



Pipeclay Lawson Ltd
ACN 163 013 732
AFSL 437838

Oxley Property Trust
ABN 42 270 775 993

Oxley Property Trust Investor Distribution Emails

06 December, 2016

I am pleased to confirm that on December 4, 2015, the maiden distribution was made. The distribution was \$8.75, which represents a 10.5% yield on equity. The IM forecast was \$8.33 per Unit per month which would have resulted in the yield of 10% on equity. We expect that next financial year the distribution will be \$9.16 per Unit per month, i.e. a yield of 11%, rather than the 10.5% yield forecast in the IM.

We have had a satisfactory hand-over of Maintenance and Repairs. There are some issues relating to Outgoings and Insurance but I expect them to be satisfactorily resolved by the time I next write to you.

If you would like to receive copies of the valuation, any of the due diligence reports and/or the Trust's monthly bank statements please advise by writing to Sheila at sheila@pipeclaylawson.com.au

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to Sheila via email at sheila@pipeclaylawson.com.au.

If you have any questions or comments, we would be pleased if you gave us a call: Emil on 0427 929 358, Sandy on 0438 505 624, or me on 0407 631 255. We very much welcome your input.

Regards,
David

12 January, 2016

On January 4, 2016, the monthly distribution of \$8.75 per Unit was made.

The issues relating to Outgoings, Insurance and some operating licences have been satisfactorily resolved and the property is operating smoothly.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to Sheila via email at sheila@pipeclaylawson.com.au.

If you have any questions or comments, we would be pleased if you gave us a call: Emil on 0427 929 358, Sandy on 0438 505 624, or me on 0407 631 255. We very much welcome your input.

Regards,
David

02 February, 2016

On February 1, 2016, the monthly distribution of \$8.75 per Unit was made.

There have been no material developments and everything is proceeding satisfactorily.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to Sheila via email at sheila@pipeclaylawson.com.au.

If you have any questions or comments, we would be pleased if you gave us a call: Emil on 0427 929 358, Sandy on 0438 505 624, or me on 0407 631 255. We very much welcome your input.

Regards,
David

03 March, 2016

On March 1, 2016, the monthly distribution of \$8.75 per Unit was made.

We have inherited two service providers to the property who have not been delivering good value. I will be meeting with the operations manager for the Boundary Rd site on March 15 to inspect the site and discuss maintenance and the like.

In a strange twist of fate, we may benefit from the recent difficulties with the service providers. A property in Paradise Rd in Acacia Ridge is now being considered by Chep for their food grade pellets division (food grade pellets are made of plastic whilst the pellets stored in our Boundary Rd property are general use pellets and made of wood). We are told that Chep was not originally willing to consider the property in Paradise Rd because it is for sale and Chep was concerned that given its size a person not experienced in dealing with major corporate tenants may become the purchaser. The owner asked Chep to nominate acceptable landlords and Pipeclay was one of those nominated (presumably because of our firm and expeditious response to Chep's difficulties with the service providers). We have negotiated a purchase contingent on Chep actually becoming the lessee. In the light of the small number of suitable purchasers and the vendor's urgency, we were able to negotiate a purchase at a highly attractive price. It remains to be seen whether Chep executes a lease for the Paradise Rd property, in which case, you will hear further about this matter.

Except as above, there have been no material developments and everything is proceeding satisfactorily.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to Sheila via email at sheila@pipeclaylawson.com.au.

If you have any questions or comments, we would be pleased if you gave us a call: Emil on 0427 929 358, Sandy on 0438 505 624 or me on 0407 631 255. We very much welcome your input.

Regards,
David

05 April, 2016

On April 2, 2016, the monthly distribution of \$8.75 per Unit was made.

I inspected the property during March and met with a number of Chep managers. On the whole, the property suits Chep well and operations are smooth. Three issues have been identified for further follow-up –

1. Chep is not satisfied with the service being provided by way of air-conditioning maintenance. We have inherited the balance of a year's contract from the previous owner; it is not clear whether the current situation entitles us to cancel the contract. Chep and Pipeclay will investigate whether better performance can be obtained from the service provider and, in any case, obtain alternate pricing from other providers with whom we have dealt with in the past.
2. Two small rooms are exposed to wood dust which arises from Chep operations. That has OH&S and air conditioning supply implications. Chep and Pipeclay are investigating what solutions can be adopted.
3. The loads being placed on the hardstand lead to an annual maintenance requirement, which is an Outgoing borne by Chep. Pipeclay will investigate the cost of a permanent improvement in the critical parts to the hardstand and then Chep and Pipeclay will consider whether a mutually advantageous solution which replaces annual maintenance is available.

Chep is reconsidering its space options for the health grade pellets. It seems unlikely to me that the Paradise Rd transaction will proceed.

Except as above, there have been no material developments and everything is proceeding satisfactorily.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to Sheila via email at sheila@pipeclaylawson.com.au.

If you have any questions or comments, we would be pleased if you gave us a call: Emil on 0427 929 358, Sandy on 0438 505 624, or me on 0407 631 255. We very much welcome your input.

Regards,
David

10 May, 2016

On May 5, 2016, the monthly distribution of \$8.75 per Unit was made.

There have been no material developments and everything is proceeding satisfactorily.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to Sheila via email at sheila@pipeclaylawson.com.au.

If you have any questions or comments, we would be pleased if you gave us a call: Emil on 0427 929 358, Sandy on 0438 505 624, or me on 0407 631 255. We very much welcome your input.

Regards,
David

02 June, 2016

On June 1, 2016, the monthly distribution of \$8.75 per Unit was made.

There have been no material developments and everything is proceeding satisfactorily.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to Sheila via email at sheila@pipeclaylawson.com.au.

If you have any questions or comments, we would be pleased if you gave us a call: Emil on 0427 929 358, Sandy on 0438 505 624, or me on 0407 631 255. We very much welcome your input.

Regards,
David

04 July, 2016

On July 4, 2016, the monthly distribution of \$8.75 per Unit was made. This is the final distribution for the 2015/16 financial year.

As from the July distribution (payable early in August), we expect the distribution to be \$9.16 per Unit per month. The new forecast yield for the 2016/17 FY is 11%, rather than the 10.5% that was forecast in the IM.

The Chep facilities manager for the property has resigned. Until Chep appoints a replacement there will, I expect, be delay in attending to some concrete work that is required and, other items of maintenance. I hope to re-establish a smooth working relationship with the tenant in August.

Except as above, there have been no material developments and everything is proceeding satisfactorily.

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If you have any questions or comments, we would be pleased if you gave us a call: Emil on 0427 929 358, Sandy on 0438 505 624 or me on 0407 631 255. We very much welcome your input.

Regards,
David

03 August, 2016

On August 2, 2016, the monthly distribution of \$9.16 per Unit was made.

There have been no material developments and everything is proceeding satisfactorily.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to Sheila via email at sheila@pipeclaylawson.com.au.

If you have any questions or comments, we would be pleased if you gave us a call: Emil on 0427 929 358, Sandy on 0438 505 624 or me on 0407 631 255. We very much welcome your input.

