Mariner American Property Income Trust

Mariner American Property Income Trust ARSN 114 494 503
Product Disclosure Statement Dated 23 June 2005
Issuer: Mariner Securities Limited ABN 87 002 163 180, AFSL 237 091
Statements about the offer made under this Product Disclosure Statement (PDS) are
general only and do not take into account your particular needs, objectives, financial
circumstances and investment preferences. This PDS is an important document and
you should read it carefully and in its entirety, and consider if this investment is
appropriate in light of your objectives, financial circumstances and needs. In
particular, in considering the prospects of the Trust, it is important that you consider
the risk factors that could affect the financial performance of the Trust. You should
carefully consider these factors in light of your particular investment needs,
objectives and circumstances (including financial and taxation issues) and seek
professional advice from your accountant, solicitor or other professional adviser
before deciding whether to invest. Some of the risk factors that should be
considered by prospective investors are set out in section 8. Where appropriate,
you should obtain independent advice, particularly about such individual matters as
taxation, retirement planning and investment risk tolerance.

THIS IS NOT FINANCIAL ADVICE. YOU SHOULD SEEK YOUR OWN
FINANCIAL ADVICE.

Information relating to the Mariner American Property Income Trust that is not materially
adverse information is subject to change from time to time. The updated information can
be obtained by calling our Investor Services Team on 1800 009 963 or may be
accessed from our website at <www.marinerfunds.com.au>. We will send you a paper
copy of the updated information on request.

This PDS is dated 23 June 2005 and was lodged with ASIC on that day. It relates to
Units in the Mariner American Property Income Trust and is issued by Mariner Securities
Limited ABN 87 002 163 180, AFSL 237 091. ASIC and Australian Stock Exchange
Limited take no responsibility for the contents of this PDS.

Mariner Securities Limited is the Responsible Entity of the Mariner American Property
Income Trust and a wholly owned subsidiary of Mariner Financial Limited ABN 54 002
989 782 (ASX : MFI).

The offer or invitation to subscribe for Units in the Mariner American Property Income
Trust under this PDS is available only to persons receiving this PDS in Australia and is
subject to the terms and conditions described in this PDS. We reserve the right to
withdraw the offer or invitation to subscribe for Units and withdraw this PDS.

Please note that the performance of the Trust, the repayment of capital or any particular
rate of return is not guaranteed by Mariner Securities Limited, BNP Paribas Fund
Services Australasia Pty Limited (the Custodian of the Trust), or any member company
of the Mariner Financial group or BNP group.

Applications will be made for quotation of Units within seven days from the date of this PDS.

Financial Amounts
All financial amounts contained in this PDS are expressed in Australian currency unless
otherwise stated.

Definitions
A number of words and terms have defined meanings that appear in the Explanation
of Terms in section 23.
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1. About the Mariner American Property Income Trust

The objective of the Mariner American Property Income Trust is to invest in US property markets to provide investors with reliable, tax effective income and the potential for long-term capital growth.

To meet this objective, the Trust aims to use a US Real Estate Investment Trust structure to progressively acquire a portfolio of investments in the major US property markets. The Trust will focus on retail and office properties with quality tenants that are expected to provide stable income. As the US property markets are considerably larger than comparable Australian markets, they provide more opportunities to acquire properties that fit the Trust’s investment strategy.

Our property investment team has a proven track record in Australia-US cross-border property investment. As well as Australian based executives with expertise in structuring international property investments, the Mariner Financial group has its own dedicated Boston based office which has direct access to a team who are specialists in sourcing and managing US properties.

In this Offer, the Trust is seeking to raise $50 million to acquire the Initial Portfolio. This will comprise Derry Meadows, a multi-tenanted retail centre located in the greater Boston region, and the Intel Campus, an office complex in Parsippany, New Jersey, which is a suburban office market in the New York region.
The anticipated distributions to Unitholders during the Forecast Period (ending 30 June 2007) will be 9.02% p.a.\(^1\)

These returns are expected to be 100% tax-deferred\(^2\), providing an equivalent pre-tax yield, disregarding future capital gains tax, of approximately 17.53% p.a. for the highest marginal tax payer.

The Trust will apply for admission to the official list of the Australian Stock Exchange and official quotation of the Units\(^3\).
2. Outline of the Offer

This overview is a summary only and should be read in conjunction with the balance of the information in this PDS.

The Offer is for Units in the Mariner American Property Income Trust to be listed on the Australian Stock Exchange (ASX). The Trust will acquire an Initial Portfolio. This will comprise Derry Meadows Shoppes, a multi-tenanted retail centre in the greater Boston region, for a total purchase price of approximately US$32 million and the Intel Campus, an office complex leased to Intel located in Parsippany, New Jersey, which is a suburban office market in the New York region, for a total purchase price of approximately US$61.5 million.

The Initial Portfolio is being acquired in two tranches and the Issue Price is payable by two instalments. The First Instalment is $0.60 per Unit, payable on application. The Final Instalment of $0.40 per Unit is payable on 1 December 2005. If you do not pay the Final Instalment, your Units may be forfeited and sold on your behalf. Section 19.1.4 sets out the consequences associated with the failure to pay the Final Instalment.

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2.1 INDICATIVE TIMETABLE

<table>
<thead>
<tr>
<th>Event</th>
<th>Date/Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offer opens</td>
<td>Friday, 1 July 2005</td>
</tr>
<tr>
<td>Offer closes</td>
<td>Thursday, 15 September 2005 at 5.00pm</td>
</tr>
<tr>
<td>Allotment of Units</td>
<td>Monday, 1 August 2005, Thursday, 1 September 2005, 22 September 2005</td>
</tr>
<tr>
<td>Deferred settlement trading of Units</td>
<td>Friday, 23 September 2005</td>
</tr>
<tr>
<td>Dispatch of holding statements</td>
<td>Tuesday, 27 September 2005</td>
</tr>
<tr>
<td>Quotation of Units (normal trading)</td>
<td>Wednesday, 28 September 2005</td>
</tr>
<tr>
<td>Final Instalment payable</td>
<td>Thursday, 1 December 2005</td>
</tr>
<tr>
<td>Acquisition of Intel Campus</td>
<td>Expected to be within two weeks of Wednesday, 7 December 2005</td>
</tr>
</tbody>
</table>

---

2.2 THE ISSUE OF UNITS

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issue price per Unit</td>
<td>$1.00</td>
</tr>
<tr>
<td>Minimum application</td>
<td>5,000 Units</td>
</tr>
<tr>
<td>First Instalment (payable on application)</td>
<td>$0.60</td>
</tr>
<tr>
<td>Final Instalment (due 1 December 2005)</td>
<td>$0.40</td>
</tr>
<tr>
<td>Expected number of Units to be issued under the Offer</td>
<td>50 million</td>
</tr>
<tr>
<td>Total expected proceeds to be raised under the Offer</td>
<td>$50 million</td>
</tr>
</tbody>
</table>

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1 Derry Meadows was acquired on 31 May 2005.
2 All times and dates are Sydney times. The dates (other than the Final Instalment payment date) are indicative only and subject to change. Mariner Securities Limited reserves the right to amend this timetable without notice including to extend the Offer Closing Date, to close the Offer early, to accept late applications or to cancel, or scale back the size of, the Offer, subject to the Corporations Act and the Listing Rules. 3 Subject to Australian Stock Exchange Limited granting listing.
2.3 SOURCES AND APPLICATIONS OF FUNDS

**SOURCES AND APPLICATIONS OF FUNDS ($US 000’s)**

<table>
<thead>
<tr>
<th>Acquisition dates</th>
<th>Tranche 1 22 September 2005</th>
<th>Tranche 2 12 December 2005</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sources of Funds</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceds from issue of Units</td>
<td>23,235</td>
<td>15,490</td>
<td>38,725</td>
</tr>
<tr>
<td>Short-term borrowings</td>
<td>2,500</td>
<td>2,500</td>
<td>5,000</td>
</tr>
<tr>
<td>Borrowings</td>
<td>21,500</td>
<td>44,000</td>
<td>65,500</td>
</tr>
<tr>
<td><strong>Total sources</strong></td>
<td>47,235</td>
<td>61,990</td>
<td>109,225</td>
</tr>
<tr>
<td><strong>Application of Funds</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Portfolio acquired</td>
<td>32,000</td>
<td>60,885</td>
<td>92,885</td>
</tr>
<tr>
<td>Portfolio acquisition costs</td>
<td>4,002</td>
<td>255</td>
<td>4,257</td>
</tr>
<tr>
<td>Financing costs</td>
<td>1,169</td>
<td>0</td>
<td>1,169</td>
</tr>
<tr>
<td>Issue costs</td>
<td>2,366</td>
<td>0</td>
<td>2,366</td>
</tr>
<tr>
<td>Other applications – cash</td>
<td>1,898</td>
<td>850</td>
<td>2,748</td>
</tr>
<tr>
<td>Hedge collateral</td>
<td>5,800</td>
<td>0</td>
<td>5,800</td>
</tr>
<tr>
<td><strong>Total applications</strong></td>
<td>47,235</td>
<td>61,990</td>
<td>109,225</td>
</tr>
</tbody>
</table>

**SOURCES AND APPLICATIONS OF FUNDS ($A 000’s)**

<table>
<thead>
<tr>
<th>Acquisition dates</th>
<th>Tranche 1 22 September 2005</th>
<th>Tranche 2 12 December 2005</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sources of Funds</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceds from issue of Units</td>
<td>30,000</td>
<td>20,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Short term borrowings</td>
<td>3,228</td>
<td>3,228</td>
<td>6,456</td>
</tr>
<tr>
<td>Long term borrowings</td>
<td>27,780</td>
<td>56,811</td>
<td>84,571</td>
</tr>
<tr>
<td><strong>Total sources</strong></td>
<td>60,988</td>
<td>80,039</td>
<td>141,027</td>
</tr>
<tr>
<td><strong>Application of Funds</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Portfolio acquired</td>
<td>41,317</td>
<td>78,612</td>
<td>119,929</td>
</tr>
<tr>
<td>Portfolio acquisition costs</td>
<td>5,168</td>
<td>329</td>
<td>5,497</td>
</tr>
<tr>
<td>Financing costs</td>
<td>1,510</td>
<td>0</td>
<td>1,510</td>
</tr>
<tr>
<td>Issue costs</td>
<td>3,055</td>
<td>0</td>
<td>3,055</td>
</tr>
<tr>
<td>Other applications – cash</td>
<td>2,449</td>
<td>1,098</td>
<td>3,547</td>
</tr>
<tr>
<td>Hedge collateral</td>
<td>7,489</td>
<td>0</td>
<td>7,489</td>
</tr>
<tr>
<td><strong>Total applications</strong></td>
<td>60,988</td>
<td>80,039</td>
<td>141,027</td>
</tr>
</tbody>
</table>

2.4 SUMMARY OF FINANCIAL FORECASTS

<table>
<thead>
<tr>
<th></th>
<th>9.5 months to 30 June 2006(^1)</th>
<th>12 months to 30 June 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution per Unit (cents)</td>
<td>$0.0695</td>
<td>$0.0903</td>
</tr>
<tr>
<td>Annualised distribution(^2)</td>
<td>9.02%</td>
<td>9.03%</td>
</tr>
<tr>
<td>Tax-deferred component(^3)</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Net tangible asset backing per Unit</td>
<td>$0.9087</td>
<td>$0.9087</td>
</tr>
</tbody>
</table>

2. Forecast distributions are necessarily uncertain and reliant on assumptions. Investors should carefully consider the Risks of investing in the Trust set out in section 8 and the Key Forecast Assumptions set out in section 14 that underpin these forecast returns. Distributions are quoted after deducting all ongoing fees and assume no change to the value of the Initial Portfolio.
3. The tax-deferred effect of the distributions, its impact on the cost base of the Initial Portfolio and potential capital gains and the potential impact of foreign currency movements are explained in sections 8.10 and 18.
3. About the Property Investment Team

The Responsible Entity, Mariner Securities Limited, is part of the Mariner Financial group which was established in 2003. Mariner Financial Limited, the parent company of the Mariner Financial group is a financial services company listed on the Australian Stock Exchange.

Members of Mariner Financial group’s property investment team played a pivotal role in building a $2.8 billion income producing real estate portfolio in the late 1990s and early 2000s. This portfolio included real estate in the UK, US and Australia.

Members of Mariner Financial group’s property investment team have a proven track record in Australia – US cross-border property investment. As well as Australian based executives with expertise in structuring international property investments, we have access to a Boston based team who are specialists in sourcing and managing US properties (please see section 10.4 for more information about our property investment team).

Our property team’s most recent Australian syndicated property and infrastructure trusts were:

- The Powercor Building – A Melbourne CBD office building with a lease guaranteed by an investment grade entity for its 17 year term, which was offered as Mariner Property Trust No.1, an unlisted investment trust.
- The Sydney Opera House Car Park – The 1,200 bay Opera House Car Park, leased to Wilson’s Parking, which was offered as Mariner Infrastructure Trust No.1.
- Megamart, Alexandria – A retail centre leased to Myer Stores (a member of the Coles Myer Group) for 14 years, which is held as an income orientated investment by Mariner Retirement Solutions.

Strong Investment Track Record

The Mariner property investment team has an established track record in acquiring income producing properties. Since 2002, the members of our property investment team have arranged the acquisition of over $500 million of income producing properties which were mainly leased to investment grade tenants.

Expertise in Cross-border Investment

Our property investment team has a broad base of expertise in structuring cross-border property investments. The team has expertise across many areas, such as finance, ownership structures, tax, interest rate swaps and foreign currency hedges.

Mariner Owns its US Property Investment Business

Mariner Financial Inc. has been incorporated to manage the Mariner Financial group’s American operations and is wholly owned by Mariner Financial Limited. This ownership provides the Mariner American Property Income Trust with access to a US based property investment team whose priority is sourcing and managing assets on behalf of the Mariner Financial group. There are no joint venture partners or co-investors to provide possible conflicts of interest so Mariner Securities Limited has full access to all US properties sourced for public offer by Mariner Financial Inc.
4. Investment Strategy

We will seek to meet the Trust’s objective of providing Unitholders with reliable, tax effective income and the potential for long-term capital growth through:

- actively managing the Trust’s underlying property investments with the aim of optimising income and long-term capital value;
- acquiring additional property investments for the Trust when suitable opportunities arise;
- selling the Trust’s indirect property investments if this is considered to be in the interest of Unitholders. We expect to hold the Trust’s indirect property investments for the long term and do not intend to actively trade these underlying property investments;
- gearing the property investments to enhance returns and take advantage of taxation benefits; and
- implementing interest rate and currency hedging policies designed to provide some protection against the adverse impact of movements in currency and interest rates.

4.1 PROPERTY ACQUISITIONS

The Trust will acquire the Initial Portfolio comprising Derry Meadows, a multi-tenanted retail centre located in the greater Boston region, and the Intel Campus, an office complex in Parsippany, New Jersey, which is a suburban office market in the New York region. In the future, we will seek to add to the Trust’s underlying property investment portfolio to maintain or enhance risk adjusted returns to Unitholders.

The key selection criteria for property acquisitions will be the potential to produce income, add diversification and decrease other investment risks within the Trust’s underlying property investment portfolio. To meet these criteria we will initially focus on good quality retail or office properties which are located in the major US property markets. We will also consider the credit quality of tenants, the length and terms of the property leases and the potential costs of any ongoing maintenance or repairs or refurbishment.

Future indirect property acquisitions will be funded by a combination of equity and debt. It is likely that additional Units will be issued for this purpose. This may involve pro rata offerings or placements.

4.2 GEARING POLICY

The Trust’s borrowings will be denominated in US dollars, will be made by controlled entities of the Trust and will be sourced from US based financial institutions. Our policy is that the effective long-term gearing of the Trust will usually be in the range of 55% to 75% and will generally be approximately 65% of the consolidated Gross Assets of the Trust.

4.3 INTEREST RATE POLICY

The Trust will maintain effective medium to long-term fixed interest rates for a substantial portion of the Trust’s borrowings. On the completion of the purchase of the Initial Portfolio, approximately 93% of the Trust’s borrowings will be fixed rate debt or fixed using interest rate swaps.
4.4 CURRENCY HEDGING POLICY

The Trust's income will be received in US dollars. These US dollars will be converted into Australian dollars before distributions are paid. The value of the Australian dollar has been subject to significant fluctuations against the US dollar in the past and may be subject to significant fluctuations in the future. If the Australian dollar appreciates against the US dollar, the value of the Trust's US assets when converted into Australian dollars will decrease. As such, currency fluctuations could affect the return of your investment. We will create currency hedges (using financial instruments) to reduce the exposure of the Trust to movements in exchange rates both favourable and unfavourable.

We have entered into currency hedges for approximately 85% of the estimated distributions for the Forecast Period. The unhedged portion of the distributions for the first five years will be reviewed and substantially hedged on a rolling basis. Over time, as further properties are added to the US REIT, we will enter into further hedging contracts in respect of the additional distributions we expect to receive from the US REIT.

As this is an income orientated trust it is not our main concern to hedge the capital invested in the US. However, in structuring the income hedge we have also partially hedged the Trust's capital exposure. This is a dynamic hedging position and the level of hedging is directly related to market levels of the US dollar. The hedging position will be monitored and reviewed periodically.

The currency hedging policy is intended to provide a degree of certainty for Unitholders, so that any difference in the exchange rate between the Australian and US currencies does not have a significant unexpected impact on the distributions in Australia within the first five year period of the Trust, and any sustained movements in exchange rates are phased in progressively.

The First Instalment and Final Instalment proceeds have also been hedged to ensure that any change in exchange rates does not impact on the ability of the Trust to fund the acquisition of the Initial Portfolio.
5. Structure

The Trust’s assets will include cash investments, exchange rate swaps designed to provide a measure of protection against adverse currency movements and a 99.9% interest in Mariner American Property Income REIT Limited, which is a US foreign controlled corporation incorporated in the State of Maryland (US REIT).

This US REIT will in turn own a 100% interest in two special purpose US limited liability companies (LLCs): Mariner Derry Meadows LLC and Mariner Parsippany 1515 LLC.

These LLCs will own the properties that make up the Initial Portfolio. Mariner Derry Meadows LLC will own Derry Meadows and Mariner Parsippany 1515 LLC will own the Intel Campus. The LLCs borrow to finance the property acquisitions and generally where the borrowings are not fixed also enter into the swap agreements used to fix a portion of the interest rates at which borrowings are made.

More information on the constitution of the Trust, the articles of the US REIT, the LLC agreements and the REIT Management Agreement is set out in section 19.
# 6. Summary of the Offer

This is a summary of the Offer. For more information, refer to the relevant sections of this PDS. You should read the entire PDS before making any decision to invest.

<table>
<thead>
<tr>
<th>Offer opening date</th>
<th>Friday, 1 July 2005.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offer closing date</td>
<td>Thursday, 15 September 2005 at 5.00pm (we may, at our discretion, extend the Offer or close the Offer earlier).</td>
</tr>
<tr>
<td>Amount to be raised</td>
<td>$50 million.</td>
</tr>
<tr>
<td>Units being offered</td>
<td>50 million Units in the Mariner American Property Income Trust, ARSN 114 494 503, which is to be listed on the ASX and is a managed investment scheme registered under the Corporations Act.</td>
</tr>
<tr>
<td>Issue price</td>
<td>The issue price is $1.00 per Unit. Payment will be divided into two instalments. The First Instalment is $0.60 per Unit, payable on application. The Final Instalment of $0.40 per Unit is payable on 1 December 2005. If you do not pay the Final Instalment, your Units may be forfeited and sold on your behalf.</td>
</tr>
<tr>
<td>Issue date</td>
<td>Units will be issued when the Responsible Entity accepts your application at a date between the Offer opening date and the Offer closing date, but no later than one month after we receive your application money. The Units are expected to be quoted for normal trading on the ASX on Wednesday, 28 September 2005.</td>
</tr>
<tr>
<td>Net asset backing of Units</td>
<td>The net asset backing of Units is forecast to be $0.91 on the completion of the issue of Units pursuant to this PDS.</td>
</tr>
<tr>
<td>Issuer of this PDS and Responsible Entity of the Trust</td>
<td>The Responsible Entity and Manager of the Trust and issuer of this PDS is Mariner Securities Limited, a company that is part of the Mariner Financial group.</td>
</tr>
<tr>
<td>Custodian of the Trust’s assets</td>
<td>An independent Custodian, BNP Paribas Fund Services Australasia Pty Limited, has been appointed to hold the assets of the Trust including the interest in the US REIT, the cash deposits and bank accounts. The properties will be held by subsidiary entities of the US REIT (which in the case of the Initial Portfolio will be the LLC.</td>
</tr>
<tr>
<td>Underwriter to the Offer</td>
<td>The underwriter is Mariner Financial Limited. If this Offer is not fully subscribed, Mariner Financial Limited will be obliged, provided that there is no termination event under the Underwriting Agreement, to take up the shortfall by subscribing for Units in the Trust. If the Underwriting Agreement is terminated the application money will be refunded without interest.</td>
</tr>
</tbody>
</table>

Section 22

Section 12.3

Section 10

Section 20.2

Section 20.1
<table>
<thead>
<tr>
<th>Purpose of the Trust</th>
<th>Investors are invited to participate in the indirect ownership of the Initial Portfolio. The objective of the Trust is to acquire further US properties so that it will indirectly own a diversified range of property assets located in the major property markets of the US. The properties acquired will be retail and office properties that provide a stable income in a tax efficient manner. The key selection criteria for property acquisitions will be the potential to produce income, add diversification and decrease other investment risks within the Trust’s underlying property investment portfolio.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distributions</td>
<td>After the Final Allotment Date, distributions will be made quarterly in arrears as at the end of September, December, March and June. Prior to the Final Allotment Date, distributions will be paid monthly, based on the interest earned by the Trust after expenses. Distributions will usually be paid directly to Unitholders’ bank accounts within one month. The first quarterly distribution, for the period from the Final Allotment Date to 31 December 2005, will be paid by 31 January 2006.</td>
</tr>
<tr>
<td>Entry and Exit Fees</td>
<td>No entry or exit fees are charged to individual investors.</td>
</tr>
<tr>
<td>Establishment and Equity Raising Fee</td>
<td>The Responsible Entity is entitled to a fee of 5% of the amount raised under this Offer, payable from the Trust’s assets within 30 days of the issue of Units under this PDS. The Responsible Entity will pay the underwriter’s fees from the Property Acquisition Fee and the Establishment and Equity Raising Fee.</td>
</tr>
<tr>
<td>Property Acquisition Fee</td>
<td>The Responsible Entity is entitled to a Property Acquisition Fee of 3% of the purchase price of the Initial Portfolio, payable from the Trust’s assets within 30 days of the settlement of the purchase of each property.</td>
</tr>
<tr>
<td>Ongoing management costs</td>
<td>During the Forecast Period, we estimate that after allowing for GST and RiTCs the ongoing management costs of the Trust will equate to approximately 0.53% p.a. of the net asset value of the Trust or $4.82 for every $1,000 you have invested.</td>
</tr>
<tr>
<td>Adviser commissions</td>
<td>We, or the Underwriters, may pay financial advisers an upfront commission of up to 3.3% including GST. These commissions are paid by the Responsible Entity from the Property Acquisition Fee and Establishment and Equity Raising Fee, which we receive.</td>
</tr>
</tbody>
</table>
### Forecast distributions
Forecast income distributions of the Trust are set out in section 2.4. Forecast distributions are necessarily uncertain and reliant on assumptions. Investors should carefully consider the Risks in section 8 and the Key Forecast Assumptions in section 14 that underpin these forecast returns. Distributions are quoted after deducting all ongoing management costs.

### Forecast taxation benefits
100% of the forecast distributions during the Forecast Period are expected to be tax deferred. Investors should carefully consider the tax-deferred effect of the distributions and their impact on the cost base of Units and potential capital gains.

### Working capital
It is expected that the Trust will have sufficient working capital to meet its objectives.

### Risks
All investments involve a certain amount of risk. Various risks associated with this investment are set out in the Risks section.

### Minimum investment
The minimum investment is $5,000. Investment amounts over this threshold must be in multiples of $1,000.

### Investment by superannuation funds
The Trust is a geared investment which may be a suitable vehicle for superannuation funds subject to the investment mandate of the particular fund and the Trustee’s general duties (e.g., to diversify).

### Debt financing policy
The Trust’s debt financing policy is for the long-term consolidated borrowing ratio of the Trust to generally be approximately 65%. From time to time, the consolidated borrowing ratio may exceed 65% on a short-term basis to facilitate property acquisitions, distributions, hedging collateral or capital expenditure. The Trust proposes to maintain medium-term fixed interest rates, through interest rate swaps or otherwise, for between 65% and 100% of the borrowings of the Trust. The Trust has fixed interest rates for 93% of borrowings in relation to the Initial Portfolio for five years.

### Currency hedging
The Trust has entered into currency hedges for approximately 85% of the estimated distributions for the Forecast Period. Further hedging will be in accordance with the currency hedging policy.

### Allocation policy for Units
There is no assurance that applicants will receive the number of Units they apply for or any Units at all. If the aggregate number of Units applied for is greater than the aggregate number available, applications will be declined or scaled back.

---

1 The tax-deferred effect of the distributions, its impact on the cost base of the Initial Portfolio and potential capital gains, and the potential impact of foreign currency movements are explained in sections 8.10 and 18.
**Stock exchange quotation**
The Trust will apply for admission to the official list of the Australian Stock Exchange and official quotation of the Units. There is no redemption or withdrawal right while the Trust is listed, but Units may be offered for sale, once listed, on the ASX. If you sell Units prior to receiving your holding statement, you do so at your own risk.

**How Units are held**
The Trust will apply to participate in ASX’s Clearing House Electronic Sub-register System (CHESS), in accordance with the Listing Rules and the ASTC Settlement Rules. CHESS is an automated transfer and settlement system for transactions in securities quoted on ASX under which transfers are effected in an electronic form.

