properties Limited (ACN 084 407 241)

The Trust owns two property assets. The first property is an office building, Boeing House, located at 363 Adelaide Street, Brisbane. The second property is a car park that provides 325 strata title car spaces in the Festival Car Park, 45 Charlotte Street, Brisbane.

Boeing House comprises 14 levels of office accommodation and provides approximately 14,600 square metres of net lettable area and approximately 340 square metres of retail space. There are also approximately 165 car parking bays in the basement of the building. Boeing House was originally constructed in 1987 and has undergone an extensive upgrade of services in 1999.

The building is predominantly occupied by high quality tenants on long-term leases, being Boeing Australia and Bechtel Engineering.

The Festival Car Park is fully leased to Kings Car Parking through until 2014.

INVESTA NORTH SYDNEY PROPERTY TRUST, NORTH SYDNEY NSW (ARSN 096 429 426)

Responsible Entity: Investa Properties Limited (ACN 084 407 241)

The Trust owns one office building, Cisco Systems House, at 80 Pacific Highway, North Sydney.

This property was completed in 2000, and is situated in a prominent position in the heart of North Sydney, at the junction of the Pacific Highway and Walker Street. It is well located among a number of other office buildings including the headquarters of Optus and AGL, and provides ready access to bus and rail stations and North Sydney's major shopping complex, Greenwood Plaza.

The property comprises 14 levels of office accommodation and ground floor retail. Net lettable area for the property is approximately 13,250 square metres and there is basement car parking for approximately 86 vehicles. The property is predominantly occupied by two high quality tenants on long-term leases, being Cisco Systems and Siebel Systems, both subsidiaries of substantial international information technology firms.

INVESTA FIRST INDUSTRIAL TRUST (ARSN 098 530 468)

Responsible Entity: Investa Properties Limited (ACN 084 407 241)

The Trust's assets comprise six industrial properties located in Sydney, Melbourne and Brisbane.

The properties include:

- 2 Packard Avenue, Castle Hill, NSW
- 40-42 Carrington Road, Castle Hill, NSW
- Every Road, Granville, NSW
- 88-96 Ricketts Road, Mt Waverly, Vic
- 12-14 Kitchen Road, Dandenong, Vic
- 57 Assembly Street, Salisbury, Qld

By value, approximately 61% of the portfolio is located in NSW, 29% in Victoria and 10% in Queensland.

Tenants include Target (a subsidiary of Coles Myer Ltd), Mayne Nickless, Tubemakers and Ciba Vision.

Section 6

INITIAL INVESTMENT PORTFOLIO

Continued

INVESTA SECOND INDUSTRIAL TRUST (ARSN 098 325 789)

Responsible Entity: Investa Properties Limited (ACN 084 407 241)

The Trust's assets comprise five industrial properties located along Australia's eastern seaboard.

The properties include:

- 2 Eden Park Drive, North Ryde, NSW
- 23 Waterloo Road, North Ryde, NSW
- 101 Beenleigh Road, Acacia Ridge, Qld
- 131 Beenleigh Road, Acacia Ridge, Qld
- 8 - 10 Kitchen Road, Dandenong, Vic

By value, approximately 61% of the portfolio is located in NSW, 30% in Queensland and 9% in Victoria.

Tenants include Woolworths and Fujitsu.

ACUMEN 186 ST GEORGE'S TERRACE, PERTH WA (ARSN 097 787 472)

Responsible Entity: Acumen Capital Limited (ACN 094 936 866)

The Trust owns a Perth CBD office building located at 186 St George's Terrace. The property is a modern, well-located eight-level office development completed in 1988 and provides 4,347 square metres spread over a ground floor entry and office area, mezzanine office floor, and five upper levels of office accommodation.

The basement of the building provides tenant parking for 20 car parking bays.

The property is strategically located on the northern side of St George's Terrace between King and Mill Streets within the western precinct of the Perth CBD. The building has good exposure to St George's Terrace, Perth's prime business address.

The property is fully leased to Allianz Australia Services Pty Limited for a term of seven years from May 2001. Allianz's lease commitments are guaranteed by its Australian parent company, Allianz Australia Limited.



FINANCIAL SUMMARY

The Fund was registered on 4 April 2003 and as at the date of this PDS no Units in the Fund have been issued, and therefore, no historical position of the Fund is shown.

The Initial Offer comprises a total of 40 million Units at an Offer Price of \$1.00 per Unit to raise \$40.0 million. \$26.7 million of the Initial Offer is underwritten. Funds raised under the Initial Offer will be used by the Fund firstly to acquire the Interests and then the balance will be held in cash for further reinvestment. After the Fund has paid the purchase price to acquire the Interests out of the monies raised under the Initial Offer, the Fund will have enough working capital to fund its obligations as and when they become due.

The minimum subscription to be raised under the Initial Offer is \$26.7 million.

The Interest Owners Offer comprises 24.7 million Units at an Offer Price of \$1.00 per Unit to enable the Interest Owners to subscribe for Units in the Fund.

The unaudited Source and Application of Funds and the pro forma unaudited Statement of Financial Position have been prepared on three scenarios of funds subscribed:

- | | |
|---------------------------|--|
| (a) Minimum subscription | Assumes the only funds subscribed is the underwritten amount in relation to the Initial Offer of \$26.7 million. |
| (b) Mid case subscription | Assumes \$26.7 million subscribed from the underwritten amount, \$4.6 million subscribed from non-underwritten subscriptions and \$8.7 million from the Interest Owners Offer. |
| (c) Full subscription | Assumes \$26.7 million subscribed from the underwritten amount, \$13.3 million subscribed from non-underwritten subscriptions and \$24.7 million from the Interest Owners Offer. |

Source and Application of Funds

	Note	Minimum subscription	Mid case subscription	Full subscription
		\$m	\$m	\$m
Source of Funds:				
Proceeds from the Initial Offer - Underwritten		26.7	26.7	26.7
Proceeds from the Initial Offer - Non-underwritten		-	4.6	13.3
Proceeds from the Interest Owners Offer		-	8.7	24.7
		26.7	40.0	64.7
Application of Funds:				
Purchase of Interests		24.7	24.7	24.7
Fixed Offer expenses	a	2.0	2.0	2.0
Variable Offer expenses	b	-	0.3	0.7
Cash held for re-investment into Property Securities		-	13.0	37.3
		26.7	40.0	64.7

Notes:

- (a) \$2.0 million of fixed Offer expenses include (see section 9):
- \$1.5 million underwriting fee payable to UBS Warburg Australia Limited for underwriting \$26.7 million of the Initial Offer;
 - \$0.2 million in estimated professional adviser fees;
 - \$0.2 million in estimated stamp duty payable on the transfer of the Interests from the Interest Owners to the Fund; and
 - \$0.1 million in other costs (PDS printing costs, register set-up etc).
- (b) Variable Offer expenses include (see section 9):
- Adviser commissions on non-underwritten Initial Offer subscriptions;
 - Handling fee on Interest Owners subscriptions; and
 - ASX listing fees which vary based on the value of equity for which quotation is sought and is calculated in accordance with ASX listing rules.

Pro forma unaudited Statement of Financial Position

	Note	Minimum subscription	Mid case subscription	Full subscription
		\$m	\$m	\$m
Assets				
Unlisted Property Securities	a	24.9	24.9	24.9
Cash, deposits, bills	b	-	13.0	37.3
Total assets		24.9	37.9	62.2
Liabilities				
		-	-	-
Net assets		24.9	37.9	62.2
Proceeds from the Initial Offer				
Proceeds from the Initial Offer	c	26.7	31.3	40.0
Proceeds from the Interest Owners Offer	d	-	8.7	24.7
Offer expenses	e	(1.8)	(2.1)	(2.5)
Total Unitholders' equity		24.9	37.9	62.2
Number of Units on issue		26.7	40.0	64.7
Net asset backing per Unit (\$)		\$0.93	\$0.95	\$0.96

The pro forma unaudited Statement of Financial Position has been derived from the transactions detailed below as if they had occurred:

- This represents the Interests in the Unlisted Property Trusts purchased from the Interest Owners for \$24.7 million. This amount does not change under each subscription scenario as these units are secured by Conditional Contracts and the underwritten amount ensures the purchase of these Interests. This amount also includes \$0.2 million as acquisition costs, which represents the estimated stamp duty cost of transferring the Interests in the Unlisted Property Trusts.
- This is the estimated excess cash available immediately the Fund is admitted to the ASX's Official List. This amount will be managed to maximise the return and, where appropriate, these funds will be used to make progressive investments in Property Securities.
- Issue of respective number of Units at \$1.00 each under the Initial Offer.
- Issue of respective number of Units at \$1.00 each under the Interest Owners Offer.
- All fixed and variable Offer expenses incurred except for \$0.2 million which forms part of asset acquisition costs. These Offer costs have been offset against Unitholders' equity.

Significant Accounting Policies

The significant policies which have been adopted in the preparation of the pro forma unaudited Statement of Financial Position are:

Basis of preparation

The pro forma unaudited Statement of Financial Position has been prepared in accordance with the Constitution and generally accepted accounting principles as applied in Australia for the purposes of inclusion in a product disclosure statement.

It has been prepared on the basis of historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets.

Cash and cash equivalents

Cash and cash equivalents include deposits held at call with a bank or financial institution and highly liquid investments with short periods to maturity which are readily convertible to cash on hand at the Responsible Entity's option and are subject to insignificant risk of changes in value.

Unlisted Property Securities

Investments in unlisted registered managed investment schemes are stated at fair market value, which in this case is cost of acquisition.

Issue costs

All costs related to the issue of Units are offset against the proceeds raised.

Income tax

Under current income tax legislation, the Fund is not subject to income tax, as net operating income (including assessable realised capital gains) is distributed in full to Unitholders. Tax-advantaged income is in turn distributed to Unitholders in the form of a tax-advantaged component of Fund distributions.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the ATO. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as an expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the pro forma unaudited Statement of Financial Position.

Section 8

ACUMEN CAPITAL SECURITIES LIMITED - DIRECTORS AND MANAGEMENT

Acumen Capital Securities Limited is the Responsible Entity of the Fund, and under the Constitution and Corporations Act, is responsible for managing the Fund on each Unitholder's behalf.

The two shareholders of this company are Acumen Capital Limited and Western Pacific Portfolio Planning Pty Ltd.

Acumen Capital Limited is a property funds management company with over \$115 million in funds under management and manages the Acumen Office Trust, the Acumen Diversified Property Trust and the 186 St George's Terrace Property Trust.

The two major shareholders of Acumen Capital Limited are Multiplex Constructions Pty Ltd and the Hawaiian Group of Companies.

Western Pacific Portfolio Planning Pty Ltd is an Australia-wide financial planning group with in excess of \$850 million in funds under advice.

The Responsible Entity combines the skills and experience of the directors and senior executives together with the reputations and track records of the two major shareholder groups.

Directors

Rob Rayner, B. Bus CA ASIA Managing Director

Rob has been involved in property and property funds management for more than 15 years and has extensive property and financial experience in both the listed and unlisted sectors of the funds management industry.

This experience has been gained through his previous employment within the Armstrong Jones (now ING Investment Management Limited) unlisted and listed property trust business.

Within the Armstrong Jones property funds management business he was the fund manager for unlisted and listed property trust portfolios with total property assets exceeding \$500 million.

Since October 2000, Rob has been the Managing Director of Acumen Capital Limited.

He is responsible for both the growth and development of that business, along with the ultimate responsibility for the performance of the funds that Acumen Capital Limited has under management.

Rob graduated from Curtin University with a Bachelor of Business, is a chartered accountant and has completed the Graduate Diploma in Applied Finance and Investment with the Securities Institute of Australia.

Stephen Dixon, B. Bus CPA Executive Director and Fund Manager

Stephen has over 13 years experience in the funds management industry both in Australia and overseas.

He joined a major listed property funds management group in 1989 and has held a number of senior positions in predominantly property-based fund manager roles.

More recently, prior to joining Acumen Capital Limited, Stephen was employed by Guardian Funds Management Limited as Managing Director. Guardian Funds Management Limited is the manager of the listed Flexi Property Fund.

In his position as Managing Director, Stephen was responsible for the strategic direction, growth and management of the ASX listed Flexi Property Fund, along with responsibility for liaising with the ASX on all fund-related matters and providing investors with regular updates on the performance of the Flexi Property Fund.

In his position as Fund Manager for the Acumen Capital Property Securities Fund, Stephen shall have full responsibility for the complete financial performance of the Fund, along with all ASX and ASIC related matters.

Stephen holds a Bachelor of Business and has been a CPA since 1989.

Brian Motteram, B. Bus CA
Non-Executive Director

Brian has over 30 years experience in the finance and accountancy profession, with international firms such as Deloitte and KPMG, in private accountancy practice and in general commerce.

He joined the Hawaiian group of companies in 1996 as Chief Financial Officer and later became Finance Director in 2000. Brian is now the Director – Business Development, with primary responsibility for Hawaiian's investment in the Acumen Capital funds management business, as well as mezzanine financing operations and other indirect property activities.

Brian has been a Director of Acumen Capital Limited since its inception in 2000 and brings a wide range of experience to the Board.

Brian holds a Bachelor of Business and is an Associate Member of the Institute of Chartered Accountants.

Rex Bevan, B Econ (Hons) MBA
Non-Executive Director

Rex has many years business experience in the areas of financial management, investment banking and the provision of economic and investment advice.

From 1983 to 1987 Rex was the Western Australian Manager and Associate Director for the investment bank Capel Court Corporation Ltd, where he specialised in providing corporate financial advice.

Since 1988 he has filled a number of roles within Western Pacific Portfolio Planning Pty Ltd, including Research Manager, and later, Managing Director. Rex currently advises a group of retail clients of the business and provides investment consultancy services.

Rex was an original shareholder and from 1994 to 1998 a director of the master trust operator, Flexiplan Australia Ltd, prior to its acquisition by MLC.

Rex holds the degrees of Bachelor of Economics (Honours) and Master of Business Administration, both from the University of Western Australia.

Section 8

ACUMEN CAPITAL SECURITIES LIMITED - DIRECTORS AND MANAGEMENT

Continued

Senior Executives

Tim Boden, BSc. (Hons) MRICS
Asset Manager

Tim has almost 20 years experience in the property industry both in Australia and overseas holding senior positions with Jones Lang LaSalle, Lend Lease Commercial and Global Funds Management.

His experience covers all disciplines of property with special emphasis upon asset management, lease negotiation, rental negotiations and property acquisitions/disposals.

Tim is responsible for the asset management of the property portfolio of Acumen Capital Limited and shall provide input into the review of new investment opportunities for the Fund.

Tim holds a Bachelor of Science (Hons) in Urban Land Administration and is a member of the Royal Institution of Chartered Surveyors.

Tracey Lodge, B. Bus CA
Financial Controller

Tracey has more than 12 years experience in the chartered and public accounting arena, having held senior positions both in Australia and overseas.

She is responsible for all the day-to-day financial management, compliance and administration of Acumen Capital Limited and its managed funds.

Tracey holds a Bachelor of Business and is an Associate Member of the Australian Institute of Chartered Accountants.

Section 9

FEES AND EXPENSES

Set out in this section are the fees and expenses associated with the Offer and the ongoing operation of the Fund, all of which are deducted before distributions are paid to Unitholders.

9.1 Expenses of the Offer

The expenses of the Offer have been prepared based upon the “Full Subscription” scenario (see Section 7).

The expenses of the Offer are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the ATO. In these circumstances, the GST is recognised as part of the cost of acquisition of an asset or as an expense.

Fee	Amount	Received by	Paid by
Underwriting fee and commissions	\$1.914 million (being the underwriting fee on the underwritten portion of the Initial Offer, co-arrangement fee on the non-underwritten portion of the Initial Offer and non-recoverable GST)	UBS Warburg Australia Limited and Western Pacific Portfolio Planning Pty Ltd	The Fund, out of the proceeds of the Offer
Handling fee	1.0% of the cash consideration paid to the Interest Owners that is reinvested into Units in the Fund	Western Pacific Portfolio Planning Pty Ltd	The Fund, out of the proceeds of the Offer
Stamp Duty on transfer of Interests in Unlisted Property Trusts and other Offer costs	Estimated at \$0.5 million	Various, including respective State Revenue Offices, ASIC, ASX, printers, providers of professional services, non-recoverable GST etc.	The Fund, out of the proceeds of the Offer

Section 9

FEES AND EXPENSES

Continued

9.2 Ongoing fees and expenses

Fee	Amount	Received by	Paid by
Base management fee	An annual fee of 0.50% of the Gross Asset Value of the Fund, accrued daily and paid quarterly in arrears (including GST)	The Responsible Entity	The Fund
Performance fee	In addition to the base management fee, 20% of outperformance against the Benchmark, paid in cash half yearly (including GST) Any previous underperformance must be recovered before a performance fee becomes payable (see Section 15)	The Responsible Entity	The Fund
Other	The Responsible Entity's current expectation is that the MER of the Fund, on an ungeared basis, will not exceed 0.70% per annum (excluding any Performance Fee that may be payable) for the first year of the Fund	Service providers to the Fund	The Fund

Section 10

RISK FACTORS

All investments involve varying degrees of risk. While there are many factors which may impact on the performance of any investment, the summary below details some of the major risks that investors should be aware of when investing in the Fund.

Before investing, each potential investor should consider whether the Fund is a suitable investment given their investment objectives. An investment in the Fund should not generally be considered a Short Term investment. The following list is not exhaustive and potential investors should read this PDS in full and, if they require further information on material risks, seek appropriate financial advice.

Market risk

There are general risks associated with any listed or unlisted investment. The value of units can go down as well as up due to circumstances affecting the stock market generally as well as the Fund in particular, which may be beyond the control of the Fund and the Responsible Entity.

Income risk

The level of income can fall as well as rise and the tax status of such income can change.

Economic risk

The returns from Property Securities are affected by a range of economic factors including changes in interest rates, exchange rates, inflation, general share market conditions, government policy (including monetary and taxation policy and other laws), fluctuations in general market prices for property, shares, bonds and other tradeable investments, and the general state of the domestic and world economies.

Security specific risk

Returns are also affected by the underlying strength of the cash flows, balance sheets and management of the entities in which the Fund invests. In particular, the returns for Property Securities are affected by the supply of and demand for investment property and space, vacancies, rental rates, borrowing levels and the level of net income (including the amounts of tax-advantaged income) derived from the underlying properties.

Taxation risk

The after-tax returns from an investment in the Fund may be influenced by changes in taxation laws or their interpretation.

Borrowing risk

The Responsible Entity intends that the Short Term borrowings of the Fund will not exceed 30% of the Total Tangible Assets of the Fund. The effect of borrowings is that gains and losses are magnified. Borrowing also increases risk in relation to both the stability of returns and the return on capital.

Interest rate risk

The Responsible Entity intends to engage borrowings to enhance the returns of the Fund. The Responsible Entity does not intend to fix the interest rate on Short Term borrowings as the level of these borrowings may increase and decrease depending upon the future investment strategy of the Responsible Entity and the amount/timing of future capital raisings (which in turn will be dependent upon future Fund performance, investor demand and market conditions). The Fund will therefore be exposed to any movements in interest rates on these borrowings.

The Responsible Entity may fix the interest rate on any Long Term borrowings.

Liquidity and listing

The Responsible Entity will apply to have the Fund listed on the ASX. If this does not occur within a period of three months after the date of this PDS, then Investors will have their application money returned without interest. However, once listed, there is no guarantee the Fund will remain listed nor can the Responsible Entity give any assurances about the extent of the market for Fund Units. If the market is "thin", that is, there

Section 10

RISK FACTORS

Continued

is limited demand for the Units, then Investors may not be able to sell their Units at the price, or within the time, they want.

If the Fund is not listed, any Units you acquire will be illiquid. This is because to sell your Units, you will need to find a buyer who wants to make an investment of this kind in the Fund.

Information available

The Responsible Entity has made enquiries in relation to each of the eleven Unlisted Property Trusts, including financial and legal due diligence. The nature and extent of the Responsible Entity's enquiries is limited to information which is publicly available. This means there is a risk that there may be information which is material about one of the Unlisted Property Trusts which is not publicly available and therefore is not available to the Responsible Entity.