Regards,
David

05 September, 2016

On September 1, 2016, the monthly distribution of \$9.16 per Unit was made.

Following discussions with Chep, we are obtaining advice on the performance of the air-conditioning. I do not expect this to result in a material expense to the Trust. I shall advise further next month.

Air-conditioning apart, there have been no developments.

There have been no material developments and everything is proceeding satisfactorily.

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If you have any questions or comments, we would be pleased if you gave us a call: Emil on 0427 929 358, Sandy on 0438 505 624 or me on 0407 631 255. We very much welcome your input.

Regards,
David

04 October, 2016

On October 4, 2016, the monthly distribution of \$9.16 per Unit was made.

The hardstand on the property has deteriorated markedly. That is an almost annual event, and due to the heavy usage to which the tenant subjects the hardstand. We are in conversation with Chep and expect the repairs to be carried out in the next month or so. In the past, it has been suggested to Chep that the recurrent and significant cost of maintaining the hardstand could be avoided if the hardstand was upgraded to heavy duty concrete. Such suggestions from our predecessor in title have always foundered on the fact that repairs and maintenance is a tenant expense, whilst an upgrade would be a capital cost which normally is a landlord expenditure. This will be Pipeclay's first attempt at such a conversation with Chep and it remains to be seen whether a more sensible outcome can be achieved. Apart from the foregoing, there have been no material developments and everything is proceeding satisfactorily.

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If you have any questions or comments, we would be pleased if you gave us a call: Emil on 0427 929 358, Sandy on 0438 505 624 or me on 0407 631 255. We very much welcome your input.

Regards,
David

07 November, 2016

On November 3, 2016, the monthly distribution of \$9.16 per Unit was made.

We are continuing to engage with Chep concerning the hardstand and air-conditioning. There have been some personnel changes on site. Authority and responsibility on the tenant side is divided between personnel on site, head office and an external property manager. Whilst resolution does not seem imminent, we are pressing as hard as good tenant relations allow.

I want to introduce two new team members to you –

- Oliver Schaffer (0425 247 313) is a Property Executive whose focus is on the physical management of the properties. Oliver has a BA (in Psychology) and a Masters in Business Management, both from the University of Sydney. He has experience in project management which he gained with Chartered Accountants Australia & New Zealand;
- Irene Cheung (0414 622 629) is Manager Finance & Compliance. Irene has a Bachelor of Commerce and is a CPA. She has 18 years of experience gained in BT Financial Group, Ironbark Asset Management, Deutsche Asset Management and CitiStreet;

Please do not hesitate to contact any team member if they can assist with any information. All email addresses are firstname@pipeclaylawson.com.au.

Except as above, there have been no material developments and everything is proceeding satisfactorily.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to Irene via email at irene@pipeclaylawson.com.au.

If you have any questions or comments, we would be pleased if you gave us a call: Emil on 0427 929 358, Sandy on 0438 505 624 or me on 0407 631 255. We very much welcome your input.

Regards,
David

04 December, 2016

On December 2, 2016, the monthly distribution of \$9.16 per Unit was made.

The concrete hardstand continues to be troublesome. There are different views between us and the tenant's representative as to the tenant's and the Trust's respective obligations. I do not expect resolution or action before February.

Sheila has left Pipeclay with our good wishes. In relation to matters for which you would have contacted Sheila, please contact Irene Cheung on 0414 622 629 or by email irene@pipeclaylawson.com.au

Except as above, there have been no material developments.

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If you have any questions or comments, we would be pleased if you gave us a call: Emil on 0427 929 358, Sandy on 0438 505 624 or me on 0407 631 255. We very much welcome your input.

Best regards,
David

03 January, 2017

On January 3, 2017, the monthly distribution of \$9.16 per Unit was made.

We have written to the tenant's representative setting out our expectations concerning maintenance and record keeping/sharing. We expect to meet with the tenant and/or its representative in February and progress matters.

Oliver has finished his two months assignment with us. We wish him well for the future.

Except as above, there have been no material developments.

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If you have any questions or comments, we would be pleased if you gave us a call: Emil on 0427 929 358, Sandy on 0438 505 624 or me on 0407 631 255. We very much welcome your input.

I hope you have a successful and happy 2017.

Best regards,
David

08 February, 2017

On February 3, 2017, the monthly distribution of \$9.16 per Unit was made.

Now that we and the tenant are back from holidays, I expect to organise a meeting and resolve the outstanding maintenance matters shortly.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to Irene via email at irene@pipeclaylawson.com.au.

If you have any questions or comments, we would be pleased if you gave us a call: Emil on 0427 929 358, Sandy on 0438 505 624 or me on 0407 631 255. We very much welcome your input.

I hope you have a successful and happy 2017.

Best regards,
David

03 March, 2017

On March 3, 2017, the monthly distribution of \$9.16 per Unit was made.

When the Trust purchased the property, our view was that the property's prospects for capital growth were underpinned by its "location and high potential to be approved for bulky goods retail use". We thought that these prospects were likely to find their expression in the medium (circa 2020) to long term (circa 2025). We may have been wrong about the timing. Pipeclay has been approached by an international company which said that it would like to acquire our property. The company operates supermarkets (1,200 in Europe) and shopping centres and has advised us that it has decided to enter the Australian market. Following an initial written approach from the Company, I met, on February 27, in Melbourne, with the company's Expansion Manager. He was open about our site being ideal for their needs based on-

- A. Its size;
- B. Road connectivity through Blunder Rd, Boundary Rd and the motorway on/off loop (Reedy RD)
- C. Proximity to Bunnings and Harvey Norman
- D. Proximity to population centres.

I attach a photograph which may be helpful.

Discussions with the company are continuing. As you know these kind of approaches proceed at their own pace and can evaporate as quickly as they came. Also, the Chep tenancy may prove an obstacle to a short-term change of use.

This is very early days but we are gathering data and beginning to consider whether the best approach for the Trust is to -

- (a) Do nothing;
- (b) Sell the property;
- (c) Obtain a rezoning of the property. Whilst we would be reasonably confident of obtaining a bulky goods zoning for the property, an application for neighbourhood shopping zoning would be a more risky and expensive endeavour; or
- (d) Obtain a rezoning of the property and undertake a redevelopment.

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If you have any questions or comments, we would be pleased if you gave us a call: Emil on 0427 929 358, Sandy on 0438 505 624 or me on 0407 631 255. We very much welcome your input.

Best regards,
David

04 April, 2017

On April 3, 2017, the Trust made a monthly distribution of \$9.16 per Unit.

I am delighted to advise that Sandy has been unanimously elected as Chairman of Pipeclay Lawson Limited.

The expansion manager for the supermarket chain that has approached us is back in Australia and has made contact. In the meantime we are investigating the possibility of stimulating interest from Australia's existing supermarkets in order to create competitive tension.

We have a disagreement with the tenant's consultant concerning the extent of the tenant's obligations in respect to maintenance, in particular of the concrete. We expect discussions later in the month concerning this issue and some aspects of tenant reporting and communications.