When the Units become CHESS approved securities, holdings will be registered in one or two sub-registers, an electronic CHESS sub-register or an issuer sponsored sub-register.

Following Allotment to successful Applicants under the Offer, Unitholders will be sent an initial holding statement that sets out the number of Units that have been allotted to them. This holding statement will also provide details of the Unitholder’s Holder Identification Number (HIN) of CHESS sponsored Unitholders or, where applicable, the Securityholder Reference Number (SRN) of issuer sponsored Unitholders.

**Cooling-off period**
There is no cooling-off period for investments in the Trust. Once you have submitted a completed Application Form and providing the application is accepted, you are not able to withdraw from the Trust, other than as permitted by the Corporations Act. However, you can offer your Units for sale on the ASX once the Units are quoted.

**Dispute resolution**
The Trust has an established policy for dealing with complaints and is a member of an external dispute resolution scheme.

**Material contracts**
Material contracts relating to the Trust are summarised in section 19. References to particular contracts or other documents in this PDS are references to the contracts and other documents summarised in the Material Contracts section.

**Who can I call if I have any questions?**
Speak to your stockbroker, financial adviser, accountant or other professional adviser. If you have any questions about how to apply please contact our Investor Services Team on 1800 009 963.

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1 If the Units are not officially quoted within three months of the date of this PDS any allotment of Units will be void and all application money will be returned to applicants. Interest will not be paid on application money that is refunded.
7. Benefits of the Offer

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attractive distribution yield</td>
<td>Forecast distributions on capital subscribed of 9.02%(^1) p.a.</td>
</tr>
<tr>
<td>Tax advantaged returns</td>
<td>Forecast distributions are estimated to be 100%(^2) tax deferred for the Forecast Period.</td>
</tr>
<tr>
<td>Exposure to US property</td>
<td>The Trust will invest in quality retail and office properties, which provide a stable income. The Trust will invest in the Initial Portfolio and its objective is to invest in further properties. These properties will be located primarily in the major property markets of the US.</td>
</tr>
<tr>
<td>Experienced property team</td>
<td>The Trust’s underlying property investments will be acquired and managed by a team which is experienced in Australia – US cross-border acquisitions and has an established track record.</td>
</tr>
<tr>
<td>Quality tenants</td>
<td>The Initial Portfolio comprises a multi-tenanted retail centre, Derry Meadows, and the Intel Campus, an office complex which is leased to Intel until 31 December 2015. 88% of the gross rental income of the Trust is provided by creditworthy tenants.</td>
</tr>
<tr>
<td>Stable income</td>
<td>The Trust’s income is stable with the leases which provide 96% of the creditworthy income expiring after 30 June 2015.</td>
</tr>
<tr>
<td>Fixed interest rate and foreign exchange hedges</td>
<td>To minimise risk, the Trust has fixed 93% of the interest rates on the borrowings for the Initial Portfolio for five years and hedged its foreign exchange exposure to approximately 85% of the income returns from the Initial Portfolio.</td>
</tr>
<tr>
<td>Liquidity</td>
<td>Units will be quoted on the ASX.</td>
</tr>
</tbody>
</table>

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1 Forecast distributions are necessarily uncertain and reliant on assumptions. Investors should carefully consider the Risks of investing in the Trust set out in section 8 and the Key Forecast Assumptions set out in section 14 that underpin these forecast returns. Distributions are quoted after deducting all ongoing fees and assume no change to the value of the Initial Portfolio.

2 The tax-deferred effect of the distributions, its impact on the cost base of the Initial Portfolio and potential capital gains, and the potential impact of foreign currency movements are explained in sections 8.10 and 19.
8. Risks

Most investments involve a degree of risk. Before investing in the Trust, you should take into account your personal tolerance for risk and how the potential risks of an investment in the Trust may affect you. None of Mariner’s employees, and the directors of Mariner, and any other party associated with the preparation of this PDS guarantees that any specific objectives of the Trust will be achieved, or that any particular performance of the Trust or the Units will be achieved.

8.1 GENERAL AND MARKET RISKS

The value of Units and future returns of the Trust may be adversely affected by unforeseen expenses, inflation, the property and corporate markets, government regulation, taxation changes and other matters, such as movements on the ASX and international stock markets.

As this investment is an investment in units to be listed on the ASX, the investment may be influenced by volatility in the Australian and international financial markets. The gearing on the underlying properties (including the Initial Portfolio) means that movements in the US bond rates can influence interest rates payable. Movements in bond rates can also influence income yields for the listed property trust sector and the value of the Units.

8.2 LEGISLATION

Government legislation, including changes to taxation laws, may affect future earnings and the relative attractiveness of investing in the Trust. Changes to the tax law in Australia may affect the tax treatment of the Trust in particular and the market for property trust investment generally. As the assets of the Trust are within the United States, changes to the tax laws in the United States may adversely impact on the US REIT and accordingly the Trust.

8.3 TAXATION

Tax rules or their interpretation in both Australia and the United States and the tax treaty which governs the taxation of distributions from the United States to Australia in relation to this investment may change. In particular, both the level and basis of taxation may change. These changes may affect the future earnings and relative attractiveness of the investment in the Trust. In addition, an investment in Units in a trust involves tax considerations which may differ for each Unitholder. Each prospective Unitholder is encouraged to seek professional tax advice in connection with any investment in the Trust.

The United States laws relating to taxation of REITs are constantly being examined and any change to such laws could adversely affect the ability of the US REIT to qualify as a REIT for United States federal income tax purposes.

8.4 REIT QUALIFICATION AND DOUBLE TAX TREATY

During the Forecast Period the income of the US REIT is expected to be 100% tax deferred.1 Beyond the Forecast Period the distributions from the US REIT and the distributions from the Trust could be adversely affected if the US REIT is not recognised under United States taxation laws as a REIT and the Trust does not qualify as a listed Australian property trust (LAPT) for the purposes of the protocol to the United States/Australia double tax treaty (double tax treaty). This means that:

- if the US REIT were to fail to qualify for United States federal income tax purposes as a REIT in any taxable year, its taxable income would be subject to United States tax at regular corporate rates in that year and possibly in future years. This would significantly impact the amount available for distributions. Unless entitled to relief under specific statutory provisions, the US REIT would be disqualified from re-electing taxation as a REIT for the four taxable years following the year during which qualification was lost; and

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1 The tax-deferred effect of the distributions, its impact on the cost base of the Initial Portfolio and potential capital gains, and the potential impact of foreign currency movements are explained in sections 8.10 and 18.
in order for the US REIT to qualify as a REIT under the United States Internal Revenue Code it must satisfy a number of highly technical rules some of which are summarised in the expert’s Taxation Report in section 18. The Mariner Financial group will seek to manage the US REIT in a way which should reduce the risk that the US REIT will not satisfy the rules. Despite this the satisfaction of all of the rules is beyond the control of the Mariner Financial group. One rule requires that no more than 50% of the value of its shares may be owned, directly or indirectly, by five or fewer individuals (including holders of Units in the Trust) during the last half of any taxable year of the US REIT (other than the first taxable year for which the US REIT elects to be treated as a REIT) (called the 5/50 rule). If the US REIT were to fail to satisfy the 5/50 rule, it would likely not qualify as a REIT, and would be required to pay United States federal income tax at ordinary corporate rates. This would adversely affect the ability of the US REIT to make distributions to the Trust and accordingly, the Trust’s ability to make distributions to Unitholders. The US REIT’s certificate of incorporation contains certain restrictions and notification requirements in relation to the ownership of shares of capital stock of the US REIT. An acquisition by a Unitholder that would cause the US REIT to violate the 5/50 rule would trigger certain measures contained in the articles designed to prevent this from happening. Such provisions could result in the automatic transfer of certain shares of the US REIT held by the Trust to a trust for the exclusive benefit of one or more beneficiaries whose ownership of those shares would not cause a violation of the 5/50 rule. Under Australian law substantial unitholdings above 5% need to be disclosed to the market and no person’s voting power in the Trust can exceed 20% unless permitted by the Corporations Act. This provides a level of transparency as to whether the 5/50 rule is likely to be violated, but there can be no guarantee that it will not be violated.

In general, dividends that are paid by a REIT to a non-United States shareholder, and that are not attributable to capital gains, are subject to 30% United States withholding tax. The double tax treaty between Australia and the United States provides that dividends paid by a REIT to a listed Australian property trust are generally subject to 15% United States withholding tax. However, if the Trust knows or has reason to know that any Unitholder owns 5% or more of the beneficial interest in the Trust, then the Unitholder will be deemed to hold a corresponding portion of the Trust’s interest in the REIT and will be deemed to be beneficially entitled to the REIT dividends paid on such interest. In general, the US REIT dividend paid in respect of such a Unitholder will be subject to a reduced 15% withholding tax rate only if:

- the Unitholder is an individual treated as owning an interest of not more than 10% in the US REIT;
- the Unitholder is treated as owning an interest of not more than 5% of any class in the US REIT; or
- the Unitholder is treated as owning an interest of not more than 10% in the US REIT and the gross value of no single interest in real property exceeds 10% of the value of the US REIT’s total interests in real property.

Non-individual Unitholders should be entitled to the reduced withholding tax rate of 15% provided they are not treated as owning more than 5% of the US REIT.
8.5 INTEREST RATES AND LONG-TERM DEBT

If a non-individual Unitholder exceeds one of these levels at the time the US REIT pays a dividend, then withholding tax on any ordinary dividend may be payable at 30% on that person’s proportionate interest in the US REIT’s distributions. The Trust can deduct that additional withholding tax from any distribution payable to the Unitholder. The Unitholder should be entitled to a credit against Australian tax in respect of foreign sourced income for the US tax withheld.

Investment entities that borrow money are potentially exposed to adverse interest rate movements that may increase the costs and financial risk inherent in those entities. Whilst this risk may be reduced through interest rate hedging, such as interest rate swaps or other mechanisms, there is sometimes residual exposure.

Borrowings to fund the Initial Portfolio, other than US$5 million, will be fixed for five years and should therefore not be subject to changes in interest rates during that period. There is an exposure to changes in interest rates or margins charged by the financier when the expected medium to long-term borrowings need to be refinanced or new borrowings are made to finance further property acquisitions. There is also a risk that the loans cannot be refinanced on a similar basis to the terms of the expected borrowings or at all. Before the end of the term of the expected borrowings, there is a risk that lenders will require repayment in the event that there is a default on the underlying borrowing.

US$5 million of the funds to be borrowed will be at a floating interest rate. An increase in the interest rates assumed in our forecasts will reduce the distributions available to Unitholders.

In the event that any future borrowings are fixed by using an interest rate swap, there is a risk that the counterparty to the swap does not meet its obligations under the swap.

8.6 VALUATION

We will ensure that the US REIT and the LLCs revalue all of their real estate assets at least once every three years using an independent valuer. We expect that each independent valuer will use a valuation methodology that uses discounted cash flows which are cross-checked against other factors such as capitalisation of earnings. The valuations will therefore be particularly sensitive to the choice of discount rate used and changes to the earnings profile of the properties.

8.7 FORCE MAJEURE

Force Majeure is the term generally used to refer to an event beyond the control of any party, including acts of God, fire, floods, earthquakes, wars and strikes. Some force majeure risks are uninsurable, and if such events occur, they may have adverse effects on the Trust.

8.8 FORECAST RISK

The distributable income of the Trust will be adversely affected by any failure to receive the forecast income from the properties.

Unforeseen capital expenditure requirements would require increased borrowings or a reduction in distributions. We have, as part of our due diligence, obtained a Capital Expenditure Report and factored this report into the Financial Forecasts.

The Forecasts have been derived from complex financial models which have been developed by Mariner staff in accordance with standard financial modelling practice. There is a risk that the model may not accurately predict future distributions available to the Trust because one or more assumptions prove to be incorrect. Assumptions are generally only a best estimate at a point in time.
We have endeavoured to insure or organise that third parties effectively insure the properties and the Trust for foreseeable and insurable risks for which insurance is commercially available. It is possible that this insurance may not cover all events or claims that may potentially arise including events for which insurance cannot be obtained such as acts of terrorism.

8.9 CURRENCY RATES

The majority of the Trust's investments will be in the United States property market through the Trust's investment in the US REIT. The assets and liabilities of the US REIT and its controlled entities will be denominated in United States dollars. The value of the Units will be affected by increases or decreases in the value of the United States dollar whenever any of the US REIT's income is distributed to the Trust or the value of the Trust's assets is calculated in the absence of hedging. An increase in the value of the United States dollar against the Australian dollar will mean that the distributions from the US REIT and the value of the US REIT's investments less any liabilities will be worth more when converted into Australian dollars, but if the value of the United States dollar falls those distributions and investments will be worth less in Australian dollar terms.

The value of the Australian dollar has been subject to significant fluctuations relative to the United States dollar in the past and may be subject to significant fluctuations in the future.

The Trust will take out currency hedges in respect of approximately 85% of the US REIT's distributions for a five year period. This means that there is a currency exposure in respect of approximately 15% of REIT distributions. Despite these hedges, with the expiration of time, the amount of Australian dollar distributions made by the Trust may decrease because of foreign exchange movements.

As in the case of interest rate swaps, there is risk in any cross-currency swap on the ability of the counterparty to perform its obligations.

8.10 IMPACT OF CURRENCY RATES ON THE TAX PROFILE OF DISTRIBUTIONS

As the currency hedge taken out by the Trust (see section 8.9) matures the net amount receivable or payable under the contract will be assessable or deductible (respectively) for income tax purposes. The net payment or receipt will represent the difference between the exchange rate at the date of maturity and the rate applied under the currency hedge contract. At the time of preparing the Financial Information for the PDS, it is not possible to forecast whether the currency hedges will give rise to a net amount payable or receivable by the Trust. If the Trust has a net amount receivable, this may result in the Trust having taxable income during the forecast period and therefore the distributions by the Trust will not be 100% tax deferred.

8.11 ACHIEVEMENT OF THE TRUST’S INVESTMENT STRATEGY

The Trust intends to seek further property acquisitions in addition to those outlined in this PDS. The rate at which this occurs will depend on market conditions, the availability of suitable real estate on appropriate terms, and capital availability at the time. Future acquisitions may dilute the level of distributions to Unitholders or the net asset value of the Units although it is the Trust's present intention that future acquisitions will not dilute the net asset value of the Trust (see section 4 for the Trust's investment and acquisition criteria).

The Trust’s investment strategy is to acquire, through the US REIT, further properties which have yields and tenant quality similar to the Initial Portfolio. If the Trust can achieve its diversification strategy it will have the benefit that the Trust will have a diverse portfolio of properties in different locations and with different tenants meaning that risk to income and capital gains is diversified across the portfolio.
The ability to achieve a diverse portfolio is dependent on a number of factors, including our ability to source suitable further investment properties having similar yields to the Initial Portfolio and our ability to raise capital to fund further acquisitions. The ability to source further investment properties is in turn dependent on the market for investment properties, the availability of finance and our property acquisition team’s skills to make those acquisitions. The availability of capital depends on a number of factors, including stock market conditions and general economic conditions when we seek to raise further capital. Some capital raisings may require a favourable vote by the Unitholders to approve the capital raising.

8.12 MARINER RISK

Mariner has an established property acquisition and management team experienced in Australia – United States cross-border property acquisitions. There is a risk that one or more members of the team may leave and not be replaced by other suitably experienced individuals.

8.13 ENVIRONMENTAL ISSUES

Under various United States federal, state and local laws, ordinances and regulations, a current or previous owner or operator of real estate may be liable for the costs of remediation of hazardous substances at or under its property. The costs of remediation of such substances can be substantial. These laws can impose liability without regard to whether the owner or operator knew of, or caused, the releases of such hazardous substances. The presence of such substances on real estate could adversely affect the Trust’s ability to sell such real estate or to borrow, using such real estate as security and also could have an adverse effect on the Trust’s cash flow.

Before buying any property, the US REIT will arrange for all usual and prudent environmental assessments to be carried out in order to determine whether it is likely that any remediation work will be required. However, environmental assessments do not always detect the environmental contaminants which might be at or on land. There is a risk to the Trust that it could incur liability or have increased expenditure for, among other things, the cost of remediation in the future. This in turn could result in a lower distribution level or a reduction in value of the properties in which the Trust has an interest. The Trust is unable to quantify fully the potential cost of such liability or expenditure if remediation were required.

8.14 NO CAPITAL OR INCOME GUARANTEE

Neither the Trust nor any other person gives any guarantee as to the amount of income or capital return from the Units or the performance of the Trust, nor do they guarantee the repayment of capital from the Trust.

8.15 OTHER RISKS SPECIFIC TO THE TRUST

Other risks include the following:
- the possibility of default by tenants on their obligations which would reduce the income to the Trust;
- unforeseen capital expenditure requirements that would increase the Trust’s funding costs;
- payment of fees and expenses relating to the acquisition or disposal of property in the future may affect distributions in the periods that they are paid;
- Trust expenses being greater than anticipated thereby reducing the amount available for distribution; and
- any of the assumptions used in forecasting the Trust’s financial performance not being achieved such that the forecast distributions cannot be achieved.
## 9. Initial Portfolio

### 9.1 SUMMARY OF KEY PROPERTY DATA FOR DERRY MEADOWS

<table>
<thead>
<tr>
<th>Name:</th>
<th>Derry Meadows</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location:</td>
<td>Derry, New Hampshire</td>
</tr>
<tr>
<td>Region:</td>
<td>Greater Boston region</td>
</tr>
<tr>
<td>Asset type:</td>
<td>Community shopping centre</td>
</tr>
<tr>
<td>Price:</td>
<td>US$32 million</td>
</tr>
<tr>
<td>Built:</td>
<td>2000 to 2004, completion in stages</td>
</tr>
<tr>
<td>Valuation:</td>
<td>US$32 million</td>
</tr>
<tr>
<td>Valuation date:</td>
<td>27 May 2005</td>
</tr>
<tr>
<td>Site area:</td>
<td>49.80 acres</td>
</tr>
<tr>
<td>Gross lettable area (GLA):</td>
<td>187,034 square feet</td>
</tr>
<tr>
<td>Anchor and major tenants as a percentage of GLA:</td>
<td>69%</td>
</tr>
<tr>
<td>Anchor and major tenants as a percentage of income:</td>
<td>70%</td>
</tr>
<tr>
<td>Car spaces:</td>
<td>1,041</td>
</tr>
<tr>
<td>Occupancy rate:</td>
<td>96%¹</td>
</tr>
<tr>
<td>Anchor and major tenants:</td>
<td>Hannaford Bros. supermarket Flagship Cinemas Derry Workout Club</td>
</tr>
<tr>
<td>No. of tenants:</td>
<td>17 tenants</td>
</tr>
</tbody>
</table>

¹ The occupancy rate is 100% leased based on income support over vacant areas from the seller.
## 9.2 SUMMARY OF KEY PROPERTY DATA FOR INTEL CAMPUS

<table>
<thead>
<tr>
<th>Name</th>
<th>Intel Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Parsippany, New Jersey</td>
</tr>
<tr>
<td>Region</td>
<td>New York Tri-State Region</td>
</tr>
<tr>
<td>Asset type</td>
<td>Office</td>
</tr>
<tr>
<td>Price</td>
<td>US$61.5 million</td>
</tr>
<tr>
<td>Built</td>
<td>Main building: 1984</td>
</tr>
<tr>
<td>Annex</td>
<td>1999</td>
</tr>
<tr>
<td>Valuation</td>
<td>US$62 million</td>
</tr>
<tr>
<td>Valuation date</td>
<td>8 June 2005</td>
</tr>
<tr>
<td>Site area</td>
<td>17.11 acres</td>
</tr>
<tr>
<td>Net lettable area</td>
<td>288,742 square feet</td>
</tr>
<tr>
<td>Anchor tenant as a percentage of GLA</td>
<td>100%</td>
</tr>
<tr>
<td>Anchor tenant as a percentage of income</td>
<td>100%</td>
</tr>
<tr>
<td>Car spaces</td>
<td>1,109</td>
</tr>
<tr>
<td>Occupancy rate</td>
<td>100%</td>
</tr>
<tr>
<td>Anchor tenant</td>
<td>Intel Europe Inc, guaranteed by Intel Corporation</td>
</tr>
<tr>
<td>No. of tenants</td>
<td>1 tenant</td>
</tr>
</tbody>
</table>
9.3 INITIAL PORTFOLIO LEASE EXPIRY

Of the Trust’s gross rental income 88% is provided by creditworthy tenants with 96% of these tenants’ leases expiring after 30 June 2015 (see section 9.4.4 and 9.5.1 for a list of creditworthy tenants).

The following chart highlights the lease expiry profile of the Trust.

Lease Expiry by Square Footage
9.4 DERRY MEADOWS SHOPPES

9.4.1 Lease Expiry Profile
The Derry Meadows Shoppes comprises four buildings, a supermarket complex, cineplex and specialty shops. The multi-tenant centre is 96% leased, with the vendor providing income support over vacant space.

This chart highlights the lease expiry profile for the anchor tenants in the Derry Meadows Shoppes.

9.4.2 Retail Mix by Gross Income
This chart highlights the portion of the Trust's rental income derived from tenants by business sector.

9.4.3 Retail Mix by Lettable Area
This chart highlights the net lettable area of the shopping centre by business sector.
9.4.4 Top Eight Retailers

Hannaford Bros. Co.
Hannaford is the dominant supermarket chain in northern New England with 140 stores and three warehouses in Maine, New Hampshire, Massachusetts, Vermont and New York. Hannaford bought 19 Victory brand grocery stores in 2004 and is rebranding the Victory stores, including the Derry Meadows store, to the Hannaford brand. Hannaford is a subsidiary of Delhaize America Inc, which has a Standard and Poor’s rating of BB+ Stable. Delhaize is a Belgian grocer operating in nine countries with 2,565 stores and 138,000 employees. The company trades on the Euronext under symbol DELB and trades ADRs on the NYSE under symbol DEG.

Flagship Cinemas
Flagship Cinemas is a Boston based privately held cinema group. They have 10 locations in Maine, Massachusetts, New Hampshire and Maryland with 92 screens. The Derry location has 12 screens all with stadium seating and digital sound and is one of the leading cinema centres in the region.

Workout Club & Wellness Center
A privately owned health club group with three locations in southern New Hampshire. The three outlets service the same trade area as the overall centre, with the Derry Meadows centre being the largest and one of the busier centres.

Dollar Tree
A publicly traded company (NASDAQ: DLTR) with 2,700 stores in 48 states. Dollar Tree sells an array of housewares, toys, seasonal items etc, all for US$1.00. DLTR announced on 18 March that it would be repurchasing US$300 million of stock. 2005 sales for the company were above US$3.10 billion with Net Operating Income of US$180 million.

EB Games
Electronic Boutique Holdings Corp. is a Fortune 1000 Company that is publicly traded (NASDAQ: ELBO). It is a video game seller with over 2,000 stores throughout the world. Electronic Boutique Holdings Corp. is not rated.

UPS Store
The UPS store is one of over 5,300 franchised stores worldwide providing postal, shipping, business and communications services. Mail Boxes Etc (MBE) was acquired in 2001 by UPS who runs both MBE and UPS stores locations.

TD Banknorth
Toronto Dominion Bank (NYSE: TD) (A+ Stable) bought a 51% stake in this Maine based banking group in early 2005. Now known as TD Banknorth (NYSE: BNK), the company has a large presence in New England and New York with approximately 400 branches.

Burger King
Burger King is the number two hamburger chain in the United States. It was bought and taken private in 2002 by Texas Pacific Group, a leveraged buy out firm from Fort Worth, Texas, with stakes in companies like J-Crew, Ducati, America West Airlines and more.
9.4.5 Market Profile

Market Population: 56,000

Average Household Income Within a Five Mile Radius of Derry Meadows: US$79,000

Derry Meadows is located in southern New Hampshire, about 40 miles north of Boston. The Centre’s trade area comprises the towns of Derry, Londonderry, Chester and Auburn. The towns are residential areas servicing the Boston and Manchester region. The property is the dominant centre serving the local Derry area located within the Manchester Road (Route 28) retail corridor.

Vacancy rates are approximately 4% and on a per capita basis analysis, the amount of retail space per capita is approximately 10% below the regional average for the southern New Hampshire average.

9.4.6 Description

The Centre is relatively new, having been built between 2000 and 2004. The Centre comprises a free-standing Hannaford supermarket, a 12-screen Flagship cinema and in-line specialty shops.

Built on a 49.8 acre site, the Centre’s gross building area is:

<table>
<thead>
<tr>
<th>Component</th>
<th>Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hannaford Bros</td>
<td>70,747 sq ft</td>
</tr>
<tr>
<td>Flagship Cinemas</td>
<td>35,055 sq ft</td>
</tr>
<tr>
<td>In-line</td>
<td>74,026 sq ft</td>
</tr>
<tr>
<td>Outparcel GLA</td>
<td>7,206 sq ft</td>
</tr>
<tr>
<td>Total Centre GLA</td>
<td>187,034 sq ft</td>
</tr>
</tbody>
</table>

The site area includes a seven acre site that is zoned for further retail development of approximately 50,000 square feet.
9.4.7 Location

The property is located in the Town of Derry, within the greater Manchester-Nashua area in the greater Boston region. Generally, the boundaries of the immediate area are Manchester to the north, Salem and Windham to the south, Sandown and Hampshire to the east, and Londonderry to the west. The Central Business District of Derry is approximately one mile south of the property.

Local area accessibility is generally good, relying on the following transportation arteries:

- **Interstate 93:** This six to eight lane interstate runs from the Massachusetts border from the south, through New Hampshire to Interstate 91, which provides access to points in Vermont. Access to this highway is located approximately 1.5 miles to the west at Exit 5.

- **Route 28:** This north-south roadway runs from the Boston area connecting Derry to Salem in the south and Manchester to the north.

- **Route 3:** Known as the F.E. Everett Turnpike, this four to six lane highway, runs through Nashua accessing the City of Manchester to the north and the Massachusetts border to the south.