All of the Unlisted Property Trusts are "unlisted disclosing entities" for the purposes of Chapter 6CA of the Corporations Act 2001, except for the Abbotsford Property Trust ARSN 092 632 883. Under Chapter 6CA, if a trust which is an "unlisted disclosing entity" becomes aware of information that is not generally available, and that a reasonable person would expect, if it were generally available, to have a material effect on the price or value of units in the trust, and the information has not been included in a Product Disclosure Statement or Supplementary Product Disclosure Statement (a copy of which has been lodged with ASIC), then the trust must as soon as possible lodge a document with ASIC containing the information. The Responsible Entity has searched the documents lodged with ASIC for all of the Unlisted Property Trusts which are "unlisted disclosing entities" and has determined that no such information has been lodged by the trusts.

Because the Abbotsford Property Trust ARSN 092 632 883 is not an "unlisted disclosing entity", the trust is not subject to the disclosure obligations in Chapter 6CA, and hence there is a risk that there is information which would have a material effect on the price or value of units in that trust which has not been made generally available, and therefore is not available to the Responsible Entity. Having made due enquiry of publicly available information, the Responsible Entity is not aware of any information which would have a material effect on the price or value of the Interests in the Unlisted Property Trusts which is not disclosed in this PDS.

Manager's consent to registration of the transfers of Interests to the Responsible Entity

In general terms, under the scheme constitution for each of the Unlisted Property Trusts each manager has the right to refuse the registration of the transfer of the Interests from the Interest Owners to the Responsible Entity. Having made due enquiry, the Responsible Entity is not aware of any information which indicates that the managers will not provide their consent to registration provided that the formal procedural steps in the constitutions are followed.

General comments

As a result of these and other investment risks, investors should expect that the prices of securities in which the Fund invests, and the level of income (including the level of tax-advantaged income) derived by the Fund, may fluctuate. Consequently, the value of Units and the amount of any income entitlement distributed may rise or fall and investors may suffer losses.

Historically, growth assets have achieved the highest returns over the Long Term with the greatest risk of capital loss in the Short Term.

An investment in the Fund should not generally be considered a Short Term investment.

It is important to note that not all risks can be foreseen. It is therefore not possible for the Responsible Entity to protect the value of the Unitholders' investment from all risks. Investors should ensure they obtain appropriate professional advice regarding the suitability of an investment in the Fund having regard to their individual circumstances including investment objectives, their level of borrowings, their financial situation and individual needs.

Neither the Responsible Entity nor the Underwriter guarantees the repayment of capital or the performance of the Fund.


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 The Directors
 Acumen Capital Securities Limited
 Level 5 London House
 216 St Georges Terrace
 Perth WA 6000

28 May 2003

Dear Sirs

Assessment of reasonableness of purchase price
1 Introduction

- 1.1 Acumen Capital Property Securities Fund ("ACPSF" or "the Fund") is to offer to the public 40 million units at an offer price of \$1.00¹ each to raise \$40 million ("the Offer"). The funds raised under the Offer will be used, up to a maximum of \$24.7 million, to acquire existing interests of certain investors in various unlisted property syndicates ("the Syndicate Interests"). Details of the unlisted property syndicates (collectively "the Syndicates") underpinning the Syndicate Interests are set out in the table below. An overview of the key features of each the individual syndicates is set out at Appendix 1 to this report.

Table 1: Underlying property syndicates

Syndicate	Manager	Principal market
Abbotsford Property Trust ("Abbotsford")	Deutsche Asset Management ("Deutsche")	Office
Gordon Property Trust ("Gordon")	Deutsche	Retail
Northgate Property Trust ("Northgate")	Deutsche	Retail
Brisbane Commercial Trust ("Brisbane")	Investa Properties Limited ("Investa")	Office
Collins Property Trust ("Collins")	Investa	Office
North Sydney Property Trust ("North Sydney")	Investa	Office
Investa First Industrial Trust ("First Industrial")	Investa	Industrial
Investa Second Industrial Trust ("Second Industrial")	Investa	Industrial
Kidman Park Property Trust ("Kidman Park")	Centro Properties Group ("Centro")	Industrial
Roselands Property Trust ("Roselands")	Centro	Retail
186 St George's Terrace Property Syndicate ("St George's Terrace")	Acumen Capital Limited	Office

Source: ACPSF Product Disclosure Statement dated on or about 28 May 2003 ("PDS")

- 1.2 The owners of the Syndicate Interests will be offered the opportunity to re-invest the consideration received by them upon the sale of the Syndicate Interests through the acquisition of units in the Fund at an issue price of \$1.00¹ each ("the Interest Owners Offer"). Units issued by the Fund under the Offer and the Interest Owners Offer will rank equally in all respects. The Offer is underwritten by UBS Warburg Australia Ltd ("UBS") to the extent of \$26.7 million.

¹ All dollar amounts in this report are denominated in Australian dollars.



KPMG, KPMG, an Australian partnership, is a member of KPMG International, a Swiss association.



- 1.3 Acumen Capital Securities Limited as the Fund's responsible entity ("ACSL" or "the Responsible Entity") will apply to Australian Stock Exchange Limited ("ASX") for the Fund to be listed on ASX.
- 1.4 The Fund's investment objective is to "provide investors with attractive returns, which are expected to include a high proportion of distributable income with tax advantages".
- 1.5 The terms of the Offer and the Interest Owners Offer are set out in more detail in the PDS to which this report is attached. It is recommended that potential investors consider the contents of the PDS in their entirety prior to making any decision as to whether or not to invest in the Fund.

2 Purpose of our report

- 2.1 To assist potential investors in considering the merits of the Fund the Directors of ACSL have engaged KPMG Corporate Finance (Aust) Pty Ltd ("KPMG Corporate Finance") to complete an assessment as to the reasonableness of the purchase price being paid to acquire the Syndicate Interests as a whole. KPMG Corporate Finance has not been requested to form separate opinions in relation to the purchase price to be paid by the Fund to acquire each of its proposed interests in individual underlying syndicates.
- 2.2 This report has been prepared by KPMG Corporate Finance solely to assist potential investors in assessing the reasonableness of the purchase price being paid to acquire the Syndicate Interests. This report should not be used for any other purpose. We do not assume any responsibility or liability to any party as a result of reliance on this report for any other purpose, including, but not limited to, investment or lending decisions in relation to ACSL, the Fund or any associated entity.

3 Summary and conclusion

- 3.1 In our opinion, **based on our review of the track record of actual distributions paid by the Syndicates and the past history of the Syndicates in achieving forecasts where the underlying funds have been operating for greater than 18 months, the purchase price being paid to acquire the Syndicate Interests as a whole is, on balance, reasonable.**
- 3.2 We note however that having regard to the likely illiquid nature of the Syndicate Interests, in the event the projected yield from the Fund's investment for the 2002/03 financial year is not achieved and at least maintained, this may adversely impact our opinion.
- 3.3 The principal factors that we have taken into account in forming our opinion set out below and discussed more fully in Section 8 of this report.
- The overall implied distribution yield from the Syndicate Interests appears reasonable.
 - Acquisition of the Syndicate Interests will provide investors with a high level of diversification.
 - Investors should enjoy a higher degree of liquidity compared to a direct investment in an alternative Unlisted Property Trust.
 - The owners of the Syndicate Interests will be offered the opportunity to re-invest the consideration received from their sale of the Syndicate Interests.
 - On-going management fees will reduce the final returns to investors.
 - A small premium to net tangible asset backing is being paid to acquire the Syndicate Interests.
 - Distributions are likely to be partially tax advantaged.



- 3.4 Our opinion is based solely on information available as at the date of this report and the information sources noted herein.
- 3.5 The decision of investors as to whether or not to accept the Offer and/or the Interest Owners Offer is a matter for individual investors based on their risk profile, liquidity preference, investment strategy and tax position. In particular, the taxation consequences will vary widely depending on the individual circumstances of each investor. Potential investors should read the tax opinion prepared by KPMG, which is included in the PDS at section 13 and should seek their own independent taxation advice regarding the tax consequence of an investment in the Fund.
- 3.6 Nothing in this report should be taken to represent either an endorsement of or a recommendation in relation to an investment in the Fund or its future prospects. Furthermore, KPMG Corporate Finance is not responsible for the preparation of any other information contained in the PDS. Accordingly, other than in respect of the information contained in this report, KPMG Corporate Finance disclaims any and all liability in relation the preparation of the remainder of the PDS.
- 3.7 The opinions of KPMG Corporate Finance are based on prevailing market, economic and other conditions at the date of this report. Conditions can change over relatively short periods of time. Any subsequent changes in these conditions could impact upon our opinion.

4 Basis of assessment

- 4.1 In assessing the reasonableness of the purchase price being paid to acquire the Syndicate Interests we have had regard to the following factors:
- the implied historic cash yield that would have been realised by the Fund based on the overall purchase price and assuming the Syndicate Interests had been held for the full year to 30 June 2002;
 - the implied forecast cash yield that may be realised by the Fund based on the overall purchase price, the forecast cash distributions of the Syndicates as disclosed in the relevant original Product Disclosure Statement² for each Syndicate and assuming the Syndicate Interests were held for the full year to 30 June 2003;
 - the track records of the Syndicates in achieving forecasts;
 - the comparable yield from a \$1.00 investment in a property trust listed on ASX;
 - the cash yield from the Syndicate Interests forecast by the Board of ACSL for the years ended 30 June 2003 and 30 June 2004;
 - comparison of the total NTA backing of the units to be acquired against the overall purchase price to be paid; and
 - other benefits and disadvantages of the acquisition of the Syndicate Interests that may impact investors in the Offer.

5 Overview of the Australian property market

- 5.1 Given the nature of Fund's proposed investments and in order to provide a context for assessing the purchase price to be paid to acquire the Syndicate Interests, we have set out below a brief overview of

² All references to Syndicate Product Disclosure Statements includes a reference to Prospectuses



recent trends in the Australian property market, in particular the office, retail and industrial property sectors.

- 5.2 The Australian property market is segmented by the characteristics of tenants leasing commercial property. Industry analysis generally refers to and separately identifies four key market segments:

Table 2: Segmentation of commercial leasing market

Market segment	Estimated market share %
Office	47%
Retail	30%
Industrial	17%
Hotels, entertainment & education	6%

Source: IBISWorld Pty Ltd ("IBIS") estimates as at March 2003

- 5.3 Competition in the property market is principally based on acquiring or developing properties that suit market niches and attracting tenants on favorable terms. Rental charges are of prime consideration to tenants. Investor skills in identifying demand/supply patterns in particular regions and marketing property to prospective tenants are also of significant importance.
- 5.4 In addition, strong financial backing and fund raising skills are key factors for property operators. Superior skills in these areas enable a greater commitment of resources to:
- market analysis and identification of opportunities,
 - acquisition of high value properties;
 - securing major corporate tenants; and
 - marketing and building new property developments.
- 5.5 The level of ownership concentration in the Australian commercial property market is low. With respect to market participants, IBIS estimates that the largest four operators generate approximately 16% of total rentals.
- 5.6 Recent years have seen a broadening of the commercial property investment market and in the 5 years to June 2002, IBIS reports that total assets in property trusts grew in value by a nominal 83% to \$61 billion. Additional capital has also been introduced to the industry through growing household investment in public property trusts and syndications.
- 5.7 During 2002, Australia experienced another year of strong investment into the commercial property market with total sales volume in excess of \$8.5 billion. Approximately 50% of the transactions in 2002 related to the office market, with the retail market representing 25% of the transactions.
- 5.8 Almost 50% of purchases in 2002 were made by LPTs and syndicates and nearly 20% were made by private investors. Developers, funds, foreign investors and institutions primarily made the balance of acquisitions in 2002.

Office market

- 5.9 The level of economic growth and business profitability, which in turn affects business growth and new business development, are key variables affecting office demand. In addition, office accommodation can be differentiated by factors such as location, type, style, age, condition and tenant and lease profile, which impacts demand and the level of lease rentals.



- 5.10 Developments in recent years which have adversely impacted office demand include trends in office floor planning, such as open plans and 'hot desking', increases in office sharing and working from home and the impact of technology on work productivity and efficiency.
- 5.11 The Australian Office market was characterised by weaker demand in 2002 as occupied space decreased by approximately 120,000 square metres during the 12 months to January 2003. This was the second consecutive annual fall in occupied space.
- 5.12 Continuing from 2001-02, the Office market is also currently facing increased vacancy rates and incentives levels as landlords vie for tenants. The Australian Office Market Survey, recently released by the Property Council of Australia ("PCA"), reports that overall office vacancy at January 2003 had increased to 8.5%, up from 7.8% at July 2002 and 7.2% in January 2002.
- 5.13 Generally, the near term outlook for the Australian Office market is soft, however IBIS estimates that a forecast pick up in economic growth in the longer term should generally have a favorable impact on office leasing demand.

Retail market

- 5.14 Demand in the retail sector is primarily related to trends in the type and level of household and small business retail expenditure, which is in turn impacted by disposable income. Shopping preferences and patterns of consumer spending influence demand for the types of retail properties. In this regard, the 'convenience' factor is believed to have been a key driver of increased demand for large shopping centres. The structure of the retail sector has changed dramatically over the past two decades particularly with respect to the development and expansion of suburban shopping centres and supermarkets.
- 5.15 Robust retail sales in the past couple of years has underpinned increases in rents in both the CBD area and regional shopping centres. The rise in inner city living in some states has also improved the retail sales environment and attracted investor interest to retail property. Market commentators have noted that lower retail spending growth and supply coming on stream is likely to limit rental growth, however small growth is expected.
- 5.16 The outlook for rental growth in 2003 is largely dependent on the ability of owners to translate recent strong sales growth to rental growth. A primary risk to achieving this growth in the near term is a soft retail sales environment and weakened consumer sentiment. Slower growth in retail spend will have a dampening effect on growth in tenant demand as well as growth in lease rentals.

Industrial market

- 5.17 The industrial market is diverse with a wide variety of user requirements and varying property characteristics. General economic conditions and growth in manufacturing production are major influences in this sector. Demand for storage and distribution facilities is generally influenced by retail, wholesale and manufacturing activities, with the best sites located in proximity to transport modes.
- 5.18 Industrial property was the best performing real estate sector during 2002, relative to the Office and Retail markets, generating good yields, but with little rental growth. Industrial property generally offers a higher yield than retail or office property, although the higher yield reflects higher risks.
- 5.19 With expectations of slower economic growth in the near term, tenant demand is expected to ease. Construction activity in the Industrial market also continues at high levels. Although the new supply is well leased with pre-commitments, the new space has been taking tenants from existing premises. Combined with sluggish demand, vacancies are increasing in some markets.



6 Characteristics of property trust investments

- 6.1 ACPSF's PDS discloses that its asset base will, over the medium to longer term, comprise principally direct investments in unlisted property trusts ("ULPTs") and listed property trusts ("LPTs"), with an asset allocation that is significantly weighted towards unlisted property securities. Accordingly, in order to provide a context for assessing the purchase price to be paid to acquire the Syndicate Interests we have we have set out below an overview of the fundamental characteristics of ULPTs and LPTs.

Structure

- 6.2 Property trusts usually adopt one of two structures:
- Stand alone trusts or companies - providing investors pure exposure to the underlying real estate portfolio; or
 - Stapled securities – providing investors exposure to a funds management and/or property development company in addition to a real estate portfolio.

Investments

- 6.3 Both LPTs and ULPTs are pooled investment vehicles, whose principal assets comprise direct investments in property related assets.

Liquidity

- 6.4 The principal difference between ULPTs and LPTs is the liquidity of each trust's securities. Units in LPTs can be traded on ASX; in contrast there is no liquid secondary market for units in ULPTs. Accordingly, an investment in a ULPT can usually be considered to be a medium to long-term investment.
- 6.5 Exit from a ULPT is often achieved from the sale of the underlying property asset and a return of capital to investors upon termination of the ULPT. We note, however, that the Bendigo Stock Exchange has recently announced that it is actively seeking listings from Responsible Entities for, inter alia, direct property and agribusiness funds, which, if successful, could potentially provide investors in ULPTs with an alternative exit mechanism. In addition, Australian Property Exchange Ltd is seeking an Australian market license, which, if granted, will enable it to establish an alternative market for units in ULPTs.

Volatility

- 6.6 Having regard to the generally stable nature of property trust cashflows, LPT unit prices have historically been less volatile than other ASX traded securities, with ASX estimating this reduced volatility to be approximately 40%.

Distribution yields

- 6.7 ASX indicates that historical distribution yields on LPTs have generally been in the range of 6% to 10%. This general range is consistent with the range of average income yields from LPTs of 7% - 9% disclosed by independent research house, Property Investment Research ("PIR") on its website. As at 21 May 2003 the Australian Financial Review reported that the dividend yield on ASX's Property Trust index was 7.12%. In normal circumstances it would be reasonable, all other things being equal, to expect the distribution yield from ULPTs to run at or above LPTs as a compensation for the reduced level of liquidity in ULPT securities.



6.8 In his paper “How Does the Unlisted Property Sector rate in 2003?” Dr Ian Hopkins, Director, PIR notes that the average yield distribution of 118 unlisted property funds assessed by PIR in 2001/02 was 9.46%.

Net tangible asset backing

6.9 Net tangible asset backing per trust unit is usually initially less than the issue price, reflecting the deduction of, inter alia, advisory, equity raising costs and syndicate costs from funds raised. This is a particular issue in relation to investments in ULPTs, as the future ability of an investor to achieve a return of capital upon termination of the ULPT equal to the initial investment will be dependent upon future capital growth in the value of the underlying property asset(s).

Taxation

6.10 Unlike a company, LPTs and ULPTS are not tax paying entities, so distributions are not franked and investors are taxed directly on this income. However, property trusts generate tax advantages through building and equipment depreciation allowances, such that some of the tax associated with rental income is deferred, meaning that investors do not pay tax on this portion of the distribution until they realise the holding in the trust.

7 Evaluation of the purchase price

7.1 Set out in the table below is a summary of:

- the proposed purchase price per unit to be paid to acquire the relevant Syndicate Interests;
- the percentage interest that the Fund will acquire in each of the relevant syndicates;
- the implied historical cash yield that may potentially be realised by the Fund based on the 2001/02 full year cash distribution made by each syndicate and the purchase price to be paid to acquire each syndicate unit;
- the forecast 2002/03 cash yield based on the projected distributions disclosed in the original Product Disclosure Statement for each of the syndicates;
- the NTA backing per syndicate unit as at 31 December 2002; and
- the implied premium or discount to NTA backing being paid by the Fund to acquire the relevant syndicate interests.

Table 3: Historic and forecast yields and NTA backing

Property	Purchase Price per unit \$	% of units on issue to be acquired	Historical yield based on purchase price ¹ %	Forecast 2002/03 yield based on purchase price ² %	NTA per unit \$	Premium/(discount) %
Abbotsford	1.35	3.8%	10.0%	10.7%	1.38	(2.2)
Gordon	1.40	6.9%	8.2%	8.9%	1.01	38.6
Northgate	1.40	13.8%	9.6%	10.2%	1.46	(4.1)
Brisbane	1.00	14.1%	10.0%	10.5%	0.89	12.4
Collins	1.00	23.4%	9.7%	9.7%	0.91	9.9
North Sydney	1.00	2.6%	9.0%	9.3%	0.82	22.0
First Industrial	1.00	3.9%	n/a	9.8%	0.89	12.4



Property	Purchase Price per unit \$	% of units on issue to be acquired	Historical yield based on purchase price ¹ %	Forecast 2002/03 yield based on purchase price ² %	NTA per unit \$	Premium/(discount) %
Second Industrial	1.00	2.7%	n/a	9.3%	0.91	9.9
Kidman Park ³	1.65	7.1%	11.2%	11.6%	1.70	(2.9)
St George's Terrace	1.00	9.5%	n/a	9.8%	1.00	0.0
Roselands	1.05	13.6%	10.3%	11.1%	1.11	(5.5)
Weighted average			9.8%	10.2%		4.8

Note 1: Historical yield represents full year distribution to 30 June 2002. Where a syndicate was established during the year to 30 June 2002, the historical yield on purchase price is disclosed as "n/a". The weighted average yield excludes the impact of those syndicates where the historical yield is disclosed as "n/a".

Note 2: Forecast yield represents forecast yield for the year ending 30 June 2003 as disclosed in the relevant syndicate's product disclosure statement. No adjustment has been made to reflect circumstances where historical performance has been above or below original forecasts contained in the relevant product disclosure statement.