Thursday's storm did not flood the site. Blunder Rd was flooded but not Boundary Rd or Reedy Rd; the two roads from/to which our property has driveway access. However, the heavy storm resulted in up to 100ml of water to collect on the hardstand at times. This may have damaged and/or destabilised the hardstand; the extent if any of the damage will be apparent in the course of the month. We have advised the insurance company and are monitoring the situation.

There are no other material developments this month.

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If you have any questions or comments, please contact Emil on 0427 929 358, Sandy on 0438 505 624, or me on 0407 631 255. We very much welcome your input.

Best regards,
David

03 May, 2017

On May 2, 2017, the Trust made a monthly distribution of \$9.16 per Unit.

I have had a further meeting with the expansion manager for the supermarket chain that is interested in our property. I was shown a preliminary design for a shopping centre. They would like us to nominate a price at which we would be willing to recommend a sale of the property. We have decided to obtain a valuation of the property by reference to a potential rezoning. Once that is available, we will consider the appropriate next step(s).

There has been no progress with the tenant's consultant concerning the extent of the tenant's obligations in respect to maintenance, in particular of the concrete. The tenant has an option to take a further term (5 years) of lease, after the current lease expires (on 4/8/2020). If the tenant was to exercise its option, the property would not be presently attractive as a development site. It follows that we would like to clarify the position with the supermarket chain before we resolve issues with the tenant.

There are no other material developments this month.

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If you have any questions or comments, please contact Emil on 0427 929 358, Sandy on 0438 505 624, or me on 0407 631 255. We very much welcome your input.

Best regards,
David

02 June, 2017

On June 1, 2017, the Trust made a monthly distribution of \$9.16 per Unit.

The supermarket chain continues to show healthy interest in the property. I expect a valuation by Knight Frank to be available in mid June. If you would like to see a copy of the valuation please advise Lachlan at lachlan@pipeclaylawson.com.au

There are no other material developments this month.

Clause 22 of the Trust's Constitution requires that in the event of a meeting of unitholders, the appointment of a proxy be received between 24 and 48 hours before the meeting. A corresponding provision in another Pipeclay Trust has proved a significant inconvenience. The Trustee has resolved to amend the Constitution so that proxies will be able to be delivered and/or amended at any time after a meeting has been called, but no less than 24 hours before the meeting takes place. If you would like to see a copy of the amending deed, please advise Lachlan Philips at lachla@pipeclaylawson.com.au

We are conscious that Unitholders who are superannuation funds will need to adopt a value for the Units they hold in the Trust as at June 30, 2017. In the July email I will advise the Investment Manager's view of Unit values. It is likely that in order to allow Unit value to be calculated (which requires a calculation of interest swap value and of net current assets), the July email is likely to be delayed; the monthly distribution should, however, be made at the usual time.

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If you have any questions or comments, please contact Emil on 0427 929 358, Sandy on 0438 505 624, or me on 0407 631 255. We very much welcome your input.

Best regards,
David

03 July, 2017

On July 3, 2017, the Trust made a monthly distribution of \$9.16 per Unit. This was the last distribution for the 2016/2017 Financial Year.

Knight Frank have advised that the value of the property as an industrial property is \$10,500,000 and \$12.95M if the property was to be rezoned to a neighbourhood shopping centre and have vacant possession ((which in both cases is about 10% higher than our internal valuation). If you would like to see a copy of the valuation please advise Lachlan at lachlan@pipeclaylawson.com.au. We propose to commence negotiations with the potential purchaser in order to explore whether an attractive arrangement can be reached. However, because of the European holiday season, we do not expect to have anything to report until the September newsletter.

There are no other material developments this month.

We are conscious that Unitholders who are superannuation funds will need to adopt a value for the Units they hold in the Trust as at June 30, 2017. I expect that in mid July we will advise the Investment Manager's view of Unit values.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to Irene via email at irene@pipeclaylawson.com.au.

If you have any questions or comments, please contact Emil on 0427 929 358, Sandy on 0438 505 624, or me on 0407 631 255 but if you are going to call Sandy or me after July 15, please bear in mind that we are in NY. We very much welcome your input.

Best regards,
David

03 August, 2017

On August 3, 2017, the Trust made a monthly distribution of \$9.37 per Unit. This is the July distribution, that is the first of the 2017/2018 distributions. We expect distributions to continue at this rate for the remaining 11 months of the current financial year. The distribution represents a 11.25% yield on equity invested. The IM forecast for 2017/2018 was a distribution of \$9.17 per Unit p.c.m. or a 11.00% yield.

As a part of the pre-construction works of stage one the \$400 million Ipswich Motorway Upgrade, building condition surveys are being offered to all property owners in close proximity to the construction works, including 141A Blunder Rd. We have accepted this offer and as such, should soon be receiving a current report on the structural condition, including the warehouse and the concrete slab, of the property.

Except as above, there have been no material developments and everything is proceeding satisfactorily.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to Irene via email at irene@pipeclaylawson.com.au.

We welcome your input; Sandy can be contacted on 0438 505 624, myself on 0407 631 255 (please bear in mind that David and Sandy are currently overseas), Emil on 0427 929 358, or Lachlan on 0431 377 678.

Best Regards,
David

05 September, 2017

On September 4, 2017, the Trust made a monthly distribution of \$9.00 per Unit.

We have further investigated the concrete on the property. The sub-grade was not properly prepared before it was laid, and is being eroded by significant rains, causing minor movement and cracking in a few localised areas of the concrete. In order to permanently address the issue, sections of concrete would need to be replaced. It is likely that the tenant would see such work as capital expenditure and to the account of the Trust. The alternative is to undertake regular maintenance to damaged areas when required. This would increase the tenant's Outgoings and consequently its total occupancy cost. We are currently in early discussions with the tenant on the matter. We expect the issue to be resolved by Christmas.

Except as above, there have been no material developments and everything is proceeding satisfactorily.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to Irene via email at irene@pipeclaylawson.com.au.

We welcome your input; David can be contacted on 0407 631 255, Emil on 0427 929 358, or I on 0431 377 678.

Best Regards,
LACHLAN C. PHILIPS

04 October, 2017

On October 4, 2017, the Trust made a monthly distribution of \$9.37 per Unit.

No progress has been made with Kaufland this month. We understand that they have hired counsels, and we are still awaiting their written proposal. Progress on the matter is expected to remain slow.

There have been no other material developments.

Earlier this month, we issued the Annual Tax Statement for the Oxley Property Trust for the 2017 financial year. You should have received this in the mail. If you have not received this document, please let me know by replying to this email and I will ensure that it reaches you as soon as possible.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to Irene via email at irene@pipeclaylawson.com.au.

We welcome your input; Sandy can be contacted on 0438 505624 (but please bear in mind that she is in Europe), David on 0407 631 255, Emil on 0427 929 358, or I on 0431 377 678.

Best Regards,
LACHLAN C. PHILIPS

03 November, 2017

On November 2, 2017, the Trust made a monthly distribution of \$9.37 per Unit.