The neighbourhood is accessed by a series of primary and secondary roadways, as well as secondary transportation. The property is located approximately five miles southeast of Manchester Airport, a large regional airport, with several commercial and freight flights per day. This airport is considered the largest commercial airport in the state and is a strong secondary destination as an alternative to Boston’s Logan International Airport.
9.4.8 Management
The Centre will be asset managed by the US Manager which has access to a property management team based in Boston.

The property level manager will be Finard & Company, LLC, a commercial real estate service firm specialising in retail properties and considered the premier retail real estate firm in the region, based in Burlington, Massachusetts, with regional offices in Vermont, Maine, New Hampshire, Connecticut, Rhode Island, Maryland and Memphis, Tennessee. They currently manage over 13 million square feet of retail, office, industrial and parking properties, and lease over 6.5 million square feet of retail properties. Their clients include a distinguished list of financial institutions, pension fund advisors, REITs and private investors, as well as major national, regional and local retailers.

9.4.9 Management Strategy
Prior to being acquired by Derry Meadows LLC, Derry Meadows was managed by its builder without a budget or negotiated service contracts, and as such will benefit from the services of both the asset and property managers. The priority with regard to the management of Derry Meadows is to transition the centre to the new managers and implement new management systems and strategies. These include the creation of an operating budget for the property, negotiated service contracts and a higher attention to tenant issues.

The long-term strategy is to gradually improve the tenant mix by leasing only to creditworthy national retail chains or strong local tenants. A number of potential tenants have already been identified including national chains and regional/local tenants interested in occupying the small amount of available space in the centre.

The strategy for the seven acre parcel next to Flagship Cinema is to identify restaurant, entertainment or retail tenants interested in building their own stores on long-term ground leases. Over the next year the leasing agent is expected to identify tenants who benefit from close proximity to a multi-plexu cinema. Several restaurant pads and possibly in-line shop space can be built for a total of an estimated 50,000 square feet. Designs will be prepared to show prospective tenants several alternative site plans. Ground rent for the parcel should provide a long-term stable income that enhances the cash flow and value of the centre.
The Intel Campus includes two office buildings which are 100% leased to a division of Intel Corporation on a triple-net lease basis until 31 December 2015. The lease requires Intel to continue rent payments even in the event of a fire or other casualty that precludes Intel's use of the building.

**9.5.1 Intel Corporation**

Founded in 1968 to build semiconductor memory products, Intel introduced the world's first microprocessor in 1971. Today, Intel supplies the computing and communications industries with chips, boards, systems, and software building blocks that are the "ingredients" of computers, servers and networking and communications products. These products are used by industry members to create advanced computing and communications systems worldwide. Intel is rated "A+ Stable" by Standard and Poor's and is reported to enjoy an 80% share of the world microchip market for personal computers. Intel's market share should be increased by Apple Computer's recent decision to put Intel chips into all computer products beginning in 2006. Apple's 3% share of the world's personal computer market will be added to Intel's existing 80% market share.

**9.5.2 Market Profile**

The Intel Campus is located in the Parsippany office submarket in northern New Jersey, about 45 minutes from midtown Manhattan and 20 minutes to Newark's Liberty International Airport via I-287, Route 24 and I-78.

Parsippany is a major regional office market that includes about 17.5 million square feet of office space with a current vacancy rate of 20% as of first quarter 2005. The submarket provides large space campus style office accommodation for the largest and most diversified concentration of investment-grade corporate tenants in the region. These include ADP, Aventis, Bear Stearns, Cendant, Deloitte & Touche, Deutsche Bank, Hoffman LaRoche, Key Bank, Nabisco Brands, New York Life, Novartis, Pfizer, Prudential, State Farm Insurance, Tiffany & Co., and Viacom. These listed tenants occupy nearly 9.1 million square feet or 52% of the Parsippany office inventory.

New office construction has been limited over the past three years with a total of only 124,000 square feet added to the market. As of second quarter 2005 only two Class B offices are under construction with a total of only 26,150 square feet at asking rents of US$25.00 gross. The Intel Campus is rented at US$15.00 per square foot on a triple-net basis with no rent increases for the balance of the term. Market rents for competitive office space average US$16.00 to US$17.00 per square foot net, indicating that the Intel Campus rents are about 6% to 12% below current market levels. It is expected that at termination of the lease period there will be significant rental reversion to the US REIT.

**9.5.3 Description**

The Intel Campus is located at 1515 Route 10 in Parsippany, New Jersey, and comprises a three-storey, 220,262 square foot main office completed in 1984 and a newer 68,480 square foot office annex completed in 1999. The buildings are linked by an enclosed pedestrian bridge and share a common surface parking lot which contains 1,109 spaces.
In summary, the Intel Campus includes:

Site: 17.11 acres
Main Building: 220,262 square feet
Annex: 68,480 square feet
Total Area: 288,742 square feet
Parking: 1,109 spaces (3.84 per 1,000 rentable square feet)

One key feature of the building is that it is served by two distinct power grids. This redundancy is essential for any mission-critical uses such as data centers, telecom switching, disaster recovery and other such facilities. The campus also has two gas-fired emergency power generators and an uninterruptible power supply (UPS) system. A new 625 KVA generator was installed by Intel in May 2005.

9.5.4 Location
The property is located in the heart of the Morris County Business District, about two miles from the town centre of Morristown. The area is part of the New York Tri-State market and is a recognised regional property market. It is near the regional crossroads of I-80 and I-287 which connects prestigious executive communities nearby with the dense labour pool in the inner suburbs of New York to the east and the rapidly growing commuter corridor west on I-80.

The building is easily accessed being on the eastbound side of Route 10 about 0.25 miles from the I-287 interchange and quick access to I-80, I-78, Route 10, and Route 280 (see map below).

9.5.5 Management
The Intel lease is a net lease under which Intel will be obliged for the term of the lease to pay all expenses, including taxes, operating costs, and all charges, fees, utilities, insurance and other expenses associated with ownership of the property. Mariner will have no responsibility to provide on-site management.
10. The Responsible Entity
Mariner Securities Limited

The Trust is managed by Mariner Securities Limited – the Responsible Entity, and a member of the Mariner Financial group.

Established in 2003, the Mariner Financial group seeks to become a market leader in retirement income and capital growth investment solutions.

Over their investing life individuals have different financial requirements – from wealth generation in their accumulation years, to wealth preservation in their retirement years. The Mariner Financial group seeks to address the demand for more tailored products to satisfy these requirements.

The Mariner Financial group operates through two separate companies with distinctive markets and aims.

- Mariner Financial Limited (ASX: MFI) will offer a range of innovative products in the financial services industry driven by the growing superannuation sector. These may include fixed-interest products, international investments, structured products and alternative investments.

- Mariner Retirement Solutions Limited (ASX: MRT) will address the growing demand for retirement income products. Mariner Retirement Solutions will offer unique short and long-term investments that aim to provide stable ongoing retirement income.

The Mariner Financial group will, as part of its broader product creation activities, specialise in structuring property assets to provide stable long-term cash flow and capital investment products for the retirement market.

10.1 INVESTMENT MANAGEMENT

Some of the directors and key executives of the Mariner Financial group had considerable property investment related expertise prior to joining Mariner, including:

- investing in and managing more than $2.8 billion of property assets located in Australia, the United Kingdom and the United States;

- the formation and management of nine unlisted single-asset property trusts, with a total asset value of $420 million; and

- management of responsible entities of property trusts, including dealing with compliance issues, communications with investors and regulatory reporting matters.

10.2 DIRECTORS OF THE RESPONSIBLE ENTITY

Bill Ireland, Managing Director

Bill Ireland has a background in the stockbroking industry, working with various Australian broking houses during the 1970s, before moving into the property industry. In 1986 he established Challenger International Limited and, as Managing Director and principal shareholder, he was instrumental in developing the foundations of the Challenger Group, which listed on the Australian Stock Exchange in October 1987.

As Managing Director, Bill was responsible for developing Challenger into a diversified international financial services company. Bill stepped down as Managing Director of Challenger in April 2003 and established the Mariner Financial Group in May 2003.
Ian Ingram, Executive Chairman

Ian Ingram is the founding Executive Chairman of Mariner Financial Limited and its associated companies, Beyond International Limited and Mariner Retirement Solutions Limited.

Ian was formerly a Vice President of Morgan Guaranty Trust Company of New York (Morgan) working in Morgan’s London, New York and Sydney offices before becoming an Executive Director of J P Morgan Australia Limited. He spent about nine years with Morgan before resigning in 1986 to form Australian Assets Corporation Limited.

Irene Lee, Non-executive Director

Irene Lee is a Director of Mariner Financial Limited, QBE Insurance Group Limited, Ten Network Holdings Limited, Beyond International Limited, Record Investments Limited and Record Funds Management Limited the responsible entity for Record Realty. She is also a Trustee of the Art Gallery of NSW and a member of the Takeovers Panel. Irene has held senior positions in Sydney, London and New York.

Anthony Lee, Non-executive Director

Anthony Lee is a Director of Mariner Financial Limited, Beyond International Limited and Aberon Pty Limited, a private investment company. He is also a Director of the Cranbrook Foundation Limited. Before moving to Sydney from Hong Kong in 1987, Anthony was a corporate finance executive with a leading British merchant bank.

10.3 CORPORATE GOVERNANCE

10.3.1 Role of the Board

The Board of Directors of Mariner Securities is responsible for the overall management of the Trust including the determination of its strategic direction with the aim of increasing Unitholder wealth through the performance of the Trust.

In accordance with the Corporations Act, the duties of directors to Unitholders take priority over the duties which the directors owe to Mariner Securities. Of the four directors (see section 10.2), two, Irene Lee and Anthony Lee, are external directors for the purposes of the Corporations Act and independent directors for the purposes of the ASX Corporate Governance Council’s recommendations. The role of the Board includes:

- providing strategic direction and deciding upon the Trust’s business strategies and objectives;
- adopting annual budgets and monitoring management and financial position and performance;
- taking steps to ensure that the Trust’s financial and other reporting mechanisms result in adequate, accurate and timely information being provided to the Board;
- identifying significant business risks and ensuring that systems exist to manage those risks;
- taking steps to ensure that Unitholders and the market are informed of all material developments;
- monitoring the performance of key executives including the US management team and the adequacy of the reports prepared by them; and
- monitoring the compliance plan (see section 19.2).
10.3.2 Compliance Committee
Mariner Securities Limited has established a Compliance Committee for the Trust comprising three members, two of whom are external to Mariner Securities.

The role of the Compliance Committee is to monitor and report to the Board on the compliance plan. The compliance plan addresses the Trust’s compliance with laws, regulations and ethical standards, and comprises structural, organisational and maintenance elements.

10.3.3 Continuous Disclosure
As a disclosing entity the Trust will be subject to regular reporting and disclosure obligations under the ASX Listing Rules and the Corporations Act.

Mariner Securities will apply the systems and procedures established by Mariner Financial Limited to ensure that timely disclosure is made to the ASX to support an informed market. This information will include material information concerning the Trust, its financial position, performance, ownership and governance.

The Trust will provide periodic reports to Unitholders and place announcements on Mariner Financial’s website.

Andrew Saunders
Andrew Saunders has experience in the property investment, funds management and structured finance areas. Prior to joining Mariner, he worked for leading international financial services, investment banking and property companies, including Macquarie Bank and Knight Frank. His experience includes time spent working in London, Singapore and New York.

Andrew was instrumental in the negotiation and acquisition of property assets located in: England, the United States, Singapore, Japan, Korea, Hong Kong and Australia. He has worked in connection with the formation of both listed and unlisted property trusts, and the establishment of a funds management business, as well as the initiation and execution of a number of high profile transactions, including the highly successful Park Hyatt, Sydney offer and most recently, the innovative Sydney Opera House Car Park offer.

Andrew also has experience in the structuring of domestic and international investments, including tax management, debt arrangement and capital raisings.

Jeffrey Miller
Jeff Miller lends his considerable experience in US property research, acquisitions, investment strategy and finance structuring as head of Mariner’s US office based in Boston, Massachusetts. Jeff was a Director of CB Richard Ellis Investors, an institutional investment adviser, and then Director US Property Operations of Challenger Financial Services Group, before establishing the Mariner US operation in December 2004.

Notable achievements in Jeff’s career include closing the acquisition of 50 Milk Street, Boston for US$109.3 million in 2002 and the Invesco Funds Corporate Campus in Denver Tech Center for US$57.8 million in 2003. Jeff’s services are provided to the US Manager by Barrington Capital Partners LLC.
James Patterson
Jim Patterson brings almost 35 years of expertise in property asset management and financial services to Mariner Financial Inc. and assumes CFO responsibilities for that company.

Before joining Mariner Financial Inc., Jim was responsible for the asset and portfolio management of Challenger Financial Services Group’s US$250 million commercial property portfolio. Jim has held many senior management appointments during his long and distinguished career, including a senior executive role at John Hancock Properties, Managing Director and Head of Boston Office of CB Richard Ellis Investors and Managing Director, Board Member of Sun Capital Advisors, a subsidiary of Sun Life of Canada. Jim’s services are provided to the US Manager by Barrington Capital Partners LLC.

Kirby Parsonage
Kirby Parsonage has extensive knowledge of property investment and funds management in both Australia and the United Kingdom. Prior to joining Mariner, Kirby worked for Challenger Financial Services Group where he was involved in acquiring, asset managing and divesting Challenger’s $750 million UK property portfolio as well as managing a range of property syndicates across different asset classes.

Robert Molinari
Robert Molinari is General Counsel, Mariner Financial Limited and has extensive experience in advising listed public companies, investment banks, fund managers and life companies and in structuring property transactions both in Australia and overseas.

Prior to joining the Mariner Financial group in September 2003 he was the General Counsel of Challenger International Limited, where he provided advice on the legal aspects of the entire range of Challenger products, including property trusts, share funds, superannuation funds, annuities and derivatives. Prior to Challenger, Robert practised as a solicitor with leading law firms and as a barrister at the New South Wales Bar.

George Lucas
George Lucas has over 20 years experience in the investment banking industry and has also owned and managed a financial consulting business. George previously headed the London equity derivative trading and structuring departments for First Chicago and was head trader in the same area at Citibank. He has extensive experience in developing and structuring new financial products and a wealth of knowledge in the application of the ever-increasing menu of financial instruments. Recently George has consulted to hedge fund managers both in Australia and internationally. He has also written books and tertiary courses on the use of derivatives.

Chris Johnston
Chris Johnston previously worked as a Business Analyst at the Export Finance and Insurance Corporation. Chris joined Challenger International in March 2000 as an equity derivatives analyst before moving into the Treasury department where he managed the market making for Challenger’s Endowment Warrant products as well as assisting in the management and monitoring of Challenger’s swap portfolio, cash management trust and other hedging strategies employed by the group. Chris has taught financial modelling to postgraduate students and finance industry professionals at UTS as part of the Financial Analysis Certificate and the Financial Analysis Systems courses.
11. Fees and Other Costs

11.1 FEE TABLE

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the fund assets as a whole.

Taxes are set out in another section of this document.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

<table>
<thead>
<tr>
<th>Type of Fee or Cost</th>
<th>Amount1</th>
<th>How and When Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fees when your money moves in or out of the fund</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Establishment Fee: The fee to open your investment.</td>
<td></td>
<td>Payable from the Trust’s assets within 30 days of Units being issued.</td>
</tr>
<tr>
<td>Property Acquisition Fee.</td>
<td></td>
<td>Payable from the Trust’s assets within 30 days of the settlement of the purchase of the property.</td>
</tr>
<tr>
<td>Contribution Fee: The fee on each amount contributed to your investment – by you or your employer.</td>
<td>Nil</td>
<td>N/A</td>
</tr>
<tr>
<td>Withdrawal Fee: The fee on each amount you take out of your investment.</td>
<td>Nil</td>
<td>N/A</td>
</tr>
<tr>
<td>Termination Fee: The fee to close your investment.</td>
<td>Nil</td>
<td>N/A</td>
</tr>
<tr>
<td>Management Costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The fees and costs for managing your investment.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management Fee of 3% p.a. of the gross income of the Trust (which equates to approximately 0.31% p.a. of the net asset value of the trust.)</td>
<td></td>
<td>The Management Fee is calculated on the last day of each calendar quarter and is payable from the Trust’s assets within 30 days.</td>
</tr>
<tr>
<td>Management and administrative expenses of approximately 0.22% p.a. of the net asset value of the Trust.</td>
<td></td>
<td>Management and administrative expenses are payable as and when they arise.</td>
</tr>
<tr>
<td>Services Fees3</td>
<td>Nil</td>
<td>N/A</td>
</tr>
<tr>
<td>Investment switching fee – the fee for changing investment options.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 All amounts are stated inclusive of GST less any reduced input tax credits (RITC).
2 Section 11.2.1 sets out further details as to the accounting treatment of this fee. The fee includes an amount payable to an adviser. See Adviser Remuneration in section 11.2.8.
3 We may also charge Special Request Fees. See section 11.2.2.
11.2 ADDITIONAL EXPLANATION OF FEES AND COSTS

11.2.1 Property Acquisition Fee and Establishment and Equity Raising Fee
The accounting treatment of these fees is that 58.49% comprises property due diligence costs which has been capitalised and is included in the net asset backing and the remaining 41.51% comprises issue costs and has been written off against Unitholder equity. We pay Underwriting costs and commissions from these fees.

11.2.2 Special Request Fees
We may pass on incidental costs and charges, such as cheque dishonour fees, to you if they are the result of your acts of omissions.

11.2.3 Maximum Fees
Under the Trust Constitution we are entitled to charge the following maximum fees (GST may be added to all these fees):

- An Establishment and Equity Raising Fee of 8% of the application price of all Units issued under this PDS, payable from the Trust's assets within 30 days of the date on which the Units are issued.

- A Property Due Diligence Fee of 0.25% of the purchase price of any asset which comprises an interest in real property, whether the purchase is made directly or through the US REIT or any of its controlled entities, payable from the Trust's assets within 30 days of the settlement of the purchase of the asset.

- Property Acquisition Fee of 5% of the purchase price of any asset which comprises an interest in real property, whether the purchase is made directly or through the US REIT or any of its controlled entities, payable from the Trust's assets within 30 days of the settlement of the purchase of the asset.

- Debt Arrangement Fee of 5% of the value of funding to be provided under loan facilities arranged by the Responsible Entity, the US REIT, or any controlled entity to fund the acquisition of direct or indirect interests in real property assets for the Trust. This amount is payable out of the assets of the Trust at the time the facility is entered into or, if the facility is entered into prior to the establishment of the Trust, on the establishment of the Trust.

- Property Sale Fee of 1% of the sale price of an asset that comprises an interest in real property, whether the interest has been held directly or through the US REIT or any controlled entity, provided that the sale price exceeds the purchase price, payable from the Trust's assets within 30 days of the settlement of the sale of the asset.

- Hedging Arrangement Fee of 3% p.a. of the time-weighted average amount of assets hedged against fluctuations in the exchange rate between the US dollar and the Australian dollar, calculated as at the last day of each financial year and payable from the Trust's assets within 30 days of that date.
Management Fee of 3% p.a. of the gross income of the Trust, calculated as at the last day of each calendar quarter and payable from the assets of the Trust within 30 days of that date.

Please note that we have waived our right to charge a Performance Fee. However, in the Constitution the Performances Fee is calculated as:

\[ 15\% \times (A - B) \]

where \( A \) is greater than \( B \), and

\[ A = \text{the Net Income for the financial year prior to the deduction of the Performance Fee (if any) payable in respect of the financial year, either to us or the US Manager; and} \]

\[ B = \text{the dollar amount that, if distributed to Unitholders during the financial year, would have provided Unitholders who held their Units throughout the financial year with a 9.05\% p.a. return on the weighted average Application Price paid for their Units.} \]

Calculated as at the last day of the financial year and paid from the assets of the Trust within 30 days of that date.

Our entitlement to the Performance Fees in respect of a given period is reduced by any amount that the US Manager has received as performance fees from the US REIT for the same period. Please note that we have waived our right to charge a Performance Fee.

Please note that these are the maximum fees that we could charge and that we may waive a fee altogether (as we have with the Performance Fee), or accept lower fees than we are entitled to receive under the Constitution or defer payment for any period. Where payment is deferred, the fee accrues daily until paid.

11.2.4 Changing Fees and Costs

The fees shown in the table above are current at the preparation date of this PDS. We do not intend to change the Property Acquisition Fee or the Establishment and Equity Raising Fee or the Management Fee from those shown in the table above and we have waived our right to charge a Performance Fee.

We do not currently charge a Property Due Diligence Fee, Property Sale Fee, Debt Arrangement Fee or Hedging Fee, but we reserve the right to charge any of these fees in the future.

It is possible that some components of the ongoing fees and expenses such as the administrative expenses¹ that we may recover from the Trust might increase or decrease depending on the actual expenses incurred in running the Trust. Further, abnormal costs may occur, such as costs of investor meetings, changes to the Trust Constitution, defending or pursuing legal proceedings. It is anticipated that these costs will be incurred fairly infrequently and will tend to be relatively insignificant over time.

¹ These are costs and expenses incurred by us in administering the Trust and include auditing and accounting fees, fees for legal advice, fees for taxation advice, fees paid to Government regulators, cost and expenses related to printing, mailing and postage, bank charges, custody, stationery, compliance, Government tax, duties and levies, and any other costs and expenses for which we have a right to be reimbursed from the Trust.
11.2.5 Accrual of Fees
If the Trust is terminated, or we are removed as Responsible Entity, or if we give effect to a resolution passed by Unitholders to exit the Trust by compulsory redemption or by implementing a restructure of the Trust, we are entitled to receive our fees calculated to the date of termination or removal.

11.2.6 Negotiation of Fees
The law restricts us to negotiating, rebating or waiving fees with sophisticated, professional or wholesale investors (as defined by the Corporations Act). We cannot negotiate fees with retail investors.

11.2.7 Worked Dollar Examples
During the Forecast Period, we estimate that you will pay the following fees for every $50,000 you have invested:

<table>
<thead>
<tr>
<th>Year One (9.5 month period to 30 June 2006)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Establishment and Equity Raising Fee</td>
<td>$2,500.00</td>
</tr>
<tr>
<td>Property Acquisition Fee</td>
<td>$3,621.69</td>
</tr>
<tr>
<td>Management Fee</td>
<td>$104.32</td>
</tr>
<tr>
<td>Management and Administration Expenses</td>
<td>$59.88</td>
</tr>
<tr>
<td><strong>Total fees and expenses</strong></td>
<td><strong>$6,285.89</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year Two (12 months to 30 June 2007)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Fee</td>
<td>$142.72</td>
</tr>
<tr>
<td>Management and Administrative Expenses</td>
<td>$98.17</td>
</tr>
<tr>
<td><strong>Total Fees and Expenses</strong></td>
<td><strong>$240.89</strong></td>
</tr>
</tbody>
</table>

If you want to work out the impact that fees will have on your investment returns, please speak with your financial adviser or visit <www.asic.gov.au> where ASIC offers a free calculator to help investors compare the fees of different products.

11.2.8 Adviser Remuneration
We may pay financial advisers an upfront commission of up to 3.3% including GST. These commissions are paid by the Responsible Entity or the Underwriter from the Property Acquisition Fee and Establishment and Equity Raising Fee, which we receive (see section 11.2.1).

We may pay fees or provide other financial assistance to IDPS operators who offer Units in the Trust on their investment menus, as well as to other financial services intermediaries. These may be a fixed-dollar amount or a percentage of funds invested. These commissions and other payments are made from the Property Acquisition Fee and Establishment and Equity Raising Fee, which are first paid to us. It is not possible to provide an estimate of the amount of these payments. IDPS operators and financial advisers are obliged to disclose commission arrangements to you in their IDPS guide or financial services guide (FSG).
12. Financial Information

This section contains the financial forecasts for the Trust for the period from the Final Allotment Date to 30 June 2006 and the 12 months ending 30 June 2007 and the pro forma Consolidated Statements of Financial Position at the Final Allotment Date and at 12 December 2005, the assumed acquisition date of the Intel Campus.

The following forecasts should be read in conjunction with the Statement of Significant Accounting Policies outlined in section 13, the Key Forecast Assumptions set out in section 14, the sensitivity analysis in section 14.22 and the risk factors outlined in section 8. The Manager can give no assurance that the financial forecasts will be achieved or that the Trust will be able to make distributions during or after the Forecast Period at the distribution levels forecast for the Forecast Period.

The forecast Financial Information has been compiled to comply with Australian equivalent International Financial Reporting Standards. The forecast Financial Information has been prepared on the basis that the Offer is completed on 15 September 2005.
12.1 SOURCES AND APPLICATIONS OF FUNDS

The tables below set out the sources and applications of funds (denominated in US dollars and Australian dollars).