Note 3: The yield is prior to loan amortisation payments. The historic and forecast cash yield after loan repayments are 7.5% and 7.5% respectively (based on purchase price).

Source: PDS, audited 30 June 2002 accounts and unaudited 31 December 2002 accounts for each of the syndicates.

7.2 ACSL's legal advisers have conducted searches of records lodged with ASIC by each of the underlying syndicates. We have reviewed the results of these searches, which do not appear to disclose any information subsequent to 31 December 2002 likely to have a material impact upon the value of the units of the underlying funds not otherwise disclosed in the 31 December 2002 accounts of each of the funds.

7.3 Accordingly, based on a proposed purchase consideration of \$24.7 million to acquire the Syndicate Interests:

- nothing has come to our attention that causes us to believe that the implied overall distribution to ACSL will not lie in the range of 9.8% to 10.2% and
- ACPSF is paying a small premium of approximately 5% over NTA backing. We note that the property trusts for which an implied premium is being paid can be categorised as either:
 - having not had a formal valuation of the underlying property completed subsequent to June 2001 (Gordon, Brisbane, Collins, North Sydney); or
 - having been established within 18 months of the 31 December 2002 balance date adopted for the purposes of establishing NTA backing, therefore impacted by initial establishment and acquisition costs to a greater degree than other trusts in the investment portfolio (First Industrial and Second Industrial).

7.4 A more detailed analysis of the historical distribution yield and forecast distribution yield for the year ending 30 June 2003 set out in the original product disclosure statements for each Syndicate is set out in Appendix 2.

8 Assessment of purchase price

8.1 The principal factors that we have taken into account in assessing the reasonableness of the purchase price of the Syndicate Interests are set out below.



The overall implied distribution yield appears reasonable

- 8.2 Both the implied overall historic cash yield for the year ended 30 June 2002 and the forecast cash yield for the year ended 30 June 2003 on the Syndicate Interests to be acquired, of 9.8% and 10.2% respectively:
- exceed the average yield of 9.46% on the 118 unlisted property funds assessed by PIR in 2001/02; and
 - lie towards or exceed the high end of ASX's observed range of historic LPT cash yields of between 6% and 10%.

Acquisition of the Syndicate Interests will provide investors with a high level of diversification

- 8.3 Based on the proposed terms for the acquisition of the Syndicate Interests, the Fund will acquire ownership interests in property assets in various geographical locations, across a number of market sectors including retail, office and commercial.
- 8.4 Management of the underlying properties will be undertaken by a mix of highly rated property management companies, including Acumen, Centro, Deutsche and Investa, providing investors with exposure to a wider range of property management skills and experience than that which would be achieved by an investment in individual property trusts and/or the underlying managers alone.
- 8.5 In its 2003 Survey of 48 domestic and New Zealand LPTs, BDO, Chartered Accountants and Advisers, ranked Centro 1st, Deutsche 2nd and Investa 11th overall having regard to a number of criteria. Acumen was not included in this survey as it is unlisted. A profile of each of these parties set out in Section 6 of the PDS.

Table 4: Portfolio diversification

Market segment		Geographic spread of assets		Spread of assets by manager	
Retail	47.0%	NSW	38.3%	Investa	44.5%
Office	40.6%	Vic	23.7%	Centro	28.2%
Industrial	12.4%	Tas	15.6%	Deutsche	25.2%
		Qld	15.0%	Acumen	2.1%
		SA	5.3%		
		WA	2.1%		

Source: PDS

Investors should enjoy a higher degree of liquidity compared to a direct investment in an alternative ULPT

- 8.6 One of the principal characteristics of an investment in a ULPT is the lack of liquidity of its underlying units, with the principal exit mechanism comprising the realisation of the underlying property assets and the termination of the ULPT. Whilst this lack of liquidity may be mitigated in the future in the event the Bendigo Stock Exchange and/or Australian Property Exchange Ltd are successful in establishing secondary markets for units in ULPTs, this is by no means certain. Accordingly, a direct investment in a ULPT can still be considered to be illiquid and therefore a long term prospect.
- 8.7 In contrast, it is a condition of the Offer that the units in ACPSF be listed on the Official List of ASX. Accordingly, investors in the Fund should be better positioned to exit their investment at any time prior to the termination of the underlying ULPTs.



The owners of the Syndicate Interests will be offered the opportunity to re-invest the consideration

- 8.8 The owners of the Syndicate Interests will be offered the opportunity to re-invest the consideration. In the event the Offer is successful, Section 7 of the PDS sets out that the Fund will have cash funds on hand (after costs of the issue) of between \$13.0 million for the “mid case subscription” scenario and \$37.3 million for the “full case subscription” scenario, depending upon the extent to which the owners of the Syndicate Interests elect to reinvest the proceeds from the sale of the Syndicate Interests.
- 8.9 ACPSF has indicated in its PDS that re-invested funds will be made available for further investment in property securities that meet its investment criteria. Future investments of the funds will likely impact either positively or negatively both the implied yield of the Fund and its underlying net asset backing depending upon the characteristics of the property assets invested in.

On-going management fees will erode the final returns of investors

- 8.10 In addition to management fees deducted by the relevant property managers at the underlying property trust level, the Responsible Entity will, in consideration for the management of the Syndicate Interests, be entitled to a management fee and, subject to the satisfaction of certain criteria, to a performance fee, the terms of both of which are set out in detail in section 9 of the PDS to which this report is attached. We note however that the impact of these fees will be mitigated somewhat by the expected receipt by the Fund of commission from investments it makes and underwriting fees for underwriting services it may provide.
- 8.11 Payment of these net fees by the Fund will, all other things being equal, have the effect of reducing the final yield realised by investors in the Fund below that which would have been realised from a direct investment in the relevant Syndicates in the same proportions.

A small premium to NTA backing is being paid to acquire the Syndicate Interests

- 8.12 Based on the unaudited accounts of each of the relevant syndicates as at 31 December 2002, ACPSF is paying a small premium of approximately 5% over the NTA backing of the Syndicate Interests to be acquired. However, we note that a number of properties underpinning certain of the syndicates have not been revalued recently. Any revaluation of the properties to reflect current market values may either have a positive or negative effect upon the carrying values of the properties in the accounts of the relevant property trusts.

Distributions are likely to be tax advantaged

- 8.13 A portion of the income received by the Fund from its underlying investments is likely to be tax-advantaged, in that payment of taxation in relation to the tax-advantaged portion of any distribution by the Fund would be deferred until the time units in the Funds are realised.
- 8.14 The taxation implications of an investment in the Fund will differ between investors. Accordingly, potential investors are strongly encouraged to read in full the Taxation Report prepared by KPMG and included at Section 13 of the PDS and to seek their own professional advice in relation to the merits or otherwise of an investment in the Fund.

Yours faithfully

Duncan Calder
Director

Appendix 1

Characteristics of underlying unlisted property trusts

Syndicate Name	Manager	Location of property	State	Nature	Syndicate term Years	Expiry Date	Valuation \$000	Date of valuation
Abbotsford <i>Salient features</i>	Deutsche	Trenerry Crescent, Abbotsford	Vic	Office	12	2009	14,250	Dec-02
		Property is a suburban office complex, with the majority of the office space constructed over two levels with the exception of the rear tenancy, which expands over three levels. The property was 100% leased as at 31/12/02. The manager reported in its 31 December 2002 half year review that a new 6 year lease was being finalised with the property's principal tenant, underpinning 68% of lettable area. Balance of lettable area largely expires in 2005. There is a potential risk in terms of lease expiry profile as leases currently being negotiated will expire at or around the date of the Syndicates termination, which, in the event the lease is not extended or new tenants secured prior to termination, may impact final realisable value of the property. Distributions to date have been in line with original prospectus forecasts. Net asset backing per equity unit \$1.38 as at 31 December 2002.						
Gordon <i>Salient features</i>	Deutsche	Pacific Hwy, Gordon	NSW	Retail/Office	12	2010	46,000	Jun-01
		Property comprises Gordon Centre and Gordon Village Arcade, which combines retail and commercial space. In the 18 months to 31 December 2002 70% of all leases have been renegotiated. The property was 98.5% occupied as at 31 December 2002. Harvey Norman lease (which represents approximately 20% of gross income) expires 2003 and is currently being renegotiated. The current status of negotiations in relation to any extension is not known. Distributions to date have been in line with original prospectus forecasts. Net asset backing per equity unit \$1.01 as at 31 December 2002. Major refurbishment work in relation to the Gordon Arcade was commenced in 2001 and has now been completed, the full benefit of this refurbishment may not be reflected in the current book values of the property, in which case the NTA as at 31 December 2001 may be understated.						
Northgate <i>Salient features</i>	Deutsche	City of Glenorchy, Hobart	Tas	Retail	12	2009	55,000	Dec-02
		Property comprises a single level shopping complex in Glenorchy, northwest of Hobart, with 19,252 square metres of lettable retail area and 873 car spaces. The Manager reported that complex achieved strong growth in sales and traffic in the year to 31 December 2002. 57% of the specialty tenancies have been renegotiated in the 18 months to 31 December 2002. The complex was 98.9% leased as at 31 December 2002. Distributions to date have been in line with original prospectus forecasts. Net asset backing per equity unit \$1.46 as at 31 December 2002.						
Brisbane <i>Salient features</i>	Investa	363 Adelaide Street, Brisbane	Qld	Office/Carpark	6	2007	49,500	Mar-01
		Property comprises 15-storey office building and purpose-built carpark in the Brisbane CBD. 1 tenant (Boeing) currently occupies in excess of 75% of the office buildings leased area. Boeing's lease expires 2009, approx 2 years after the scheduled termination date of the Syndicate, failure to secure extension of the lease and/or alternative tenant prior to the termination of the Syndicate may adversely impact the realisable value of the office complex. \$11m of the overall valuation attributed to carpark development. 85% of the car park leased to Kings Parking until 2014. The manager has provided for between 3-6 months loss of rental on lease expiry for each tenancy in its forecast figures. The manager is entitled to claim \$400,000 back additional establishment fees at some point in the future. In addition, the manager is entitled to a management fee totaling 1% of Gross Asset Value; the manager charged 0.7% in period to 31/12/02. Full amount to be claimed going forward and, subject to the satisfaction of certain performance criteria, the manager is entitled to recover the management fee entitlement previously waived. 2002 distribution slightly less than prospectus forecast - 10.0 cents/unit against a forecast 10.3 cents/unit. Net asset backing per equity unit \$0.89 as at 31 December 2002.						

Appendix 1

Characteristics of underlying unlisted property trusts

Syndicate Name	Manager	Location of property	State	Nature	Syndicate term Years	Expiry Date	Valuation \$000	Date of valuation
Collins Salient features	Investa	350 Collins St, Melbourne	Vic	Office	6	2006	45,000	Sep-00
		<i>Property comprises 15 level "B" grade office complex over a ground floor banking chamber. Over 50 tenants, however 50% of net lettable area expires over 2003 and 2004. The manager has provided for 3 months loss of rental on lease expiry for each tenancy in its forecast figures. During the period to 31 December 2002, the syndicate received a lease surrender payment of \$1.08 million from a vacating tenant (representing approximately 2 years rental. In the event a replacement tenant can be secured in the short to medium term this may provide a windfall gain for the Syndicate. Actual purchase price paid for the property was \$1.4 million below last valuation. The manager is entitled to recover a further \$240,000 in establishment costs at some point in the future. The manager's entitlement to management fees waived in entirety to 31/12/02. Subject to the satisfaction of certain performance criteria, the manager is entitled to recover the management fee entitlement previously waived. Distributions to date slightly ahead of original prospectus forecasts. Net asset backing per equity unit \$0.91 as at 31 December 2002.</i>						
North Sydney Salient features	Investa	Pacific Hwy, North Sydney	NSW	Office	6	2007	45,375	Mar-01
		<i>Principal asset comprises a 50% interest in the 80 Pacific Highway Trust, which owns 80 Pacific Hwy, North Sydney, a 14 level office building, with ground floor retail and basement car parking for 86 vehicles. The building was completed in 2000. Cisco Systems is the major tenant. Initial full year distribution to 30 June 2002 was in line with prospectus forecasts, however, as the yield on the property was less than 7.5% the distribution comprised a 62% capital return. To the extent future distributions include a capital return component, these will have to be replaced by additional debt, which will result in additional borrowing costs. The manager is entitled to a management fee of 0.85% per annum of gross asset value. However, the manager has agreed to waive 15 basis points. Subject to satisfaction of certain performance criteria the manager is entitled to recover the amount waived in the future. Net asset backing per equity unit \$0.82 as at 31 December 2002, down from \$0.84 as at 30 June 2002.</i>						
First Industrial Salient features	Investa	Sydney, Melbourne, Brisbane		6x Industrial	6	2008	48,250	Dec-01
		<i>Properties comprise 6 industrial properties located Castile Hill and South Granville in Sydney, Dandenong and Mt Waverley in Melbourne and Salsbury in Brisbane. All properties are located in established industrial estates. Vacancy reported by independent property analyst as at 30/6/02 at approximately 12%. The manager's model assumes properties fully let by 12/02. Rental guarantee from the property vendors in place until to 12/02. To extent properties not fully let post 12/02 this will impact future rental incomes. The manager has provided for 3-12 months loss of rental on lease expiry for each existing tenancy depending on the location of the relevant property in its forecast figures. The manager is entitled to a management fee of 1.0% per annum of gross asset value. However, the manager has agreed to waive 30 basis points. Subject to satisfaction of certain performance criteria the manager is entitled to recover the amount waived in the future. Initial distribution for the year ended 30 June 2002 in line with prospectus forecasts. Net asset backing per equity unit \$0.89 as at 31 December 2002.</i>						
Second Industrial Salient features	Investa	Sydney, Melbourne, Brisbane		5x Industrial	6	2008	57,300	Mar-02
		<i>Properties comprise 5 industrial properties, two located in Sydney (North Ryde), two in Brisbane (Acacia Ridge) and one in Melbourne (Dandenong). 1 property in NSW accounts for 43% of total valuation but at the date of the Syndicates establishment was 48% vacant, however to the extent vacancies still exist these are covered by a rental guarantee given by the vendors to June 04, the balance of the leases at this property expire by 12/06. Failure to achieve full occupancy before the expiry of the rental guarantee will adversely impact returns. Woolworths Limited's lease at Acacia Ridge, rentals from which represents in excess of 20% of net property income, expires 2006. In its assessment of the original prospectus, independent property sector analysts, Property Investment Research Pty Ltd, commented that in the event Woolworths Limited elects not to renew its lease, having regard to the age and the size of the property it may be difficult to re-let in short term. The manager has waived management fee by 0.3% to date. Subject to satisfaction of certain performance criteria the manager is entitled to recover the amount waived in the future. Given the commencement date, a full year distribution had not been by made 30 June 2002. Net asset backing per equity unit \$0.91 as at 31 December 2002.</i>						

Appendix 1

Characteristics of underlying unlisted property trusts

Syndicate Name	Manager	Location of property	State	Nature	Syndicate term Years	Expiry Date	Valuation \$000	Date of valuation
Kidman Park	Centro	Findon Road, Adelaide	Sth Aust	Industrial	7	2005	32,500	Mar-01
<i>Salient features</i>	Property comprises a single purpose industrial property which is leased to Meicash Trading (formerly Davids Ltd) until 2015, with two further options of ten and five years. The lease is subject to annual rent increases to CPI and is described as a "Triple Net Lease", which requires the tenant to be responsible for all the property outgoings, including all capital expenditure required to maintain improvements. Distributions are currently in excess of original prospectus forecasts. Property purchased in 1998 and revalued in 2001 with a 49% increment. NTA progressively increasing with scheduled repayments of debt and was \$1.71 per equity unit as at 31 December 2002.							
St George's Terrace	Acumen	St George's Tce, Perth	W. Aust	Office	10	2011	10,250	Jul-01
<i>Salient features</i>	Property comprises eight level office building in Perth's CBD, which is 100% leased to Allianz Australia Services Pty Ltd ("AA") on a 7 year lease, however AA has advised that it is seeking to sub-let some of its leased space. The lease obligations of AA are guaranteed by their parent company, Allianz Australia Limited. Both companies are part of the Allianz AG group, a leading international insurance company. The manager has agreed to reduced management fees for 1st 5 years and a vendor subsidy of \$300,000 is payable over 4 years. Given the commencement date, a full year distribution had not been by made 30 June 2002. Net asset backing per equity unit \$1.00 as at 31 December 2002.							
Roselands	Centro	Roselands	NSW	Retail	6	2004	111,365	Jun-02
<i>Salient features</i>	The Syndicate's principal asset comprises a 50% interest in the Roseland Investment Trust, which owns the Roselands Shopping Centre, a regional shopping centre located approximately 15km southwest of Sydney CBD. The remaining 50% interest in RIT is held by Centro, however, Centro has taken an effective 75% interest in property, through the acquisition of an institutional investor's previous 50% investment in the Syndicate. The current vacancy rate at the property is low, however recent new rentals at lower than budget with some rental subsidies. Unit holders in the Syndicate have a put option at Aug 04, whereby they can require Centro to acquire their units at a price to be determined based on the average of two independent valuations of the property. In the event unit holders seek to put their units with Centro, Centro may elect whether to pay the consideration in cash or by the issue of new Centro stapled securities. Further, Centro has the right but not the obligation to call the balance of the units on issue on the same no offer is received within 3 months, Centro has right to acquire at the property is to be put on market, with Centro having a pre-emptive right to match any offer for the property. If indicated it intends to merge the Trust with Centro Property Syndicate No.8 on or about the scheduled termination date. Distributions for the year ended 30 June 2002 was 10.8 cents, compared to an original forecast of 11.2 cents. Net asset backing per equity unit \$1.11 as at 31 December 2002.							

Appendix 2

Details of percentage interests to be acquired and historic and forecast cash yield profile of units

Property	Units on issue 000s	Units to be purchased 000s	% of total units on issue	Purchase price \$	Total Consideration \$000	2002 full year Distribution ¹ \$	Distribution on units acquired \$000	Implied Yield %	Forecast 2002/03 Distribution ² \$	Forecast distribution on units acquired \$000	Forecast Yield
Abbotsford	5,000	190	3.8%	1.35	256	0.135	26	10.0%	0.145	28	10.7%
Gordon	21,700	1,498	6.9%	1.40	2,097	0.115	172	8.2%	0.125	187	8.9%
Northgate	20,000	2,765	13.8%	1.40	3,871	0.135	373	9.6%	0.143	394	10.2%
Brisbane	24,100	3,397	14.1%	1.00	3,397	0.100	340	10.0%	0.105	357	10.5%
Collins	22,400	5,240	23.4%	1.00	5,240	0.097	506	9.7%	0.097	508	9.7%
North Sydney	24,200	636	2.6%	1.00	636	0.090	57	9.0%	0.093	59	9.3%
First Industrial	26,300	1,018	3.9%	1.00	1,018	n/a	n/a	n/a	0.098	99	9.8%
Second Industrial	27,100	736	2.7%	1.00	736	n/a	n/a	n/a	0.093	68	9.3%
Kidman Park ³	11,135	794	7.1%	1.65	1,310	0.184	146	11.2%	0.191	152	11.6%
St George's Terrace	5,400	515	9.5%	1.00	515	n/a	n/a	n/a	0.098	50	9.8%
Roselands	39,830	5,400	13.6%	1.05	5,670	0.108	583	10.3%	0.117	632	11.1%
Total		22,189			24,746		2,203			2,534	
Implied yield on overall portfolio								9.8%			10.2%

Note 1: Historical yield represents full year distribution to 30 June 2002. Where a syndicate was established during the year to 30 June 2002, the historical yield on purchase price is disclosed as "n/a". The weighted average yield excludes the impact of those syndicates where the historical yield is disclosed as "n/a".

Note 2: Forecast yield represents forecast yield for the year ended 30 June 2003 as disclosed in the relevant syndicate's product disclosure statement. No adjustment has been made to reflect where historical performance has been above or below original forecasts contained in the relevant product disclosure statement.

Note 3: The yield is prior to loan amortisation payments. The historic and forecast cash yield after loan repayments are 7.5% and 7.5% respectively (based on purchase price).