There are several outstanding matters which we had originally planned to resolve after our discussions with Kaufland had concluded. However, given that progress with them has been slow, we have determined to expedite their resolution. The principal issues are as follows:

1. We have been provided with Certificates of Currency for insurance but not with copies of policies and therefore cannot be sure that the tenant is meeting its insurance obligations under the Lease.
2. The concrete is in poor condition and has been an ongoing concern on the property. The Lease contains an obligation on the tenant to pay for an "Annual Hardstand Maintenance Program" in order to address this. The tenant's property manager has expressed a highly limited view of the lessee's obligation in this regard.

We are therefore seeking legal advice to ensure that our interpretation of the Lease is correct.

We have obtained quotes for hardstand maintenance in the past, which suggest that over a three-year period, maintenance would be costlier than replacing the affected concrete.

There have been no other material developments.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to Irene via email at irene@pipeclaylawson.com.au.

We welcome your input. My details are below; David can be contacted on 0407 631 255, Emil on 0427 929 358, and Sandy on 0438 505624.

Best Regards,
LACHLAN C. PHILIPS

06 December, 2017

On December 4, 2017, the Trust made a monthly distribution of \$9.37 per Unit.

I wrote to you last month about the poor condition of the concrete on the property and the lessee's obligation to pay for its maintenance. Having sought legal advice, we have been able to bypass the tenant's property manager, and David and I will be meeting directly with senior CHEP employees in December to discuss the matter further. I will report the outcome of this meeting next month.

There have been no other material developments.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to Irene via email at irene@pipeclaylawson.com.au.

We welcome your input. My details are below; David can be contacted on 0407 631 255, Emil on 0427 929 358, and Sandy on 0438 505624.

Best Regards,
LACHLAN C. PHILIPS

09 January, 2018

On January 5, 2018, the Trust made a monthly distribution of \$9.37 per Unit.

I wrote to you last month that David and I would be meeting directly with senior CHEP employees in December to discuss the maintenance of the site's concrete. Following this meeting, we have resolved to have an updated condition report on the concrete prepared which will inform our actions going forward. I will provide an update after its preparation.

There have been no other material developments.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to Irene via email at irene@pipeclaylawson.com.au.

We welcome your input. My details are below; David can be contacted on 0407 631 255, Emil on 0427 929 358, and Sandy on 0438 505624. Please be aware however, that David, Emil and Sandy are currently overseas and will be returning later in January.

With compliments of the season,
LACHLAN C. PHILIPS

06 February, 2018

On February 2, 2018, the Trust made a monthly distribution of \$9.37 per Unit.

There have been no material developments and everything is proceeding satisfactorily.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to Irene via email at irene@pipeclaylawson.com.au.

We welcome your input. My details are below; David can be contacted on 0407 631 255, Emil on 0427 929 358, and Sandy on 0438 505624.

Best Regards,
LACHLAN C. PHILIPS

02 March, 2018

On March 2, 2018, the Trust made a monthly distribution of \$9.37 per Unit.

In January I wrote to you about the need for an updated condition report on the concrete on the property. In early February, David and I visited the property, accompanied by an engineer to carry out an inspection. We expect to receive the resulting report over the next few days. We also expect to soon receive a report from the maintenance contractor. I shall report further next month.

Our inspection did not reveal any new items of concern otherwise.

There have been no other material developments and everything is proceeding satisfactorily.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to Irene via email at irene@pipeclaylawson.com.au.

We welcome your input. My details are below; David can be contacted on 0407 631 255, Emil on 0427 929 358, and Sandy on 0438 505624.

Best Regards,
LACHLAN C. PHILIPS

06 April, 2018

On April 4, 2018, the Trust made a monthly distribution of \$9.37 per Unit.

Last month I wrote to you about engineering reports we were having prepared on the concrete. We are still finalising one engineering report, however one report with recommendations on rectification and ongoing management has been received. This report states that several slabs require short-term replacement, and that a much larger area can be managed through a maintenance program over the following decade. If you would like a copy of the report which is on hand, please let me know. We are expecting a meeting with the tenant late this month or early next month. I expect to report further after the meeting.

There have been no other material developments and everything is proceeding satisfactorily.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to Irene via email at irene@pipeclaylawson.com.au.

We welcome your input. My details are below; David can be contacted on 0407 631 255, Emil on 0427 929 358, and Sandy on 0438 505624.

Best Regards,
LACHLAN C. PHILIPS

03 May, 2018

On May 2, 2018, the Trust made a monthly distribution of \$9.37 per Unit.

There have been no material developments this month.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to Irene via email at irene@pipeclaylawson.com.au.

We welcome your input. My details are below; David can be contacted on 0407 631 255, Emil on 0427 929 358, and Sandy on 0438 505624.

Best Regards,
LACHLAN C. PHILIPS

04 June, 2018

On June 4, 2018, the Trust made a monthly distribution of \$9.37 per Unit.

In March, I advised that we had received a copy of a report from Groutech concerning the concrete on the property. Chep were reluctant to rely on the Groutech report and expressed the view that an engineering report was required. We have now received a report from Milanovic Neale, consulting engineers. If you would like to see a copy of the report, please let me know.

The engineering report is not materially different from the Groutech report:

1. The suspension of the maintenance program has led to the current deterioration
2. Ongoing maintenance is critical to increasing the remaining life span of the slab
3. Replacement/upgrade of the most severely damaged panels is now the most effective way forward
4. The slab was not designed to cope with the loads being placed upon it.

Not surprisingly Chep has focused on the slab design.

David has been in correspondence with the Senior Director, Supply Chain, Asia Pacific for Chep. The present outcome is that a meeting is planned once Chep has had an opportunity to consider the engineering report.

The Lease requires that the tenant conduct an "Annual Hardstand Maintenance Program", which has not been conducted as the tenant's Property Manager has insisted that it is not required.

The report also deals with two items recently raised by Chep's property manager:

1. There is some movement in the drainage channel walls, which are not a concern; and
2. The bridge over the drainage channel is in good condition.

There have been no other material developments this month.

Irene Cheung will be finishing her employment with Pipeclay on Friday, June 8. Camilla Cable has been appointed General Manager Finance & Company Secretary. Camilla's mobile number is 0412 520 121 and her email address is camilla@pipeclaylawson.com.au

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to me.

We welcome your input. My details are below; David can be contacted on 0407 631 255, Emil on 0427 929 358; Sandy is overseas during June.

Best Regards,
LACHLAN C. PHILIPS

04 July, 2018

On July 2, 2018, the Trust made a monthly distribution of \$9.37 per Unit. This is the last distribution for FY 17/18.

We have to-day received a communication from Chep concerning concrete, which we are yet to consider. If you would like a copy; please let me know. There have been no other material developments.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to me.

We welcome your input. My details are below; David can be contacted on 0407 631 255, Emil on 0427 929 358; Sandy is away until September.

Best Regards,

LACHLAN C. PHILIPS

03 August, 2018

On August 2, 2018, the Trust made a monthly distribution of \$9.38 per Unit. This is the first distribution for FY 18/19.