### SOURCES AND APPLICATIONS OF FUNDS ($US 000's)

<table>
<thead>
<tr>
<th>Acquisition dates</th>
<th>Tranche 1 22 September 2005</th>
<th>Tranche 2 12 December 2005</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sources of Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from issue of Units</td>
<td>23,235</td>
<td>15,490</td>
<td>38,725</td>
</tr>
<tr>
<td>Short-term borrowings</td>
<td>2,500</td>
<td>2,500</td>
<td>5,000</td>
</tr>
<tr>
<td>Borrowings</td>
<td>21,500</td>
<td>44,000</td>
<td>65,500</td>
</tr>
<tr>
<td><strong>Total sources</strong></td>
<td><strong>47,235</strong></td>
<td><strong>61,990</strong></td>
<td><strong>109,225</strong></td>
</tr>
<tr>
<td>Application of Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Portfolio acquired</td>
<td>32,000</td>
<td>60,885</td>
<td>92,885</td>
</tr>
<tr>
<td>Portfolio acquisition costs</td>
<td>4,002</td>
<td>255</td>
<td>4,257</td>
</tr>
<tr>
<td>Financing costs</td>
<td>1,169</td>
<td>0</td>
<td>1,169</td>
</tr>
<tr>
<td>Issue costs</td>
<td>2,366</td>
<td>0</td>
<td>2,366</td>
</tr>
<tr>
<td>Other applications – cash</td>
<td>1,898</td>
<td>850</td>
<td>2,748</td>
</tr>
<tr>
<td>Hedge collateral</td>
<td>5,800</td>
<td>0</td>
<td>5,800</td>
</tr>
<tr>
<td><strong>Total applications</strong></td>
<td><strong>47,235</strong></td>
<td><strong>61,990</strong></td>
<td><strong>109,225</strong></td>
</tr>
</tbody>
</table>

### SOURCES AND APPLICATIONS OF FUNDS ($A 000's)

<table>
<thead>
<tr>
<th>Acquisition dates</th>
<th>Tranche 1 22 September 2005</th>
<th>Tranche 2 12 December 2005</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sources of Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from issue of units</td>
<td>30,000</td>
<td>20,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Short-term borrowings</td>
<td>3,228</td>
<td>3,228</td>
<td>6,456</td>
</tr>
<tr>
<td>Long-term borrowings</td>
<td>27,760</td>
<td>56,811</td>
<td>84,571</td>
</tr>
<tr>
<td><strong>Total sources</strong></td>
<td><strong>60,988</strong></td>
<td><strong>80,039</strong></td>
<td><strong>141,027</strong></td>
</tr>
<tr>
<td>Application of Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Portfolio acquired</td>
<td>41,317</td>
<td>78,612</td>
<td>119,929</td>
</tr>
<tr>
<td>Portfolio acquisition costs</td>
<td>5,168</td>
<td>329</td>
<td>5,497</td>
</tr>
<tr>
<td>Financing costs</td>
<td>1,510</td>
<td>0</td>
<td>1,510</td>
</tr>
<tr>
<td>Issue costs</td>
<td>3,055</td>
<td>0</td>
<td>3,055</td>
</tr>
<tr>
<td>Other applications – cash</td>
<td>2,449</td>
<td>1,098</td>
<td>3,547</td>
</tr>
<tr>
<td>Hedge collateral</td>
<td>7,489</td>
<td>0</td>
<td>7,489</td>
</tr>
<tr>
<td><strong>Total applications</strong></td>
<td><strong>60,988</strong></td>
<td><strong>80,039</strong></td>
<td><strong>141,027</strong></td>
</tr>
</tbody>
</table>
### 12.2 FORECAST CONSOLIDATED STATEMENTS OF FINANCIAL PERFORMANCE

Set out below is the distribution forecast for the trust for the 9.5 months ending 30 June 2006 and the 12 months ending 30 June 2007.

<table>
<thead>
<tr>
<th></th>
<th>9.5 months ending 30 June 2006</th>
<th>12 months ending 30 June 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$US 000’s</td>
<td>$US 000’s</td>
</tr>
<tr>
<td>Gross rental income</td>
<td>5,602</td>
<td>9,583</td>
</tr>
<tr>
<td>Operating costs</td>
<td>(1,720)</td>
<td>(3,038)</td>
</tr>
<tr>
<td><strong>Net property income</strong></td>
<td>3,882</td>
<td>6,545</td>
</tr>
<tr>
<td>Net interest expense</td>
<td>(2,195)</td>
<td>(3,563)</td>
</tr>
<tr>
<td><strong>Net property income after interest</strong></td>
<td>1,687</td>
<td>2,982</td>
</tr>
<tr>
<td>Trust share of net property income after interest</td>
<td>1,687</td>
<td>2,982</td>
</tr>
<tr>
<td>Less: US REIT and expenses</td>
<td>(254)</td>
<td>(430)</td>
</tr>
<tr>
<td><strong>US REIT distributable income</strong></td>
<td>1,433</td>
<td>2,552</td>
</tr>
</tbody>
</table>

|                      | $A 000’s                      | $A 000’s                      |
| Hedged foreign exchange rate | 0.7745                      | 0.7745                        |
| Distribution from US REIT | 1,850                        | 3,295                         |
| Income from foreign exchange hedge 1 | 1,078                  | 760                            |
| Interest income      | 329                           | 222                           |
| **Total income**     | 3,257                         | 4,277                         |
| Less expenses        | (60)                          | (98)                          |
| Manager’s fee        | (104)                         | (142)                         |
| **Net income**       | 3,093                         | 4,037                         |
| **Cash distribution**|                              |                               |
| Net Income           | 3,093                         | 4,037                         |
| Proceeds from foreign exchange hedge 2 | 380                   | 480                            |
| **Amount available for distribution** | 3,473                  | 4,517                         |
| Cash distribution to Unitholders | 3,473                  | 4,517                         |
| Distribution per unit payable | $0.0695               | $0.0903                        |

Note: the forecast Net Income does not include future valuations of properties or movements in the market values of derivatives as required by the introduction of IFRS as the Responsible Entity does not believe there is any reasonable basis to make forecasts in relation to future capitalisation rates, property yields or general market conditions, all of which are outside its control. For these reasons the Responsible Entity is unable to accurately quantify the impact on the forecast financial information of these matters, reflecting, in particular, the potential volatility of property values. While the application of Australian equivalents to international accounting standards may introduce volatility into forecast financial information, this will not affect the cash flows from operations and hence the distribution paid to Unitholders.

1 Income from the foreign exchange hedge is the release of economic gain from the cross currency swap for equity invested in the US REIT.
2 Proceeds from the foreign exchange hedge is a return of capital from the cross currency swap.
Set out below is a pro forma Consolidated Statement of Financial Position of the Trust at Allotment assuming completion of both tranches

<table>
<thead>
<tr>
<th></th>
<th>As at 22 September 2005 $A 000’s</th>
<th>As at 22 September 2005 $US 000’s</th>
<th>As at 12 December 2005 $A 000’s</th>
<th>As at 12 December 2005 $US 000’s</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>2,449</td>
<td>1,898</td>
<td>3,546</td>
<td>2,748</td>
</tr>
<tr>
<td>Hedge collateral</td>
<td>7,489</td>
<td>5,800</td>
<td>7,489</td>
<td>5,800</td>
</tr>
<tr>
<td>Call receivable</td>
<td>20,000</td>
<td>15,490</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td>29,938</td>
<td>23,188</td>
<td>11,035</td>
<td>8,548</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property investments</td>
<td>46,485</td>
<td>36,002</td>
<td>125,426</td>
<td>97,142</td>
</tr>
<tr>
<td>Debt establishment costs</td>
<td>1,510</td>
<td>1,169</td>
<td>1,510</td>
<td>1,169</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td>47,995</td>
<td>37,171</td>
<td>126,936</td>
<td>98,311</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>77,933</td>
<td>60,359</td>
<td>137,971</td>
<td>106,859</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>30,988</td>
<td>24,000</td>
<td>91,026</td>
<td>70,500</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>30,988</td>
<td>24,000</td>
<td>91,026</td>
<td>70,500</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>46,945</td>
<td>36,359</td>
<td>46,945</td>
<td>36,359</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributed equity</td>
<td>50,000</td>
<td>38,725</td>
<td>50,000</td>
<td>38,725</td>
</tr>
<tr>
<td>Offer costs</td>
<td>(3,055)</td>
<td>(2,366)</td>
<td>(3,055)</td>
<td>(2,366)</td>
</tr>
<tr>
<td><strong>Total Unitholders’ equity</strong></td>
<td>46,945</td>
<td>36,359</td>
<td>46,945</td>
<td>36,359</td>
</tr>
<tr>
<td>Number of Units on issue</td>
<td>50,000</td>
<td>50,000</td>
<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Net tangible assets per Unit</td>
<td>0.9087</td>
<td>0.9087</td>
<td>0.9087</td>
<td>0.9087</td>
</tr>
<tr>
<td>Gearing (interest bearing debt/total assets)</td>
<td>39.76%</td>
<td>39.76%</td>
<td>65.97%</td>
<td>65.97%</td>
</tr>
</tbody>
</table>

Notes:
1. The $US equivalent numbers are based upon an exchange rate of $A = $US 0.7745

The pro forma Consolidated Statements of Financial Position at 22 September 2005 and 12 December 2005 incorporate the following pro forma transactions:
- The issue of approximately 50 million Units partly paid to $0.60 to raise A$30 million at 22 September 2005;
- The payment of the Final Instalment of $0.40 on the 50 million Units on 1 December 2005;
- Estimated issue costs of A$ 3.055 million being recognised directly in Unitholder funds as a deduction from proceeds of the Offer at 22 September 2005;
- The acquisition of the Derry Meadow Property for US$ 36.002 million including property acquisition costs at 22 September 2005;
- The acquisition of the Intel Campus for US$61.140 million including property acquisition costs on 12 December 2005;
- Borrowings of US$24.000 million at 22 September 2005 and payment of debt establishment costs of US$1.169 million; and
- Increase in borrowings of US$46.500 million on 12 December 2005.
13. Statement of Significant Accounting Policies

The key accounting policies which have been adopted in the preparation of the Financial Information are outlined below to assist in its general understanding.

13.1 BASIS OF PREPARATION

The forecast Consolidated Statements of Financial Performance and pro forma Consolidated Statements of Financial Position (Financial Information) have been prepared on a going concern basis adopting the accruals and historical cost basis of accounting (except for property investments which are at fair value) and in accordance with the requirements of the Constitution, the recognition and measurement principles of applicable Australian Accounting Standards being Australian equivalents to International Financial Reporting Standards (IFRS) issued by the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act.

13.2 PRINCIPLES OF CONSOLIDATION

The forecast Financial Information of the Trust incorporates all the assets and liabilities of the controlled entities (Mariner American Property Income REIT Limited, Mariner Derry Meadows LLC and Mariner Parsippany 1515 LLC) and their results for the Forecast Period. The effects of all transactions between entities in the consolidated entity are eliminated in full.

13.3 PROPERTY INVESTMENTS

The properties will initially be brought to account at cost including property acquisition costs and will be subsequently revalued, at fair value. Land and buildings have the function of a single investment and are regarded as a composite asset. The applicable accounting standards do not require that investment properties be depreciated. Accordingly, the buildings and any component thereof, including plant and equipment, are not depreciated.

The Initial Portfolio will be externally valued on a three year cycle or more frequently as appropriate. In valuing the Initial Portfolio, independent valuations may be sought. Changes in the fair values of investment properties will be adjusted through the Statements of Financial Performance.

13.4 ISSUE COSTS

Transaction costs arising on the issue of equity are recognised directly in equity as a reduction of the proceeds of equity instruments to which the costs relate. The calculation of yield is based on the gross application price of $1.00 rather than the net equity per Unit.

13.5 REVENUE

Revenue is brought to account on an accruals basis.

13.6 EXPENDITURE

Expenditure is brought to account on an accruals basis.

13.7 INCOME TAX

Under current Australian income tax legislation, the Trust is not liable for income tax as Unitholders are presently entitled to all of the Trust's income each year. The US REIT will elect to be taxed as a REIT under US federal income tax law and, on this basis, will generally not be subject to US Federal income taxes on that portion of its taxable income or capital gains which are distributed to their shareholders. Under the current US / Australia Double Tax Treaty, the rate of withholding tax on ordinary dividends paid by the US REIT to the Trust is generally reduced from 30% to 15%, provided certain requirements are satisfied.
However, if a Unitholder owns 5% or more of the beneficial interest in the Trust, then the Unitholder will be deemed to hold a corresponding portion of the Trust’s interest in the US REIT and will be deemed to be beneficially entitled to the US REIT dividends paid on such interest. The US REIT dividend paid in respect of such a Unitholder will only be subject to the reduced 15% unitholding tax rate if certain requirements are satisfied.

13.8 FOREIGN CURRENCY

13.8.1 Transactions
Foreign currency transactions are initially translated into Australian currency, being the functional and presentation currency of the Trust at a rate of exchange at the date of the transactions or at hedge rates where applicable. At balance date, amounts payable and receivable in foreign currencies are translated to Australian currency at rates of exchange current at that date or at hedge rates where applicable. Resulting exchange differences are brought to account in determining the net profit for the financial year.

13.8.2 Foreign Controlled Entities
The assets and liabilities of foreign controlled entities are translated into Australian currency at rates of exchange current at balance date, while their income and expenditure are translated at the average of rates ruling during the financial year or at hedge rates where applicable. Exchange differences arising on translation are taken to the foreign currency translation reserve.

13.8.3 Derivatives
The Trust is exposed to changes in interest rates and foreign currency rates. The Trust will enter into predominantly fixed rate funding to mitigate exposure to increasing interest rates (see section 4.3). The Trust will enter into foreign exchange contracts to hedge distributions and capital against the risk of adverse movements in exchange rates (see section 4.4).

All interest rate and foreign currency derivatives will be recognised at fair value in the Statements of Financial Position, with changes in fair value during the period recognised in the Statements of Financial Performance. Certain derivative arrangements entered into by the Trust will not be deemed to be effective hedges for accounting purposes. Therefore the Statements of Financial Performance will experience volatility due to the revaluation of derivatives. However, this will not affect the cash available to make distributions to Unitholders.
14. Key Forecast Assumptions

The material best estimate assumptions that the Trust has made to prepare the financial forecasts are set out below. While the Trust considers these assumptions to be appropriate and reasonable at the time of preparation of this PDS, investors should appreciate that many factors which may affect results are outside the control of the Responsible Entity and its Directors or may not be capable of being foreseen or accurately predicted. Accordingly, actual results may differ from forecasts and such differences may be material.

Investors are advised to review the assumptions and financial forecasts and make their own independent assessment of the future performance and prospects of the Trust.

The financial forecasts have been reviewed by PwC Securities Ltd which has prepared the Investigating Accountant’s Report (contained in section 17). PricewaterhouseCoopers has prepared a report on Australian and US taxation implications (contained in section 18). None of these parties guarantees the future performance or capital return of the Trust.

14.1 Period from Allotment to 30 September 2005

Any additional income over the period from the Final Allotment to 30 September 2005 will be carried forward and paid as part of the 31 December 2005 distribution.

14.2 Property Acquisitions

Mariner Derry Meadows LLC purchased the Derry Meadows property on 31 May 2005 for US$32 million. The Intel Campus is expected to be purchased by Mariner Parsippany 1515 LLC for $US61.5 million within two weeks of 7 December 2005. In the forecasted financial information we have assumed that the acquisition date is 12 December 2005.

Except as mentioned above, the Forecast Information assumes no additional properties or interests in properties are acquired during the Forecast Period. Notwithstanding this assumption, investors should be aware that properties or interests in properties may be acquired during the Forecast Period.

14.3 Net Property Income

Net property income has been forecast based on existing leases and assumptions for future market rentals and for future leasing.

Market rental growth is assumed to be 3% p.a. for all tenants of Derry Meadows during the Forecast Period, and is assumed to be 0% p.a. for the Intel Campus.

Property expenses have been forecast based on existing contracts, assumptions for future costs and an assumed growth rate of 3% p.a. in the Forecast Period.

14.4 Interest Income

It is assumed that interest income will be earned on cash balances at a rate of 2.9% p.a. and 5.4% p.a. for US dollar and Australian dollar denominated deposits respectively.

14.5 Leasing and Vacancy Assumptions

During the Forecast Period, for Derry Meadows tenant retention has been assumed on a tenant by tenant basis at 75%. This is consistent with the rates adopted by the independent valuer. 100% tenant retention has been assumed for the Intel Campus.
During the Forecast Period, the vacancy and letting-up assumptions have been assumed on a tenant by tenant basis in the range of nine to 12 months. This is consistent with the average adopted by the independent valuer.

It has been assumed that new leases will commence at market rates.

In the case of Derry Meadows, the seller, under the terms of the sale agreement, will provide rental support for 12 months from the time of acquisition in relation to 5,724 square feet of the property which are vacant in whole or in part at the time of acquisition.

The financial forecast assumes all leases are enforceable and are performed in accordance with their terms.

**14.6 CAPITAL EXPENDITURE**

Allowance has been made for capital expenditure commitments as set out in the following table:

<table>
<thead>
<tr>
<th>Period</th>
<th>US $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.5 months ending 30 June 2006</td>
<td>55</td>
</tr>
<tr>
<td>12 months ending 30 June 2007</td>
<td>266</td>
</tr>
</tbody>
</table>

**14.7 VALUE OF INITIAL PORTFOLIO**

The purchase price, acquisition costs and valuation details of the Initial Portfolio acquisitions are summarised below:

<table>
<thead>
<tr>
<th></th>
<th>Derry Meadows</th>
<th>Intel</th>
<th>Total Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase price (US$'000)</td>
<td>32,000</td>
<td>60,085</td>
<td>92,885</td>
</tr>
<tr>
<td>Acquisition costs (US$'000)</td>
<td>4,002</td>
<td>255</td>
<td>4,257</td>
</tr>
<tr>
<td>Book costs (US$'000)</td>
<td>36,002</td>
<td>61,140</td>
<td>97,142</td>
</tr>
<tr>
<td>Independent valuation (US$'000)¹</td>
<td>32,000</td>
<td>62,000</td>
<td>94,000</td>
</tr>
</tbody>
</table>

There are no forecasts of future valuations of the Initial Portfolio as there is no reasonable basis to make forecasts in relation to future capitalisation rates, property yields or general market conditions. For these reasons, the Trust is unable to accurately quantify the impact on the forecast financial information of these matters, reflecting, in particular, the potential volatility of property values. While this application of Australian equivalents to International Financial Reporting Standards may introduce volatility into forecast financial information, this will not affect the cash flow from operations and hence the expected distributions paid to Unitholders.

It is assumed that no properties are sold during the Forecast Period. Notwithstanding this assumption, Unitholders should be aware that the Trust may sell properties if it believes it is in the best interests of Unitholders to do so.

¹ The valuations have been prepared internally based upon the valuation appraisals from Cushman & Wakefield of Massachusetts, Inc. and Integra Realty Resources. Valuations assume 100% ownership of the property.
14.8 BORROWINGS

The LLCs which hold the property investments will borrow funds and as the holder of an indirect interest in these vehicles the Trust will share in these borrowings. The table below sets out the forecast borrowings of the Consolidated Entity.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed debt</td>
<td>21.50</td>
<td>44.00</td>
</tr>
<tr>
<td>Floating debt</td>
<td>2.50</td>
<td>2.50</td>
</tr>
<tr>
<td>Establishment costs</td>
<td>0.47</td>
<td>0.65</td>
</tr>
<tr>
<td>Trust interest</td>
<td>99.9%</td>
<td>99.9%</td>
</tr>
<tr>
<td>Maturity</td>
<td>5 years</td>
<td>5 years</td>
</tr>
<tr>
<td>Fixed interest rate (p.a.)</td>
<td>4.9%</td>
<td>5.35%</td>
</tr>
<tr>
<td>Floating interest rate (p.a.)</td>
<td>5.19%</td>
<td>5.19%</td>
</tr>
</tbody>
</table>

The borrowings are interest-only loans, with principal repayments on maturity. The interest rate for fixed debt on Derry Meadows is at a margin of 1.18% over the five year US Treasury yield and the interest rate for fixed debt on the Intel Campus is 1.6% over the five year US Treasury yield. For the initial borrowings, the five year US Treasury yield was locked in at a rate of 4.9% p.a. for Derry Meadows and 5.35% p.a. for the Intel Campus.

The interest rate for floating debt is at an assumed margin of 2.25% over the 30 day LIBOR. The forecasts adopt a floating rate (inclusive of margin) of 5.19% for the 2005/2006 financial year and 5.19% for the 2006/2007 financial year.

The initial borrowings are secured by first ranking mortgages up to 72% of the value of each property. These borrowings will not be cross-collateralised between the properties.

14.9 INITIAL BORROWING COSTS

Initial costs in respect of borrowings to fund the acquisitions will be amortised over the term of the relevant borrowing. Initial borrowing costs are estimated to be US$1.1 million.

14.10 INTEREST EXPENSES

The forecasts have assumed that the interest expense on borrowings will reflect an average all-in-rate of 5.2% p.a. for the 9.5 months ending 30 June 2006 and 5.2% p.a. for the 12 months ending 30 June 2007.

14.11 EXCHANGE RATE ASSUMPTIONS AND ECONOMIC FOREIGN CURRENCY HEDGES

The financial forecasts reflect the cross-currency swap agreements already in place for the income distributions for the Forecast Period. Distributions have been hedged at an exchange rate of AUD/USD 0.7745. The First Instalment and Final Instalment have been hedged at an exchange rate of AUD/USD 0.7745.

The foreign exchange gains result from the interest rate differentials between Australia and the United States and the timing of the payments under the terms of the swap which the Responsible Entity has entered into. The nature of the payments represents both a return of capital paid and income receivable in respect of the notional amount under the swap.

While the application of the Australian equivalents to IFRS on this matter will introduce volatility into the forecast Statements of Financial Performance, this will not affect the operating cash flow and hence the distribution paid to Unitholders.
14.12 ECONOMIC HEDGE
FAIR VALUES
Under the Australian equivalents to IFRS, economic hedges will not qualify as hedges. As a result, cross-currency swaps which have not expired at balance dates will be required to be carried at fair value on the Statements of Financial Position and changes in fair value will be recorded in the Statements of Financial Performance. The forecast does not include movements in the fair value of derivatives as there is no reasonable basis to make forecasts in relation to market conditions on matters that are outside our control.

14.13 RESPONSIBLE ENTITY’S FEES
The Responsible Entity is entitled to receive remuneration from the Trust comprising a management fee of 3% p.a. of the gross income of the Trust, calculated as at the last day of each quarter and payable from the assets of the Trust within 30 days of that date.

The Responsible Entity is also entitled to receive Establishment and Equity Raising, Property Due Diligence, Property Acquisition, Debt Arrangement, Property Sale, Hedging Arrangement and Management Fees and has waived its rights to performance fees.

14.14 PROPERTY MANAGEMENT
FEE AND LEASING
COMMISSIONS
Mariner Financial Inc. will receive a management fee of 3% of gross income of the Initial Portfolio. This fee arrangement is summarised in section 19.3. Third party agents will also receive leasing commissions (that apply to both new leases and lease renewals) which are based on prevailing market rates. These leasing commissions are assumed to apply during the Forecast Period where new leases and renewals are assumed.

14.15 OTHER TRUST EXPENSES
The Trust will incur operating expenses including listing fees, unit registry charges, custodian fees, legal, audit and tax fees, marketing costs, postage, printing and other miscellaneous expenses. These amounts have been forecast by taking into account factors likely to influence the level of these fees, charges and costs, including the Trust’s market capitalisation and gross assets.

14.16 FUTURE CAPITAL RAISING
The Forecast Period does not assume any capital raisings except for the payment of the Final Instalment assumed to be received on 1 December 2005, as part of this Offer. This does not mean that the Trust will not engage in further capital raisings if the opportunity to acquire suitable assets arises.

14.17 OFFER COSTS
The Offer costs of $3.1 million will be paid out of the proceeds of the Offer. These costs are recognised directly in equity as a reduction of the proceeds of equity instruments.

14.18 DISTRIBUTIONS
It is expected that distributions will be paid quarterly in arrears as at the end of the September, December, March and June quarters. Distributions will be paid within the month following each quarter respectively. The first distribution will relate to the period from Allotment to 31 December 2005.
14.19 TAXATION

The Trust is not liable to pay Australian income tax on the basis that Unitholders will be presently entitled to all of the income of the Trust in any particular year. The following comments relate to the US federal taxation of the Trust and its subsidiaries. Distributions made to the Trust by the US REIT from its “earnings and profits” are generally subject to withholding tax at the rate of 15% provided certain requirements are satisfied (see section 18). Distributions by the US REIT attributable to the sale of US real property will be subject to the Foreign Investment in Real Property Tax Act (US) (FIRPTA) and branch profit tax. The US REIT generally will not incur US income tax to the extent it distributes all of its taxable income to its shareholders, including the Trust. However, distributions made by the US REIT in excess of its ‘earnings and profits’ will be treated as non-taxable returns of capital to the Trust to the extent of the Trust’s adjusted tax basis in the shares of the US REIT. Although such distributions will generally be subject to US withholding tax, the REIT may file an application for exemption from withholding prior to distribution or the Trust may seek a refund of the tax withheld by the Internal Revenue Service if it is subsequently determined that such distributions were, in fact, in excess of the US REIT’s current and accumulated earnings and profits. Distributions in excess of the US REIT’s earnings and profits and the Trust’s adjusted basis in the shares of the US REIT will be treated as a gain from the sale or exchange of a capital asset. Any such gains will be subject to US federal income tax and withholding tax pursuant to FIRPTA as well as US branch profit tax.

An opinion on the Australian and US taxation treatment of the US REIT has been prepared by PricewaterhouseCoopers and is contained in section 18.

The financial forecasts assume any changes in Australian or US taxation legislation will not materially affect the Trust.

14.20 ACCOUNTING STANDARDS

The Australian Accounting Standards Board (AASB) is adopting IFRS for application to reporting periods beginning on or after 1 January 2005. The AASB has issued Australian equivalents to IFRS, and the Urgent Issues Group will issue abstracts corresponding to IASB interpretations originated by the International Financial Reporting Interpretations Committee. The adoption of Australian equivalents to IFRS will be first reflected in the Trust’s financial statements for the period ending 31 December 2005 and the period ending 30 June 2006. Changes in accounting standards may affect the reported net profit and financial position of the Trust in future financial periods.

The interpretation of IFRS may change between the issue of this PDS and the issue of the Trust’s first set of IFRS financial statements for the period ending 31 December 2005. The regulatory bodies that promulgate IFRS have significant ongoing projects that could affect the impact of IFRS on the Trust.

It has been assumed that no change in applicable Australian Accounting Standards and the Corporations Act will occur that may have a material effect on the Trust’s forecast distributions.

14.21 GST

The financial forecasts have been prepared on the assumption that no GST is payable in respect of distributions paid by the Trust. Further, it is assumed that any GST liability payable will be included as part of the assumed expenses of the Trust.
14.22 SENSITIVITY ANALYSIS

Investors should be aware that income forecasts may not be met for a variety of reasons. To assist investors in understanding the significance of key assumptions on the forecast returns of the Trust, the table below sets out the effect of a change in the market assumptions.