Appendix 3

Qualifications and declarations

Purpose of this Report

This report has been prepared for the benefit of the Directors of ACSL, together with those persons who are entitled to receive a copy of the PDS to which this report is attached. This report is provided solely for the purpose of expressing our opinion as to the reasonableness of the purchase price being paid to acquire the Syndicate Interests. This report is not provided for any other reason whatsoever and may not be relied upon by any person for any purpose other than that stated above.

Qualifications

KPMG Corporate Finance (Aust) Pty Ltd is the holder of a Dealers Licence pursuant to the Act and is wholly owned by the partners of KPMG, Chartered Accountants.

KPMG is a long established firm of chartered accountants, which provides a full range of professional services, including advising on valuations, company acquisitions, takeovers, restructuring proposals, group reorganisations and related matters. The individuals responsible for the preparation of this report are Duncan Calder and Jason Hughes.

The following persons, whose qualifications and experience are stated below and which are appropriate to the tasks performed, were principally responsible for the preparation of this report.

Duncan Calder is a director and authorised representative of KPMG Corporate Finance as well as a partner of KPMG. He is an Associate of the Institute of Chartered Accountants in Australia and an Affiliate of the Securities Institute Of Australia. Duncan has been involved in the preparation of numerous independent expert reports and other financial advisory and valuation assignments.

Jason Hughes is an associate director of KPMG Corporate Finance, an Associate of the Institute of Chartered Accountants in Australia and an Associate of the Securities Institute of Australia. Jason has extensive experience in the preparation of independent expert's reports and corporate valuations.

Other qualified staff of KPMG Corporate Finance assisted in the preparation of this report as appropriate.

Declarations

During the course of this engagement, KPMG Corporate Finance provided draft copies of this report to ACSL's directors and management for their comments as to factual accuracy, as opposed to opinions, which are the responsibility of KPMG Corporate Finance alone. Changes made to this report as a result of these reviews have not changed the opinions reached by KPMG Corporate Finance.

Interests

At the date of this report, none of KPMG Corporate Finance, KPMG, Duncan Calder, Jason Hughes nor any other member, director, partner or employee of any of KPMG Corporate Finance and KPMG has any interest in the outcome of the Offer, except that KPMG Corporate Finance is entitled to receive a fixed fee (excluding reimbursement of out of pocket expenses) for the preparation of this report and KPMG is entitled to receive professional fees calculated at normal hourly rates in relation to:

- the preparation of the Investigating Accountant's Report and the Taxation Opinion; and

- its on-going role as statutory auditor of Acumen Capital Limited.

These fees are not contingent on the outcome of the Offer. Except for these fees, KPMG Corporate Finance has not received and will not receive any pecuniary or other benefit whether direct or indirect for or in connection with the preparation of this report.

Consent

KPMG Corporate Finance consents to the issue of this report by ACSL in the PDS. Neither the whole nor any part of this report nor any reference thereto may be included in or with or attached to any document, circular, resolution, letter or statement without the prior written consent of KPMG Corporate Finance to the form and context in which it appears.

Responsibility

KPMG Corporate Finance has prepared this report on the basis of information available as at the date of this report. Nothing in this report should be taken to imply that KPMG Corporate Finance has verified any information supplied to us, or has in any way carried out an audit of the books of account or other records of ACSL, the Fund, its associates or investments for the purposes of this report, other than KPMG acts as statutory auditor of ACL. We have considered and relied upon information provided by the Directors of ACSL, which we believe to be reliable, complete and not misleading. We have no reason to believe that any material facts have been withheld from us but do not warrant that our inquiries have revealed all of the matters that an audit or extensive examination might disclose. The statements and opinions included in this report are given in good faith, and in the belief that such statements and opinions are not false or misleading.

In addition, we note that any budgets and financial projections as supplied to us by the management of ACSL are based upon assumptions about events and circumstances that have not yet transpired. Accordingly, KPMG Corporate Finance cannot provide any assurance or warrant that the estimates will be representative of the results that will actually be achieved during the budget/projection period. In particular, KPMG Corporate Finance gives no assurance or warranty that the distributions of the underlying property trusts for the 2002/03 financial year and beyond as disclosed in the relevant Product Disclosure Statements will be achieved.

The information contained in this report in relation to the unlisted property trusts underpinning the Syndicate Interests has been prepared solely on the basis of information that is publicly available or included in the PDS. We have not had access to internal records of any of the unlisted property trusts underpinning the Syndicate Interests. ACSL has had discussions with the managers of the underlying syndicates. We have been provided with notes of those discussions and have concluded nothing material to our report has emerged that is not dealt with in this report. We make no representation as to the accuracy of the information relied upon.

Indemnity

ACSL has indemnified KPMG Corporate Finance, KPMG and its affiliated companies and their respective officers and employees, who may be involved in or in any way associated with this report, against any and all losses, claims, damages and liabilities arising out of or related to the performance of those services by KPMG Corporate Finance and occasioned by reliance by KPMG Corporate Finance on information provided by ACSL or its representatives which is subsequently found to be false or misleading or not complete. Complete information is deemed to be information that at the time of completing this report should have been available to KPMG Corporate Finance and would have reasonably been expected to be made available to KPMG Corporate Finance to enable us to form our opinion. ACSL will reimburse any indemnified party for all expenses (including without limitation, legal expenses) on a full indemnity basis.

Appendix 4

Sources of information

In preparing this report we have relied upon the following principal sources of information.

- ACPSF Product Disclosure Statement dated on or about 28 May 2003.
- Audited financial statements for the year ended 30 June 2002 for each of the Syndicates.
- Audited financial statements for the year ended 30 June 2002 for Centro Properties Group.
- Original Product Disclosure Statements for each of the Syndicates.
- Unaudited financial statements for the 6 months ended 31 December 2002 for each of the Syndicates.
- BDO Listed Property Survey – 2003 edition.
- Direct Property Funds Review 2003 – Property Investment Research.
- ASX, Centro, Deutsche, Investa and Acumen websites and related links.
- Discussions with certain directors of ACSL.
- Acquisition worksheets compiled by ACSL.
- Bloomberg LP.
- Property Council of Australia, Media Release dated 12 February 2003.
- Westpac, Australian Property Markets Outlook 2003-2005.
- ABN-AMRO, Property - Australia reports, March 2003 and April 2003.
- ANZ, Property Outlook, November 2002.
- ASIC data-base of documents lodged with ASIC in relation to each Syndicate.

In addition, we have also had discussions with ACSL directors in relation to the nature of the Fund's proposed business operations, the specific risks and opportunities and its prospects for the foreseeable future.



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The Directors
Acumen Capital Securities Limited
Level 5, London House
216 St Georges Terrace
PERTH WA 6000

Our ref Acu-03IARreport0527-PAR

28 May 2003

Dear Sirs

Investigating Accountant's Report

1 Introduction

This report has been prepared by KPMG for inclusion in the Product Disclosure Statement ("PDS") to be dated on or about 28 May 2003, and to be issued by Acumen Capital Securities Limited ("Acumen") in respect of the Initial Offer and the Interest Owners Offer to purchase units in Acumen Capital Property Securities Fund ("the Trust"). Acumen will be the responsible entity of the Trust.

The initial offer comprises a total of 40 million units at an offer price of \$1.00 per unit to raise \$40 million. \$26.7 million of the Initial Offer is underwritten. The Interest Owners Offer comprises 24.7 million units at an offer price of \$1.00 per unit to enable the Interest Owners to subscribe for units in the Fund.

KPMG has been requested to prepare a report covering the pro forma financial information described in section 2 of this report and disclosed in the PDS.

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

2 Financial information

2.1 Pro forma financial information

The pro forma financial information, as set out in section 7 of the PDS, comprises:

- the pro forma, unaudited statement of financial position of the Trust; and
- notes to the pro forma, unaudited statement of financial position.

The pro forma financial information has been derived from the pro forma transactions and/or adjustments described in section 7 of the PDS.



KPMG, an Australian partnership, is a member of KPMG International, a Swiss non-operating association.



The directors of Acumen are responsible for the preparation and presentation of the pro forma financial information, including the determination of the pro forma transactions and/or adjustments.

The pro forma financial information is presented in an abbreviated form insofar as it does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act.

3 Scope

3.1 Review of pro forma financial information

We have reviewed the pro forma financial information in order to report whether anything has come to our attention which causes us to believe that the pro forma financial information, as set out in section 7 of the PDS, has not been presented fairly:

- on the basis of the pro forma transactions and/or adjustments; and
- in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards and other mandatory professional reporting requirements, and accounting policies adopted by the Trust disclosed in section 7 of the PDS.

Our review has been conducted in accordance with Australian Auditing Standard AUS 902 "Review of Financial Reports". We made such enquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances, including:

- a review of the pro forma transactions and/or adjustments;
- a review of work papers, accounting records and other documents;
- a comparison of consistency in application of the recognition and measurement principles in Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by the Trust disclosed in section 7 of the PDS; and
- enquiry of directors, management and others.

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

4 Review statements

4.1 Review statement on the pro forma financial information

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the pro forma financial information, as set out in section 7 of the PDS, has not been presented fairly:




Acumen Capital Securities Limited
Investigating Accountant's Report
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- on the basis of the pro forma transactions and/or adjustments; and
- in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards and other mandatory professional reporting requirements, and accounting policies adopted by the Trust disclosed in section 7 of the PDS.

5 Independence

KPMG does not have any interest in the outcome of this issue, other than in connection with the preparation of this report, the preparation of a taxation report and the preparation by KPMG Corporate Finance (Australia) Pty Ltd of an assessment of purchase price report, for which normal professional fees will be received. KPMG is the auditor of Acumen and the Trust. From time to time, KPMG also provides Acumen with certain other professional services for which normal professional fees are received.

Yours faithfully



Brett Fullarton
Partner



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The Directors
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Level 5, London House
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PERTH WA 6000

Our ref ACL-03ACPSF TaxOpinion-BS1004-
PTL.doc

28 May 2003

Dear Sirs

Acumen Capital Property Securities Fund Taxation Report

This Taxation Report ("the Report") has been prepared for inclusion in the Product Disclosure Statement ("PDS") to be dated on or about 28 May 2003 in relation to the proposed offering of 40 million Units at an Offer Price of \$1.00 per Unit in the Acumen Capital Property Securities Fund ("the Fund") by Acumen Capital Securities Limited ("the Responsible Entity"). Terms in this Report that are defined in the PDS have the same meaning as they have in the PDS.

As requested, our Report provides a broad summary of the Australian taxation consequences for Australian resident Unitholders holding Units in the Fund. We also comment briefly on the taxation implications referable to non-resident Unitholders. Our Report does not apply to Unitholders who hold Units on revenue or trading account.

We recommend that Unitholders consult their own taxation adviser in respect of their specific taxation or financial circumstances.

Report

This Report is based upon the taxation laws and associated regulations as at their current drafting and interpretation.

It should be noted that the Federal Government has announced proposals to reform the Australian tax system generally. Whilst draft legislation was previously released in respect of a proposed new taxation regime for taxing some trusts as companies, the Federal Government has since withdrawn the draft bill and has accepted a report from the Board of Taxation recommending against such measures.

This Report has also been given on the basis that the Fund's activities will be carried out in the manner described in the PDS and associated documents and our understanding of the Fund's proposed activities based on our discussions with management.



KPMG, an Australian partnership, is a member of KPMG International, a Swiss non-operating association.



*Acumen Capital Securities Limited
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This Report should be read in conjunction with the Constitution and other associated documents. In providing our views, we have relied upon facts as set out in the PDS and these have not been independently reviewed or verified by KPMG (except as noted by the Investigating Accountant's Report within Section 12 of this PDS).

Facts

This Report is based on the following assumptions:

- All Unitholders will invest directly in, and become Unitholders of the Fund;
- Unitholders in the Fund will hold their interest on capital and not revenue account;
- Under the Fund's Constitution, the Unitholders will be made "presently entitled" to all of the taxable income derived by the Fund;
- The Fund itself can undertake direct borrowings as outlined in the PDS;
- The Fund is to invest primarily in property securities (both unlisted and listed), and also property for the purpose of deriving rental income, and as such, the Fund will not be subject to the "public trading trust" provisions;
- It is the intention of the Responsible Entity to distribute all of the Fund's taxable income each year to Unitholders; and
- It is assumed that the Unitholders of the Fund are not under any legal disability.

1 Taxation of the Fund

1.1 Taxation status of the Fund

Based on the current legislation and the above assumptions, the Fund should not be subject to tax to the extent that all Unitholders are Australian residents and the Unitholders in the Fund will be subject to tax on their share of the taxable income of the Fund.

1.2 Limited recourse debt

There are certain rules that can claw back deductions claimed on property financed by limited recourse debt. The rules essentially operate to ensure that where property has been acquired by limited recourse finance, the purchaser will only be entitled to a deduction equal to the amount paid under the arrangement. These rules may apply if the Fund exercises its discretion to raise further funds using a limited recourse debt facility and does not fully repay the capital amount owing under the arrangement when the debt is subsequently terminated.

1.3 Trust loss provisions

In the event that the Fund incurs losses of a revenue nature, these losses remain in the Fund and cannot be distributed to Unitholders. The Fund may however take them into account in determining its own taxable income in a subsequent year, provided the trust loss provisions are satisfied.



2 Taxation of Unitholders

The tax treatment of a Unitholder's investment will depend on whether the Unitholder is a resident or non-resident of Australia for tax purposes. This is further discussed below. For specific advice in relation to individual taxation or financial circumstances, we recommend that Unitholders consult their own taxation adviser.

3 Resident Unitholders

3.1 Taxation implications for resident Unitholders

Assessability of Fund distributions

On the basis that the Fund is a "fixed trust" (as defined within the legislation), Australian resident Unitholders will be required to include in their assessable income their share of the taxable income of the Fund to which they become presently entitled in a particular income year. The taxable income of the Fund will be calculated taking into account tax advantaged and capital gains tax (CGT) concession income of the Fund.

The assessable portion, as advised by the Fund on an annual basis, should be included in a Unitholder's assessable income in the year to which the distribution relates (i.e. the year in which the Fund derives the income, not when it is physically received by the Unitholder). Individual Unitholders will generally be subject to Australian tax on distributions at their marginal tax rate plus Medicare levy. Company and superannuation fund Unitholders will be subject to Australian tax on distributions at their respective rates (being currently 30% for companies, 15% for complying superannuation funds and 47% for non-complying superannuation funds).

Tax-advantaged income

At times, Unitholders may receive cash distributions from the Fund that exceed the taxable income of the Fund. Elements of the excess are referred to as "tax-advantaged". These amounts will mainly comprise:

- Depreciation deductions;
- Building allowances;
- Establishment costs which are written off for tax purposes over the first five years; and
- Borrowing costs that are written off for tax purposes over the shorter of five years or the term of the loan.

Tax-advantaged amounts will also be received by the Fund from its investments in other trusts and the Fund will be able to pass these amounts to Unitholders.



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Tax-advantaged amounts when received are not assessable to the Unitholder, however Unitholders are required to reduce the "cost base" of their Units for CGT purposes by such amounts. If the cost base of a Unitholder's Units is reduced to nil by tax-advantaged distributions, further tax-advantaged distributions received after that time will be assessable as capital gains.

Capital distributions from the Fund

We understand that the Fund will hold its investments on capital and not revenue account. Accordingly, the disposal of investments will result in a capital gain or loss. Where the investment being disposed of consists of units in a trust, the cost base used in calculating this gain or loss will be reduced by any tax-advantaged distributions received by the Fund. Where the investment being disposed of consists of a direct investment in property, the cost base used in calculating this gain or loss will be reduced by any building allowance claimed by the Fund. Therefore, any capital gain distributed to Unitholders in respect of the disposal of investments may be increased as a result of the receipt of tax-advantaged distributions and the recoupment of these building allowance claims.

Any capital gain made by the Fund upon the disposal of investments will be distributed to Unitholders and will be assessable at the Unitholder level. If the CGT discount (namely, 50% for individuals or trusts, and one third for complying superannuation entities) is applied at the Fund level, the Unitholder will be required to gross-up the distribution and then apply any current or prior year capital losses to arrive at their net capital gain for the relevant year. Depending upon their circumstances, the Unitholder may then apply the discount percentage applicable to their net capital gains.

Should the Fund realise a capital loss on the disposal of its investments, this loss will remain in the Fund and will not be available for distribution to Unitholders.

3.2 *Disposal of Units in the Fund*

A capital gain or loss may arise on the disposal or redemption by a Unitholder of their Units in the Fund. The CGT discount may be applied against an individual or trust's net capital gain provided they have held the Units for at least 12 months and satisfied other prescribed conditions.

Complying superannuation entities and life insurance companies holding Units that are virtual PST assets should also be eligible for the one third CGT discount where they have held the Units for at least 12 months and satisfied other prescribed conditions.

In the event that a Unitholder realises a capital loss on the disposal of their Units, they may use the capital loss to offset against capital gains derived from other sources, in either the current or future income years.



In calculating the capital gain or loss on the disposal of Units, the cost base of the Units must first be reduced by the tax-advantaged component of any distributions received by the Unitholder.

3.3 *Pay As You Go (“PAYG”) Withholding*

The collection of a Unitholder’s tax file number (“TFN”) is authorised and the law strictly regulates its use. Where a Unitholder does not quote their TFN or claim an exemption, the Responsible Entity is required to deduct tax from their distributions at the highest marginal rate (currently 47%) plus the Medicare levy (currently 1.5%).

Business taxpayers may quote an Australian Business Number (“ABN”) instead of a TFN.

4 *Non-resident Unitholders*

The taxation of a non-resident Unitholder is more complex than that of a resident Unitholder. Whilst the taxation treatment of a non-resident’s investment is broadly considered below, we recommend that non-resident investors seek their own taxation advice in relation to their specific circumstances.

4.1 *Taxation implications for non-resident Unitholders*

Where a Unitholder is a non-resident, the Responsible Entity has statutory obligations in relation to distributions that give rise to a liability to remit amounts of tax to the Australian Taxation Office. These rules are complex and will depend on whether the non-resident Unitholder is an individual, company or trustee and may depend on whether the non-resident Unitholder has provided the Responsible Entity with a TFN or ABN.

The Responsible Entity has a taxation obligation in relation to the amount of each non-resident Unitholder’s share of the taxable income of the Fund. The Responsible Entity will fund this obligation by withholding the appropriate amount from the distributions paid to non-resident Unitholders and remitting this amount to the Australian Taxation Office.

The calculation of this withholding portion is based upon the non-resident Unitholder’s share of the taxable income of the Fund multiplied by the appropriate non-resident tax rate. We note that the CGT discount referred to at paragraph 3.1 will not be taken into account in determining the Responsible Entity’s taxation obligation in relation to non-resident corporate Unitholders.

The extent to which a non-resident Unitholder may claim a credit for this withheld tax will be entirely dependant upon the taxation laws applicable in the non-resident Unitholder’s taxing jurisdiction and any existing double tax treaty between Australia and the country to which the Unitholder is resident.



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Further, where a non-resident Unitholder is a trustee, withholding tax of 48.5% will be deducted from the cash distribution unless the trustee has provided the Responsible Entity with a TFN or an ABN.

4.2 *Disposal of Units in the Fund*

Australian capital gains tax is generally not applicable for non-resident Unitholders on the disposal of Units in a trust unless they and their associates owned, or had the option or right to acquire, at least 10% of the issued units in the trust in the previous 5 years.

5 **Distribution Reinvestment Plan**

Unitholders are able to elect to participate in the Distribution Reinvestment Plan under which they can receive additional units in the Fund in lieu of cash distributions.

For taxation purposes, the taxable income component of any distribution that is reinvested as additional Units will still be subject to tax. The amount of the distribution that is reinvested must be disclosed in the Unitholders' income tax returns in the year of reinvestment, in accordance with the distribution statement issued by the Responsible Entity.

The reinvested distribution will form the cost base of the new Units for the purposes of the CGT provisions.

6 **Goods and Services Tax ("GST")**

6.1 *From a Unitholder's perspective*

There should be no GST payable by Unitholders on the application for Units in the Fund. Nor should a GST liability arise on the redemption of Units in the Fund or upon cancellation of the Units on termination of the Fund.

However, GST may be payable on any professional fees and other related costs incurred by potential Unitholders in relation to acquiring Units in the Fund (examples of such costs may include fees paid in respect of taxation advice or financial advice).

GST will not be payable on the income distributions made by the Fund.

6.2 *From the Fund's perspective*

Expenses incurred by the Fund will generally not give rise to a credit for the GST included in the expenses. This is a result of the investment activities of the Fund being treated as input taxed activities.