We are scheduled to meet with Chep next week to discuss the need to repair some of the concrete hardstand. The Trust is taking legal advice on the issue from Johnson Winter & Slattery. I will report further next month.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to me.

We welcome your input. My details are below; David can be contacted on 0407 631 255, Emil on 0427 929 358; Sandy is away until September.

Best Regards,
LACHLAN C. PHILIPS

09 September, 2018

On September 3, 2018, the Trust made a monthly distribution of \$9.38 per Unit.

Last month I wrote to you that we would be meeting with Chep. David and Emil met with the Senior Director, Supply Chain, Asia Pacific and discussed the insurance and concrete issues. Possible ways forward were discussed and consequently Pipeclay made some written proposals to Chep. We are awaiting Chep's reply and I will advise once there has been progress. If you would like to see a copy of the emails, please let me know.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to me.

We welcome your input. My details are below; David can be contacted on 0407 631 255, Emil on 0427 929 358 and Sandy on 0438 604 525.

Best Regards,
LACHLAN C. PHILIPS

04 October, 2018

On October 2, 2018, the Trust made a monthly distribution of \$9.38 per Unit.

A 3km section of the Ipswich Motorway is currently being upgraded between Rocklea and Darra which includes Oxley. This project involves:

- The widening of the motorway from 4 to 6 lanes
- A new 1.5km road connecting Boundary Road over the Oxley Creek floodplain, from the intersection at Blunder Road to Rocklea
- New service roads over the Oxley creek floodplain in both directions
- 7 new and higher bridges over Oxley Creek

- Minor improvements to the Reedy Road/Blunder Road intersection on which the Property is located
- Construction of a new westbound entry ramp from Reedy Road onto the Motorway

The project will thereby increase the capacity of the motorway, and improve the Property's connectivity to local roads. Westbound access to the motorway via Reedy Road and access to Rocklea via Boundary Road have not previously existed. Otherwise, the primary impact of the project will be reduced congestion and travel times. Access to the Motorway, Reedy Road and Blunder Road are being maintained throughout the project, as to not significantly impact the tenant.

Construction commenced in October last year, and is scheduled to be completed in late 2020. The construction of the Boundary Rd connection and several Oxley Creek bridges have recently commenced.

There have been no other material developments this month.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to me.

We welcome your input. My details are below; David can be contacted on 0407 631 255, Emil on 0427 929 358; and Sandy on 0438 505 624.

Best Regards,
LACHLAN C. PHILIPS

02 November, 2018

On November 1 2018, the Trust made a monthly distribution of \$9.38 per Unit.

Under the Lease, Chep is responsible for maintaining all insurance policies relating to the Property. These obligations are fairly extensive, however due to Chep's use of the site it has an exceptionally large fire loading. This was picked up in a recent review of our insurance strategy as potentially posing a public liability risk to the Trust which goes beyond what is covered by Chep's insurance obligations under the Lease. As such, we have deemed it prudent to take out our own larger (\$50,000,000) public liability policy at the Trust's expense at a cost of \$4,249.14 including GST and stamp duty. The Trust has sufficient working capital to cover this expense.

There have been no other material developments this month.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to me.

We welcome your input. My details are below; David can be contacted on 0407 631 255, Emil on 0427 929 358; and Sandy on 0438 505 624.

Best Regards,
LACHLAN C. PHILIPS

04 December, 2018

On December 4 2018, the Trust made a monthly distribution of \$9.38 per Unit.

In September I wrote to you about a meeting between David, Emil and Chep's Senior Director, Supply Chain, Asia Pacific about insurance and concrete issues. Pipeclay made some written proposals to Chep about possible ways forward to resolve these issues after this meeting.

The Trust's debt facility has been extended by 3 months on existing terms until the end of January 2019. By this time, we are hoping to reach an agreement with Chep. We are delaying the full refinancing of the debt facility until the issues have been resolved, as this will have implications on the rent, the term of the Lease and duration of the facility.

There have been no other material developments this month.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to me.

We welcome your input. My details are below; David can be contacted on 0407 631 255, Emil on 0427 929 358; and Sandy on 0438 505 624.

Best Regards,
LACHLAN C. PHILIPS

03 January, 2019

On January 2, 2019, the Trust made a monthly distribution of \$9.38 per Unit.

There have been no material developments this month.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to me.

We welcome your input. My details are below; David can be contacted on 0407 631 255, Emil on 0427 929 358; and Sandy on 0438 505 624.

Best Regards,
LACHLAN C. PHILIPS

04 February, 2019

On February 1 2019, the Trust made a monthly distribution of \$9.38 per Unit.

The Trust has extended its facility with the Bank for 3 months. Whilst the Bank facility fee has gone up to 1.65% p.a. we think that is lower than the facility fee the Trust will be charged on a long term refinancing.

There have been no other developments this month.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to me.

We welcome your input. Each member of the team can be contacted by email. Our email addresses are formatted firstname@pipeclaylawson.com.au as per my own details below.

Best Regards,
LACHLAN C. PHILIPS

06 March, 2019

On March 1, 2019, the Trust made a monthly distribution of \$9.38 per Unit.

There have been no material developments this month.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to me.

We welcome your input. Each member of the team can be contacted by email. Our email addresses are formatted firstname@pipeclaylawson.com.au as per my own details below.

Best Regards,
LACHLAN C. PHILIPS

04 April, 2019

On April 1 2019, the Trust made a monthly distribution of \$9.38 per Unit.

The Queensland government has required that owners of certain types of buildings, including industrial, be registered on the Safer Buildings website, to help identify all buildings in the state which may contain combustible cladding. The property has been registered. We believe that there is no combustible cladding present anywhere in the building.

There have been no other material developments this month.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to me.

We welcome your input. Each member of the team can be contacted by email. Our email addresses are formatted firstname@pipeclaylawson.com.au as per my own details below.

Best Regards,
LACHLAN C. PHILIPS

03 May, 2019

On May 1 2019, the Trust made a monthly distribution of \$9.38 per Unit.

You may recall that following a request from Chep, the Trust, in August 2018, made written proposals for dealing with the concrete issues. We were asked to wait for a response. We have followed up a number of times. Chep has now commenced proceedings against the Trust seeking specific performance of the Lease in the form of repair of the concrete. The Trust has taken advice from Winter Johnston & Slattery, solicitors. The Trust's position is that the damage to the concrete (which does need dealing with) is the consequence of principally of two factors. First,

failure by Chep to carry out the annual maintenance program (which is mandated by the Lease as a Lessee expense) and, secondly, the overloading to which the concrete has been subjected (which is prohibited by the Lease). In accordance with JWS advice, the Trust will shortly file its Defence and Cross-Claim. The Cross-Claim will deal with the concrete issue and the clear breaches by Chep of its insurance obligation. If you would like a copy of all or any of the August correspondence, the statement of claim, the Lease and (when filed) the Defence and Cross Claim, please let me know.

We think the proceedings are an attempt by Chep to bully us into a commercial result not justified by the Lease. Possibly, we have tried too hard to avoid conflict with Chep, who are part of Brambles, a very large corporation, and may have given a too soft impression.