Investors should note that the sensitivity analysis is intended to provide a guide only and variations in actual performance may exceed the ranges shown. Movement in other assumptions may offset or compound any one variable beyond the extent shown.

The table details the increase or decrease in yield for changes in certain market assumptions.

<table>
<thead>
<tr>
<th>1. Assumed Floating Interest Rate Cost in Forecast</th>
<th>9.5 months ending 30 June 2006 change in % yield p.a.</th>
<th>12 months ending 30 June 2007 change in % yield p.a.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assumed Floating Rate Cost in Forecast</td>
<td>5.19%</td>
<td>0.00%</td>
</tr>
<tr>
<td>New Floating Rates</td>
<td>5.44%</td>
<td>(0.03%)</td>
</tr>
<tr>
<td></td>
<td>5.69%</td>
<td>(0.08%)</td>
</tr>
<tr>
<td></td>
<td>5.94%</td>
<td>(0.17%)</td>
</tr>
<tr>
<td></td>
<td>6.19%</td>
<td>(0.28%)</td>
</tr>
<tr>
<td>2. Assumed Foreign Exchange Rate</td>
<td>0.7745</td>
<td>0.00%</td>
</tr>
<tr>
<td>New Foreign Exchange Rate</td>
<td>-0.0500</td>
<td>0.06%</td>
</tr>
<tr>
<td></td>
<td>-0.0300</td>
<td>0.04%</td>
</tr>
<tr>
<td></td>
<td>0.0300</td>
<td>(0.03%)</td>
</tr>
<tr>
<td></td>
<td>0.0500</td>
<td>(0.05%)</td>
</tr>
</tbody>
</table>
June 17, 2005

The Directors
Mariner Securities Limited
Level 40, The Chifley Tower
2 Chifley Tower
Sydney, NSW 2000
Australia

Re: Summary of Appraisal Report
Derry Meadows Shopping Center
Derry, New Hampshire
United States

Dear Gentlemen:

1. Introduction
At your request, Cushman & Wakefield of Massachusetts, Inc. ("C&W") is pleased to transmit this letter summarizing the highlights and the valuation results from our complete self-contained appraisal report (individually a "Report"), which has recently been prepared with a valuation date of May 27, 2005. The purpose of our Report was to render an opinion of market value of the 100 percent leased fee interest of the property as of a specified valuation date.

The Report has been prepared in accordance with our interpretation of the guidelines set forth in the Uniform Standards of Professional Appraisal Practice (USPAP) and the International Valuation Standards. In our complete appraisal, C&W considered all applicable approaches to value. The value conclusions are subject to the Assumptions and Limiting Conditions contained in the report and reflect all information known by the appraisers of C&W who worked on the valuation about the subject property and the market conditions in the general area of the subject property.

2. Reliance on this Letter
For the purposes of this Product Disclosure Statement, we have prepared this letter, which summarizes our Report and outlines key factors that have been considered in arriving at our opinion of value. This letter does not contain all the necessary data and support, which is included in our Reports. For further information, we recommend the reader review the content of the complete Report.

C&W has provided Mariner Securities Limited with an appraisal of the property, which contains market information with respect to the specific market where the property is located. The
appraisal and the market information are not guarantees or predictions of the future and must be read in the light of the following:

- The Report is approximately 144 pages in length and the conclusions as to estimated value are based upon the factual information set forth in the Report. While C&W has endeavored to assure the accuracy of the factual information it has not independently verified all information provided by (a) Mariner Securities (primarily copies of all leases or lease abstracts and other non-public information with respect to the property), or (b) governments of the United States and the state, county and municipality within which the property is located (primarily statistical information relating to market conditions). C&W understands that access to the Reports is available to any investor interested in seeing the methodology used and the many variables involved in arriving at our value conclusion.

- The primary valuation approach used by C&W in appraising the property, the Income Capitalization Approach (Discounted Cash Flow Methodology and the Direct Capitalization Methodology), is based upon estimates of future results and are not predictions. These valuation methodologies are summarized later in this letter and in depth in our Report. Each methodology begins with a set of assumptions as to projected income and expenses of the property and future economic conditions in the local market. The income and expense figures are mathematically extended with adjustments for estimated changes in economic conditions and lease terms. The result is the best estimate of value C&W can produce, but it is an estimate and not a prediction of the future or guarantee, and it is fully dependent upon the accuracy of the assumptions as to income, expenses and market conditions. The basic assumptions for the property are set forth in summary form in this letter and in depth in our Report.

- Secondary valuation approaches utilized by C&W to value the property were the Sales Comparison Approach and the Cost Approach. The Sales Comparison Approach compares actual sales of similar properties to the subject by adjusting the comparables for differences, which exist between them and the subject. The Cost Approach estimates the value of the land and adds to this the depreciated value of the improvements. These two approaches generally lend support to the value arrived at in the Income Capitalization Approach.

- Our Report was based upon the most current information available at the time the appraisal was prepared and updated where relevant. C&W accepts no responsibility for subsequent changes in information as to revenue, expense, or market conditions.

3. Valuation Rationale

In arriving at our opinions of market value, we have placed primary emphasis on the Direct Capitalization Method within the Income Capitalization Approach. This method has been checked using the Discounted Cash Flow methodology. An explanation of the Application of the Discounted Cash Flow and Direct Capitalization methodologies is provided below.
a) **Direct Capitalization Method**

Direct capitalization is the method used to convert a single year's estimate of stabilized net operating income into a value indication. In direct capitalization, a precise allocation between return on and return of capital is not made because investor assumptions or forecasts concerning the holding period, pattern of income, or changes in value of the original investment are not simulated in the method. Direct capitalization is the most appropriate method to use when analyzing a stable income stream and in estimating the reversion at the end of a holding period. Using this method, the following sets forth the process:

(i) Estimate the potential gross income from all sources that a competent owner should be able to generate from a property based upon the existing leases in place for the occupied space. If vacant space exists, a market rental rate is assigned to this space.

(ii) Deduct an estimate of vacancy and collection loss.

(iii) Deduct estimated operating expenses with the result being an estimate of the stabilized net operating income.

(iv) Estimate an overall capitalization rate.

(v) Divide the net operating income by the overall capitalization rate, resulting in a value estimate.

The overall capitalization rates chosen were primarily based on comparable sales transactions employed in the Sales Comparison Approach. Further consideration was also given to C&W's Fall 2004 Investor Survey and Korpacz National First Quarter 2005 Survey which indicates a range of going-in capitalization rates of 6.25% to 9.50% for Institutional Quality Multi Tenant facilities in the United States. We have selected to use a going-in rate of 7.25%. Our selection reflects the strength of the submarket quality and condition of the asset relative to the overall market as well as the creditworthiness of the in-place tenancies.

(b) **Discounted Cash Flow Method**

The discounted cash flow (DCF) method is a detailed analysis used when the future income is expected to be variant, usually as a result of numerous lease obligations and/or anticipated changes in market conditions or income and expenses. It is also relevant when institutional buyers are the most likely purchasers of the subject because institutional buyers often place greatest weight on this method. The DCF method specifies the quantity, variability, timing, and duration of net operating income and cash flow. Estimating the proper internal rate of return or yield rate (discount rate) is essential. C&W must consider the target yield sought by investors as well as yields derived from comparable sales and/or market information.

The methodology is as follows:

(i) Estimate the before-tax cash flows for each period of a projected holding period net of any capital expenditures such as leasing commissions, structural repairs and tenant improvements.

(ii) Estimate a yield rate and a terminal overall capitalization rate.

(iii) Estimate a selling price known as the reversion for the end of the projected holding period.

(iv) The cash flows and the reversion are then discounted to a value estimate.

We have generally utilized a 10-year holding period with the reversion calculated based upon capitalizing year 11 net operating income. If Year 11 net operating income was not at a stabilized level due to lease rollovers, we would have extended the estimated holding period.
beyond 10 years until a stabilized net operating income was achieved. Actual lease terms were utilized in projecting cash flow. Upon expiration, the leases were rolled to market terms.

In general, the estimated growth rate for market rent and expenses equates to 3.0 percent per annum, similar to our projection of inflation. These rates are consistent with what investors are utilizing when buying office real estate throughout the United States.

Our selected terminal capitalization rate used to estimate a reversionary sales price not only takes into consideration perceived market conditions out in the future but also the estimated quality of the cash flow at that time (lease expiration, tenancy, stability of cash flow stream) and physical condition of the building at the end of the holding period. For the property C&W’s Fall 2004 Real Estate Outlook (Investor Survey) and Korpacz National First Quarter 2005 Survey indicated the average range of terminal capitalization rates for these facilities in the United States is 7.50% to 10.00%.

In selecting yield rates at which cash flows are to be discounted, an emphasis is placed on the prospective or forecasted yield rates (internal rates of return) anticipated by typical buyers and sellers. This rate is influenced by many factors, including the degree of apparent risk, market attitudes toward future inflation, the prospective internal rates of return for alternative investments, the internal rates of return earned by comparable properties in the past, the supply and demand of mortgage funds and the availability of tax shelters. C&W’s Investor Survey (Fall 2004) and Korpacz National First Quarter 2005 Survey indicate a yield rate range of 7.80% to 10.50% for US Institutional Quality Multi Tenant Retail facilities. We have selected to use an internal rate of return of 8.50%. Our selection reflects the strength of the submarket quality and condition of the asset relative to the overall market as well as the creditworthiness of the in-place tenancies.

4. Summary of Value

The property value concluded by C&W is summarized in the following table. For full details of the valuation, please refer to the complete self-contained appraisal report.

<table>
<thead>
<tr>
<th>Property Name/Location</th>
<th>Center SF</th>
<th>Valuation Date</th>
<th>Final Value</th>
<th>Implied Cap Rate</th>
<th>Value SF</th>
<th>IRR</th>
<th>Terminal Cap Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derry Meadows</td>
<td>187,034</td>
<td>May 27, 2005</td>
<td>532,000,000</td>
<td>6.94%</td>
<td>517,059</td>
<td>8.50%</td>
<td>8.00%</td>
</tr>
<tr>
<td>35 Manchester Road</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derry, New Hampshire</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>02038 USA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5. Liability Disclaimer

C&W has prepared this Valuation Summary letter, which appears in this Product Disclosure Statement and specifically disclaims liability to any person in the event of any omission from or false or misleading statements included in the Product Disclosure Statement, other than with respect to this Summary Letter. C&W does not make any warranty or representation as to the accuracy of the information in any other part of the Product Disclosure Statement other than as expressly made or given by C&W in this Summary Letter.

Further, Mariner Securities Limited has agreed to indemnify, defend and hold C&W, its parent, subsidiaries and affiliates and their officers, directors, employees, agents and attorneys harmless from and against any and all claims, damages, liabilities, expenses, losses and costs, including reasonable attorneys’ fees arising from or in any way related to the use of our reports or a
reference to C&W and/or the reports in this Product Disclosure Statement, except for any finally adjudicated liability of C&W as determined by a court of competent jurisdiction resulting from C&W failure to render the opinion of value in a manner consistent with generally recognized appraisal practices other than acts for omissions of C&W resulting from C&W’s reliance upon information provided to C&W by others.

C&W has relied upon property data supplied by Mariner Securities Limited, which we assumed to be true and accurate. C&W takes no responsibility for inaccurate client supplied data and any conclusions related to the data.

6. Certification of Appraisal
I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this Valuation Summary letter (letter) are true and correct.

2. The reported analyses, opinions, and conclusions of the report are limited only by the reported assumptions and limiting conditions, and are the individual C&W appraiser’s impartial and unbiased professional analyses, opinions, and conclusions.

3. I have no present or prospective interest in the property that is the subject of this letter and no personal interest with respect to the parties involved.

4. I have no bias with respect to the property that is the subject of this letter or to the parties involved with the assignment.

5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.

6. My compensation for completing this letter is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal prepared.

7. The individual C&W appraiser’s analyses, opinions, and conclusions were developed, and the report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation and the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

8. Matthew G. Pattison, MAI, Valuation Advisory Services, inspected the property and prepared the report. Randell L. Harwood, MAI, CRE, Managing Director, Valuation Advisory Services has reviewed the report, but did not inspect the property.

9. No one provided significant professional assistance to the person signing this letter or the persons signing the reports, unless otherwise indicated.

10. The use of this letter is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

11. As of the date of this report, Matthew G. Pattison, MAI, and Randell L. Harwood, MAI, CRE, MAI, have completed the requirements of the continuing education program of the Appraisal Institute.

Respectfully submitted,

Matthew G. Pattison, MAI
Senior Appraiser
Certified General Appraiser
MA License No. 70444

Randell L. Harwood, MAI, CRE
Managing Director
Certified General Appraiser
NH License No. NHGC 565
June 10, 2005

The Directors
Mariner Securities Limited
Level 40, The Chifey Tower
2 Chifey Tower
Sydney, NSW 2000
Australia

RE: Summary of Appraisal Report
1515 Route 10
Parsippany, NJ
United States

Dear Gentlemen:

1. Introduction

At your request, Integra Realty Resources-Northern New Jersey (Integra) is pleased to transmit this letter summarizing the highlights and the valuation results from our complete self-contained appraisal report (individually a “Report”), which is being prepared with an effective valuation date of December 6, 2005. As such, a prospective value estimate has been prepared. The purpose of this Report is to render an opinion of market value of the 100% leased free interest of the property as of the effective valuation date.

The Report has been or will be prepared in accordance with our interpretation of the guidelines set forth in the Uniform Standards of Professional Appraisal Practice (USPAP) and the International Valuation Standards. In our complete appraisal, Integra will consider all applicable approaches to value. The value conclusion is subject to the Assumptions and Limiting Conditions contained in the report and reflect pertinent information about the subject property and general market conditions affecting the property.

The site is improved with two inter-connected suburban office buildings containing approximately 288,742 sf of rentable area. Both buildings are under a long term lease to a subsidiary of Intel.
2. Reliance on this Letter

For the purposes of this Product Disclosure Statement, we have prepared this letter, which summarizes our analysis and outlines key factors that have been considered in arriving at our opinion of market value. This letter does not contain all the necessary data and support, which will be included in our Report. For further information, we recommend the reader review the content of the Complete Report when available.

The appraisal and the market information are not guarantees or predictions of the future and must be read in light of the following:

- The conclusions as to estimated value will be based upon the factual information set forth in the Report. While we have endeavored to assure the accuracy of the factual information, we have not independently verified information provided by (a) Mariner Securities (primarily a copy of the lease and other non-public information with respect to the property), or (b) governments of the United States and the state, county and municipality within which the property is located (primarily statistical information relating to market conditions). Integra understands that access to the Complete Report when it is submitted to Mariner Securities Limited will be available to any investor interested in seeing the methodology used and the many variables involved in arriving at our value conclusion.

- The primary valuation approach used by Integra in appraising the property, the Income Capitalization Approach (Discounted Cash Flow Methodology and the Direct Capitalization Methodology), is based upon estimates of future results and are not predictions. These valuation methodologies are summarized later in this letter and will appear in depth in our Complete Report. Each methodology begins with a set of assumptions as to projected income and expenses of the property and future economic conditions in the local market. The income and expense figures are mathematically extended with adjustments for estimated changes in economic conditions and lease terms. The result is the best estimate of value Integra can produce, but it is an estimate and not a prediction of the future or guarantee, and it is fully dependent upon the accuracy of the assumptions as to income, expenses and market conditions. The basic assumptions for the property are set forth in summary format in this letter.

- Secondary valuation approaches utilized by Integra to value the property were the Sales Comparison Approach and the Cost Approach. The Sales Comparison Approach compares actual sales of similar properties to the subject by adjusting the comparables for differences, which exist between them and the subject. The Cost Approach estimates the value of the land and adds to this amount the depreciated value of the improvements. These two approaches generally lend support to the value arrived at in the Income Capitalization Approach.

- Our analysis is based upon the most current information available at the time the appraisal was prepared. Integra accepts no responsibility for subsequent changes in information as to revenue, expense, or market conditions.
3. Valuation Rationale

In arriving at our opinion of market value, we have placed primary emphasis on the Discounted Cash Flow Method within the Income Capitalization Approach. This method has been checked using the Direct Capitalization methodology. An explanation of the Application of the Discounted Cash Flow and Direct Capitalization methodologies is provided below.

a) Direct Capitalization Method

Direct capitalization is the method used to convert a single year’s estimate of stabilized net operating income into a value indication. In direct capitalization, a precise allocation between return on and return of capital is not made because investor assumptions or forecasts concerning the holding period, pattern of income, or changes in value of the original investment are not simulated in this method. Direct Capitalization is an appropriate method to use when analyzing a stable income stream and in estimating the reversion at the end of a holding period. Using this method, the following sets forth the process:

(i) Estimate the potential gross income from all sources that a competent owner should be able to generate from a property based upon the existing leases in place for the occupied space. If vacant space exists, a market rental rate is assigned for this space.

(ii) Deduct an estimate of vacancy and credit loss.

(iii) Deduct estimated operating expenses with the result being an estimate of the stabilized net operating income.

(iv) Estimate an overall capitalization rate.

(v) Divide the net operating income by the overall capitalization rate, resulting in a value estimate.

The overall capitalization rate chosen is primarily based on comparable sale transactions employed in the Sales Comparison Approach. Further consideration was also given to investor surveys. We have selected to use a going-in rate of 7.0%. Our selection reflects the strength of the submarket, quality and condition of the asset relative to the overall market, as well as the creditworthiness of the in-place tenancy.
b) Discounted Cash Flow Method

The discounted cash flow (DCF) method is a detailed analysis used when the future income is expected to be a variant, usually as a result of numerous lease obligations and/or anticipated changes in the market conditions or income and expenses. It is also relevant when institutional buyers are the most likely purchaser of the subject because institutional buyers often place greatest weight on this method. The DCF method specifies the quantity, variability, timing, and duration of net operating income and cash flow. Estimating the proper internal rate of return or yield rate (discount rate) is essential. We have considered the target yield sought by investors as well as yields derived from comparable sales and/or market information.

The methodology is as follows:

(i) Estimate the before-tax cash flows for each period of the projected holding period net of any capital expenditures such as leasing commissions, structural repairs and tenant improvements.

(ii) Estimate a yield rate and terminal overall capitalization rate.

(iii) Estimate a selling price known as the reversion for the end of the projected holding period.

(iv) The cash flows and the reversion are then discounted to a value estimate.

We have generally utilized an 11-year holding period with the reversion calculated based upon capitalizing year 12 net operating income. The existing lease term influenced our selection of the holding period.

In general, the estimated growth rate for market rent and expenses equates to 3.0% per annum and this is our projection of inflation for the purposes of estimating the reversionary sale price. This inflation rate is consistent with what investors are utilizing when buying office real estate throughout the United States.

Our selected terminal capitalization rate used to estimate a reversionary sales price not only takes into consideration perceived future market conditions but also the estimated quality of the cash flow at that time (lease expiration, tenancy, stability of cash flow stream) and physical condition of the building at the end of the holding period.

In selecting yield rates at which cash flows are to be discounted, an emphasis is placed on the prospective or forecasted yield rates (internal rates of return) anticipated by typical buyers and sellers. This rate is influenced by many factors, including the degree of apparent risk, market attitudes toward future inflation, the prospective internal rates of return for alternative investments, the internal rates of return earned by comparable properties in the past, the supply and demand of mortgage funds and the availability of tax shelters. We have selected to use an internal rate of return of 7.50%. Our selection reflects the credit worthiness of Intel which guarantees rent payment during the lease term.
The Directors  
Mariner Securities Limited  
June 10, 2005

4. Summary of Value

The property value concluded by Integra is summarized in the following table. For full details, which support the valuation summary, please refer to the complete self-contained appraisal report.

<table>
<thead>
<tr>
<th>Property Name/Location</th>
<th>SF</th>
<th>Valuation Date</th>
<th>Final Value</th>
<th>Implied OAR</th>
<th>Value SF</th>
<th>IRR Yield</th>
<th>Terminal Cap Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1515 Route 10 Parsippany, NJ</td>
<td>288,742</td>
<td>12/6/2005</td>
<td>$62,000,000</td>
<td>7.0%</td>
<td>$215.00</td>
<td>7.5%</td>
<td>7.5%</td>
</tr>
</tbody>
</table>

5. Liability Disclaimer

Integra has prepared this Valuation Summary letter, which appears in the Product Disclosure Statement and specifically disclaims liability to any person in the event of any omission from or false or misleading statements included in the Product Disclosure Statement, other than with respect to this Summary Letter. Integra does not make any warranty or representation as to the accuracy of the information in any other part of the Product Disclosure Statement other than as expressly made or given by Integra in this Summary Letter.

Further, Mariner Securities Limited has agreed to indemnify, defend and hold Integra, its parent, subsidiaries and affiliates and their officers, directors, employees, agents and attorneys harmless from and against any and all claims, damages, liabilities, expenses, losses and costs, including reasonable attorneys’ fees arising from or in any way related to the use of our reports or a reference to Integra and/or the reports in this Product Disclosure Statement, except for any finally adjudicated liability of Integra as determined by a court of competent jurisdiction resulting from Integra’s failure to render the opinion of value in a manner consistent with generally recognized appraisal practices other than acts for omissions of Integra resulting from Integra’s reliance upon information provided to Integra by others.

Integra has relied upon property data supplied by Mariner Securities Limited, which we assume to be true and accurate. Integra takes no responsibility for inaccurate client supplied data and any conclusions related to the data.
CERTIFICATION OF APPRAISAL

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which includes the Uniform Standards of Professional Appraisal Practice (USPAP), and also in conformity with the appraisal regulations issued in connection with the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA).
8. Raymond T. Cirz, MAI, CRE inspected the subject on June 1, 2005.
9. No one provided significant real property appraisal assistance to the person(s) signing this certification.
10. This appraisal is not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
11. We have not relied on unsupported conclusions relating to characteristics such as race, color, religion, national origin, gender, marital status, familial status, age, receipt of public assistance income, handicap, or an unsupported conclusion that homogeneity of such characteristics is necessary to maximize value.
12. It is our opinion that the subject does not include any enhancement in value as a result of any natural, cultural, recreational or scientific influences retrospective or prospective.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.
14. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
15. As of the date of this report, Raymond T. Cirz, MAI, CRE has completed the continuing education program of the Appraisal Institute.

Raymond T. Cirz, MAI, CRE
Integra Realty Resources-Northern New Jersey
Managing Director
Certified General Real Estate Appraiser
New Jersey Certificate #RG00418
The Directors
Mariner Securities Limited
June 10, 2005
Page 8

ASSUMPTIONS AND LIMITING CONDITIONS

In conducting this appraisal, we have assumed, except as otherwise noted in our report, as follows:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.

2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.

3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.

4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.

5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.

6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

Our appraisal report is subject to the following limiting conditions, except as otherwise noted in our report.

7. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.

8. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the affect of subsequent events.

9. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.

10. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.

11. We are not required to give testimony or to be in attendance in court or any government or other hearing with reference to the property without written contractual arrangements having been made relative to such additional employment.

12. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
The Directors  
Mariner Securities Limited  
June 10, 2005  
Page 9

13. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.

14. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering and environmental matters.

15. The distribution of the total valuation in this report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. This appraisal report shall be considered only in its entirety. No part of this appraisal report shall be utilized separately or out of context.

16. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) other than the product disclosure statement without prior written consent from Integra Realty Resources.

17. Information, estimates and opinions contained in this report, obtained from sources outside of the office of the undersigned, are assumed to be reliable and have not been independently verified.

18. Any income and expense estimates contained in this appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.

19. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.

20. No consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.

21. The current purchasing power of the dollar is the basis for the value stated in our appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.

22. The value found herein is subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
The Directors  
Mariner Securities Limited  
June 10, 2005  
Page 10

23. The analyses contained in this report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.

24. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of this property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. In as much as compliance matches each owner’s financial ability with the cost to cure the non-conforming physical characteristics of a property, we cannot comment on compliance to ADA. Given that compliance can change with each owner’s financial ability to cure non-accessibility, the value of the subject does not consider possible non-compliance. Specific study of both the owner’s financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.

25. This appraisal report has been prepared for the exclusive benefit of Mariner Securities Limited, their affiliates and investors under the product disclosure statement. It may not be used or relied upon by any other party. All parties who use or rely upon any information in this report without our written consent do so at their own risk.

26. No studies have been provided to us indicating the presence or absence of hazardous materials on the site or in the improvements, and our valuation is predicated upon the property being free and clear of any environment hazards.

We have not been provided with any evidence or documentation as to the presence or location of any floodplain areas and/or wetlands. Wetlands generally include swamps, marshes, bogs, and similar areas. We are not qualified to detect such areas. The presence of floodplain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.

27. This report is intended to comply with the reporting requirements set forth under Standard Rule 2-2(c) of the Uniform Standards of Professional Appraisal Practice for a restricted use appraisal report. As such, the report presents limited, if any, discussion of the data, reasoning, and analyses that have been used in the appraisal process to develop the opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in our file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use as noted herein. As previously noted, this report is to be read in conjunction with our Complete Appraisal, Self-Contained Report.

We note that the existing use represents the highest and best use of the subject property and we have appraised the Leased-Fee Estate. Exposure and Market time are estimated to be six months.
17. Investigating Accountant’s Report

The Board of Directors
Mariner Securities Limited
Level 40 Chifley Tower
2 Chifley Square
SYDNEY NSW 2000

23 June 2005

Dear Sirs

Investigating Accountant’s Report on Forecast Financial Information and Financial Services Guide

We have prepared this report on forecast financial information of Mariner America Property Income Trust ("MAPIT" or “the Trust”) for inclusion in a Product Disclosure Statement dated on or about 23 June 2005 (the PDS) relating to the issue of 50 million units in the Trust, initially paid to $0.60 with a Final Instalment of $0.40 payable on 1 December 2005.