However, the Fund may be entitled to a reduced input tax credit of 75% of the GST paid depending upon the nature of the expense. The payment of ongoing management fees by the Fund to the Responsible Entity should qualify for this reduced input tax credit recovery.



7 General comments

Although this report gives general information about any significant taxation implications for Unitholders other than those who hold Units on revenue or trading account, potential investors should seek their own professional advice from a professional taxation adviser in respect of their own individual circumstances.

In providing this Report KPMG does not in any way endorse the investment or recommend participation in the Fund by any particular potential Unitholder. KPMG gives no assurance or guarantee in respect of the successful operational performance of the investment described in the PDS and any related material.

Yours faithfully

KPMG

Section 14

INFORMATION FOR INVESTORS

Application for Units

An application for Units in the Acumen Capital Property Securities Fund must be lodged with a completed Application Form accompanying this PDS and with a cheque made payable to “Permanent Trustee Australia Limited – ACPSF Applications Account”

The minimum initial application amount is \$10,000. The Application Price is \$1.00 per Unit.

The Responsible Entity, together with the Underwriter, may decide whether or not to accept or reject any application in relation to the underwritten Units.

The Responsible Entity may decide whether or not to accept or reject any application in relation to the non-underwritten Units (subject to the priority allocation given by the Responsible Entity to the Interest Owners).

Applicants agree to take any number of Units equal to or less than the number of Units applied for (subject to the priority allocation given by the Responsible Entity to the Interest Owners).

In accordance with section 1015B of the Corporations Act, the Responsible Entity lodged this PDS with ASIC on 29 May 2003. In accordance with section 1016B of the Corporations Act the Responsible Entity must not issue any Units until seven days (or that period extended by ASIC by notice in writing to the Responsible Entity) after 29 May 2003.

The Responsible Entity’s base management fee

The Responsible Entity will charge a base management fee of 0.50% (including GST) per annum of the Gross Asset Value of the Fund, which is payable in arrears, accrues daily, is calculated at the end of each Quarter and must be paid within 21 days after the end of each Quarter.

Responsible Entity’s Performance Fee

The Responsible Entity is entitled to a Performance Fee payable six-monthly in arrears if the performance of the Fund exceeds the Benchmark Return.

The Performance Fee equals the ASX market capitalisation of the Fund multiplied by 20% of the difference (if positive) of the annualised compound total return of the Fund after fees (excluding capital raising fees and any performance fees) (“the Fund Return”) less the annualised compound return of the S&P/ASX200 Property Accumulation Index (“the Benchmark Return”). If, over a calculation period, the Fund Return is less than the Benchmark Return, then no Performance Fee is payable and the calculation period is extended by six months. As a result, any previous underperformance must be recovered before a Performance Fee becomes payable.

The first calculation period will begin on the Official Listing of the Fund and end on 31 December 2003, unless extended. Subsequent calculation periods will start on 1 January 2004 and end every six months thereafter.

The formula used to calculate the Performance Fee is contained in Section 15.

Administration costs

The Responsible Entity is entitled to be reimbursed out of the Fund for all direct and indirect costs properly incurred in establishing, managing and administering the Fund. Costs include those incurred in acquiring, holding or disposing of investments, auditors’ fees, postage of investor correspondence and accounts, expenses in connection with amendments to the Constitution, any duties or taxes imposed by government authorities, fees payable to regulatory authorities, expenses and interest on borrowings, cost of convening meetings of Unitholders and expenses relating to the establishment of the Fund.

Other expenses relating to the administration of the Fund include all expenses such as legal, accounting and taxation fees, printing of accounts, distribution statements, cheques and notices allowed under the Constitution, and expenses incurred in maintaining accounting records and the register of Unitholders and investments.

Management Expense Ratio (MER)

The MER of the Fund is a calculation of the total Responsible Entity's fees and administration costs (excluding any Performance Fee payable) incurred by the Fund over a period, divided by the average NTA of the Fund for that period.

As the Fund is a new fund, no MER can be calculated until the Fund is operational.

The Responsible Entity's current expectation is that, on an ungeared basis, the MER of the Fund will not exceed 0.70% per annum (excluding any Performance Fee that may be payable) for the first year of the Fund.

It is the intention of the Responsible Entity to gear the Fund in an endeavour to enhance returns to the Fund. In this event, prospective investors should be aware that the MER will increase as a percentage of NTA.

Distributions

The Distribution Calculation Date is specified in the Constitution as 31 March, 30 June, 30 September and 31 December each year, or such other dates as the Responsible Entity may determine.

It is the Responsible Entity's current intention that all of the taxable income of the Fund be distributed to Unitholders on a quarterly basis (with the exception of the first distribution period for the Fund which will be for the period from allotment to 30 September 2003). Taxable income includes any net realised capital gains.

A Unitholder's share of a distribution made by the Fund depends on how many Units they hold. The distribution amount an investor receives is calculated by multiplying the number of Units the investor owns on the Distribution Calculation Date by the distribution per Unit for the income accrual period ending on the entitlement date.

Distributions will be paid as soon as possible following the end of each quarter, and in any case, within two calendar months following the end of each Distribution Period.

The Responsible Entity will pay distributions by electronic funds transfer to an Australian bank, building society or credit union account nominated by the Unitholder. These details must be provided by completing section 4 of the Application Form.

Cash distributions will not be made by cheque. If a Unitholder fails to nominate an Australian bank, building society or credit union account, then their distribution will be reinvested in further Units in accordance with the Constitution.

Distribution Reinvestment Plan (DRP)

By ticking the appropriate box on section 4 of the Application Form, Unitholders can elect to have all distributions automatically reinvested in additional Units. There is no application fee applicable for Units applied for under the DRP. The Application Price for Units issued in lieu of distributions will be determined in accordance with the requirements of the Constitution, which may include a discount (if any) determined by the Responsible Entity up to 5%. Under the DRP this discount is currently 0%.

Investors may vary their election by writing to the registry at any time. A letter of variation becomes effective on the next distribution payment date.

Section 14

INFORMATION FOR INVESTORS

Continued

Like future capital raisings, there is a risk that the reinvested distributions may dilute the returns to Unitholders if the extra money invested is not applied to assets (or to reduce debt) at a yield which is equivalent to the yield being generated before the distributions are reinvested.

In addition, those Unitholders who do not participate in the DRP will hold a lower proportion of Units in the Fund than the proportion they held immediately before each reinvestment. This may have a dilutionary effect for those Unitholders.

Further details on the Fund's DRP is contained in Section 16.

Investor information

Unitholders will receive a review of the performance of the Fund and general investment information along with their distribution on a half-yearly basis.

A distribution statement will be sent following each distribution. Following the end of the Fund's financial year, a tax statement showing all the details required to complete the relevant sections of an Australian tax return will be forwarded to Unitholders (including investors who received a distribution and realised their Units during the financial year).

The Responsible Entity will send to Unitholders audited accounts of the Fund within three months of 30 June each year. Short form accounts of the Fund for the six months ended 31 December will also be sent to Unitholders within three months of that date.

Enquiries and complaints

The Responsible Entity has formal procedures for dealing with enquiries and complaints (see Section 15 for more information). Please notify the Responsible Entity of enquiries in writing and address the enquiry to:

The Fund Manager
Acumen Capital Securities Limited
GPO Box 2716
PERTH WA 6001

The Responsible Entity is a member of the Financial Industry Complaints Services Limited, an ASIC approved external complaints handling scheme. You can contact them at:

PO Box 579, Collins Street West,
Melbourne Vic 8007
Tel: (03) 9629 7050 or toll free 1800 335 405
Fax: (03) 9621 2291

Social Security

Investment in the Fund may affect a Unitholder's social security entitlements. Investors should seek their own professional advice or contact Centrelink.

Section 15

FUND CONSTITUTION

The significant provisions in the Constitution are summarised below. The Fund is also regulated under the Corporations Act. The provisions of both the Constitution and the Corporations Act affect the rights and obligations of the Responsible Entity and Unitholders.

The summary of the Constitution is not meant to be, and should not be relied upon, as being exhaustive.

The Fund

The Fund is a unit trust. The Responsible Entity is the trustee of the assets of the Fund and holds the assets of the Fund for the benefit of the Unitholders on the terms and conditions set out in the Constitution. The beneficial interest in the assets of the Fund is divided into Units, with each Unit representing an equal undivided interest in the assets of the Fund. Each asset of the Fund is vested in, and held by or on behalf of, the Responsible Entity for Unitholders. Subject to the Corporations Act and the ASX Listing Rules, different classes of Units may be issued with such rights, obligations and restrictions attaching to the Units of those classes as the Responsible Entity determines.

A Unit does not confer any interest in any particular asset of the Fund, nor does it permit any Unitholder to exercise any rights in respect of any asset of the Fund. A Unitholder may not claim or exercise any right in respect of any asset of the Fund, or lodge any caveat or other notice affecting any asset of the Fund. A Unitholder may not require any asset of the Fund be transferred to the Unitholder.

The Responsible Entity may:

- Issue Units specifying the terms of issue for that Unit;
 - Issue Units in two or more classes;
 - Consolidate or split the Units; and
 - Issue partly paid Units,
- in accordance with the provisions of the Constitution.

The Responsible Entity may grant options over unissued Units, giving the holder of that option the right, but not the obligation, to subscribe for Units.

Unitholders' rights

Unitholders have the right to:

- Receive income and other distributions attributable to Units held in accordance with the terms of issue of the Units. The Units to be issued pursuant to the Offer give the Unitholder the right to share in the Distributable Amount relating to whole of the Distribution Period;
- Transfer units (subject to certain restrictions);
- Convene, attend and vote at Unitholder meetings; and
- Participate in the winding up of the Fund.

The Unitholder is the person recorded in the Register as the holder of a Unit (including persons jointly registered).

Liability of the Unitholder

Under the terms of the Constitution, subject to certain other provisions of the Constitution and the law, no Unitholder is personally liable for any obligation of, or liability incurred by, the Responsible Entity.

Section 15

FUND CONSTITUTION

Continued

Application Price of Units

The Application Price of a Unit is determined in accordance with the Constitution and varies according to the circumstances in which it is to be issued. The following table provides a general summary of the provisions of the Constitution.

Circumstances	Issue Price
1. Issued under this PDS (and prior to the first time the Fund is admitted to the Official List and the Units are granted Official Quotation)	\$1.00 per Unit
2. Units officially quoted	Subject to 3, 4, 5, 6, 7 and 8 below, the Market Price on the Business Day prior to the day on which the offer of Units is made.
3. Units not officially quoted	Subject to 4, 5, 6, 7 and 8 below, the Current Unit Value on the Business Day prior to the day on which the offer of Units is made.
4. Pro rata rights issues	A price determined by the Responsible Entity being not less than 50% of the Market Price of Units on the Business Day preceding the day on which the intention to make the offer or issue of Units is announced on the ASX.
5. Placements	A price determined by the Responsible Entity, as long as the ASX Listing Rules and any relevant ASIC instrument are complied with (subject to the granting of any waiver or exemption).
6. Units issued on exercise of options	A price determined by the Responsible Entity, being not less than 50% of the Market Price of a Unit on the date of exercise of the option.
7. Income reinvestments	<p>The arithmetic average of the daily volume weighted average sale price of Units traded on the ASX during the Pricing Period, excluding (1) any transaction defined in ASX Business Rules as "special"; (2) crossings prior to commencement of normal ASX trading; (3) crossings during ASX's closing phase and ASX's after hours adjust phase; (4) overnight crossings on ASX; (5) overseas trades on ASX; and (6) ASX trades pursuant to exercise of options over Units.</p> <p>"Pricing Period" means:</p> <ol style="list-style-type: none">(1) 10 ASX trading days commencing on the second ASX trading day after the relevant Distribution Calculation Date;(2) however if the period of days in the pricing period determined under paragraph (1) includes the distribution date, then the number of ASX trading days commencing on the second ASX trading day after the relevant Distribution Calculation Date and ending on the last ASX trading day before the distribution date;(3) however if the period of days in the pricing period determined under paragraph (2) is nil, then the last ASX trading day before the relevant Distribution Calculation Date. <p>ASX trading day means a Business Day on which the Units were not subject to a trading halt or otherwise suspended from trading.</p> <p>The Constitution provides that a discount of up to 5% may be given, however under the terms of the Distribution Reinvestment Plan this discount is currently 0%.</p>
8. Issue of Units to acquire an asset	The Market Price on the Business Day prior to the day on which the offer of Units is made.

Distributions from the Fund

The Distribution Dates for the Fund are 31 March, 30 June, 30 September and 31 December in each year, or such other dates as the Responsible Entity may determine. The Distribution Period is the period beginning on the day after the preceding Distribution Calculation Date to the next occurring Distribution Calculation Date.

Unitholders as at the end of the day on the last day of each Distribution Period are entitled to pro-rata payment of the distributable income of the Fund in respect of that Distribution Period. At the end of each Distribution Period each Unitholder at the end of the day on the Distribution Calculation Date is presently entitled to its distribution entitlement calculated in accordance with the provisions of the Constitution. The Responsible Entity determines the distributable income as at the end of the last day of the Distribution Period. The distributable income is the net income of the Fund for that Distribution Period less any reserves or provisions made by the Responsible Entity, plus any additional amount (including capital, previous reserves or previous provisions) that the Responsible Entity has determined during the Distribution Period to be distributed.

The Responsible Entity may also determine that an amount representing capital of the Fund be distributed to Unitholders.

The Distribution Entitlement of each Unitholder is the total of the Unit Entitlement in relation to each Unit held by the Unitholder as at the end of the day on the Distribution Calculation Date. The Unit Entitlement is determined in accordance with the requirements of the Constitution, which take in account the number of days during the Distribution Period for which the Unit has an income entitlement according to the terms of issue of the Unit.

The Responsible Entity may retain from a distribution to a Unitholder any amount owing by the Unitholder to the Responsible Entity, any amount required to be deducted by law, or any amount which the Responsible Entity has a right to retain under any agreement between the Unitholder and Responsible Entity.

Buy-back of Units

The Responsible Entity may make a buy-back offer to all Unitholders in accordance with the provisions in the Constitution and the Corporations Act. Except for the ability of the Responsible Entity to make a buy-back offer set out in the Constitution, the Responsible Entity has no obligation to buy back a Unit or cause any Unit to be bought back.

Powers of the Responsible Entity

The Responsible Entity has the powers of an absolute owner acting in a personal capacity in relation to the Fund assets. It has been granted all the powers that may be granted to a trustee under the law and such which are necessary to fulfil its obligations under the Constitution.

While the Responsible Entity may delegate any of its powers, it remains liable for the acts and omissions of its delegates. The Responsible Entity may also appoint agents and advisers to assist it in managing the Fund and Fund assets, including associates of the Responsible Entity.

Subject to the Corporations Act and the ASX Listing Rules, the Responsible Entity and its associates may:

- Deal with the Responsible Entity as responsible entity of the Fund or with each other, the Fund or any Unitholder;
- Be interested in any contract, transaction or matter with each other, the Fund or any Unitholder or retain for its own benefit any profits or benefits derived from any contract, transaction or matter; and
- Act in the same or a similar capacity in relation to any other scheme.

In each case the Responsible Entity, or its associates, may retain all profits or benefits derived from that activity.

Section 15

FUND CONSTITUTION

Continued

Responsible Entity's duty regarding investment of funds

The Constitution provides that the investment policy of the Fund is primarily investment in:

- Unlisted property trusts;
 - Listed property trusts;
 - Property related securities;
 - Direct property; and
 - Cash, money on deposit with Australian ADIs, and Cash Management Trust Interests,
- with a view to achieving income with security and capital appreciation over a term of years.

The Responsible Entity has broad investment powers under the Constitution, however the Responsible Entity will only invest funds in accordance with the investment policy stated in the Constitution and the medium to longer term asset allocation range of the Fund (see Section 4).

Investors will be notified should the Responsible Entity alter this asset allocation range.

At this stage, it is the Responsible Entity's intention to not make any direct Property acquisitions until the Fund reaches a significantly larger size and the appropriate resources are in place to manage any such acquisitions.

Unitholders are further protected by the Constitution, which imposes a duty on the Responsible Entity to only invest funds in the following Authorised Investments:

- (1) Any interest in real estate;
- (2) Any licence to occupy real estate;
- (3) A fitting or fittings installed or present on real estate;
- (4) Securities in, or of, an entity where the Responsible Entity is satisfied that:
 - The majority of the assets held by the entity is real estate; or
 - The principal activity or activities of the entity are the ownership or development of real estate or the carrying out of construction on real estate; and
 - Where the Security is an Interest in a Managed Investment Scheme and the scheme is registered by ASIC under Part 5C.1 of the Corporations Act.
- (5) Interests in a Managed Investment Scheme in respect of which all of the following are satisfied:
 - The scheme is registered by ASIC under Part 5C.1 of the Corporations Act; and
 - The majority of the assets held by the scheme are Interests in a Managed Investment Scheme or Schemes (the "Underlying Schemes") and the Responsible Entity is satisfied that:
 - The majority of the assets held by each of the Underlying Schemes is real estate; or
 - The principal activity or activities of each of the Underlying Scheme is the ownership or development of real estate or the carrying out of construction on real estate;
- (6) Cash, money on deposit with an Australian ADI, a Cash Management Trust Interest;
- (7) Bills of exchange and promissory notes, whether purchased or discounted, which have been either drawn, issued, endorsed or accepted by:
 - An ADI; or
 - A public statutory body constituted under a law of the Commonwealth of Australia or any State or Territory of Australia; or
 - A company which is currently included in the Official List and which has paid up share capital in excess of twenty million dollars (\$20,000,000);
- (8) Certificates of deposit (whether negotiable or otherwise) issued by an ADI or a company which is currently included in the Official List and which has paid up share capital in excess of twenty million dollars (\$20,000,000);
- (9) Debentures, stocks, or bonds issued by a governmental or public authority of the Commonwealth of Australia or any State or Territory of Australia;
- (10) The lending of money on security (whether that security is by way of mortgage, charge, transfer, assignment or otherwise, and whether ranking first or otherwise, and whether taken severally or otherwise) of any property of the type described in paragraph (a) of this definition for a duration not exceeding 20 years, and for an amount which when added to moneys owing on any charge ranking prior to, or pari passu with, the security to be taken by the Responsible Entity does not exceed:

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- Two-thirds; or
 - If repayment of the whole of the principal and interest under any mortgage is insured under a mortgage insurance policy acceptable to the Responsible Entity, then nine-tenths, of the value of the property as determined by an approved valuer within the period of 3 months preceding the taking of the security by the Responsible Entity;
- (11) Loans on mortgage (including sub-mortgage) or charge of real estate (including without limitation a mortgage or charge granted by a person guaranteeing repayment of a loan), whether or not the mortgage or charge ranks as first mortgage or charge over the real estate, and whether taken severally or otherwise, including, but not limited to, by way of contributory mortgage. A loan on mortgage or charge of real estate is an Authorised Investment notwithstanding that the amount of the loan exceeds the proportion borne by the amount of the loan to the value of the real estate (at the time the loan was made) prescribed by any statute, and notwithstanding that the loan is made for a period of more than 7 years or any other period so prescribed;
 - (12) Loans on mortgage, sub-mortgage, charge, hypothecation, transfer, assignment or other security of any personal property, rights, licences or obligations (including any interest therein or any interest in any contract for the sale or purchase of real estate or personal property and including a mortgage or charge granted by a person guaranteeing repayment of a loan), and whether or not the security ranks as a first security over the secured personal property, and whether taken severally or otherwise including, but not limited to, those taken by way of contributory security;
 - (13) The acquisition of any loan secured by any mortgage or security described in paragraph (10) or (11) of this definition and on the terms and conditions in it by way of taking an acquisition of the benefit and interest of the relevant mortgagee or security holder in it and in any policies of insurance relating to it;
 - (14) Real estate or other property which comes into the possession of, or under the control of, the Responsible Entity by virtue of its exercise of any rights or powers vested in it as mortgagee or security holder under any mortgage or security described in paragraph (10) or (11) of this definition, or real estate or other property which is acquired by the Responsible Entity in order to facilitate the disposal of real estate or other property;
 - (15) Mortgage backed Securities;
 - (16) Contracts to underwrite or sub-underwrite any issues of any of the investments referred to in paragraphs (1) to (15) above;
 - (17) Options or warrants in respect of any of the investments referred to in paragraphs (1) to (15) above; or
 - (18) Any investment in, or of, or by, an entity, other than set out above in paragraphs (1) to (17) above where the Responsible Entity is satisfied that either:
 - The majority of the assets held by entity is real estate; or
 - The principal activity or activities of the entity is the ownership or development of real estate or the carrying out of construction on real estate.