There have been no other material developments this month.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to me.

We welcome your input. Each member of the team can be contacted by email. Our email addresses are formatted firstname@pipeclaylawson.com.au as per my own details below.

Best Regards,
LACHLAN C. PHILIPS

03 June, 2019

On June 3, 2019, the Trust made a monthly distribution of \$9.38 per Unit.

Last month I wrote to you about proceedings commenced by Chep against the Trust in relation to the repair of the concrete. Our Defence and Cross Claim have been filed and are available upon request. Chep is due to file its Reply in June.

In February, we advised that the Trust's Banking facility was extended for 3 months. The Trust has commenced the process of establishing a longer term facility. The Trust has commissioned a valuation from Knight Frank which is expected in mid-June. If you would like a copy please let me know and I shall send it to you when it is available.

There have been no other material developments this month.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to me.

We welcome your input. Each member of the team can be contacted by email. Our email addresses are formatted firstname@pipeclaylawson.com.au as per my own details below.

Best Regards,
LACHLAN C. PHILIPS

05 July, 2019

On July 2, 2019, the Trust made a monthly distribution of \$9.38 per Unit.

This is the June distribution, and the last for FY19.

Last month I wrote to you in relation to proceedings commenced by Chep against the Trust in relation to the repair of concrete, and that our Defence and Cross Claim had been filed. Chep's Reply has taken longer than expected and should be received within a week. If you would like to see a copy of these documents, please let me know.

Pipeclay has deferred making a long term distribution decision until there is more clarity in relation to the dispute in relation to concrete. In the meantime, distributions will continue at the annual rate of \$113 per Unit.

Last month I also wrote to you that we are having the property valued by Knight Frank for the purpose of establishing a longer term bank facility. We have been advised of the KF numbers but are yet to receive the written report. If you did not advise me last month and wish to receive a copy once the report is finalised, please let me know. I will discuss these numbers once the report is finalized next month.

A number of the Trusts' Unitholders have asked Pipeclay to provide them with its estimate of the value of the units in the Trust at 30 June. Pipeclay does not have any valuation expertise and there is no active market against which to measure Unit values.

In order to advise the Unitholders as to Pipeclay's perception of Unit values, a dual process is undertaken. First, from the latest valuation for mortgagee purposes the following are deducted: interest swap break-costs as advised by the Bank as at June 30, the current bank debt and the outperformance fee that would be payable if the Trust was terminated (working capital and selling costs are ignored). The resultant number is then divided by the number of Units on issue. Secondly, Pipeclay considers what it would regard as an appropriate yield for the Units and the consequently implied Unit value. The lower of these two numbers is then adopted by Pipeclay as its perception of Unit values. Pipeclay's perception is that the current value of Units in the Trust is \$1,220 per Unit.

There have been no other material developments this month.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to me.

We welcome your input. Each member of the team can be contacted by email. Our email addresses are formatted firstname@pipeclaylawson.com.au as per my own details below.

Best Regards,
LACHLAN C. PHILIPS

05 August, 2019

On August 1, 2019, the Trust made a monthly distribution of \$9.38 per Unit.

This is the First distribution of FY20. Distribution levels will remain unchanged until the dispute in relation to the repair of the concrete has been clarified and the finance facility has been finalised.

Chep's solicitors have suggested mediation of the dispute; an approach we have welcomed. If you would like a copy of any of the pleadings in the litigation, please let me know.

There has been a delay in finalising the valuation report due to Knight Frank's work load. Consequently, there has been a delay in finalising the new bank facility. We expect the valuation report within a week. We expect that Knight Frank will adopt a value of \$10,825,000 should the tenant be retained and \$10,150,000 should Chep elect not to exercise its option to extend the Lease (the property was purchased for \$8,215,000 in 2015). The discussions with CBA lead us to believe that a satisfactory proposal will be received after the valuation has been finalised.

The current lease expires in August 2020. Chep's option expires in May 2020.

There have been no other material developments this month.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to me.

We welcome your input. Each member of the team can be contacted by email. Our email addresses are formatted firstname@pipeclaylawson.com.au as per my own details below.

Best Regards,
LACHLAN C. PHILIPS

05 September, 2019

On September 3, 2019, the Trust made a monthly distribution of \$9.38 per Unit.

Last month I wrote to you that the dispute with Chep in relation to concrete will be addressed by mediation. This is currently expected to take place in November, after which I will report further.

We received, yesterday, the valuation for mortgagee purposes from Knight Frank, who have valued the property at \$10.45M. The delay in obtaining the valuation means that the new bank facility is yet to be finalised, but we expect swift progress.

There have been no other material developments this month.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to me.

We welcome your input. Each member of the team can be contacted by email. Our email addresses are formatted firstname@pipeclaylawson.com.au as per my own details below.

Best Regards,
LACHLAN C. PHILIPS

03 October, 2019

On October 2, 2019, the Trust made a monthly distribution of \$9.38 per Unit.

Following the receipt of the valuation of the property (if you would like a copy, please let me know), the bank facility has been extended to August 2020 at an unchanged interest margin of 1.65% p.a. It is a condition of the facility that if Chep has not exercised its option by April 2020, distributions to Unitholders are suspended and consequently a vacancy reserve account is established.

Chep and the Trust have agreed to mediate the dispute concerning the concrete on December 11; Mr. Gibson QC will be the mediator.

Pipeclay's current view is that if the dispute with Chep is not finalised by February 2020, distributions to Unitholders will then need to be suspended in order to build the Trust's cash reserves (i.e. a little earlier than the CBA's requirement).

There have been no other material developments this month.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to me.

We welcome your input. Each member of the team can be contacted by email. Our email addresses are formatted firstname@pipeclaylawson.com.au as per my own details below.

Best Regards,
LACHLAN C. PHILIPS

05 November, 2019

On November 1, 2019, the Trust made a monthly distribution of \$9.38 per Unit.

The mediation agreement with Chep has been executed; if you would like a copy please let me know. The mediation is set for December 11.

There have been no other material developments this month.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to me.

We welcome your input. Each member of the team can be contacted by email. Our email addresses are formatted firstname@pipeclaylawson.com.au as per my own details below.

Best Regards,
LACHLAN C. PHILIPS

04 December, 2019

On December 2, 2019, the Trust made a monthly distribution of \$9.38 per Unit.

The mediation of the dispute with the tenant concerning the concrete hardstand is set for Wednesday the 11th; Emil and David will both be attending the mediation. If you would like to see a copy of the mediation papers, please let me know and I shall email them to you.

There have been no other material developments this month.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to me.

We welcome your input. Each member of the team can be contacted by email. Our email addresses are formatted firstname@pipeclaylawson.com.au as per my own details below.

Best Regards,
LACHLAN C. PHILIPS

08 January, 2020

On January 6, 2020, the Trust made a monthly distribution of \$9.38 per Unit.

Following a mediation on December 11 attended by Emil and me and almost continuous negotiations up to Christmas, The Trust and Chep are extremely close to resolving all issues and setting up a modus vivendi for the medium term. The Trust's solicitors have advised that the negotiations are covered by mediation confidentiality and the current position cannot be disclosed in this email. It would be irrational if the current negotiations were to break down but given the difficulty of the relationship, not impossible. We will report further next month.