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

The nature of this Report is such that it should be given by an entity which holds an Australian Financial Services licence under the Corporations Act 2001 (Cwlth). PricewaterhouseCoopers Securities Ltd is a controlled entity of PricewaterhouseCoopers and holds the appropriate Australian Financial Services licence.

Scope

You have requested PricewaterhouseCoopers Securities Ltd to prepare an Investigating Accountant’s Report (the Report) covering the following information:

(a) the forecast consolidated Statements of Financial Performance of the Trust for the 9.5 months ending 30 June 2006 and 12 months ending 30 June 2007

(b) the pro forma consolidated Statements of Financial Position as at 22 September 2005 and at 12 December 2005 which assumes completion of the contemplated transactions disclosed in Section 12 of the PDS (the pro forma transactions), (collectively, the Forecasts)
This Report has been prepared for inclusion in the PDS. We disclaim any assumption of responsibility for any reliance on this Report or on the Forecasts to which it relates for any purposes other than for which it was prepared.

Scope of review of Forecast Financial Information

The Directors of the Mariner Securities Limited (the “RE”) are responsible for the preparation and presentation of the Forecasts, including the best estimate assumptions, which include the pro forma transactions, on which they are based.

Our review of the best estimate assumptions which includes the proforma transactions underlying the Forecasts was conducted in accordance with Australian Auditing Standard AUS 902 “Review of Financial Reports”. Our procedures consisted primarily of enquiry and comparison and other such analytical review procedures we considered necessary so as to adequately evaluate whether the best estimate assumptions provide a reasonable basis for the Forecasts. These procedures included discussion with the Directors and management of the RE and have been undertaken to form an opinion whether anything has come to our attention which causes us to believe that the best estimate assumptions do not provide a reasonable basis for the preparation of the Forecasts and whether, in all material respects, the Forecasts are properly prepared on the basis of the assumptions and are presented fairly in accordance with the recognition and measurement principles prescribed in Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies of the Trust disclosed in Section 13 of the PDS and the Constitution of the Trust dated 26 May 2005 (the Constitution) so as to present a view of the Trust which is consistent with our understanding of the Trust’s future operations.

The Forecasts have been prepared by the Directors to provide investors with a guide to the Trust’s potential future financial performance based upon the achievement of certain economic, operating, development and trading assumptions about future events and actions that have not yet occurred and may not necessarily occur. There is a considerable degree of subjective judgement involved in the preparation of Forecasts. Actual results may vary materially from the Forecasts and the variation may be materially positive or negative. Accordingly, investors should have regard to the investment risks set out in Section 8 of the PDS.

Our review of the Forecasts that are based on best estimate assumptions is substantially less in scope than an audit examination conducted in accordance with Australian Auditing and Assurance Standards. A review of this nature provides less assurance than an audit. We have not performed an audit and we do not express an audit opinion on the Forecasts included in the PDS.
Review statement on the Forecasts

Based on our review of the Forecasts, which is not an audit, and based on an investigation of the reasonableness of the best estimate assumptions giving rise to the Forecasts, nothing has come to our attention which causes us to believe that:

(a) the best estimate assumptions set out in Section 14 of the PDS do not provide a reasonable basis for the preparation of the Forecasts, and  
(b) the Forecasts are not properly prepared on the basis of the best estimate assumptions and presented fairly in accordance with the recognition and measurement principles prescribed in Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by the Trust disclosed in Section 13 of the PDS and the requirements of the Constitution  
(c) the Forecasts are unreasonable  
(d) the pro forma consolidated Statements of Financial Position have not been properly prepared on the basis of the pro forma transactions  
(e) the pro forma transactions do not form a reasonable basis for the pro forma consolidated Statements of Financial Positions

The underlying assumptions are subject to significant uncertainties and contingencies often outside the control of the Trust. If events do not occur as assumed, actual results and distributions achieved by the Trust may vary significantly from the Forecasts. Accordingly, we do not confirm or guarantee the achievement of the Forecasts, as future events, by their very nature, are not capable of independent substantiation.

Independence or Disclosure of Interest

PricewaterhouseCoopers Securities Ltd does not have any interest in the outcome of this issue other than the preparation of this Report and participation in due diligence procedures for which normal professional fees will be received.

Financial Services Guide

We have included our Financial Services Guide as Appendix A to our Report. The Financial Services Guide is designed to assist retail clients in their use of any general financial product advice in our Report.

Yours faithfully

James Dunning  
Authorised Representative of  
PricewaterhouseCoopers Securities Ltd
About us
PricewaterhouseCoopers Securities Ltd (ABN 54 003 311 617, Australian Financial Services Licence no 244572) (“PwC Securities”) has been engaged by Mariner Securities Limited (“Mariner”) to provide a report in the form of an Investigating Accountant’s Report in relation to the pro forma forecast financial information (the “Report”) for inclusion in the PDS dated on or about 23 June 2005.

You have not engaged us directly but have been provided with a copy of the Report as a retail client because of your connection to the matters set out in the Report.

This Financial Services Guide (“FSG”) is designed to assist retail clients in their use of any general financial product advice contained in the Report. This FSG contains information about PwC Securities generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the Report, and how complaints against us will be dealt with.

Financial services we are licensed to provide
Our Australian financial services licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities, interests in managed investment schemes, derivatives, superannuation products, foreign exchange contracts, insurance products, life products, managed investment schemes, government debentures, stocks or bonds, and deposit products.

General financial product advice
The Report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs. You should consider your own objectives, financial situation and needs when assessing the suitability of the Report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

 Fees, commissions and other benefits we may receive
PwC Securities charges fees to produce reports, including this Report. These fees are negotiated and agreed with the entity who engages PwC Securities to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this Report our fees are based on hourly rates and are disclosed in Section xx.

Directors or employees of PwC Securities, PricewaterhouseCoopers, or other associated entities, may receive partnership distributions, salary or wages from PricewaterhouseCoopers.

Associations with issuers of financial products
PwC Securities and its authorised representatives, employees and associates may from time to time have relationships with the issuers of financial products. For example, PricewaterhouseCoopers may be the auditor of, or provide financial services to, the issuer of a financial product and PwC Securities may provide financial services to the issuer of a financial product in the ordinary course of its business.

Complaints
If you have a complaint, please raise it with us first, using the contact details listed below. We will endeavour to satisfactorily resolve your complaint in a timely manner. In addition, a copy of our internal complaints handling procedure is available upon request.

If we are not able to resolve your complaint to your satisfaction within 45 days of your written notification, you are entitled to have your matter referred to the Financial Industry Complaints Service (“FICS”), an external complaints resolution service. You will not be charged for using the FICS service.

Contact Details
PwC Securities can be contacted by sending a letter to the following address:

James Dunning
PricewaterhouseCoopers
Darling Park Tower 2
201 Sussex Street
GPO Box 2650
Sydney NSW 1171
18. Taxation Report

PricewaterhouseCoopers

The Directors
Mariner Securities Limited
As Responsible Entity for the Mariner American Property Income Trust
Level 40
The Chifley Tower
2 Chifley Square
SYDNEY  NSW  2000

23 June 2005

Dear Sirs

Australian and US Federal Income Taxation Implications of Investment into US Property by Mariner American Property Income Trust ("the Trust")

This letter has been prepared for inclusion in a Product Disclosure Statement ("PDS") dated on or about 23 June 2005. Defined terms used in this letter have the same meaning as they do in the PDS.

The purpose of this letter is to provide a broad summary of the Australian income tax and US Federal income tax implications of the proposed US Investment to Australian resident Unitholders of the Trust who are individuals and hold their Units on capital account.

This letter is based on the Australian income tax law as contained in the Income Tax Assessment Act 1936 (as amended) and the Income Tax Assessment Act 1997 (as amended) and the current interpretations of that law as at the date of this letter, and US Federal income tax laws as contained in the US Internal Revenue Code of 1986 (as amended), and current interpretations of those laws as at the date of this letter. This letter is also based on the current Double Taxation Agreement between Australia and the US, as amended ("the US-Australia Double Tax Treaty"), and the current interpretation of the treaty as at the date of this letter. It is noted that any of the laws previously referred to, or their interpretations, are subject to change by amendment of legislation, court decisions or changes of administrative practice by the Australian Tax Office or the US Internal Revenue Service.

The taxation information in this letter is, of necessity, general in nature. This letter can only provide a general overview of the Australian and US Federal income tax consequences that may be relevant for a particular Unitholder. In addition the tax implications for a Unitholder may differ depending on the particular circumstances of the Unitholder. In particular, the information may not apply to a Unitholder who is regarded as a trader in securities or who otherwise holds their Units as
part of a business. Investments like the Trust can present complex taxation issues for Unitholders, and these may change over time. Accordingly, Unitholders in the Trust should not treat this summary as tax advice on their own tax position and are urged to seek their own independent tax advice from an independent advisor not associated in any way with the transaction based upon their own specific circumstances. This letter was not intended or written to be used, and it cannot be used by any taxpayer, for the purpose of avoiding tax penalties that may be imposed on the taxpayer. This letter was written to support the promotion or marketing of the transaction or matters addressed in it.

The information contained in this letter does not constitute financial product advice within the meaning of the Corporations Act 2001. PricewaterhouseCoopers is not licensed to provide financial product advice under the Corporations Act. To the extent that this letter contains any information about a financial product within the meaning of the Corporations Act, taxation is only one of the matters that must be considered when making a decision about the relevant financial product. This letter has been prepared for general circulation and does not take into account the objectives, financial situation or needs of any recipients. Accordingly, any recipient should, before acting on this material, consider taking independent financial advice from a person who is licensed to provide financial product advice under the Corporations Act.

1. Acquisition of US Real Estate Assets via a Real Estate Investment Trust (“REIT”)

It is proposed that the Trust will own all of the shares in a US corporation that qualifies as a REIT under US tax law (less a small shareholding to be held by at least 100 Shareholders; refer to REIT compliance issues below), referred to throughout this section as “the US REIT”. The US REIT will acquire US real estate.

It is intended that the US REIT qualifies and will continue to qualify as a REIT. The rules relating to REITs are contained in the US Internal Revenue Code of 1986, as amended, and prescribe very detailed requirements for qualification as a REIT relating to the structure of the entity and the ongoing operations of the entity. For example:

- A REIT must have a minimum of 100 persons who directly hold shares in the REIT for a minimum period in each year.

- Other than in its first year, a REIT must not, during the last half of each taxable year, have more than 50% of the value of the outstanding stock owned, directly or indirectly, by five or fewer “individuals” (as defined in the US Federal income tax rules to include specified entities, and to provide for certain “look through” rules).

- There are tests relating to the underlying assets of the REIT, such as a requirement that at least 75% of the value of total assets must be represented by interests in real property, investments in other REITs or certain other related assets.
There is a 75% gross income test requiring at least 75% of a REIT’s gross income to be real property income which includes qualifying “rents from real property”, dividends from other REITs and certain related income items.

There is a 95% gross income test requiring at least 95% of a REIT’s gross income include qualifying “rents from real property”, interest, dividends and certain related items.

There is a distribution requirement for a REIT to distribute at least 90% of its ordinary REIT taxable income in respect of any year.

There have been various proposals to amend the US law applying to REITs to prevent entities that are controlled by another entity from qualifying as a REIT. This could adversely affect the US REIT that has been established by the Trust, if the proposals become law and were applicable to the Trust. We note that the previous proposals to change the law have not attempted to apply to REITs which had existing investments at the date the proposals were announced. Briefly the history of these proposals has been:

- the inclusion in an Act passed by the US Congress in 1999, subsequently vetoed by the US President;
- the reintroduction of the proposals in 2000 which failed to proceed;
- inclusion in another bill introduced into Congress on 30 April 2003, which failed to proceed; and
- inclusion as a funding measure in a bill on energy policy, introduced on 3 June 2003, which also failed to proceed.

As this issue is subject to change, it is possible the position could change subsequent to the issue of this PDS.

The ability of the US REIT to qualify as a REIT in each year will be important to the US tax position of the Trust. It is intended for the US REIT to qualify as a REIT in each year, but this must finally be determined based on the facts and circumstances applying in each year.

2. How is the REIT taxed in the US?

Federal income tax

Provided the entity to be used by the Trust qualifies as a REIT in each year, the entity should not be subject to US Federal income tax to the extent that the REIT taxable income and capital gains are distributed annually.
In situations where the entity fails to qualify as a REIT or elects not to distribute all REIT taxable income or capital gains, US Federal income tax would apply to some or all of the income and gains, depending upon the exact circumstances.

If the US REIT fails to qualify as a REIT, potentially significant tax liabilities could arise. This would adversely affect the distributions available from the US REIT and subsequently the distributions from the Trust to Unitholders.

This summary has been prepared on the basis that the US REIT will qualify as a REIT in each year, that any changes to REIT laws will not adversely affect the ability to so qualify and that the US REIT will distribute all REIT taxable income and capital gains, such that the REIT will suffer no US Federal income tax.

**State and Local Income Tax**

The US REIT may be subject to state or local income tax in the jurisdictions in which they hold properties.

**US Taxation of REIT Distributions**

Payments by and distributions from the US REIT may be subject to US withholding tax, which can apply at varying rates depending on the nature of the payment or distribution, and subject to the application of the US-Australia Double Tax Treaty.

The Trust should be treated as Australian resident for the purposes of the US-Australia Double Tax Treaty. Accordingly, the Treaty may reduce the rate of withholding tax applied to payments or distributions made by the US REIT to the Trust. A protocol to the US-Australia Double Tax Treaty, in force from 1 July 2003, has specifically affected the rates of withholding tax applied to dividends paid by a US REIT, from that date, to an Australian resident. Any US taxes suffered by the Trust may be available to the Trust’s Unitholders as a foreign tax credit against their Australian tax liability on their distribution income from the Trust, subject to various restrictions (refer below).

Distributions from a REIT that qualify as dividends are generally subject to US withholding tax at the rate of 30%. A reduced rate of withholding tax of 15% may be available under the US-Australia Double Tax Treaty where the dividends are paid to a Listed Australian Property Trust (“LAPT”). An LAPT is defined in the Treaty as an Australian unit trust registered as a “Managed Investment Scheme” under the Australian Corporations Act in which the principal class of units is listed on a recognised stock exchange in Australia and regularly traded on one or more recognised stock exchanges.

However, if the responsible entity of the LAPT knows, or has reason to know, that a Unitholder owns 5% or more of the Units in the LAPT, then for the purposes of the Treaty, the Unitholder will be deemed to hold the same proportion of the Trust’s direct interest in the REIT and will be deemed to be beneficially entitled to the REIT dividend paid in respect of that interest.
Consequently, the rate of US withholding tax applied to dividends attributable to such 5% or more Unitholders will be 30% unless one of the following conditions is satisfied by the Unitholder:

- The Unitholder is an individual that is treated as holding an interest directly and of not more than 10% in the REIT;

- The dividends from the REIT are paid with respect to a class of stock that is publicly traded and the Unitholder is treated as holding an interest of not more than 5% of any class of the REIT shares. For this purpose, REIT shares held by an LAPT will be deemed to be publicly traded; or

- The Unitholder is treated as holding an interest of not more than 10% in the REIT and the gross value of no single interest in real property held by the REIT exceeds 10% of the gross value of the REIT’s total interest in property.

Where there are one or more Unitholders holding 5% or more of the Units in the Trust and failing to meet one of the above conditions, withholding tax of 30% will be applied to that proportion of US REIT dividends attributable to those Unitholders. Where such 5% or more Unitholders satisfy one of the conditions above, the 15% withholding tax rate would apply. It is intended that the increased withholding tax will be borne by the Unitholder to which it relates such that the particular Unitholder will receive a lower net distribution and a higher potential foreign tax credit.

Distributions made by a REIT in excess of "earnings and profits" (as that term is used for US federal income tax purposes), will be treated as a non taxable return of the capital of the REIT, to the extent of the adjusted tax basis of the shares in the REIT (i.e. the cost of the REIT shares reduced by previous return of capital distributions). A certificate of exemption from withholding tax or tax refund should be available to the Trust in respect of capital distributions such that the distributions are ultimately not subject to US withholding tax.

Distributions made by the US REIT which are attributable to gains from the disposition of US real property are likely to be subject to a special US tax rate of 35%. Foreign shareholders of the US REIT that are treated as companies for US tax purposes may suffer a further branch profits tax of 30%; this may be reduced to 5% by the US-Australia Double Tax Treaty. Generally, gains from the disposition of US real property are considered income effectively connected to a US trade or business and, as such, are reportable on a US income tax return. Withholding taxes remitted on behalf of the Trust, with respect to effectively connected income, would be treated as a credit against the US tax liability shown on its US income tax return.

Any interest paid by the US REIT, or any of its subsidiary entities, to the Trust will be subject to US withholding tax at 10%, assuming certain procedural requirements of the US-Australia Double Tax Treaty are met.
President Bush has previously announced a proposal to amend the US Federal income tax law to further limit interest deductions that can be claimed by US entities where there are borrowings from, or guaranteed by, non-US related parties. If legislated, this may have adverse tax consequences on the distributions to be paid by the US REIT to the Trust.

3. How is the Trust taxed in Australia?

Based on current tax legislation, the Trust should not generally be liable for income tax as it is intended that Unitholders will be presently entitled to all of the income of the Trust. The Trust may, however, be liable for income tax in any given year if it meets the requirements to be classed as either a public trading trust or a corporate unit trust for that year. It is intended that the Trust will not meet these requirements and should therefore not be taxable in its own right.

Distributions received by the Trust from the US REIT will be regarded as dividends for Australian tax purposes and will be included in the calculation of the Trust’s taxable income (except where the distribution is paid out of the share capital account of the US REIT). If the distribution is paid out of the share capital account of the US REIT the amount is treated as a return of capital and reduces the capital gains tax cost base of the US REIT shares held by the Trust. To the extent that such distributions, including cumulative return of capital distributions from prior income years, exceed the capital gains tax cost base of the US REIT shares, a capital gain equal to the excess will arise.

The amount of any dividend included in the taxable income of the Trust will be grossed up for any US tax suffered. A foreign tax credit may be available to the Trust’s Unitholders in respect of US tax (refer below).

The US REIT will be a controlled foreign company ("CFC") for Australian tax purposes. However, there are specific exemptions which apply to REITs holding only US real estate which mean there will be no application of the CFC rules to the Trust in respect of its shareholding in the US REIT. Accordingly, the accruals taxation consequences of the CFC rules will not impact the Trust in respect of its shareholding in the US REIT. There are similar exemptions under the foreign investment fund ("FIF") rules so that the accruals taxation consequences of the FIF rules will not impact the Trust in respect of its shareholding in the US REIT.

4. US and Australian tax position of disposals of REIT shares

Should any shares in the US REIT be disposed of at any time by the Trust or the Trust receives return of capital distributions in excess of the cost of its shares, a US capital gain calculation (applying US tax laws) will be required and US capital gains tax may arise. A special US withholding tax of 10% will be applied to the gross sales proceeds. The Trust is subject to US Federal income tax at a rate of 35% on its capital gain together with a further branch profits tax of 30% (this may be reduced to 5% by the US-Australia Double Tax Treaty). The 10% withholding tax is applied against the 35% tax due on the US capital gain.
A capital gains tax calculation will also be required in Australia, applying Australian tax rules, and any Australian capital gain will be included in the Trust’s calculation of Australian taxable income. Double taxation of capital gains may be eliminated through the availability of foreign tax credits for Australian Unitholders in respect of any US capital gains tax suffered (this will however ultimately depend on the tax position of the Australian Unitholder).

5. Taxation of the Trust’s Unitholders and availability of foreign tax credits

The Trust’s Unitholders will be generally assessable on their proportionate share of the taxable income of the Trust in respect of each income year. If the Trust is receiving income from the US REIT this will be included in the Trust’s taxable income in the manner noted above, and so will be proportionally included in Unitholders’ assessable income. In general terms, it will be the income received from the US REIT, grossed-up for any US taxes, that will be used in calculating the Unitholders’ share of assessable income.

If a Unitholder’s interest in the Trust is deemed to exceed certain thresholds (as indicated above) the REIT dividend attributable to that Unitholder will be subject to US withholding tax at the rate of 30%, rather than 15%. That Unitholder will be entitled to the net REIT dividend and will be required to include the increased withholding tax amount in their assessable income.

Unitholders should be entitled to credits against their Australian tax liability on their share of income derived from the US REIT for amounts up to the amount of the tax they have indirectly suffered. These foreign tax credits are limited in any year in respect of each Unitholder, to the Australian tax payable on foreign income of the same class derived by that Unitholder. For this purpose the income derived from the US REIT is passive foreign income. If foreign tax credits cannot be used in the year they arise they may be carried forward by the Unitholder for up to five years against future Australian tax payable on foreign income of the same class.

The Federal Government in its 2005 Budget announced a proposal to repeal the foreign tax credit quarantining rules. Specifically, the requirement for the Trust to quarantine foreign tax credits into separate classes will be removed. The Budget announcement indicated the new rules will apply to income years commencing on or after the date the amending legislation receives Royal Assent. These new rules will be beneficial to Unitholders in the Trust as they will make foreign tax credits easier to utilise and will reduce some aspects of record keeping for foreign income.

Where amounts derived from the US REIT are not assessable to the Trust, for example where they are not dividends but are amounts paid out of the share capital of the US REIT, they will not be included in Unitholders’ assessable income. If distributed by the Trust, they will be treated as tax deferred amounts.

Tax deferred amounts are not assessable when received unless and until the total tax deferred amounts received by a Unitholder exceed the cost base of the Units. For capital gains tax purposes, tax deferred amounts received reduce the cost base of the Units for the Unitholders and therefore affect the Unitholder’s capital gain/loss on disposal of the Units.
6. Disposal of Units in the Trust

Unitholders will pay the issue Price in two instalments. The first upon application in September 2005 and the second in December 2005. The Units will be treated for capital gains tax purposes as having been acquired on issue of the Units but the second amount payable will only be added to the cost base of the Units when paid.

A disposal of Units in the Trust will have capital gains tax implications. Broadly, Unitholders must include any realised capital gain or loss in the calculation of their net capital gain. A net capital gain will be included in assessable income. A net capital loss may be offset against other net capital gains or carried forward until the Unitholder has realised capital gains against which the net capital loss can be offset.

Assuming the Unitholders of the Trust do not have US income from other sources, there should be no US FIRPTA implications and no other significant US tax consequences to the Unitholders in connection with the disposal of their Units in the Trust.

The net capital gain to Unitholders is worked out as follows:

- The capital gain or loss is the excess or shortfall of disposal proceeds over the cost base of the Units.

- If Units have been held for less than 12 months this is the amount of gain or loss included in the net capital gain calculation.

- If Units have been held for 12 months or more and there is a loss, similarly this loss is included in the net capital gain calculation.

- If Units have been held for 12 months or more and there is a gain, a discounting factor may be available to certain Unitholders. The discounting factor for individuals and trusts is 50% (including non-complying superannuation trusts), whilst a discount factor of 33 1/3% applies to complying superannuation entities.

7. Tax File Numbers, Australian Business Numbers and Exemptions

If a Tax File Number (“TFN”) is not quoted by a Unitholder, and no appropriate TFN exemption information is provided, Pay As You Go (PAYG) tax is required to be deducted from any income distribution entitlement at the highest marginal tax rate plus Medicare levy (currently 48.5%). A Unitholder may quote a valid Australian Business Number (ABN) in place of a TFN, where the holding of Units is part of the carrying on of an enterprise by the Unitholder.

The collection of TFNs is authorised and their use and disclosure are strictly regulated by the tax laws and the Privacy Act.
8. Goods and Services Tax ("GST")

The purchase and disposal of units in the Trust by Unitholders is not subject to GST. GST will apply to fees charged to the Trust by the Trustee. Depending upon the exact nature of the operations of the Trust it is likely to be making a mixture of GST taxable supplies, GST free supplies and possibly input taxed supplies. Depending upon this mixture the Trust will be able to reclaim all or some of the GST it suffers on its purchases.

Yours faithfully

[Signature]

Manuel Makas
Tax Partner
PricewaterhouseCoopers
19. Summary of Material Contracts

19.1 CONSTITUTION OF THE TRUST

The following is a summary of the material provisions of the Trust Constitution.

The rights and obligations of Unitholders and the Responsible Entity of the Trust are governed by the Constitution and the Corporations Act. As the Trust is a managed investment scheme registered under Chapter 5C of the Corporations Act, the Trust Constitution has been lodged with ASIC and a free copy is available from us on request.

The Trust Constitution is dated 26 May 2005. The Trust Constitution deals with a number of matters, including:

- the nature of a Unitholder’s interest in the Trust;
- income and distributions to Unitholders;
- Unitholders’ meetings;
- the liability of Unitholders;
- the Responsible Entity’s powers, which are broad, and include powers to deal with Trust property;
- remuneration of the Responsible Entity and expenses that may be paid or reimbursed out of the Trust;
- liability of the Responsible Entity and its right of indemnity out of the assets of the Trust;
- application and redemption procedures for Units in the Trust;
- the compliance committee and the handling of complaints;
- how the Constitution can be amended; and
- the life of the Trust and entitlements of Unitholders on termination.

More detail on these topics appears below.

19.1.1 The Responsible Entity

As Responsible Entity of the Trust, we are responsible to Unitholders for the Trust’s operation and have duties under Chapter 5C of the Corporations Act including duties to act honestly, exercise care and diligence, and treat members equally. We also have fiduciary duties as trustee of the Trust.

We may retire in the circumstances set out in the Corporations Act. Unitholders may also remove the Responsible Entity by following the procedures set out in the Corporations Act.

19.1.2 Units and Transfers

Each fully paid Unit confers an equal and undivided interest in the assets of the Trust subject to rights, restrictions and obligations attaching to that Unit. Each partly paid Unit confers an interest of the same nature less the amount remaining to be paid up on the Unit. A Unit does not confer an interest in any particular asset of the Trust.