If an investment was an Authorised Investment but has ceased to be an Authorised Investment then the Responsible Entity must, within a reasonable period of time, dispose of that investment.

The Constitution permits the Fund to borrow up to 60% of the Total Tangible Assets of the Fund. The Constitution imposes a duty on the Responsible Entity to ensure that the borrowings of the Fund do not exceed 60% of the Total Tangible Assets of the Fund.

Valuations

The Responsible Entity may cause an asset to be valued at any time and may determine valuation methods and policies for each category of assets. Unless the Responsible Entity determines otherwise, the value of an asset will be its market value determined in accordance with the valuation methods specified in Schedule 2 of the Constitution.

Section 15

FUND CONSTITUTION

Continued

Liability and indemnity of the Responsible Entity

Subject to the Corporations Act, the Responsible Entity is not liable for any loss or damage to any person (including a Unitholder) unless it acted otherwise than in accordance with Constitution and without a belief held in good faith, that it was acting in accordance with the Constitution.

To the extent permitted by law, the liability of the Responsible Entity in relation to the Fund is, in any case, limited to the Fund's assets.

If the Responsible Entity has not acted negligently, fraudulently or in breach of trust, it is entitled to be indemnified out of the Fund's assets on a full indemnity basis for any matter, subject to the Corporations Act.

The Responsible Entity is entitled to be indemnified by a Unitholder to the extent that it incurs any liability for tax as a result of the Unitholder's action or inaction.

Subject to the Corporations Act, the Responsible Entity is entitled to be indemnified out of the assets of the Fund for all costs and expenses paid or incurred by the Responsible Entity relating to the establishment and operation of the Fund.

Responsible Entity's remuneration

Subject to the proper performance by the Responsible Entity of its duties, the Responsible Entity is entitled to:

- A management fee of 0.50% (including GST) per annum of the Gross Asset Value of the Fund which is payable in arrears, accrues daily, is calculated at the end of each Quarter and payable out of the assets of the Fund within 21 days following the final day of each Quarter; and
- A performance fee (including GST) using the following formula:

If over a calculation period, the Fund Return is less than the Benchmark Return, then the Performance Fee is nil.

Otherwise, the Performance Fee is calculated as follows:

Performance Fee = 20% x (Fund Return – Benchmark Return) x Average Market Capitalisation

Where:

$$\text{Fund Return} = \frac{F_e - F_s}{F_s}$$

Where:

F_e = the level of the Fund accumulation index at the end of the calculation period

F_s = the level of the Fund accumulation index at the start of the calculation period

The first calculation period will commence on the Official Listing of the Fund and end on 31 December 2003, unless extended (see below).

The calculation period is six months unless it is extended. The calculation period is extended by six months when, at the end of the calculation period, no Performance Fee is payable. The calculation period will continue to extend at each six month period until a Performance Fee is payable.

The Fund accumulation index is calculated on each Business Day as follows:

$$F_{i+1} = F_i \times \frac{(MP_{i+1} + DPU_{i+1})}{MP_i}$$

Where

i = a business day on which the Fund accumulation index is calculated, being the number of business days after F_s in a given calculation period

F = The Fund accumulation index ($F_0 = 1000$)

MP = the closing price of the Fund's units on the ASX

DPU = The Fund's distribution per unit, on any day when the Fund's units go "ex-distribution".

$$\text{Benchmark Return} = \frac{B_e - B_s}{B_s}$$

Where:

B_e = the level of the Benchmark accumulation index, as determined by the ASX, at the end of the calculation period

B_s = the level of the Benchmark accumulation index, as determined by the ASX, at the start of the calculation period

The calculation period is six months unless it is extended. The calculation period is extended by six months when, at the end of the calculation period, no Performance Fee is payable. The calculation period will continue to extend at each six month period until a Performance Fee is payable.

Average Market Capitalisation = the average Market Capitalisation of the Fund during the calculation period (calculated daily on each Business Day).

The Performance Fee is payable to the Responsible Entity in cash.

Retirement or removal of responsible entity

The Responsible Entity may or must retire as responsible entity of the Fund in the circumstances prescribed by the Corporations Act.

Meetings of Unitholders

The Responsible Entity may convene a meeting at any time and must do so when required to do so by the Corporations Act.

Generally, meetings must be convened and conducted in accordance with the Corporations Act. However, as permitted by the Corporations Act, the Constitution has varied certain of the Corporations Act procedures.

Section 15

FUND CONSTITUTION

Continued

Register and transfers

The Responsible Entity will keep an up to date register of Unitholders or ensure that such a register is kept. The register must be available for inspection by, and copies made available to, a Unitholder or other person as required by the Corporations Act.

Except as required by law, the Responsible Entity must treat the person entered on the register as the holder of the Unit as the absolute owner of that Unit, and need not recognise any claim or interest in the Unit by any other person.

Unitholders may transfer Units by written instrument. To be effective, such transfers must be lodged for registration, together with any additional documentation required by the Responsible Entity, at the office of either the Responsible Entity or the Unitholder Registry.

Whilst the Fund is admitted to the Official List, all transfers of Units must be effected in accordance with the ASX Listing Rules and SCH Business Rules.

Subject to the Corporations Act, the Listing Rules and SCH Business Rules, the Responsible Entity may refuse to register a transfer. In relation to Units which are CHES approved securities, the Responsible Entity must not prevent, delay or in any way interfere with the registration of a proper SCH transfer, subject to certain exceptions permitted by the ASX Listing Rules and SCH Business Rules.

A transferor of a Unit remains the holder of that Unit until a transfer is registered and the name of the transferee is entered in the Register.

Amendment of the Constitution

The Responsible Entity may by deed replace or amend the Constitution in accordance with section 601GC of the Corporations Act.

Complaints

The Responsible Entity must acknowledge in writing any complaint by a Unitholder. A complaint must be considered by the compliance officer and, if sufficiently material, by the Responsible Entity's board of directors. The Responsible Entity must communicate the determination of the complaint, including reasons, to the Unitholder. If the Unitholder is not satisfied, the Responsible Entity will refer the Unitholder to the Financial Industry Complaints Services Limited and provide general guidance on further avenues open to the Unitholder.

Duration of Fund

The Constitution provides that the Fund will terminate on the earlier of:

- A date specified by the Responsible Entity;
- The date the Fund terminates under the Constitution or by operation of law; or
- The 80th anniversary of the Fund's establishment.

If any time after the first time that the Fund is admitted to the Official List and the Units are granted Official Quotation either the Units are suspended from Official Quotation and not re-admitted for Official Quotation, or the Fund is removed from the Official List, for a continuous period of 60 days after the day of suspension or removal, then the Responsible Entity must call a meeting of Unitholders within 30 days after the expiration of that 60 day period to consider a member's resolution that the Fund be wound up.

When the Fund terminates, the Responsible Entity must sell all the assets as soon as practicable after the termination of the Fund. However, the Responsible Entity may postpone the sale of the assets if it considers desirable and in the interests of the Unitholders to do so. If the sale of the assets is postponed, the Responsible Entity is not responsible for any consequent loss to Unitholders.

After sale of the assets, the Responsible Entity may pay any amounts owing, and distribute the balance to Unitholders. The amount Unitholders receive will be based on the number of Units they hold at a date determined by the Responsible Entity.

The Responsible Entity will have the final accounts of the Fund audited following winding up.

Inconsistency with the Listing Rules

If the Fund is admitted to the Official List then:

- Notwithstanding anything contained in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done;
- Nothing contained in the Constitution prevents an act being done that the Listing Rules require to be done;
- If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- If the Listing Rules require the Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision;
- If the Listing Rules require the Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision; and
- If any provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

Binding Conditions

The terms and conditions of the Constitution (as amended from time to time in accordance with the Corporations Act) are binding on the Responsible Entity, each Unitholder and any person claiming through them, as if each party was a party to the Constitution.

Constitution available for inspection

During the offer period the Constitution is available for inspection during normal business hours at the registered office of the Responsible Entity.

The Responsible Entity will send a copy of the Constitution free of charge to any person who asks for it during the offer period. To request a copy, please call (08) 9226 3888 during normal business hours (WST).

Section 16

ADDITIONAL INFORMATION

Conditional Contracts for Sale and Purchase of Interests

The Responsible Entity has entered into various individual conditional contracts with the Interest Owners to acquire the Interests. The Interest Owners are the beneficial owners of those interests.

The contracts are constituted by offer and acceptance.

The Responsible Entity, on behalf of the Fund, made the Offers on the following terms, which have been accepted by the offerees on or about 11 March 2003 to 24 April 2003.

1. *Offer: The Responsible Entity offers to buy from the Interest Owner at Settlement the interests listed in the offer free from all encumbrances and other third party interests for the price specified in the offer. In addition, the Responsible Entity will pay to the Interest Owner that portion of any distributions received from these interests which relate to the period prior to Settlement. Such distributions will be pro-rated between the Responsible Entity and the Interest Owner based on the number of days in the relevant distribution period pre and post Settlement.*
2. *Offer for all interests: The Offer is for all of the interests listed in the offer. The offeree may not accept it for some of the interests listed in the offer.*
3. *Settlement: Settlement of the sale and purchase will take place on the 5th Business Day after satisfaction of all of the Conditions Precedent. By no later than Settlement, the Interest Owner must provide the Responsible Entity with a transfer form, signed by the Interest Owner, transferring all of the interests listed in the offer to the Responsible Entity. At Settlement, the Responsible Entity will provide the Interest Owner with a bank cheque for the total specified in the offer.*
4. *Conditions Precedent to Sale and Purchase: The Sale and Purchase of the interests in the schedule is subject to:*
 - (a) *The minimum subscription stated in the PDS to be lodged by the Responsible Entity with ASIC being reached;*
 - (b) *The Fund being listed on the ASX, and the units in the Fund being granted official quotation by the ASX by no later than 31 August 2003; and*
 - (c) *There being no material adverse change to the value of each interest detailed in the offer between the date of acceptance of the offer and Settlement.*

Distribution Reinvestment Plan (DRP)

The Responsible Entity has adopted a DRP. The significant terms and conditions of the plan are:

- The DRP provides Unitholders with a method of reinvesting all or part of their distributions in Units;
- Participation in the DRP is optional but not transferable;
- Unitholders may choose to participate or to withdraw from the DRP at any time by giving notice in accordance with the DRP rules on the appropriate form to the Unitholder Registry. Participation in the DRP will commence from the next Distribution Calculation Date which is at least 5 Business Days after the date of receipt by the Unitholder Registry of a correctly completed application form;
- The DRP is open to all Unitholders resident in Australia and New Zealand. Other Unitholders may not be eligible to participate in the DRP due to the differing laws of foreign countries;
- There are no costs from participating in the DRP;
- Each cash distribution which is payable to a participant in respect of Units which are participating in the DRP will be applied for by the Responsible Entity on the participant's behalf in subscribing for additional Units;

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- The price at which Units will be issued will be determined in accordance with the requirements of the Constitution, which may include a discount (if any) determined by the Responsible Entity of up to 5%. The discount under the DRP at present is 0%;
 - Units to be allotted under the DRP will be allotted on, or as soon as practicable after, the relevant Distribution Date;
 - Distribution advices will be issued to Unitholders after each reinvestment;
 - All Units allotted under the DRP will be the same class as existing Units on issue and will rank equally, in all respects, with all other Units on issue in the Fund;
 - Where a participant disposes of its full holding of Units participating in the DRP, the participant will be deemed to have withdrawn from the DRP without the need for any notification to the Unit Registry. A Unit participating in the DRP will cease to be a Unit participating in the DRP pursuant to a transfer of the Unit when the transfer has been recorded in the Register;
 - The Responsible Entity may modify, suspend, reintroduce or terminate the DRP at any time by giving 14 days prior notice to the ASX. The modification, suspension, reintroduction or termination will take effect on the date specified by the Responsible Entity which date must be a date which is on or after the expiry of the 14 days notice period to the ASX; and
 - The Responsible Entity will apply for Units allotted under the DRP to be granted Official Quotation.

Underwriting agreement

Pursuant to an agreement dated 29 May 2003 between the Responsible Entity, Acumen Capital Limited, Western Pacific Portfolio Planning Pty Ltd and the Underwriter, the Underwriter has agreed to partially underwrite the Initial Offer by subscribing for the shortfall units in accordance with, and subject to, the terms and conditions of the agreement.

The number of underwritten units is 26,700,000 fully paid ordinary units in the Fund.

Shortfall

If, as at 6.00pm on the closing date of the Initial Offer, the Responsible Entity has not received valid applications for a number of Units equal to the number of underwritten units (26,700,000 units) then the Underwriter must lodge applications with the Responsible Entity for the unsubscribed underwritten units in accordance with the agreement.

Underwriter's fees and expenses

The Responsible Entity must pay to the Underwriter:

- An underwriting fee of 5.5% of the underwritten amount of \$26,700,000; and
- The Underwriter's reasonable out of pocket costs and disbursements incurred in relation to the Initial Offer.

If the Underwriter's obligations under the agreement are terminated pursuant to the terms of the agreement, or the Initial Offer does not proceed or is not completed for any reason, then the Underwriter will not receive its underwriting fee but it will receive its reasonable out of pocket costs and disbursements.

Section 16

ADDITIONAL INFORMATION

Continued

Termination

The agreement sets out a number of events of termination. If any of the events occur at any time from the date of the agreement until 2pm Sydney time on the date on which the Units are allotted pursuant to accepted applications, then the Underwriter may terminate its obligations under the agreement by notice in writing to the Responsible Entity, without cost or liability to itself.

(a) Automatic Events of Termination

The automatic events of termination are:

- (i) **(Relevant Index change)** the S&P/ASX 200 Index and the S&P/ASX 200 Property Index are at any time at a level which is 10% or more below the level of that index as at 4.00pm on the business day prior to the date of the agreement;
- (ii) **(supplementary PDS)** the Responsible Entity fails to lodge a supplementary PDS in accordance with section 1014A of the Corporations Act in the circumstances anticipated by section 1041E of the Corporations Act or in circumstances where there is a significant change affecting a matter contained in the PDS or a Deficiency (as defined in the agreement) is discovered or arises in the PDS and it is reasonable to conclude that a supplementary PDS is required;
- (iii) **(Certificate)** a Certificate (as defined in the agreement) certifying certain matters are true is not furnished in accordance with all of the requirements of the agreement by the Responsible Entity, or a statement in that Certificate is untrue or incorrect in a material respect;
- (iv) **(ASX approval)** unconditional approval (or conditional approval, provided such condition would not, in the reasonable opinion of the Underwriter, have a material adverse effect on the success of the Initial Offer) by the ASX for the admission to the official list of the ASX of the Fund and for official quotation of the Units offered under the Initial Offer is refused, or is not granted before the date of allotment (or such later date agreed in writing by the Underwriter in its absolute discretion), or is withdrawn on or before that date;
- (v) **(PDS)** the Responsible Entity fails to lodge the PDS with ASIC on or before the agreed lodgement date (or such later date agreed in writing by the Underwriter);
- (vi) **(material adverse change)** there is a material adverse change in the financial position, results of operations or prospects of the Fund;
- (vii) **(consent)** if any person whose consent to the issue of the PDS is required by section 1013K of the Corporations Act who has previously consented to the issue of the PDS withdraws such consent or any person otherwise named in the PDS with their consent (other than the Underwriter) withdraws such consent;
- (viii) **(trading of securities generally on ASX or NYSE)** trading in all securities quoted on ASX is suspended or limited in a material respect for one Business Day (as defined in the ASX Listing Rules) (or substantially all of a Business Day) or trading in all securities quoted on New York Stock Exchange is suspended or limited in a material respect for one trading day (or substantially all of a trading Day);
- (ix) **(ASIC approval)** ASIC:
 - (A) gives notice of intention to hold a hearing in relation to the PDS under section 1020E(4) of the Corporations Act or issues a stop order in relation to the PDS pursuant to section 1020E(2) of the Corporations Act;
 - (B) gives notice of intention to hold a hearing or investigation into the Responsible Entity; or
 - (C) gives notice of an intention to prosecute the Responsible Entity or any director or employee of the Responsible Entity;
- (x) **(Section 1016E action)** the Responsible Entity takes any action in relation to the Offer under section 1016E(2) of the Corporations Act, where that action is not acceptable to the Underwriter;
- (xi) **(Timetable)** any event specified in the timetable in the agreement is delayed for more than five Business Days;
- (xii) **(breach)** the Responsible Entity fails to perform or observe any of its material obligations under the

agreement and that failure is not remedied to the reasonable satisfaction of the Underwriter prior to the issue of the Certificate; or

- (xiii) **(compliance)** a contravention by the Responsible Entity of any provision of the Constitution, the Corporations Act or any requirement of the ASX or any other applicable law (except to the extent that compliance with any applicable law or ASX requirement has been waived, or an exemption granted, by a government agency having authority to do so or by ASX);
- (xiv) **(consent to transfer)** the Responsible Entity does not by the closing date stated in the agreement either:
 - (A) obtain the consent; or
 - (B) obtain the consent subject to terms and conditions which the Underwriter reasonably believes can be satisfied,

in a form acceptable to the Underwriter, of each responsible entity of the trusts comprising the initial investment portfolio (as set out in section 6 of this PDS) to the transfer of those particular Interests in the relevant trust to the Responsible Entity which in the opinion of the Underwriter (acting reasonably) will have (or is likely to have) a material adverse effect on the success of the Offer or a material change to the substance of the Offer if that consent to transfer is not obtained.

(b) Material Events of Termination:

The material events of termination are:

- (i) **(unauthorised alterations)** without the prior consent of the Underwriter, which consent shall not be unreasonably withheld, the Responsible Entity (or any of its subsidiaries) alters the Fund's capital or the Constitution in any material respect;
- (ii) **(change in law)** there is introduced in the Parliament of the Commonwealth of Australia or any State or Territory of Australia a law or any new regulation is made under any law, or a government agency adopts a policy, or there is any official announcement on behalf of the Government of the Commonwealth of Australia or any State or Territory of Australia or a government agency that such a law or regulation will be introduced or policy adopted (as the case may be) which could reasonably be expected to have a material adverse effect on the success of the Initial Offer;
- (iii) **(material contracts)** without the prior written consent of the Underwriter (which shall not be unreasonably withheld), any of the material contracts summarised in the PDS are terminated (whether by breach of otherwise), rescinded, altered or amended in a material respect or any such contract is found to be void or voidable;
- (iv) **(misrepresentation)** a representation or warranty made or given or deemed by clauses 3.1, 3.2 or 3.3 of the agreement to have been made or given by the Responsible Entity, Acumen Capital Limited or Western Pacific Portfolio Planning Pty Limited under the agreement proves to be, or has been, or becomes, untrue or incorrect in any material respect and the matters rendering the representation or warranty untrue in such respect are not remedied to the reasonable satisfaction of the Underwriter prior to the issue of the Certificate;
- (v) **(banking moratorium)** a general moratorium on commercial banking activities in Australia, the United Kingdom or the United States of America is declared by the relevant central banking authority in any of those countries and remains in force for 2 consecutive Business Days or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries which remains in force for 2 consecutive Business Days;
- (vi) **(PDS misleading)** a statement contained in the PDS is found to be misleading or deceptive, or an omission of information required to be included in the PDS is discovered, other than required by section 1013B or section 1013G;
- (vii) **(hostilities)** hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, The United States of America, any member state of the European Union, Indonesia, Japan, Russia or the Peoples Republic of China, or a terrorist act is perpetrated on any of those countries or any diplomatic or political establishment of any of those countries elsewhere in the world, or a national emergency is declared by any of those countries;

Section 16

ADDITIONAL INFORMATION

Continued

- (viii) **(Iraq)** there is a substantial adverse change in the scale, nature or expected duration of the hostilities involving the Iraqi conflict; or
- (ix) **(Director)** a director of the Responsible Entity:
- (A) is charged with an indictable offence relating to any financial or corporate matter or any regulatory body commences any public action against the director in his or her capacity as a director of the Responsible Entity or announces that it intends to take any such action; or
 - (B) is disqualified from managing a corporation under sections 206B, 206C, 206D, 206E, 206F or 206G of the Corporations Act.