Changes to the Property Management Team

Sadly, for Pipeclay, Lachlan has resigned in order to pursue further studies. He was already studying (actually aceing) part-time the Property Economics/Management degree at UTS but he has decided to switch to a full-time Masters in Economics. We are appreciative of his intelligent contribution over the last three years and wish him very well for the future.

We have made three very exciting part-time appointments: -

Daniel Shafferman has a wealth of experience in industrial property management. He has managed his family's property portfolio and provided management services to major agencies and private owners in Queensland. He will be our man on the ground in Queensland.

Daryl Knighton is a mechanical engineer by training. He has decades of project management experience in industrial property. We think he will bring particular value in organizing tenders and supervising works, particularly in Sydney.

Hannah Butt will take on the additional role of Property Management Co-ordinator. A year ago, Luke automated a reminder system of all lease obligations for each property. After 10 months of testing, we are confident that the system will, in Hannah's hands, ensure that all recurrent obligations, rent reviews and end of lease activities will be timely and well directed. The next month's newsletter will come from Hannah. Hannah's email is Hannah@pipeclaylawson.com.au and her mobile is 0414 932 034.

There have been no other material developments this month.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to me.

We welcome your input. Each member of the team can be contacted by email. Our email addresses are formatted firstname@pipeclaylawson.com.au as per my own details below.

Best Regards,
David

05 February, 2020

On February 3rd, 2020, the Trust made a monthly distribution of \$9.38 per Unit.

Leasing Update

Dealing with Chep is painfully difficult. Last month we reported that negotiations were “extremely close to resolving all issues”. That has happened and has resulted in a Heads of Agreement (HOA). The last few weeks have been occupied translating the HOA into a binding deed and lease amendment document. David believes that we are close, but it is not yet done. I will report further next month.

Trust Update

Emil and David have met with CBA and agreed an extension of the loan facility to August 2020.

Property Management Update

Lachlan, Hannah and Daniel inspected the property on Thursday 30th January. The property presented well subject to known maintenance items. The tenant was pleased with their new Pipeclay Lawson representatives.

All current property maintenance items are being addressed in the lease negotiations.

There have been no other material developments this month.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to me.

We welcome your input. Each member of the team can be contacted by email. Our email addresses are formatted firstname@pipeclaylawson.com.au as per my own details below.

Best Regards,
Hannah

09 March, 2020

On March 3rd, 2020, the Trust made a monthly distribution of \$9.38 per Unit.

Leasing Update

The translation of the Heads of Agreement into a binding deed and a lease amendment document is still ongoing. We have hit a serious snag but our solicitors, JWS, are planning to make another attempt at reconciliation next week. I will report further next month.

Trust Update

The Trust received an unsolicited offer from GM Property Group to acquire the property for \$13.2 million. This offer has been declined with an indication that the Trust would consider a sale at circa \$15 million. Subsequently, there was a verbal advice through the agent that GMPG’s

proposal is increased to \$14M. We do not intend to follow up any sale proposal until the issue with Chep is fully resolved.

Property Management Update

All current property maintenance items are being addressed in the lease negotiations.

There have been no other material developments this month.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to me.

We welcome your input. Each member of the team can be contacted by email. Our email addresses are formatted firstname@pipeclaylawson.com.au as per my own details below.

Best regards,
Hannah

07 April, 2020

On April 1st 2020, the Trust made a monthly distribution of \$9.38 per Unit.

Chep operations continue on site, though under the business's specific pandemic response protocols. The supply of pallets is a necessary constituent of distribution of many goods including food products. Chep is a subsidiary of Brambles, a major conglomerate. We expect Chep to weather the current disruption well.

I spoke to Chep's Senior Director, Supply Chain, Asia Pacific on Friday and we appear to have resolved all outstanding issues. I hope this results in a legally binding agreement in the next few days, which extends the Chep lease by 5 years.

There have been no other significant developments this month.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to me.

We welcome your input. Each member of the team can be contacted by email. Our email addresses are formatted firstname@pipeclaylawson.com.au as per my own details below.

Best regards,
David

05 May, 2020

On May 1st 2020, the Trust made a monthly distribution of \$9.38 per Unit.

On the 14th of April, a Settlement Deed was executed by Chep and the Trust. If you would like a copy of the Settlement Deed, please advise me. The Deed represents final settlement of all matters in dispute between the Trust and Chep. Key terms of the Deed are:

- Chep has, with the Trust's consent, exercised its 5-year option commencing 5 August 2020; the new term of the Lease ends on 4 August 2025.

- The Trust has paid to Chep \$200,000 for expenditure on maintenance, repairs, alterations and/or additions to the concrete hardstand. The Trust has funded the expenditure by an increased borrowing from the CBA.
- Chep has assumed complete control and financial responsibility for the condition of the hardstand on the property.
- Rent increases to be as follows (exl GST):
 - o 10% to \$773,787 pa from 5 August 2020
 - o \$75,000 to \$848,787 pa from 1 January 2021
 - o thereafter, 3% from every 5th of August
- The Trust has waved Chep's make-good obligation at the end of the Term. In our opinion, at the end of the Lease term (either 2025 or, if the further option is exercised, 2030), except to a tenant such as Chep which uses the property for external storage, the property will require redevelopment and the existing improvements will need to be demolished.
- Lessee's minimum notice period for exercise of its option (to extend the lease to 4/8/30) has been extended from 6 to 15 months. The Trust's Constitution requires the sale of the property after June 2029. This change in the Lease will enable the Trust to either sell the property to an investor with a 6 year term remaining or to a developer with holding income during the design and application periods.

We expect finalisation in May of documentation from CBA to consolidate the \$200k (currently a temporary overdraft facility) into the senior debt facility.

We are delighted that the dispute with Chep is at an end. The comprehensive nature of the settlement means that the opportunities for future difficulties are limited. Our investment now has over five years of predictable cash flow. We hope that the recent contact at senior level means that both parties' perception of the other as very difficult is now historical. We have avoided a potential vacancy in this difficult leasing climate. The rent is substantially increasing (by 20.6% in 2 steps over the next 8 months) which will lead to increased distributions in FY21 and thereafter. We intend to extend the current bank facility by a few months so that the refinancing and revaluation will be proximate to the January 2021 rent increase. Whilst it is risky to predict cap rates 8 months out, especially in the current environment, we are anticipating a substantial increase in the property's assessed value and we expect the Trust to consider capital management around January 2021.

There have been no other significant developments this month.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to me.

We welcome your input. Each member of the team can be contacted by email. Our email addresses are formatted firstname@pipeclaylawson.com.au as per my own details below.

Best regards,
Hannah

02 June, 2020

On June 1st, 2020, the Trust made a monthly distribution of \$9.38 per Unit.

The \$200k temporary overdraft facility has now been rolled into the senior debt facility with CBA. There have been no other significant developments this month.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to me.