Subject to the ASX Listing Rules and our right to refuse a transfer, Units may be transferred. Please contact our Investor Services Team on 1800 009 963 for more details.
19.1.3 Issue of Units
We may issue additional Units following the close of this Offer. Except in the case of a pro rate rights issue to Unitholders, we must normally issue Units at a price calculated as the volume weighted average price of Units during the 10 prior trading days.

19.1.4 Partly paid Units
We may issue partly paid Units. The holder of a partly paid Unit may be required to pay interest on the amount unpaid.

Subject to the Listing Rules, the holders of partly paid units will be served with a notice no later than 14 days before the payment of an instalment is due. If payment of the called for amount plus interest (if any) is not received by the date specified in the notice, we will send a second notice. If payment of the called for amount plus interest (if any) is not received by the date specified in the second notice, we may determine that the Unit is forfeited and sell it. Also, from the date set in the second notice and for so long as the amount called for remains unpaid, all voting rights and entitlements in connection with the Unit will be suspended until we reinstate them. Holders whose Units are forfeited are liable for costs and any shortfall if the Units are not sold at a sufficient price to pay the unpaid call and costs.

19.1.5 Redemption and Buy Backs of Units
As less than 80% of the Trust’s assets are liquid assets, the Trust will be illiquid for the purposes of the Corporations Act. Accordingly, we will not be able to redeem your Units without making a withdrawal offer in accordance with the Corporations Act. We do not intend to make any withdrawal offers.

Subject to the Corporations Act and ASX Listing Rules, we may purchase Units on ASX and cause them to be cancelled.

19.1.6 Income Entitlements and Distributions
We will determine the distributable income for the Trust for each financial year. It is currently proposed that distributions will be paid quarterly in arrears as at the end of September, December, March and June, although we can vary this.

Members on the register of unitholders at midnight on the last day of a distribution period are entitled to a share of distributable income for that period, pro rate according to the number of Units they hold.

19.1.7 Powers of the Responsible Entity
As Responsible Entity we have been given very wide powers. We have all the powers in respect of the Trust that it is possible under the law to confer on a trustee, as though it were the absolute owner of the assets of the Trust and acting in its personal capacity.

In our capacity as Responsible Entity, we are entitled to borrow and raise money for the Trust, invest in and deal with property and rights in our absolute discretion, and to generally manage the Trust. We can appoint agents or delegates.
19.1.8 Limitation of Liability and Indemnity
The Trust Constitution provides that, subject to the Corporations Act, the Responsible Entity is not liable in contract, tort or otherwise to Unitholders for any loss suffered in any way relating to the Trust.

Subject to the Corporations Act, the liability of the Responsible Entity to any person other than a Unitholder in respect of the Trust (including any contracts entered into as trustee of the Trust) is limited to the Responsible Entity’s ability to be indemnified from the assets of the Trust.

We are entitled to be indemnified out of the assets of the Trust for any liability incurred by us in properly performing or exercising any of our powers or duties in relation to the Trust. To the extent permitted by the Corporations Act, this indemnity includes the liability incurred as a result of any act or omission of a delegate or agent appointed by us.

To the extent permitted by the Corporations Act, members of the Trust compliance committee are entitled to be indemnified out of the assets of the Trust for any liability they incur in good faith whilst acting in that capacity.

19.1.9 Liability of Unitholders
The Constitution contains provisions designed to limit a Unitholder’s liability in respect of the Trust to the amount, if any, that remains unpaid in relation to the Unitholder’s subscription for their Units (note that this is subject to the following paragraph and any agreement with a Unitholder). Higher courts are yet to determine the effectiveness of provisions of this kind.

We are entitled to be indemnified by a Unitholder to the extent that we incur any liability for tax or user pays fees as a result of the Unitholder’s action or inaction. Joint Unitholders are jointly and severally liable in respect of all payments, including payments of tax or any other such amounts.

19.1.10 Remuneration of the Responsible Entity
Details of the maximum fees provided for under the Trust Constitution appear in section 11.2.3.

We may accept lower fees than we are entitled to receive or may defer payment for any period, in which case the fees accrue daily until paid.

The Constitution provides that, to the extent the Corporations Act allows, we may be reimbursed from the Trust for all expenses incurred in relation to the proper performance of our duties in relation to the Trust. For example, this would include expenses in connection with promoting the Trust, dealing with Trust assets, tax agents’ and delegates’ fees, the compliance committee established under the Corporations Act, and the preparation of this PDS.

19.1.11 Changing the Trust Constitution
If a change to the Trust Constitution would not adversely affect Unitholder’s rights, it can be made by a deed executed by the Responsible Entity. The change must otherwise be approved by a resolution passed by 75% of votes cast by Unitholders entitled to vote on the resolution.
19.1.12 Unitholder Meetings
The quorum for a meeting of Unitholders is two Unitholders holding at least 10% of all Units. Unitholder’s rights to requisition, attend and vote at meetings are mainly contained in the Corporations Act.

19.1.13 Termination of the Trust
The Trust terminates on the earliest of:

- the date on which the Trust is removed from the official list of ASX or Units are suspended from quotation on the official list by ASX for a continuous period of 60 days;
- a date determined by Unitholders by extraordinary resolution (as defined in the Corporations Act);
- the date specified by the Responsible Entity as the date of termination of the Trust; or
- the date that the Trust terminates by law.

The net proceeds of realisation, after making allowance for all liabilities of the Trust (actual and anticipated) and meeting the expenses (including anticipated expenses) of the termination, must be distributed to Unitholders in proportion to their holding of Units.

19.1.14 ASIC Relief (Transaction Costs)
ASIC has granted relief from the requirement for the Trust Constitution to contain a specific calculation for transaction costs. The Trust constitution authorises us to factor into a calculation of the entry or withdrawal price for Units our estimate of the total costs of acquiring or disposing of assets because of the issue or redemption of Units to certain Unitholders that is appropriate to avoid an adverse impact on other Unitholders.

While the Trust Constitution authorises us to include transaction costs in calculation of unit prices, we do not intend at this time to recover transaction costs in relation to the Trust. Accordingly, unless we give Unitholders prior notice, we intend to calculate transaction costs as “nil”. If we were to charge transaction costs we would only do so after providing Unitholders with 30 days’ notice in writing.

19.2 THE TRUST’S COMPLIANCE PLAN
We have established a compliance plan for the Trust that is monitored by the Compliance Committee and the board of directors of the Responsible Entity. The Compliance Committee consists of three members, two of whom are external to the Responsible Entity.

The compliance plan addresses methods for ensuring compliance with applicable laws and regulations and the Trust’s Constitution.

Matters covered by the compliance plan include checking compliance with procedures for complaints handling; applications, redemptions and distributions; monitoring and resolution of suspected breaches of the Corporations Act; audits, fees and related-party transactions; conflicts of interest; and disclosure and reporting requirements.
19.3 MARINER AMERICAN PROPERTY INCOME REIT LIMITED

19.3.1 General
Mariner American Property Income REIT Limited (the US REIT) is a Maryland (USA) corporation organized to qualify and operate as a real estate investment trust (REIT), as defined in the U.S. Internal Revenue Code of 1986, as amended (the Code). The Articles of Amendment and Restatement of Articles of Incorporation of the US REIT (the Articles) and the Bylaws of the US REIT (the Bylaws) are governed by the laws of the State of Maryland (USA). The articles provide that the board of directors of the US REIT (the Board) may terminate the US REIT’s election to be treated as a REIT under the Code only upon the vote of a majority of the voting power of the US REIT.

The Articles provide for the issuance of two classes of common stock Class A and Class B. The two classes of common stock are identical in all respects other than voting rights. Subject to certain provisions, the holders of Class A common stock have the right to vote on all matters presented for a vote of stockholders. Except as otherwise required by law, the holders of Class B common stock do not have voting rights.

The articles also provide for the issuance of one or more series of preferred stock. The voting rights, dividends and other terms of a series of preferred stock are designated by the Board before the issuance of shares of that series.

19.3.2 Amendment to the Articles and Bylaws
The Articles may be amended by the affirmative vote of the Board and of two-thirds of all of the votes of the stockholders of the US REIT entitled to be cast on the matter. The Board has the exclusive power to amend, adopt, alter or repeal any provision of the Bylaws and to make new Bylaws.

19.3.3 Distributions
The Board may authorize a distribution only if, after making the distribution the total assets of the US REIT will be greater than or equal to the US REIT’s total liabilities and the US REIT will be able to pay its debts in the usual course of business. Any distribution will be paid pro rata to the holders of Class A common stock and Class B common stock, subject to any preferential rights in favour of any preferred stock.

19.3.4 Restrictions on Ownership and Transfer
The Articles contain certain restrictions and notification requirements in relation to ownership limits of shares in the capital of the US REIT (by persons other than Mariner American Property Income Trust and other excluded Holders1).

For the US REIT to qualify as a REIT under the Code, it cannot be ‘closely held’ meaning that no more than 50% in value of the shares of the US REIT may be owned, directly or indirectly, by five or fewer individuals during the last half of a taxable year (other than the first year for which an election to be treated as a REIT has been made) or during a proportionate part of a shorter taxable year. Even though Excluded Holders are generally excluded from the ownership restrictions in the Articles, an acquisition of interests in Mariner American Property Income Trust by one individual) would trigger certain

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1 Excluded Holder means any of Mariner American Property Income Trust, its subsidiaries and other wholly owned affiliates, their respective successors and assigns and any custodian or trustee holding shares for the benefit of any of them.
measures in the Articles designed to prevent this from occurring. The Articles also prohibit transfers of shares of the US REIT that would result in the US REIT having less than 100 shareholders. The US REIT will need to issue shares to at least 100 shareholders by January 2006 to maintain REIT status.

19.4.1 General

The REIT Services Agreement is between Mariner American Property Income REIT Limited (the US REIT) and Mariner Financial Inc. (the US Manager). The REIT Services Agreement sets out the US terms under which the US Manager agrees to provide the US REIT with certain management services.

19.4.2 Term

The term of Agreement is indefinite, but is subject to termination upon at least thirty (30) days notice (a) by the US REIT, in the event that it no longer directly or indirectly owns any interests in real property located in the United States of America, (b) by the US REIT in the event that the US Manager is no longer an affiliate of Mariner Financial Limited, or (c) by the US Manager in the event that the US REIT is no longer managed by a direct or indirect subsidiary of, or an affiliate of, Mariner Financial Limited. Additionally, either party can terminate the Agreement immediately upon written notice to the other party upon the occurrence of certain events of default.

19.4.3 The US Manager’s Duties

The US Manager must provide services to the US REIT, including:

■ responsibility for the tax, legal and corporate structuring of ventures with property assets in the United States and provide on-going cross-border tax and legal structuring support on an as-needed basis;

■ US property related due diligence and feasibility analysis of US property returns, including an independent review of industry and market practices; and

■ providing administrative and executive support for the services and ensuring efficient communication with the US REIT and the Trust.

19.4.4 Fees and Reimbursement of Expenses

As compensation for the services, the US Manager is entitled to a fee, payable quarterly, equal to 3% of the US REIT’s revenue. The US Manager is also entitled to reimbursement from the US REIT of its out-of-pocket expenses reasonably incurred by the US Manager in connection with the US Manager’s performance of the services.

19.4.5 Indemnification

The US REIT indemnifies the US Manager and its respective directors, officers and employees from any loss, claim, cost, expense or damage incurred or suffered in connection with providing the US REIT with services pursuant to the US REIT Services Agreement. The US REIT will not be obliged

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1 Existing Holders means (a) any Person, other than an Excluded Holder (defined below), who is, or would be upon the exchange of debt or any security of the US REIT, the beneficial owner of shares in excess of the restriction on ownership both upon and immediately after the date the Board adopted such restrictions on ownership and (b) any Person to whom an Existing Holder transfers, subject to certain limitations, beneficial ownership of shares in excess of the restrictions on ownership.

2 Excluded Holders means Mariner American Property Income Trust, its subsidiaries and other wholly owned affiliates, their respective successors and assigns and any custodian or trustee holding shares for the benefit of any of them.
19.4.5 Indemnification cont’d

to provide any indemnity to the extent that any loss, expense or damage
that the indemnified party may have suffered as a result of its own gross
negligence, bad faith or wilful misconduct.

19.5 LIMITED LIABILITY COMPANY
AGREEMENT OF MARINER
DERRY MEADOWS, LLC

19.5.1 General

Mariner Derry Meadows, LLC (MDM) is a member-managed limited liability
company formed in Delaware pursuant to a Limited Liability Company
Agreement adopted by Mariner American Property Income REIT Limited
(the US REIT) as the Member and Manager. In order to meet certain lender
requirements to qualify as a special purpose entity, MDM also has an
independent manager and two springing members. MDM holds title to the
property commonly known as the Derry Meadows Shoppes in Derry, New
Hampshire (the Property). It is intended that MDM will be disregarded as an
entity separate from the US REIT for US Federal income tax purposes.

19.5.2 Control and Management

The US REIT is the managing member of MDM and is responsible for its
management. However, the unanimous vote of all members and managers
(including the independent manager) is required in order to:

■ take any bankruptcy action;
■ dissolve, liquidate, consolidate, merge or sell all or substantially
  all of MDM’s assets;
■ amend the LLC Agreement; or
■ engage in certain transactions with affiliates.

19.5.3 Transfer of Interests

For so long as the mortgage debt remains outstanding, MDM may have only
one member. Subject to the foregoing, one or more additional members of MDM
may be admitted to MDM with the written consent of the Member; provided that
so long as certain mortgage debt remains outstanding, no additional Member
may be admitted to MDM unless (1) there is a transfer of 100% of
the limited liability company interests to a single person or entity and (2) the
mortgage lender consents to such transfer, and (3) if the mortgage loan has been
sold in a securitisation, such transfer does not result in a reduction, withdrawal,
downgrade or qualification of the then current rating by the rating agencies of the
loan or any pool of loans of which the loan forms a part or of any securities issued
in connection with such securitisation. In addition, no transfer of any indirect
ownership interest in MDM may be made such that the transferee owns, in the
aggregate with the ownership interests of its affiliates and family members, more
than a 49% indirect interest in MDM unless the foregoing conditions are satisfied.

19.5.4 Allocations, Distributions and Capital Contributions

All items of income, gain, loss and deduction of MDM shall be allocated
among the members in accordance with their percentage membership
interests. Distributions of cash shall be made at such times, in such amounts
and in such manner as shall be determined by the managers, subject to any
restrictions contained in the debt documents. Members are required to make
any additional capital contributions required in the judgement of the manager.
19.5.5 Special Purpose Entity Provisions
MDM is a special purpose entity whose exclusive purpose is to engage in activities relating to the Property. While any mortgage debt remains outstanding, MDM is required to have at least one independent manager. During such period, MDM is prohibited from owning any material assets other than the Property or engaging in any business or activity other than the ownership and operation of the Property. While the mortgage debt is outstanding, certain additional restrictions exist on MDM's activities; among the other prohibited activities are the following:

- merge into or consolidate with any person or entity or dissolve, terminate or liquidate in whole or in part, transfer or otherwise dispose of all or substantially all of its assets or change its legal structure, without the consent of its mortgage lender;
- incur any debt other than the mortgage loan and ordinary course trade payables;
- make loans or advances to any third party, including any member or affiliate; and
- fail to maintain separate financial statements.

19.5.6 Indemnification
MDM indemnifies its members, managers and officers from any claims or demands, though such indemnification obligations are subordinated to any mortgage debt.

19.6.1 General
Mariner Parsippany 1515, LLC (MP) is a member-managed limited liability company formed in Delaware pursuant to a Limited Liability Company Agreement adopted by Mariner American Property Income REIT Limited (the US REIT) as the Member and Manager. In order to meet certain lender requirements to qualify as a special purpose entity, MP also has an independent manager and two springing members. Upon the closing, MP will hold title to the property commonly known as 1515 Route 10, Parsippany, New Jersey (the Property). It is intended that MP will be disregarded as an entity separate from the US REIT for US Federal income tax purposes.

19.6.2 Control and Management
The US REIT is the managing member of MP and is responsible for its management. However, the unanimous vote of all members and managers (including the independent manager) is required in order to:

- take any bankruptcy action;
- dissolve, liquidate, consolidate, merge or sell all or substantially all of MP’s assets;
- amend the LLC Agreement; or
- engage in certain transactions with affiliates.
19.6.3 Transfer of Interests
For so long as the mortgage debt remains outstanding, MP may have only one member. Subject to the foregoing, one or more additional members of MP may be admitted to MP with the written consent of the Member; provided that so long as certain mortgage debt remains outstanding, no additional Member may be admitted to MP unless (1) there is a transfer of 100% of the limited liability company interests to a single person or entity and (2) the mortgage lender consents to such transfer, and (3) if the mortgage loan has been sold in a securitisation, such transfer does not result in a reduction, withdrawal, downgrade or qualification of the then current rating by the rating agencies of the loan or any pool of loans of which the loan forms a part or of any securities issued in connection with such securitisation. In addition, no transfer of any indirect ownership interest in MP may be made such that the transferee owns, in the aggregate with the ownership interests of its affiliates and family members, more than a 49% indirect interest in MP unless the foregoing conditions are satisfied.

19.6.4 Allocations, Distributions and Capital Contributions
All items of income, gain, loss and deduction of MP shall be allocated among the members in accordance with their percentage membership interests. Distributions of cash shall be made at such times, in such amounts and in such manner as shall be determined by the managers, subject to any restrictions contained in the debt documents. Members are required to make any additional capital contributions required in the judgement of the manager.

19.6.5 Special Purpose Entity Provisions
MP is a special purpose entity whose exclusive purpose is to engage in activities relating to the Property. While any mortgage debt remains outstanding, MP is required to have at least one independent manager. During such period, MP is prohibited from owning any material assets other than the Property or engaging in any business or activity other than the ownership and operation of the Property. While the mortgage debt is outstanding, certain additional restrictions exist on MP's activities; among the other prohibited activities are the following:

- merge into or consolidate with any person or entity or dissolve, terminate or liquidate in whole or in part, transfer or otherwise dispose of all or substantially all of its assets or change its legal structure, without the consent of its mortgage lender;
- incur any debt other than the mortgage loan and ordinary course trade payables;
- make loans or advances to any third party, including any member or affiliate; and
- fail to maintain separate financial statements.

19.6.6 Indemnification
MP indemnifies its members, managers and officers from any claims or demands, though such indemnification obligations are subordinated to any mortgage debt.
The Real Estate Sale Agreement (the Agreement) is between Mariner Derry Meadows, LLC (Purchaser) and Yvon Cormier North Development Co., LLC (Seller). The Agreement is a purchase and sale contract that sets out the terms under which Purchaser acquired certain property commonly known as the Derry Meadows Shoppes, a retail shopping facility located in Derry, New Hampshire. Purchaser’s acquisition of the property was completed on 31 May, 2005.

Certain of Seller’s representations and warranties made in the Agreement survive the closing for a period of six (6) months after closing (until 30 November, 2005). Seller’s surviving representations and warranties include the following matters, some of which are limited to Seller’s knowledge:

- There is no litigation pending which, if adversely determined, would materially and adversely affect the property.
- The accuracy of a rent roll for the property.
- Neither the property nor the use thereof violates any laws, and Seller has not received any notice that the property or its use violates any laws.
- There are no pending or threatened condemnation proceedings.
- The property is properly zoned to permit construction and operation of the improvements, including potential new construction on an included expansion parcel of restaurant, retail or medical office uses.
- Seller has not received written notice from any insurer of any inadequacies on the property which would adversely affect its insurability or cause an increase in the insurance premiums.

Seller’s liability for breaches of the representations, warranties and covenants in the Agreement is limited to two hundred fifty thousand dollars (US$250,000). To secure these obligations, Purchaser and Seller are parties to a Holdback Escrow Agreement which establishes an interest bearing account that is maintained with an escrow agent and into which Seller has deposited two hundred fifty thousand dollars (US$250,000). Upon expiration of the six month limitation period, any amount remaining in the escrow account and not the subject of a continuing dispute will be returned to Seller.
19.8 OPTION AGREEMENT (INTEL BUILDINGS NEW JERSEY)

The Option Agreement is between Mariner Financial Inc. (US Manager) and 1515 Route 10, Inc., a New Jersey corporation (Seller). The Option Agreement grants to the US Manager the exclusive option (the Option) to purchase land and two buildings located at 1515 Route 10 in Parsippany and Hanover, New Jersey. The two buildings are leased on a triple-net basis to Intel Europe, Inc. The lease is guaranteed by Intel Corporation. The US Manager may exercise the Option, if at all, no earlier than 7 December, 2005 and no later than 14 December, 2005 (the Option Expiration Date). The US Manager may assign the Option to an entity controlled by, controlling or under common control with the US Manager.

The purchase contemplated by the Option Agreement is an “as is” transaction, except with respect to the Seller’s representations and warranties. Seller’s representations and warranties survive the closing for a period of one year. Seller’s representations and warranties include the following matters, some of which are limited to Seller’s knowledge:

- The lease is in full force and effect.
- There is no litigation pending or threatened affecting the property.
- Seller has not received written notice that the property is not in compliance with any laws.
- There are no pending or threatened condemnation proceedings.

Seller’s liability for breaches of the representations and warranties in the Option Agreement is limited to US$1,500,000 in the aggregate. Seller’s liability for breaches of its representations and warranties will be secured by one of the following: (a) a Holdback Escrow Agreement; (b) a letter of credit; or (c) a guaranty from a creditworthy entity.

19.9 LEASE AND GUARANTY (INTEL CAMPUS, NEW JERSEY)

The Lease (Lease) is between 1515 Route 10, Inc. (Landlord) and Intel Europe, Inc. (Tenant). Pursuant to the Lease, Landlord leases to Tenant certain land and two buildings located at 1515 Route 10 in Parsippany and Hanover, New Jersey for a term ending on 31 December, 2015.

Pursuant to the Lease, Tenant is responsible for the performance and payment of all costs and expenses associated with the ownership and use of the property, including all maintenance and repair costs, insurance and property taxes. Tenant indemnifies Landlord against any costs or damages arising out of the property or Tenant’s use thereof, including costs due to any environmental hazards. Tenant does not have any right to terminate the Lease, whether on account of casualty, condemnation or otherwise. Tenant pays a level rent during the entire term.

Payment of Tenant’s monetary obligations under the Lease are guaranteed by Intel Corporation (Guarantor) pursuant to an unconditional and irrevocable Guaranty. Guarantor’s liability under the Guaranty is primary; Landlord may proceed against Guarantor without demand against Tenant. Guarantor’s liability under the Guaranty will not be modified or diminished by any bankruptcy of Tenant.
20. Service Providers

20.1 THE UNDERWRITER

Mariner Financial Limited
The underwriter to the issue is Mariner Financial Limited. Mariner Financial Limited is listed on the Australian Stock Exchange and information about its financial standing is publicly available through the Exchange. Mariner Financial Limited does not hold an Australian Financial Services Licence and will appoint Mariner Asset Management Limited (ABN 17 082 380 023, AFSL 222 040) to deal and advise on its behalf in connection with the underwriting.

20.1.1 Underwriting Agreement
Mariner Financial Limited, pursuant to an Underwriting Agreement with the Responsible Entity, has agreed to underwrite the Offer for the full amount of the equity raising.

The Underwriter will receive an underwriting commission equal to 5.5% of the underwritten amount. The Underwriter will pay all handling, stamping, sub-underwriting commissions and brokerage payable in respect of the Offer out of the underwriting commission it receives.

The obligations of the Underwriter are conditional on the Responsible Entity being able to accept applications for Units and the issue of a PDS in relation to the Offer.

20.2 THE CUSTODIAN

The Custodian of the Trust is BNP Paribas Fund Services Australasia Pty Limited ABN 71 002 655 674 trading as BNP Paribas Securities Services.

The Custodian does not have an interest in relation to the initial asset and has not received any inducements in the last two years other than the remuneration they are entitled to receive under the Custody Agreement by way of Custodian’s fees.

It is not the role of the Custodian to protect the rights and interests of the Trust’s investors.

The Custodian does not guarantee the return of any investment, any tax deduction availability or the performance of the Trust.

The Custodian has not been involved in the preparation of, has not authorised or caused the issue of, and other than in relation to the references made to it, takes no responsibility for the contents of, this PDS.
21. Regulatory Information

21.1 THE TYPE OF INVESTMENT

The Mariner American Property Income Trust is a registered managed investment scheme that will be listed on the ASX. The Trust’s Initial Portfolio will comprise the Derry Meadows Shoppes New Hampshire, United States and the Intel Campus in New Jersey, United States. We intend that the Trust will acquire other property assets that will be selected in accordance with our investment strategy for the Trust which is set out in section 4.

21.2 ASX WAIVERS

We have sought the following confirmations from the Australian Stock Exchange:

- that the timetable for the Offer is acceptable;
- that the structure and operations of the Trust are appropriate for a listed entity;
- that the Trust is not required to lodge accounts for the last three full financial years in accordance with Listing Rule 1.3.5 in connection with its application for admission and quotation; and
- that the terms of the Constitution that apply to partly paid Units are appropriate and equitable and comply with Chapter 6 of the Listing Rules.

21.3 ETHICAL CONSIDERATIONS

We do not take into account labour standards or environmental, social or ethical considerations for the purpose of selecting, retaining or realising investments for the Trust, except if we believe they will have a material impact on the performance of the Trust.

21.4 INTERESTS AND FEES

No person named in this PDS as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this PDS has been paid or received or agreed to receive any benefit for services provided in connection with the formation or promotion of the Trust or the offer of units in the Trust, except as set out in this PDS, including this section.