No material event of default specified under paragraph (b) above shall entitle the Underwriter to exercise its rights to terminate its obligations under the agreement unless, in the reasonable opinion of the Underwriter, the material event of default has, or is likely to have, a material adverse effect on the success of the Initial Offer, or leads, or is likely to lead, to a liability for the Underwriter under the Corporations Act or any other applicable law.

Custody agreement

The Custodian is appointed by the Responsible Entity to hold such assets and title documents of the Fund as the Responsible Entity may direct. Under the conditions of its Australian Financial Services Licence, the Responsible Entity may in certain specified circumstances be required to appoint the Custodian to hold assets of the Fund on behalf of the Responsible Entity.

The Responsible Entity and the Custodian have agreed to enter into a Custody Agreement that sets out the Custodian's role in detail, including its rights and obligations.

Under the Custody Agreement, the Responsible Entity appoints the Custodian to provide custodial services on the terms set out in the agreement. The Custodian will deal with the assets of the Fund in accordance with the directions of the Responsible Entity if the Custodian receives proper instructions from the Responsible Entity in accordance with the agreement. The Custodian must notify the Responsible Entity if the Custodian becomes aware that the Custodian no longer satisfies the requirements of ASIC Policy Statement 133 governing the holding of scheme property.

The Responsible Entity must indemnify the Custodian in respect of any liability or expense that the Custodian may incur as a result of performing its duties under the agreement.

The Custodian is entitled to be paid a fee calculated at a rate of 0.025% per annum up to \$100 million, plus 0.02% per annum over \$100 million, calculated on the Gross Asset Value of the Fund as at the end of each calendar month, payable monthly in arrears, subject to an overriding minimum fee of \$1,666.67 per month.

Custodian's role and disclaimer

It is not the role of the Custodian to protect the rights and interests of the Fund investors. The Custodian does not guarantee the return of any investment, any tax deduction availability or the performance of the Fund.

Scope of the Custodian's involvement in the issue of the Product Disclosure Statement and associated liability:

The Custodian:

- Has not been involved in the preparation,
- Has not authorised or caused the issue, and
- Takes no responsibility for the contents,

of this Product Disclosure Statement.

Waivers to be granted by ASX from ASX Listing Rules

The ASX has granted to the Fund 'in principle' relief in relation to the following matters:

1. Listing Rule 7.1:

Subject to the exceptions set out in Listing Rule 7.2, Listing Rule 7.1 of the ASX Listing Rules prohibits an entity from issuing (or agreeing to issue) more equity securities than the number calculated in accordance with the formula set out in the rule, without first obtaining unitholder approval. In general terms, the formula provides that the number of equity securities must not be more than 15% of the number of fully paid units on issue 12 months before the date of issue (or date of agreement) plus the number of fully paid units issued in the 12 months with unitholder approval or under Listing Rule 7.2, minus the number of equity securities issued (or agreed to be issued) in the 12 months before the date of issue (or date of agreement) but not under an exception under Listing Rule 7.2 or with unitholder approval under Listing Rule 7.1.

The ASX has decided that, based solely on the information provided, on receipt of an application for admission to the Official List by the Fund, the ASX would be likely to grant the Fund a waiver from Listing Rule 7.1 to the extent necessary to permit the Fund to issue units until 31 December 2004 without the prior approval of unitholders on the following conditions:

- 1.1 The terms and conditions of the waiver are disclosed in the offer document for the issue of units and to the market at the time that the Fund applies for quotation of the units.
- 1.2 The units are issued at "market price" as calculated in accordance with the Fund's Constitution or at less than "market price" only because the Responsible Entity receives lower fees in relation to the issue.
- 1.3 The Responsible Entity of the Fund provides an undertaking as follows:

If the Responsible Entity has a seal then the undertaking must be under seal.

- (a) To obtain a valuation of each of the assets in the Fund's portfolio which are 100% directly owned by the Fund by an independent, external, valuer with the appropriate qualifications and experience, at least every 24 months from the date of the Fund's admission to the Official List and release such valuation amount or amounts to the market as and when they become available.
- (b) To provide the ASX with a statement in a form suitable for release to the market of director valuation, or independent and external valuation, of each of the assets in the Fund's portfolio which are 100% directly owned by the Fund as at the following dates:
 - 31 December 2003
 - 30 June 2004
 - 31 December 2004
- (c) To immediately release to the market any valuation information of the following assets of which the Responsible Entity of the Fund is aware:
 - assets in which the Fund holds an indirect interest, unless the indirect interest is held through a listed entity;
 - assets in which the Fund owns a direct interest of less than 100%.
- (d) Until 31 December 2004, the sole business of the Fund will be investment in listed and unlisted property trusts and direct investments in real property.

The ASX's decision that it would be likely to grant the Fund a waiver from Listing Rule 7.1 applies only until 1 August 2003 and is subject to any amendments to the ASX Listing Rules or changes in the interpretation or administration of the ASX Listing Rules and policies of the ASX.

Section 16

ADDITIONAL INFORMATION

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2. Listing Rule 6.24 and clause 1 of Appendix 6A:

Listing Rule 6.24 and clause 1 of Appendix 6A of the ASX Listing Rules require that an entity disclose to the ASX the distribution and record date when paying a distribution.

The ASX has decided that, based solely on the information provided, on receipt of an application for admission to the official list of ASX by the Fund, ASX would be likely to grant the Fund a waiver from clause 1 of Appendix 6A to the extent necessary that the rate and amount of a distribution need not be disclosed by the Responsible Entity to the ASX when announcing a distribution and record date, on the condition that the Responsible Entity advise the ASX of the estimated distribution rate, and then advise the ASX of the actual distribution rate as soon as it becomes known.

The ASX's decision that it would be likely to grant the Fund a waiver from clause 1 of Appendix 6A applies only until 1 August 2003 and is subject to any amendments to the ASX Listing Rules or changes in the interpretation or administration of the ASX Listing Rules and policies of the ASX.

3. Listing rule 1.3.5

Listing Rule 1.3.5 of the ASX Listing Rules states that an entity applying for admission to the Official List must give to the ASX any accounts, together with any audit report or review, and a reviewed pro-forma balance sheet, together with the review.

The ASX has decided that, based solely on the information provided, on receipt of an application for admission to the official list of the ASX by the Fund, the ASX would be likely to advise the Fund that the ASX will not require the following:

- (a) Audited or reviewed pro forma balance sheet following completion of the capital raising, on condition that the PDS includes a pro forma balance sheet;
- (b) Audited or reviewed accounts for the period from the Fund's establishment until its admission to the Official List.

The ASX's decision in relation to Listing Rule 1.3.5 applies only until 1 August 2003 and is subject to any amendments to the ASX Listing Rules or changes in the interpretation or administration of the ASX Listing Rules and policies of the ASX.

4. Listing Rule 1.3.3

Listing Rule 1.3.3 of the ASX Listing Rules states that if the PDS of the entity who is applying for admission to the Official List does not contain a statement that the entity has enough working capital to carry out its stated objectives then the entity must give ASX one from an independent expert.

The ASX has decided that, based solely on the information provided, on receipt of an application for admission to the Official List by the Fund, the ASX would be likely to advise the Fund that wording to the effect that "The Fund has enough working capital to fund its obligations as and when they become due" will be acceptable to the ASX for the purposes of compliance with listing rule 1.3.3.

The ASX's decision in relation to Listing Rule 1.3.3 applies only until 1 August 2003 and is subject to any amendments to the ASX Listing Rules or changes in the interpretation or administration of the ASX Listing Rules and policies of the ASX.

Application for grant of waivers

The Fund will apply to the ASX for the grant of the above waivers when the Fund applies to the ASX for admission of the Fund to the Official List.

Compliance plan and procedures

As required by law, the Responsible Entity has prepared and lodged with ASIC, a Compliance Plan for the Fund which sets out the measures that the Responsible Entity must apply in operating the Fund to ensure compliance with the Corporations Act and the Constitution.

The Compliance Plan seeks to ensure compliance by the Responsible Entity with the Corporations Act and the Constitution by prescribing principles and procedures for the Responsible Entity to implement in respect of various aspects of the management of the Fund (including safe keeping of documents, valuation of assets, reporting and handling money received by the Fund).

Documents available for inspection

During the offer period the following documents are available for inspection during normal business hours at the registered office of the Responsible Entity:

- Conditional Contracts;
- Distribution Reinvestment Plan;
- Underwriting Agreement;
- Custody Agreement;
- Letters from the ASX dated 1 May 2003 and 12 May 2003 granting ‘in principle’ relief; and
- Compliance Plan.

The Responsible Entity will send a copy of any of the above documents free of charge to any person who asks for it during the offer period. To request a copy, please call (08) 9226 3888 during normal business hours (WST).

Expenses of the issue

The expenses of the issue (including underwriting, legal, accounting, printing and other related costs) based on the “Full Subscription” scenario (see Section 7) are expected to be approximately \$2,500,000 (including GST).

Consents to statements and persons to be named

The following persons have consented to the statements by them being included in the form and context in which they are included:

- KPMG Corporate Finance (Australia) Pty Ltd in its capacity as the preparer of the Assessment of Purchase Price Report, has given and not withdrawn, its written consent to be named in the PDS as the preparer of the Assessment of Purchase Price Report, in the form and context in which it is so named, and to the inclusion of the Assessment of Purchase Price Report in Section 11 in the form and context in which it appears.

With the exception of this consent, KPMG Corporate Finance (Australia) Pty Ltd have not authorised or caused the issue of this PDS and make no representation regarding, and take no responsibility for, any other statements or material omissions from this PDS.

- KPMG in its capacity as auditor to the Fund and the Responsible Entity, Investigating Accountant to this PDS and Tax Adviser to this PDS, has given and not withdrawn, its written consent to be named in the PDS as the auditor to the Fund and the Responsible Entity, Investigating Accountant and Tax Adviser for the purposes of this PDS, in the form and context in which it is so named, to the inclusion of the Investigating Accountant’s Report in Section 12 in the form and context in which it appears and to the inclusion of the Taxation Report in Section 13 in the form and context in which it appears.

With the exception of the consents stated above, KPMG have not authorised or caused the issue of this PDS and make no representation regarding, and take no responsibility for, any other statements or material omissions from this PDS.

- Property Investment Research Pty Ltd (PIR) has given and not withdrawn its written consent to be named in the PDS as the source of information for the table that appears on page 22 of the PDS and to the form and context in which it appears.

Section 16

ADDITIONAL INFORMATION

Continued

With the exception of this consent, PIR have not authorised or caused the issue of this PDS and make no representation, and take no responsibility for, any other statements or material omissions from this PDS.

- Property Council of Australia has given and not withdrawn its written consent to be named in the PDS as the source of information for the chart that appears on page 24 of the PDS and to the form and context in which it appears.

With the exception of this consent, Property Council of Australia have not authorised or caused the issue of this PDS and make no representation, and take no responsibility for, any other statements or material omissions from this PDS.

- UBS Warburg Australia Ltd has given and not withdrawn its written consent to the inclusion in the PDS on pages 24 and 25 of the statements made by it, in the form and context in which those statements are included. With the exception of this consent, UBS Warburg Australia Ltd has not authorised or caused the issue of this PDS, and makes no representation, and takes no responsibility for, any other statements or material omissions from this PDS.

Disclaimers

- UBS Warburg has given and not withdrawn its consent to be named in this PDS. UBS Warburg is not responsible for the issue of this PDS nor are they responsible for any part of it.
- Freehills has given and not withdrawn its consent to be named in this PDS. Freehills is not responsible for the issue of this PDS nor are they responsible for any part of it.
- Permanent Trustee Australia Limited has given and not withdrawn its consent to be named in this PDS. Permanent Trustee Australia Limited is not responsible for the issue of this PDS nor are they responsible for any part of it.
- Computershare Investor Services Pty Limited has given and not withdrawn its consent to be named in this PDS. Computershare Investor Services Pty Limited is not responsible for the issue of this PDS nor are they responsible for any part of it.
- Property Investment Research has given and not withdrawn its consent to be named in this PDS. Property Investment Research is not responsible for the issue of this PDS nor are they responsible for any part of it.
- Property Council of Australia has given and not withdrawn its consent to be named in this PDS. Property Council of Australia is not responsible for the issue of this PDS nor are they responsible for any part of it.

Interests and benefits of the Responsible Entity

- The Responsible Entity is entitled to a “Management Fee” and “Performance Fee” as described under the heading “Fees and Expenses” in Section 9 as well as reimbursement of any administration costs.
- The Responsible Entity, its directors, officers and other related parties may hold Units in the Fund from time to time. Where this occurs, those investments will be acquired on the same terms as for any other Investor in the Fund. However, the Responsible Entity and its related parties ultimately may be prevented from voting on some matters where the Corporations Act or the ASX Listing Rules require, such as where there is a conflict of interest.

Interests and benefits of the directors

The nature and extent of interests and benefits of the directors of the Responsible Entity required to be disclosed by Part 7.9 of the Corporations Act are as follows:

- Rob Rayner is a director of the Responsible Entity. In addition, Rob Rayner has a Relevant Interest (as defined in the Corporations Act) in shares in the share capital of Acumen Capital Limited.

-
- Rex Bevan is a director of the Responsible Entity. In addition, Rex Bevan has a Relevant Interest (as defined in the Corporations Act) in shares in the share capital of Western Pacific Portfolio Planning Pty Ltd.

Interests and benefits of others

The nature and extent of interests and benefits of persons required to be disclosed by Part 7.9 of the Corporations Act are as follows:

- The Underwriter will be paid a fee of 5.5% on the underwritten portion of the Initial Offer (\$26.7 million). This fee equals \$1.505 million (including non-recoverable GST and excluding disbursements), from which the Underwriter will be responsible for the payment of all broker commissions to eligible brokers, dealers and financial advisers on the underwritten portion of \$26.7 million. The Underwriter is also entitled to recover all reasonable out of pocket expenses incurred with the Initial Offer.
- Western Pacific Portfolio Planning Pty Ltd will be paid a co-arrangement fee of 3.0% on the non-underwritten portion of the Initial Offer.
- Western Pacific Portfolio Planning Pty Ltd will be paid a handling fee of 1.0% of the cash consideration paid to the Interest Owners that is reinvested into Units in the Fund.
- KPMG Corporate Finance (Australia) Pty Ltd are entitled to receive professional fees in connection with their role in preparing the Assessment of Purchase Price. These fees have totalled approximately \$45,000 (excluding GST and disbursements).
- KPMG are entitled to receive professional fees in connection with their role as Taxation Adviser and Investigating Accountant in connection with the preparation of this PDS and due diligence process. These fees have totalled approximately \$15,000 (excluding GST and disbursements).
- Freehills is entitled to receive professional fees in connection with their role as solicitors to the Offer. These fees have totalled approximately \$140,000 (excluding GST and disbursements).

Application moneys and interest

Moneys received from an applicant on account of Units offered under this PDS will be held by the Responsible Entity in trust under Section 1017E of the Corporations Act.

To the fullest extent permitted by law, each applicant agrees that such application moneys will not bear interest as against the Responsible Entity and that any interest earned in respect of application moneys will belong to, and will be kept by, the Responsible Entity in its capacity as responsible entity of the Fund, irrespective of whether or not all or any of the Units applied for by that applicant are issued to that applicant.

Foreign Persons

The Offer contained in the PDS is made only to persons receiving the PDS in Australia. If the applicant receives the PDS in Australia but is a “foreign person” under the Foreign Acquisitions and Takeovers Act then the applicant must write next to its name on the Application Form the words “FOREIGN PERSON”. If an applicant lodges an Application Form without the words “FOREIGN PERSON” written next to the applicant’s name then the applicant is taken to confirm to the Responsible Entity that the applicant is not a “foreign person” within the meaning of the Foreign Acquisitions and Takeovers Act.

Continuous disclosure

While the Fund is listed on the ASX it will be a disclosing entity for Corporations Act purposes. Whether the Fund is a disclosing entity while it is not listed on the ASX depends on the number of Investors in the Fund at that time. If the Fund is a disclosing entity, the Fund will be subject to regular reporting and disclosure obligations.

The Corporations Act requires the Fund to lodge with ASIC half yearly and annual financial reports and notices of other important events as they happen. All of this information may be obtained from, or inspected at, any ASIC office or the office of the Responsible Entity.

Section 16

ADDITIONAL INFORMATION

Continued

While the Fund is listed on the ASX, the Listing Rules impose other disclosure obligations on the Fund. In addition to the regular reporting obligations under the Corporations Act, the Fund will be required to continuously disclose to the ASX material information and events as they occur.

Privacy

When you make an application for Units in the Fund, the Responsible Entity will collect personal information about you from your Application Form. The Responsible Entity will collect this information through Computershare Investor Services Pty Limited, who the Responsible Entity has appointed to receive and process all applications for Units. The Responsible Entity may also collect additional personal information from you by other means in the future. If you have any questions about the personal information collected you should contact the Responsible Entity by the contact details set out in this PDS.

By writing to the Responsible Entity, you can request access to your personal information which is held by the Responsible Entity. The Responsible Entity will assess your request in accordance with the National Privacy Principles.

The personal information you supply to the Responsible Entity is used for the primary purpose of establishing your investment in the Fund. The personal information will also be used for the related purposes of processing your application, administering your investment in the Fund and complying with applicable laws and regulations. These purposes will include:

- the Responsible Entity establishing and maintaining a register of Unitholders in accordance with the requirements of the Corporations Act;
- the Responsible Entity paying distributions to you; and
- the Responsible Entity communicating with you, such as sending you annual reports, notices of meetings, and any other document which the Responsible Entity wishes to send to you in your capacity as a Unitholder.

If you do not supply us with all the information that we need, we may be unable to establish your investment in the Fund, process your application and/or administer your investment.

The types of organisations to which the Responsible Entity usually discloses the information you provided include:

- the Unitholder Registry for ongoing administration of the register of Unitholders. The Responsible Entity has appointed the Unitholder Registry to establish and maintain the register of Unitholders on behalf of the Responsible Entity;
- with your consent, your adviser and your adviser's dealer group;
- any third party service provider we may engage to provide custody, administration, technology, auditing, mailing or printing services;
- Government authorities when and to the extent required by law;
- any professional advisers (including legal and accounting firms, auditors, consultants and other advisers);
- other people when and to the extent required by law, such as ASIC or people inspecting the register of Unitholders as permitted by the Corporations Act;
- the ASX when and to the extent required by law and the ASX Listing Rules;
- in certain circumstances and with safeguards to respect your privacy, potential or actual purchasers of an interest in the Responsible Entity or the Responsible Entity's business or any part thereof;
- Computershare Investor Services Pty Limited for receiving and processing all applications for Units; and
- underwriters, promoters or distributors of Units in the Fund which the Responsible Entity may appoint in relation to any future offers or issues of Units (if any).

A dark blue rectangular graphic with a subtle geometric pattern. The text 'Section 17' is centered in a light blue, serif font. 'Section' is in a smaller, italicized font, and '17' is significantly larger and in a regular weight.

Section 17

AUTHORITY AND DIRECTOR'S STATEMENT

This PDS is duly signed by or on behalf of the Responsible Entity by the director named below.
Each director of the Responsible Entity consents to the lodgement of this PDS with ASIC.

R Rayner

Section 18

GLOSSARY

ABN	Australian business number.
ACN	Australian company number.
Acumen Capital Securities Limited	Acumen Capital Securities Limited (ACN 103 736 081) as the Responsible Entity of the Fund.
Allotment Date	30 June 2003 (estimated).
Application Form	The application form which accompanies this PDS.
Application Price	The price at which Units will be issued to an investor in accordance with the Constitution.
ARBN	Australian registered business number.
ARSN	Australian registered scheme number.
ASIC	Australian Securities and Investments Commission.
ASX	Australian Stock Exchange Ltd (ACN 008 624 691) or the stock market conducted by Australian Stock Exchange Ltd, as the context requires.
ASX Listing Rules	The listing Rules of ASX as amended from time to time.
ATO	Australian Taxation Office.
Benchmark	The S&P/ASX200 Property Accumulation Index.
Benchmark Return	The annualised compound return of the S&P/ASX200 Property Accumulation Index.
Business Day	A day defined to be a “Business Day” under the ASX Listing Rules.
Conditional Contracts	The conditional contracts between the Responsible Entity and the Interest Owners for the sale and purchase of Interests in the Unlisted Property Trusts described in Section 6.
Constitution	The constitution of the Fund dated 4 April 2003 (as amended by a deed of variation dated 19 May 2003, and as amended from time to time).
Corporations Act	Corporations Act 2001 (Cwth).
Current Unit Value	Net Asset Value divided by the number of Units on issue.
Custodian	Permanent Trustee Australia Limited (ACN 008 412 913) as custodian of the assets of the Fund.
Custody Agreement	The custody agreement between the Responsible Entity and the Custodian.