We welcome your input. Each member of the team can be contacted by email. Our email addresses are formatted firstname@pipeclaylawson.com.au as per my own details below.

Best regards,
Hannah

01 July, 2020

On July 1st, 2020, the Trust made a monthly distribution of \$9.38 per Unit.

There have been no significant developments this month.

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Best regards,
Hannah

06 August, 2020

On August 3rd, 2020, the Trust made a monthly distribution of \$13.50 per Unit.

Tenant Update

Chep representatives have been in contact to discuss some sustainable energy solutions that they would like to investigate for the building. Initial discussions surrounded solar, LED light upgrades and the installation of a power factor correction unit. At this stage Chep is finalising quotes for LED light upgrade and the power factor unit. Both installations will be of ongoing benefit to the building and for any future tenants. The tenant has advised that they will undertake the works at their cost. Landlord approval will be given subject to confirmation of the actual fittings to be installed and the make good requirements for all of items being functional and serviced at expiry of the lease. If you would like to see a copy of the correspondence, please advise me. Whilst this project is positive for the property, it has a relatively short pay-back period and is not a significant indicator of Chep's long term intentions.

Finance Update

To assist Unitholders which are Superannuation Trusts, the Trustee annually assesses Unit value by applying the Valuation Policy. As at 1 July 2020 the Unit Value was assessed at \$1,890.

The distribution per unit increased to \$13.50 this month. The Trust expects to maintain this level of distribution for the rest of the Financial Year.

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Best regards,
Hannah

03 September, 2020

On September 2nd, 2020, the Trust made a monthly distribution of \$13.50 per Unit.

Luke Libling has joined Pipeclay as an Analyst. Luke studied computer programming at Melbourne University. Prior to joining Pipeclay, Luke has worked as an Analyst for MBP Advisory.

There were no material developments to report this month.

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Best regards,
Hannah

30 September, 2020

On September 30th, 2020, the Trust made a monthly distribution of \$13.50 per Unit.

During the month we received an unsolicited off-market offer to purchase the property for \$14,820,000; a 6% yield on the rent (\$848,787) as it will be on January 1. If you would like to see a copy of the proposal, please let me know. While the proposal is at a material premium to the last valuation (\$10,460,000 on 19.8.2019), the Trustee believes that a better price might be able to be obtained from the wider market. The Trustee further believes that presently a premium for scale may be able to be obtained in the Brisbane market.

The Trustee has modelled the likely medium to long term performance ranges of the property and established a figure at which it believes it would be in the interest of the Unitholders to sell the property.

The Trust has appointed Colliers as its agent. The campaign launched this week with Expressions of Interest due on the 22nd of October. This is a joint campaign with the Sulphur Street Property Trust, thus achieving meaningful scale for the Brisbane market. If you would like a copy of the IM please let me know

If the campaign results in a proposal which the Trustee believes would be in the interest of the Unitholders to accept, the Trustee will call a meeting of Unitholders to consider and if thought appropriate approve a sale.

There were no other material developments to report this month.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to me.

We welcome your input. Each member of the team can be contacted by email. Our email addresses are formatted `firstname@pipeclaylawson.com.au` as per my own details below.

Best regards,
Hannah

03 November, 2020

On November 2nd, 2020, the Trust made a monthly distribution of \$13.50 per Unit.

Following the Expressions of Interest campaign, the Trustee will be recommending that the Trust accept the offer from Centennial Industrial and Logistics (CIL) of \$15,425,000. If you would like to see a copy of the Offer Letter, please let me know.

Thank you for agreeing to short notice for the Unitholders Meeting. A Notice of Meeting with an Explanatory Memorandum will be emailed to you shortly. The Meeting will be held on Friday 13th of November.

There were no other material developments to report this month.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to me.

We welcome your input. Each member of the team can be contacted by email. Our email addresses are formatted `firstname@pipeclaylawson.com.au` as per my own details below.

Best regards,
Hannah

04 December, 2020

On December 3rd, 2020, the Trust made a monthly distribution of \$13.50 per Unit.

The sale of the property to Centennial Industrial and Logistics was approved at the Unitholder meeting held Friday 13th of November. If you would like a copy of the minutes please let me know.

A Call Option Deed was executed by both parties on the 19th of November. If you would like to view a copy of the Deed please let me know.

Centennial are now undertaking their due diligence, which expires 21st December.

There were no other material developments to report this month.

If you do not wish to receive the monthly email, and/or new Information Memorandums issued by Pipeclay Lawson Ltd, please advise us at any time by writing to me.

We welcome your input. Each member of the team can be contacted by email. Our email addresses are formatted firstname@pipeclaylawson.com.au as per my own details below.

Best regards,
Hannah

05 January, 2021

On 4 January, 2021, the Trust made a distribution of \$13.50 per Unit.

On December 24, the purchaser paid the non-refundable deposit. The purchaser is now applying for FIRB approval of the transaction. We expect settlement towards the end of February.

There were no other material developments to report this month.

Hannah is on leave.

I wish you and all yours a happy and successful 2021!

Best Regards,

David

04 February, 2021

On 4 February, 2021, the Trust made a distribution of \$13.50 per Unit.

The Call Option Expiry is 8 February 2021 (Monday) with settlement on 18 February 2021.

We will notify of the outcome in due course.

There were no other material developments to report this month.

Regards,
Hannah

22 February, 2021

The sale of the Blunder Road property settled on Thursday. Sandy, Emil and I think it calls for a celebration.

The Trust has had to hold back -

- # \$150,000 which is held in a solicitor's trust account for 3 months in accordance with the sales contract as security for the veracity of the representations made by the Trust

- # moneys on account of the Trustee's estimate of the final accounts and Trust wind up costs, and

- # payment of the GST on outstanding invoices which will be refunded to the Trust when it lodges its final GST return.

We expect that a final distribution will be made in 3-4 months. As the property has been sold, there will be no further distributions until then.

Subject to adjustments in estimated trust closing costs, our investment will have delivered over 26% IRR after all fees to each Unitholder. This is pleasingly in excess of the 14% IRR which we specified in the IM as the target. On the other hand the duration of the fund has been shorter than anticipated in the IM. As we said in the IM, one of our core values is "to constantly assess the market and to sell the property if the market conditions or property specific opportunity is unlikely to be maintained in the future".

I hope you have enjoyed the investment experience in the Blunder Road/Oxley Trust.

Best regards,
David

20 May, 2021

The retention period for warranties on the sale of the property expired on 18th May and the solicitor has released the retention funds of \$150,000 to the Trust.

On 19th May, the Trust made a final distribution of \$67.70 per unit. This is the last distribution from the Trust. The final IRR for Unitholders, after all fees and expenses, is 26.89%.

The final accounts will be reviewed by the Trustee's accountants, MBP Advisory. These accounts should be available in August. Should you wish to have a copy of these accounts when they are available, please let Camilla know.

Annual Tax Statements will be prepared following completion of the accounts and will be sent to you separately, in August. Immediately after the Statements are sent, the Trust will cease to exist.

I hope you found investing in the Trust a positive experience.

Best regards,
David