- PricewaterhouseCoopers has provided a Taxation Report, which is included in section 18 and is entitled to receive $140,000 (exclusive of GST) for this service.
- PricewaterhouseCoopers Securities Ltd has acted as investigating accountant to the Responsible Entity and is entitled to receive $160,000 (exclusive of GST) for this service. Its role as investigating accountant includes provision of the Investigating Accountant’s Report in section 17.
- Cushman & Wakefield of Massachusetts, Inc. has acted as adviser for the Trust and is entitled to receive approximately US$7,500 (exclusive of GST) for this service. Its role as valuer includes provision of the report included in section 15.
- Integra Realty Resources has acted as adviser for the Trust and is entitled to receive approximately US$8,500 (exclusive of GST) for this service. Its role as valuer includes provision of the report included in section 16.
- Mallesons Stephen Jaques has acted as legal adviser to the Responsible Entity and is entitled to receive approximately $35,000 (exclusive of GST) for this service.
21.5 CONSENTS TO BE NAMED

The following persons or firms have consented to being named in this PDS and have not withdrawn their consent.

- Mariner Financial Limited
- Cushman & Wakefield of Massachusetts, Inc.
- Integra Realty Resources
- Finard & Company, LLC
- PricewaterhouseCoopers Securities Ltd
- PricewaterhouseCoopers
- BNP Paribas Fund Services Australasia Pty Limited
- ASX Perpetual Registrars Limited
- Mallesons Stephen Jaques

21.6 CONSENT TO BE NAMED AND TO INCLUSION OF INFORMATION

PricewaterhouseCoopers Securities Ltd has given its consent (which has not been withdrawn as at the date of this PDS) to the issue of this PDS with the inclusion of its Investigating Accountant’s Report in the form and context in which that report is included in section 17.

PricewaterhouseCoopers has given its consent (which has not been withdrawn as at the date of this PDS) to the issue of this PDS with the inclusion of the Taxation Report in the context in which that report is included in section 18.

Cushman & Wakefield of Massachusetts, Inc. has given its consent (which has not been withdrawn as at the date of this PDS) to the issue of this PDS with the inclusion of its report in section 15 and the statements in relation thereto in the form and context in which they are included.

Integra Realty Resources has given its consent (which has not been withdrawn as at the date of this PDS) to the issue of this PDS with the inclusion of its report in section 16 and the statements in relation thereto in the form and context in which they are included.

21.7 DISCLAIMER OF RESPONSIBILITY

Each of the persons named in the previous two sections, ‘Consent to be named’ and ‘Consent to be named and to inclusion of information’:

- has not authorised or caused the issue of this PDS;
- does not make, or purport to make, any statement in this PDS other than in the case of a person referred to under the heading ‘Consent to be named and to inclusion of information’, a statement included in this PDS with the consent of the party; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this PDS other than a reference to its name, and in the case of a person referred to under the heading ‘Consent to be named and to inclusion of information’, any statement which has been included in this PDS with the consent of that party.
21.8 CONSENTS OF DIRECTORS

Each Director of the Responsible Entity has given, and not withdrawn as at the date of this PDS, their consent to the issue of the PDS and its lodgement with ASIC.

This PDS has been signed by William Ireland on behalf of Mariner Securities Limited as Responsible Entity of the Trust and issuer of this PDS.
22. Administrative Information for Investors

22.1 INDICATIVE KEY DATES

This Offer opens: 1 July 2005
This Offer closes: 15 September 2005
Allotment of Units: 1 August, 1 September and 22 September 2005
Anticipated listing date: 28 September 2005
Final Instalment payable: 1 December 2005

22.2 HOW TO INVEST IN THE TRUST

To invest in the Trust, please:

- complete the Application Form; and
- attach a cheque crossed 'Not Negotiable' and made payable to “Mariner Securities Limited MAPIT Applications Account” to your Application Form and post both to:

Mariner American Property Income Trust
C/- ASX Perpetual Registrars Limited
Locked Bag A14
Sydney South NSW 1235

Or hand deliver to:

Mariner American Property Income Trust
C/- ASX Perpetual Registrars Limited
Level 8, 580 George Street
Sydney NSW 2000

22.3 ALLOCATION OF UNITS

Units will be allocated at the absolute discretion of Mariner Securities Limited. If Mariner Securities Limited receives applications for more than the requisite number of Units, you may receive an allocation of Units that is less than the number for which you applied. Money in relation to full or partial over subscriptions will be returned to you within 14 days of the closing date without interest. We expect that the Units will be issued on 1 August, 1 September and 22 September 2005.

22.4 NO COOLING-OFF PERIOD

The 14-day cooling-off period that applies to retail investors in some circumstances does not apply to the issue of these Units.

22.5 INVESTOR REPORTING

Mariner Securities Limited will provide the following reports to Unitholders:

- Confirmation of investment;
- A quarterly distribution notification;
- An annual taxation statement as at 30 June each financial year;
- The Trust’s annual report as at 30 June each year.
22.6 CHANGING ADDRESS, PAYMENT INSTRUCTIONS OR OTHER DETAILS

Please provide ASX Perpetual Registrars Limited with written instructions if you wish to change address, monthly payment instructions or other details. When providing written instructions please:

- state the full name in which your Units are held;
- tell us your Unitholder number, SRN or HIN;
- clearly set out the changes you are requesting;
- provide us with a contact name and daytime telephone number;
- ensure the appropriate signatories sign the request;

To protect Unitholders’ security, ASX Perpetual Registrars is unable to accept faxed instructions.

ASX Perpetual Registrars Limited also requires additional documentation to amend some records, such as changes of name. Please contact ASX Perpetual Registrars Limited’s Investor Services Team on 02 8280 7111 for more information.

22.7 TRANSFERRING UNITS

The procedure for transferring Units varies according to each Unitholder’s circumstances. Unitholders who are CHESS-sponsored should contact their sponsoring broker, who will arrange to complete the transfer on their behalf. Unitholders who are issuer sponsored, need to complete an off market transfer form, which can be obtained by calling ASX Perpetual Registrars Limited on 02 8280 7111 or by accessing their website <www.asxperpetual.com.au>.

22.8 COMPLAINTS

Please contact us in writing or call our Investor Services Team on 1800 009 963 if you wish to make a complaint.

If the complaint is in writing, we must acknowledge it within 14 business days of receiving it and follow certain procedures. In particular we are required to investigate, properly consider and decide what action (if any) to take and to communicate our decision to you within 45 days.

If you are not happy with how the complaint has been handled, you may contact the Financial Industry Complaints Service (FICS), of which we are a member. This is an independent body approved by ASIC to consider complaints. FICS contact details are as follows:

Telephone 1300 780 808
PO Box 579
Collins Street West
Melbourne Vic 8007
22.9 PRIVACY AND PERSONAL INFORMATION

The Application Form requires you to provide information that may be personal information for the purposes of the Privacy Act 1988 (Cwth) (as amended). We, (and the Registry on our behalf) collect, hold and use that personal information in order to assess your Application, service your needs as an investor, provide facilities and services that you request and to administer the Trust.

The information may also be used from time to time to inform you about other Mariner Financial Group products or services, which we consider may be of interest to you.

Access to information may also be provided to other Mariner Financial group companies and to our agents and service providers on the basis that they deal with such information in accordance with Mariner Financial group’s privacy policy.

If you do not provide the information requested of you in the Application Form, the registry will not be able to process your application for Units or administer your holding of Units appropriately.

Under the Privacy Act 1988 (Cwth) (as amended), you may request access to your personal information held by (or on behalf of) us. You can request access to your personal information by contacting our Investor Services Team on 1800 009 963 or by telephoning or writing to the Registry as follows:

ASX Perpetual Registrars Limited
Level 8, 580 George Street
Sydney NSW 2000
Telephone: (02) 8280 7111

We have adopted the Mariner Financial group privacy policy. You can obtain a copy of that policy by visiting the Mariner website at <www.marinerfunds.com.au>.

22.10 CONTACTING US

Our contact details are:

Mariner Securities Limited
Level 40, Chifley Tower
2 Chifley Square
Sydney NSW 2000
Investor Services Team 1800 009 963
Adviser Services Team 1800 009 964
Website: <www.marinerfunds.com.au>
## 23. Explanation of Terms

<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allotment</td>
<td>The allocation and allotment of Units to investors on or about the date described in the timetable in section 2.1.</td>
</tr>
<tr>
<td>Application Form</td>
<td>Application Form accompanying or attached to this PDS. You can only obtain units in the Trust by completing the Application Form and sending it to us with your cheque.</td>
</tr>
<tr>
<td>ASIC</td>
<td>Australian Securities and Investments Commission.</td>
</tr>
<tr>
<td>Australian Stock Exchange (ASX)</td>
<td>The principal exchange for trading in shares, bonds, and certain other securities in Australia.</td>
</tr>
<tr>
<td>Constitution</td>
<td>The Constitution of the Mariner American Property Income Trust. The Constitution sets out the rules for the way the Trust is managed.</td>
</tr>
<tr>
<td>Consolidated Entity</td>
<td>The Trust together with the US REIT, the LLCs and any other entity formed for the purpose of owning a property in the United States of America.</td>
</tr>
<tr>
<td>Corporations Act</td>
<td>Corporations Act 2001 (Cth).</td>
</tr>
<tr>
<td>Custodian</td>
<td>BNP Paribas Fund Services Australasia Pty Limited ABN 71 002 655 674</td>
</tr>
<tr>
<td>Directors</td>
<td>The directors of Mariner Securities Limited.</td>
</tr>
<tr>
<td>FICS</td>
<td>Financial Industry Complaints Service. You can consult FICS if you are unhappy about the way we handle a complaint.</td>
</tr>
<tr>
<td>Final Allotment Date</td>
<td>22 September 2005, unless that date is varied under the terms of this PDS.</td>
</tr>
<tr>
<td>GLA</td>
<td>Gross Lettable Area.</td>
</tr>
<tr>
<td>GST</td>
<td>Goods and services tax.</td>
</tr>
<tr>
<td>IFRS</td>
<td>International Financial Reporting Standards.</td>
</tr>
<tr>
<td>Investor(s)</td>
<td>Any person or entity subscribing or considering subscribing for units in the Mariner American Property Income Trust. Investors who hold Units in the Trust are referred to as Unitholders.</td>
</tr>
<tr>
<td>LLC</td>
<td>Limited Liability Company.</td>
</tr>
<tr>
<td>Mariner Financial group</td>
<td>Mariner Financial Limited ABN 54 002 989 782 and its subsidiaries.</td>
</tr>
<tr>
<td>Net asset backing</td>
<td>The net assets (difference between the total assets and liabilities) of the Trust divided by the number of Units.</td>
</tr>
<tr>
<td>NYSE</td>
<td>New York Stock Exchange.</td>
</tr>
</tbody>
</table>
Net Income

The gross income realised by the Trust from its operations, including rent, interest, dividends, distributions and otherwise less expenses arising in deriving that income and less tax paid or payable by the Manager (if any) with respect to that income, including but not limited to:

- property outgoings;
- hedging costs;
- interest and other borrowing costs;
- fees paid to the Manager; and
- any other amount that the Manager considers prudent or appropriate to take into account as income, an expense or Tax having regard to the determination made by the Manager with respect to the treatment of an amount as being on income or capital account and the extent of any provisions and reserves that need to be made.

Offer

The offer of units in the Mariner American Property Income Trust pursuant to this PDS.

PDS

This Product Disclosure Statement.

Purchase Price

The contract price for the acquisition of the Property.

PwC Securities Ltd

PricewaterhouseCoopers Securities Ltd.

REIT

A qualifying real estate investment trust for US tax purposes under the United States Internal Revenue Code.

Responsible Entity

Mariner Securities Limited (referred to as we, us or the Responsible Entity in this PDS).

RITCs

Reduced input tax credits.

Tax deferred

The part of any distribution that is not taxable in the year of receipt because of such things as building allowances, depreciation of plant and equipment or amortisation of borrowing costs.

The Trust

Mariner American Property Income Trust ARSN 114 494 503.

Unit(s)

Unit(s) in the Trust issued pursuant to this PDS.

Unitholder(s)

A holder(s) of Units in Mariner American Property Income Trust.

US Manager

Mariner Financial Inc, the manager of the US REIT.

US REIT

Mariner American Property Income REIT Limited, a Maryland corporation.
24. How to Apply

Read

Please read this Product Disclosure Statement carefully.

Consider

Please consider all the risks and other information in this Product Disclosure Statement in the light of your own particular investment objectives and circumstances, in particular your tolerance for risk.

We expect that investors in the Mariner American Property Income Trust will primarily be seeking income. While there is potential for capital growth, investors must also be able to accept that the value of their investment might decline.

Consult

Before deciding to invest in the Mariner American Property Income Trust, please consult your financial or other professional adviser, particularly about such individual matters as taxation, retirement planning and investment risk tolerance.

Complete

Complete the Application Form attached to or accompanying this Product Disclosure Statement. We cannot issue Units to you without first having received your Application Form. Payment for your Units must be made by a cheque payable to ‘Mariner Securities Limited MAPIT Applications Account’ and should be crossed ‘not negotiable’.

Mail

Please mail your completed Application Form together with your cheque to:

Mariner American Property Income Trust  
C/- ASX Perpetual Registrars Limited  
Locked Bag A14  
Sydney South NSW 1235

Or hand deliver to:

Mariner American Property Income Trust  
C/- ASX Perpetual Registrars Limited  
Level 8, 580 George Street  
Sydney NSW 2000
This Application Form must be accompanied by the Product Disclosure Statement (PDS) dated 23 June 2005. The PDS contains important information about investing in Mariner American Property Income Trust and you should read the PDS in full before completing this Application Form.

### 25. APPLICATION FORM

**Mariner American Property Income Trust**

ARSN 114 494 503  
Issuer: Mariner Securities Limited  
ABN 87 002 163 180

Please note: if you supply a CHESS HIN but the name and address details on your Application Form do not correspond exactly with the registration details held at CHESS, your Application will be deemed to be made without the CHESS HIN, and any securities issued as a result of the IPO will be held on the Issuer Sponsored subregister.

**Number of Units applied for**

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
</tr>
</thead>
<tbody>
<tr>
<td>(minimum 5,000 Units, thereafter in multiples of 1,000 Units)</td>
<td>First Instalment per Unit</td>
<td>Total First Instalment Application Monies</td>
</tr>
</tbody>
</table>

### CHEQUE DETAILS (See overleaf item G for payment instructions)

**PLEASE COMPLETE YOUR DETAILS BELOW (refer overleaf for correct forms of registrable names)**

**Applicant – Surname/Company Name**

**Joint Applicant #2 – Surname**

**Designated account e.g. <Super Fund> (or Joint Applicant #3)**

**PLEASE COMPLETE ADDRESS DETAILS**

PO Box/RMB/Locked Bag/Care of (c/-)/Property name/Building name (if applicable)  
Email Address

**CHSE HIN (If you want to add this holding to a specific CHESS holder, write the number here)**

**Please note**: if you supply a CHESS HIN but the name and address details on your Application Form do not correspond exactly with the registration details held at CHESS, your Application will be deemed to be made without the CHESS HIN, and any securities issued as a result of the IPO will be held on the Issuer Sponsored subregister.

**TFN/ABN/Exemption Code**

**First Applicant**

**Joint Applicant #2**

**TFN/ABN type – if NOT an individual, please mark the appropriate box**  
Company  
Partnership  
Trust  
Super Fund

**CHEQUE DETAILS (See overleaf item G for payment instructions)**

**Cheque or Money Order Number  BSB Account Number**

**Telephone Number where you can be Contacted during Business Hours  Contact Name (PRINT)**

**PLEASE PROVIDE BANK ACCOUNT DETAILS FOR DISTRIBUTION PAYMENTS**

I/We request that all future distributions be credited to the account detailed below until notified otherwise in writing. Name(s) in which your account is held

**BSB Number(Bank/State/Branch)  Account number**

Name of Australian Financial Institution

Branch Suburb/Town

**LODGEMENT INSTRUCTIONS** You must return your application so it is received before 5.00pm on 15 September 2005. PLEASE REFER OVERLEAF FOR LODGEMENT INSTRUCTIONS.
Acknowledgements

By returning this Application Form and attaching your payment you agree to the following statements: I/we declare that:

- All details in this application are true and correct;
- I/we have read the Product Disclosure Statement dated 23 June 2005, in full to which this application applies and agree to the terms of the offer contained in it, and to be bound by the provisions of the constitution for the Trust dated 26 May 2005;
- I/we acknowledge that if I/we do not pay the second instalment of 40 cents per unit, I/we may forfeit and you may sell any unit for which the second instalment is not paid;
- I/we acknowledge that acceptance of my/our application and allocation of Mariner American Property Income Trust units will be at the sole discretion of Mariner Securities Limited ("Mariner") and that Mariner has the right to reject any application;
- I/we have legal power to invest in accordance with this application form;
- The details of my/our investment can be provided to the dealer group or adviser shown on this Application Form by the means and in the format that they direct;
- In the case of joint investments, the joint applicants agree that unless otherwise expressly indicated on this Application Form, the units will be held as joint tenants and either investor is able to operate the account and bind the other investor for future transactions;
- Sole signatories signing on behalf of a company confirm that they are signing as sole director and sole secretary of the company;
- If investing as a Trustee, on behalf of a Superannuation Fund or Trust I/we confirm that I/we am/are acting in accordance with my/our designated powers and authority under the Trust Deed;
- If this application form is signed under Power of Attorney, the Attorney declares that he/she has not received notice of revocation of that power (a certified copy of the Power of Attorney should be submitted with this application form unless we have already sighted it);
- I/we acknowledge that I/we have read the pages of the Product Disclosure Statement containing the information under the heading "Privacy and personal information". I am/we are aware that until I/we inform Mariner otherwise, I/we will be taken to have consented to all the uses of my/our personal information (including marketing) contained under that heading;
- I/we understand that if I/we fail to provide any information requested in this application form or do not agree to any of the possible exchanges or uses detailed above, my/our application may not be accepted by Mariner;
- I/we understand the risks involved with purchasing units in Mariner American Property Income Trust and have not relied on any representation (whether oral or written) from Mariner or any other persons involved in the preparation of the Product Disclosure Statement as investment, financial, legal or taxation advice as to the suitably of Mariner American Property Income Trust to my/our circumstances;
- I/we acknowledge that I/we am/are over 18 years of age and in completing this Application Form, I/we do so reside in Australia;
- I/we acknowledge that my/our investment in Mariner American Property Income Trust is subject to investment risks, including possible delays in repayment and loss of income and principal invested.

Privacy Act

Mariner Securities Limited advises that once you become a Holder, Chapter 2C of the Corporations Act 2001 requires information about you (including your name, address and details of the securities you hold) to be included in Mariner American Property Income Trust’s public register. This information must continue to be included in Mariner American Property Income Trust’s public register if you cease to hold units in Mariner American Property Income Trust. These statutory obligations are not altered by the Privacy Amendment (Private Sector) Act 2000. Information is collected to administer your security holding and if some or all of the information is not collected then it might not be possible to administer your security holding. Information you supply on this Application Form will be used by Mariner Securities Limited in connection with the issue and subsequent administration of Mariner American Property Income Trust may be disclosed by Mariner Securities Limited on a confidential basis to Mariner Securities Limited’s professional advisers in connection with these purposes. Your personal information may be used for related purposes, such as to inform you about Mariner Securities Limited and its business in newsletters and other communications that may be sent to you from time to time. Please see “Privacy and personal information” in the PDS for more information on privacy.

Signature:

Unit Holder 1 (Individual) 

Joint Unit Holder 2 (Individual) 

Sole Director and Sole Company Secretary/Director (delete one) 

Director/Company Secretary (delete one) 

Date: ____/____/_____ 

This form should be signed by the Unit Holder. If a joint holding, all Unit Holders should sign. If signed by the Unit Holder’s attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the Unit Holder’s constitution and the Corporations Act 2001 (Cth).

ADVISER DETAILS

Adviser Name

Adviser Address

Adviser Email

Adviser Contact Number

Adviser Code (Office Use Only)

Accountants Investment Management P/L

AFSL 221 933

Suite 9, 31 Gerrale Street

Cronulla NSW 2230

Phone: 02 9544 5489

Fax: 02 9544 3295

Email: ahawkins@hawkinsgroup.com.au
Your Guide to the Application Form

Please complete all relevant white sections of the Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the form.

A  Select the number of Units you wish to apply for. You may be issued all of the Units applied for or a lesser number.

B  Insert the relevant amount of Application Monies. The Issue Price is A$1.00 per Unit, payable in two instalments. The First Instalment of A$0.60 is payable upon Application and the Final Instalment of A$0.40 payable on 1 December 2005. Amounts should be payable in Australian currency. Please make sure the amount of your cheque(s) equals the amount payable for the Units applied for.

C  Write the full name you wish to appear on the statement of Units. This must be either your own name or the name of a company. Up to three joint applicants may register. You should refer to the table below for the correct registrable title.

D  Please enter your postal address for all correspondence. All communications to you from Mariner American Property Income Trust and the Registrar will be mailed to the person(s) and address as shown. For joint applicants only one address can be entered.

E  If you are already a CHESS participant or sponsored by a CHESS participant, write your Holder Identification Number (HIN) here. Please note that if you supply a CHESS HIN but the name and address details on your form do not correspond exactly with the registration details held at CHESS, your application will be deemed to be made without the CHESS HIN, and any Units issued as a result of the Offer will be held on the Issuer-Sponsored Subregister.

F  Enter your Tax File Number (TFN) or exemption category. Business enterprises may alternatively quote their Australian Business Number (ABN). Where applicable, please enter the TFN or ABN for each joint applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory and will not affect your application. However, if these are not provided, Mariner American Property Income Trust will be required to deduct tax at the highest marginal rate of tax (including the Medicare Levy) from payments.

G  Please complete cheque details as follows.

- Please make your cheque(s) payable to “Mariner Securities Limited MAPIT Applications Account” in Australian currency and cross it “Not Negotiable”. Your cheque must be drawn on an Australian bank.
- If you received a firm allocation, you should follow the payment instructions received from the Broker from whom you received your firm allocation.
- The amount should agree with the amount shown in Section B.

\[
\begin{array}{|c|c|c|}
\hline
\text{Type of Investor} & \text{Correct Form of Registration} & \text{Incorrect Form of Registration} \\
\hline
\text{Individual} & \text{Mrs Katherine Clare Edwards} & \text{K O Edwards} \\
\text{Company} & \text{Liz Biz Pty Ltd} & \text{Liz Biz P/L or Liz Biz Co.} \\
\text{Joint Holdings} & \text{Mr Peter Paul Tranche & Ms Mary Orlando Tranche} & \text{Peter Paul & Mary Tranche} \\
\text{Trusts} & \text{Mrs Alessandra Herbert Smith <Alessandra Smith A/C>} & \text{Alessandra Smith Family Trust} \\
\text{Deceased Estates} & \text{Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>} & \text{Estate of late Harold Post or Harold Post Deceased} \\
\text{Minor (a person under the age of 18 years)} & \text{Mrs Sally Hamilton <Henry Hamilton>} & \text{Master Henry Hamilton} \\
\text{Partnerships} & \text{Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>} & \text{Fred Smith & Son} \\
\text{Long Names} & \text{Mr Hugh Adrian John Smith-Jones} & \text{Mr Hugh A J Smith Jones} \\
\text{Clubs / Unincorporated Bodies / Business Names} & \text{Mr Alistair Edward Lilley <Vintage Wine Club A/C>} & \text{Vintage Wine Club} \\
\text{Superannuation Funds} & \text{XYZ Pty Ltd <Super Fund A/C>} & \text{XYZ Pty Ltd Superannuation Fund} \\
\hline
\end{array}
\]

CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold units. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

H  Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your application.

I  Payment of Distributions: Please enter your bank account details for an Australian financial institution into which you would like your Distributions paid. All Distributions payable in respect of the Trust to Holders with an Australian registered address will be paid to this nominated bank account. All Distributions will be paid in Australian currency.

LODGEMENT INSTRUCTIONS

Applicants who receive a firm allocation from their Broker should return their completed Application Form and application monies to the Broker from whom they received their firm allocation (unless instructed otherwise). Applicants who have received a general public offer should return their Application Form with cheque(s) attached:

BY MAIL TO: Mariner American Property Income Trust Locked Bag A14 Sydney South NSW 1235

BY HAND TO: Mariner American Property Income Trust Level 8, 580 George Street Sydney NSW 2000

Applications must be received no later than 5.00pm Sydney time on 15 September 2005. If you are returning your Application Form by post, you should allow sufficient time for collection and delivery by postal services. No late forms can be accepted.

Mariner American Property Income Trust Ltd advises that Chapter 2C of the Corporations Act 2001 requires information about you as a security holder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. Information is collected to administer your security holding and if some or all of the information is not collected then it might not be possible to administer your security holding. Your personal information may be disclosed to the entity in which you hold securities. You can obtain access to your personal information by contacting us at the address or telephone number shown on this form. Our privacy policy is available on our website (www.asxperpetual.com.au).
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## Directory

<table>
<thead>
<tr>
<th>Role</th>
<th>Contact Details</th>
</tr>
</thead>
</table>
| **Responsible Entity**    | Mariner Securities Limited  
Level 40, Chifley Tower  
2 Chifley Square  
Sydney NSW 2000           |
| **Custodian**             | BNP Paribas Fund Services Australasia Pty Limited  
Level 6, 60 Castlereagh Street  
Sydney NSW 2000            |
| **Legal Advisers**        | Mallesons Stephen Jaques  
Level 60, Governor Phillip Tower  
1 Farrer Place  
Sydney NSW 2000            |
| **Tax Advisers**          | PricewaterhouseCoopers  
Darling Park Tower 2  
201 Sussex Street  
Sydney NSW 2000            |
| **Investigating Accountant** | PricewaterhouseCoopers Securities Ltd  
Darling Park Tower 2  
201 Sussex Street  
Sydney NSW 2000            |
| **Auditor**               | KPMG  
10 Shelley Street  
Sydney NSW 2000            |
| **Registrar**             | ASX Perpetual Registrars Limited  
Level 8, 580 George Street  
Sydney NSW 2000            |
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The international code of signals allows ships of all nations to communicate with each other. The code’s simple, powerful design has created a universal language that brings mariners together in a partnership of understanding. Mariner Financial has adopted a similar philosophy – working in partnership to design simple, tailored investment solutions with universal applications.