Distributable Amount	The amount determined in accordance with clause 12.3(a) of the Constitution, being the net income of the Fund for the Distribution Period determined by the Responsible Entity in accordance with generally accepted accounting principles, minus any amount of the income that is set aside during the Distribution Period as reserves or provisions, plus any additional amount (including capital, previous reserves or previous provisions) that the Responsible Entity has determined during the Distribution Period is to be distributed.
Distribution Calculation Date	31 March, 30 June, 30 September and 31 December in each year, or such other dates as the Responsible Entity may determine.
Distribution Entitlement	The entitlement to the Distributable Amount determined in accordance with clause 12.3 of the Constitution, being the total of the Unit Entitlement in relation to each Unit held at the end of the day on the Distribution Calculation Date.
Distribution Period	The period beginning on the day after the last preceding Distribution Calculation Date to the next occurring Distribution Calculation Date.
Distribution Reinvestment Plan	The plan adopted by the Responsible Entity and described in Section 16.
Expenses	Includes any costs, commissions, brokerage, fees, taxes and duties.
Financial Year	A year ending on 30 June in each year but: <ul style="list-style-type: none"> • The period commencing on the Commencement Date and ending of the following 30 June will be a Financial Year; • The period commencing on 1 July immediately before the termination of the Fund and ending on the day on which the Fund terminates will be a Financial Year.
Fund	Acumen Capital Property Securities Fund (ARSN 104 341 988).
Fund Return	The annualised compound total return of the Fund after fees (excluding capital raising fees and Performance Fees).
GDP	Gross Domestic Product.
Gross Asset Value	The sum of the value of the assets of the Fund, and any other amounts which, in the opinion of the Responsible Entity should be included for the purposes of making a fair and reasonable determination of the value of the Fund on an undiscounted basis, having regard to generally accepted accounting principles.
GST	The goods and services tax as imposed by the GST Law together with any related interest, penalties, fines or other charges.
GST Law	Has the meaning given to that term in A New Tax System (Goods and Services Tax) Act 1999 (as amended from time to time), or, if that Act does not exist for any reason, means any Act imposing or relating to the imposition or administration of a goods and services tax in Australia and any regulation made under that Act.

Section 18

GLOSSARY

Continued

Initial Offer	The offer to the public of 40 million Units at an Offer Price of \$1.00 per Unit to raise \$40 million.
Interests	The interests in the Unlisted Property Trusts to be acquired by the Fund pursuant to the Conditional Contracts.
Interest Owners	The owners of the Interests.
Interest Owners Offer	The offer of 24.7 million Units to the Interest Owners.
Liabilities	<p>The liabilities in respect of the Fund and includes:</p> <ul style="list-style-type: none">• Unpaid administrative costs and expenses including fees of the Responsible Entity;• Accrued charges in respect of, or owing in relation to, any asset of the Fund;• Amounts required to meet present liabilities;• Amounts of all borrowings;• Any provision for tax which in the opinion of the Responsible Entity should be taken into account; and• Any other amounts required to meet liabilities or other expenditure (including deferred liabilities) which in the opinion of the Responsible Entity should be taken into account in determining the amount of liabilities in any of the preceding paragraphs having regard to generally accepted accounting principles from time to time.
Listed	Admitted by the ASX to the ASX's Official List.
Long Term	Greater than 12 months.
LPT	Listed Property Trust.
Managed Investment Scheme	The meaning given to that term in the Corporations Act.
Market Price	<p>The "Market Price" of a Unit on any Business Day is:</p> <ol style="list-style-type: none">(1) Subject to paragraph (2) below, the average traded price (weighted by volume) for all sales of Units on the ASX for the period of 10 Business Days immediately preceding (but not including) the relevant Business Day (whether or not a sale was recorded on any particular day); or(2) If the Responsible Entity believes that the calculation in paragraph (1) does not provide a fair reflection of the market price of a Unit, then an amount as determined by an independent expert, as being the fair market price of the Unit.
MER	Management expense ratio, that is all fees, excluding Performance Fees, costs and expenses incurred by the Fund divided by the average net assets of the Fund.
Net Asset Value	<p>The Gross Asset Value less the following:</p> <ul style="list-style-type: none">• All amounts required to repay borrowings and to meet Liabilities (including the amount of any provisions the Responsible Entity determines, in consultation with the auditor, should be made);

	<ul style="list-style-type: none"> • Following any Distribution Calculation Date, the amount of any Distributable Amount payable but not paid to Unitholders on the date on which the Net Asset Value is determined; and • Any amount paid in advance of a call on a Partly Paid Unit.
NTA	Net tangible assets, that is the Gross Asset Value less the Liabilities at that time.
NTA per Unit	The NTA divided by the number of Units on issue.
Offer	The Initial Offer and the Interest Owners Offer.
Offer Closing Date	25 June 2003.
Offer Price	The price at which the Units are offered in this PDS.
Official List	Official list of entities that the ASX has admitted.
Official Listing	Admission by the ASX to the Official List.
Official Quotation	Official Quotation by the ASX of a security.
Performance Fee	The performance fee payable to the Responsible Entity by the Fund.
Property	Real income-producing property such as physical land and buildings but excluding residential apartments, vacant land and development sites.
Property Securities	Units, shares, hybrid and debt securities and their derivatives in, or relating to, property syndicates, property trusts, wholesale funds and any other entities, whose underlying assets are property, or whose business is property based, and interests in property schemes.
Quarter	Each three month period ending on the last day of March, June, September and December in each year.
Responsible Entity	Acumen Capital Securities Limited as responsible entity for the Fund.
Register	The register of Unitholders kept by the Responsible Entity in accordance with Chapter 2C of the Corporations Act.
SCH	Has the meaning given by the Listing Rules of the ASX.
SCH Business Rules	Has the meaning given by the Corporations Act.
Short Term	Up to 12 months.
Tax	All income tax, capital gains tax, land tax, payroll tax, GST, withholding tax, municipal rates, stamp duties and other charges and levies assessed or charged or assessable or chargeable by or payable to any national, federal, state or municipal taxation or excise authority, including any interest, penalty, charge, fee or other amount imposed or made on or in respect of the failure to file a return in respect of or to pay any such tax, rates, duties, charges or levies.

Section 18

GLOSSARY

Continued

Total Tangible Assets	The Gross Asset Value less the value of those assets of the Fund (if any) which the Responsible Entity considers should properly be classified as intangible assets.
TFN	Tax File Number.
UBS Warburg	Unless the context suggests otherwise, the investment banking business conducted by UBS Warburg Australia Limited and its associates.
Underwriter	UBS Warburg Australia Limited (ACN 008 582 705).
Unit	An undivided interest in the assets of the Fund as provided for in the Constitution.
Unit Entitlement	<p>The amount determined in accordance with the formula in clause 12.3(c) of the Constitution, being:</p> $UE = DA \times \frac{UD}{TUD}$ <p>where:</p> <p>UE is the Unit Entitlement.</p> <p>DA is the Distributable Amount.</p> <p>UD is the Unit Days for that Unit for the Distribution Period.</p> <p>TUD is the sum of the Unit Days for all Units for the Distribution Period.</p> <p>The Unit Days for a Unit for a Distribution Period is the number of days during the Distribution Period for which the Unit has an income entitlement according to its terms of issue, multiplied by the paid-up proportion for that Unit as calculated at the end of the day on the Distribution Calculation Date.</p>
Unitholder	A person recorded in the register of Unitholders as the holder of a Unit.
Unitholder Registry	The registry which maintains the Register of Unitholders.
Unlisted Property Trusts	The unlisted property trusts detailed in Section 6.
WST	Western Standard Time.

Section 19

COMPLETING THE APPLICATION FORM

Please complete the Application Form in BLOCK LETTERS and sign where indicated. The offer is made only to persons receiving the PDS in Australia.

The following guidelines should be read to assist with completing the form.

1. Applicant(s) Details

The type of entity you are using to purchase Units in the Fund will determine how you complete the Application Form. Please refer to the table below when completing the name of the Unitholder.

Type of Unitholder	Completing Section I	Example of correct form
Individual	Complete your individual details with full name	Peter Robert Smith
Joint	Complete details of both Unitholders as Unitholder A Unitholder B	Peter Robert Smith Jane Elizabeth Brown
Partnership	Provide partners' personal names plus partnership name	Peter Robert Smith Jane Elizabeth Brown A/C Smith & Brown
Corporations	Use full Company name and provide the ACN or ABN	Smith Building Services Pty Ltd ACN 123 456 789
Trusts	Use name of Trustee and name of the Trust	Peter Robert Smith A/C Smith Family Trust
Superannuation Funds	Use name of Trustee and name of the Fund	Jane Elizabeth Smith Smith Superannuation Fund
Persons under 18 years of age	Use name of Parent/Guardian	Peter Robert Smith A/C Jennifer Kate Smith

Please ensure that an address for correspondence and a daytime telephone number are provided.

2. Tax File Number (TFN)

Please provide your TFN or Australian Business Number (ABN) or give your exemption details. You are not obliged to supply your TFN or ABN but if you do not, tax may be taken out of your distribution entitlement at the highest marginal tax rate plus Medicare Levy (currently 48.5%). Collection of TFNs and ABNs is authorised by taxation laws.

3. Minimum Investment

The minimum investment is \$10,000 and thereafter in multiples of \$1,000. You may be allocated with all of the Units applied for or a lesser number.

4. Distribution Instructions

Investors may choose to reinvest their distributions in additional Units. Alternatively distributions can be paid by direct electronic payment into the Unitholder's nominated Australian bank, building society or credit union account. Full details of your account and BSB numbers must be provided along with a copy of a blank deposit slip to ensure the accuracy of the details provided. The BSB number is the six digit number on cheque and deposit forms which identifies your bank and branch.

Distributions will not be paid by cheque.

Section 19

COMPLETING THE APPLICATION FORM

Continued

5. Signing the Application Form

Joint applications must be signed by all parties. Applications by a company must be signed by:

- (a) 2 directors of the company; or
- (b) a director and company secretary of the company; or
- (c) if the company is a proprietary company that has a sole director who is also the sole company secretary – that director.

Applications made by those under the age of 18 must be signed by the parent/guardian under whose name the application was made.

6. Advisers/Brokers

Are requested to complete their details and sign and stamp the Application Form.

7. Acceptance of Application Form

Once you have signed and returned the Application Form you are bound to become a Unitholder in the Fund should the Responsible Entity accept your application.

The Responsible Entity, together with the Underwriter, may decide whether or not to accept or reject any application in relation to the underwritten Units.

The Responsible Entity may decide whether or not to accept or reject any application in relation to the non-underwritten Units (subject to the priority allocation given by the Responsible Entity to the Interest Owners).

Applicants agree to take any number of Units equal to or less than the number of Units applied for (subject to the priority allocation given by the Responsible Entity to the Interest Owners).

8. Lodging the Application Form

Upon completion, you should forward the Application Form together with a cheque made payable to “Permanent Trustee Australia Limited – ACPSF Applications Account” and crossed “not negotiable” to:

Computershare Investor Services Pty Limited
Level 2, 45 St George’s Terrace
Perth WA 6000

The postal acceptance rule does not apply to your acceptance of this offer. For your application to be accepted, it must be received by 4.00 pm (Eastern Standard Time) on 25 June 2003.

9. Applicant’s Declaration

By signing the Application Form, you acknowledge and agree that:

- A PDS dated 29 May 2003 in relation to the Offer of Units has been prepared by the Responsible Entity and lodged with ASIC on 29 May 2003;
- If you have obtained the Application Form electronically, you have received the PDS accompanying the Application Form and have read the PDS;
- If you have obtained the PDS or the Application Form electronically, during the offer period, the Responsible Entity will send you a paper copy of the PDS and Application Form upon request;
- The personal information you provide in the Application Form may be used by the Responsible Entity in accordance with its privacy policy as set out on in Section 16 and as permitted by law; and
- If you received the PDS in Australia but you are a “foreign person” under the Foreign Acquisitions and Takeovers Act then you have written next to your name on the Application Form the words “FOREIGN PERSON”. If you are a “foreign person” under the Foreign Acquisitions and Takeovers Act but you fail to write the words “FOREIGN PERSON” next to your name then you will be taken to represent to the Responsible Entity that you are not a “foreign person” under the Foreign Acquisitions and Takeovers Act.

APPLICATION FORM

ACUMEN CAPITAL Property Securities Fund

ARSN 104 341 988

Using BLOCK LETTERS please complete the Application Form in accordance with the instructions provided in this PDS and attach your cheque crossed "not negotiable" and made payable to: "Permanent Trustee Australia Limited - ACPSF Applications Account"

1. Applicant(s) details

UNITHOLDER A	TITLE	GIVEN NAMES	SURNAME
UNITHOLDER B	TITLE	GIVEN NAMES	SURNAME
COMPANY / TRUSTEE	COMPANY NAME	ACN	
	ADDRESS		
	SUBURB / TOWN	STATE	POSTCODE
CONTACT TELEPHONE	PRIVATE	BUSINESS	MOBILE

2. Tax File Number (TFN) or Australian Business Number (ABN)

Collection of TFNs and ABNs is authorised by law. It is not an offence if you choose not to quote your TFN or ABN.

However, unless you supply your TFN or ABN or claim an exemption, tax may be taken out of your distribution at the highest marginal tax rate (plus Medicare Levy) in order for the Responsible Entity to meet taxation law requirements.

ARE YOU EXEMPT FROM QUOTING YOUR TAX FILE NUMBER?

NO YES

If yes give reason (please tick)

- I receive an Age, Service, Invalid or Veteran's Pension
- I receive a Wife, Carer, Widow, Sole Parent or Special Benefit Pension
- I am a Territory resident or non-resident of Australia
- I represent an entity not required to lodge a tax return (eg. association)
- I am a child under 16 years and earn less than \$420 per year: Date of Birth

INSERT YOUR TFN or ABN IN THE APPROPRIATE CATEGORY

PERSONAL	UNITHOLDER A	UNITHOLDER B (IF APPLICABLE)
PARTNERSHIP OR COMPANY		
TRUST ACCOUNT		

3. Investment

Minimum initial application \$10,000. Additional amounts in \$1,000 increments.

Number of Units applied for	at	Offer price per Unit	Total amount payable
<input type="text"/>		\$1.00	<input type="text"/>

CONTINUED ON REVERSE

APPLICATION FORM (Continued)

4. Distribution Instructions

How would you like to receive your income distributions?

- Reinvest all in additional units
- Reinvest nominated % in additional units and credit the balance to my bank, building society or credit union account (please complete account details below)
- Nominate % of reinvestment
- Credited to my bank, building society or credit union account (please complete account details below)

ACCOUNT DETAILS

Note: to ensure the correct account details are recorded, please attach a blank deposit slip of your nominated account.

BANK BRANCH CODE (BSB No)		ACCOUNT NUMBER
ACCOUNT NAME		
FINANCIAL INSTITUTION		
FULL ADDRESS		
SUBURB / TOWN	STATE	POSTCODE

Do you wish to receive a copy of the Fund's Annual Report each year?

NO YES

5. Signing the Application Form

Important: Before signing this Application Form, you should read the PDS to which this application applies.

I/We, the applicant:

- Have read the PDS to which this Application Form was attached and wish to apply for the Units in the Fund.
- Agree to be bound by the terms and provisions of the Constitution, as may be amended from time to time in the future.

Signature(s)

UNITHOLDER A	UNITHOLDER B (IF APPLICABLE)	DATE
COMPANY SEAL	Executed by the applicant Company being signed by:	
	DIRECTOR	DATE
	DIRECTOR / SECRETARY	DATE

6. Advisers/Brokers (complete if applicable)

ADVISER'S GROUP	ADVISER'S GROUP	
ADVISER'S NAME	ADVISER'S NAME	
	ADDRESS	
	SUBURB / TOWN	STATE POSTCODE
TELEPHONE / FACSIMILE	TELEPHONE	FACSIMILE
SIGNATURE	SIGNATURE	DATE
	ADVISER'S STAMP	

APPLICATION FORM

ACUMEN CAPITAL Property Securities Fund

ARSN 104 341 988

Using BLOCK LETTERS please complete the Application Form in accordance with the instructions provided in this PDS and attach your cheque crossed "not negotiable" and made payable to: "Permanent Trustee Australia Limited - ACPSF Applications Account"

1. Applicant(s) details

UNITHOLDER A	TITLE	GIVEN NAMES	SURNAME
UNITHOLDER B	TITLE	GIVEN NAMES	SURNAME
COMPANY / TRUSTEE	COMPANY NAME		ACN
	ADDRESS		
	SUBURB / TOWN	STATE	POSTCODE
CONTACT TELEPHONE	PRIVATE	BUSINESS	MOBILE

2. Tax File Number (TFN) or Australian Business Number (ABN)

Collection of TFNs and ABNs is authorised by law. It is not an offence if you choose not to quote your TFN or ABN.

However, unless you supply your TFN or ABN or claim an exemption, tax may be taken out of your distribution at the highest marginal tax rate (plus Medicare Levy) in order for the Responsible Entity to meet taxation law requirements.

ARE YOU EXEMPT FROM QUOTING YOUR TAX FILE NUMBER?

NO YES

If yes give reason (please tick)

- I receive an Age, Service, Invalid or Veteran's Pension
- I receive a Wife, Carer, Widow, Sole Parent or Special Benefit Pension
- I am a Territory resident or non-resident of Australia
- I represent an entity not required to lodge a tax return (eg. association)
- I am a child under 16 years and earn less than \$420 per year: Date of Birth

INSERT YOUR TFN or ABN IN THE APPROPRIATE CATEGORY

PERSONAL	UNITHOLDER A	UNITHOLDER B (IF APPLICABLE)
PARTNERSHIP OR COMPANY		
TRUST ACCOUNT		

3. Investment

Minimum initial application \$10,000. Additional amounts in \$1,000 increments.

Number of Units applied for	at	Offer price per Unit	Total amount payable
<input style="width: 100%;" type="text"/>		\$1.00	<input style="width: 100%;" type="text"/>

CONTINUED ON REVERSE

APPLICATION FORM (Continued)

4. Distribution Instructions

How would you like to receive your income distributions?

- Reinvest all in additional units
- Reinvest nominated % in additional units and credit the balance to my bank, building society or credit union account (please complete account details below)
- Nominate % of reinvestment
- Credited to my bank, building society or credit union account (please complete account details below)

ACCOUNT DETAILS

Note: to ensure the correct account details are recorded, please attach a blank deposit slip of your nominated account.

BANK BRANCH CODE (BSB No)		ACCOUNT NUMBER	
ACCOUNT NAME			
FINANCIAL INSTITUTION			
FULL ADDRESS			
SUBURB / TOWN		STATE	POSTCODE

Do you wish to receive a copy of the Fund's Annual Report each year?

NO YES

5. Signing the Application Form

Important: Before signing this Application Form, you should read the PDS to which this application applies.

I/We, the applicant:

- Have read the PDS to which this Application Form was attached and wish to apply for the Units in the Fund.
- Agree to be bound by the terms and provisions of the Constitution, as may be amended from time to time in the future.

Signature(s)

UNITHOLDER A	UNITHOLDER B (IF APPLICABLE)	DATE
COMPANY SEAL	Executed by the applicant Company being signed by:	
	DIRECTOR	DATE
	DIRECTOR / SECRETARY	DATE

6. Advisers/Brokers (complete if applicable)

ADVISER'S GROUP	ADVISER'S GROUP		
ADVISER'S NAME	ADVISER'S NAME		
	ADDRESS		
	SUBURB / TOWN	STATE	POSTCODE
TELEPHONE / FACSIMILE	TELEPHONE	FACSIMILE	
SIGNATURE	SIGNATURE	DATE	
	ADVISER'S STAMP		