PIPECLAY
LAWSON

Information Memorandum

Blunder Road Property Trust

An opportunity to invest in 141A Boundary Road, Oxley, Queensland

30 September 2015

Important Notice to Investors

This Information Memorandum is provided by Pipeclay Lawson Ltd.

Definitions

In this Information Memorandum, unless otherwise defined or the context otherwise requires, capitalised terms have the meaning given to them below:

"**AFSL**" means an Australian financial services licence issued by ASIC under the Corporations Act.

"**ASIC**" means the Australian Securities and Investments Commission.

"**Bank Loan**" means funding to be provided by a Bank to the Trustee as trustee for the Trust to assist in the acquisition of the Property and secured by a first-ranking mortgage registered over the Property and by a fixed and floating charge over all of the assets of the Trust.

"**Bank Loan Facility**" means the facility under which the Bank Loan is drawn down.

"**CBA**" means the Commonwealth Bank of Australia.

"**Chep Australia**" means Chep Australia Limited ACN 117 266 323

"**Constitution**" means the constitution of the Trust.

"**Corporations Act**" means the *Corporations Act 2001 (Cth).*

"FPG Investments Trust" means the FPG Pipeclay Investment Trust the trustee of which is FPG Pipeclay Investments Pty Ltd (a company owned by interests associated with David Libling and Emil Pahljina).

"**Hurdle IRR**" means a pre-tax equity IRR of 10.00% calculated on monthly rests on all cash flow between the Unitholders and the Trust.

"**IM**" means this Information Memorandum.

"**Investment**" means any proposed investment in Units in the Blunder Road Property Trust as described in this IM.

"Investment Manager" means FPG Pipeclay Property Management Pty Ltd as trustee for the FPG Pipeclay Management Trust.

"**Investment Model**" means the financial model, which is based on various assumptions referred to in this IM that has been used to calculate targeted returns to Investors.

"**IRR**" means the annualised return on equity on a compounding monthly basis according to established finance conventions, which results in the net present value of future cash flows having a value of zero.

"**Lessee**" or "**Tenant**" means Chep Australia Limited ACN 117 266 323.

"**LVR**" means the ratio of the net Bank Loan to the value of the Property as ascertained by an independent valuer on the Bank's panel.

"Offer" means the offer of Units in the Blunder Road Property Trust which is the subject of this IM.

"**Pipeclay**" or "**Trustee**" means Pipeclay Lawson Ltd ACN 163 013 732 holder of ASFL number 437838.

"**Property**" means land and improvements at 141A Boundary Road, Oxley, Queensland together with a right of way over 141 Boundary Road, Oxley, Queensland.

"**Property Value**" means the market value of the Property as determined by an independent valuer appointed by either a Bank or the Trust.

"**Qualifying Investor**" means "wholesale client" within the meaning of section 761G of the Corporations Act

"**Realisation Event**" means the sale of the Property by the Trust.

"**sqm**" means square metres.

"**Telstra**" means Telstra Corporation Limited ACN 051 775 556

"**Trust**" means the Blunder Road Property Trust.

"**Unit**" means a unit in the Trust.

"**Unitholder**" or "**Investor**" means, as the context requires, a holder of Units or an investor applying for Units in the Trust.

Purpose of Information

This Information Memorandum ("**IM**") is dated 30 September 2015. This IM does not relate to, and is not relevant for, any purpose other than to assist Investors to decide whether to proceed with a further investigation of an Investment. This IM is for an offer (the "**Offer**") of units in the Blunder Road Property Trust (the "**Trust**"). This IM is a summary of the terms and conditions of the Investment and does not purport to contain all the information that an Investor or an Investor's professional adviser may require in making a decision in relation to an Investment. The definitive terms and conditions of the Investment will be contained in the Constitution. If there is any inconsistency between this IM and the Constitution, the Constitution shall prevail.

This IM has not been, and will not be lodged with ASIC. The Investment contained in this IM is an offer that does not require disclosure to Investors under Part 6D.2 or Part 7.9 of the Corporations Act. This IM is not a Product Disclosure Document as defined by the Corporations Act 2001 and this IM is not an offer to any person who is not a Qualifying Investor.

Investors should read and fully understand the Constitution and this IM before deciding to participate in the Offer.

Responsibility

Some of the conclusions, opinions and forecasts made in this IM are based on information obtained from third parties. The inclusion in this IM of statements and findings attributable to, or references to or about, certain third parties may not have been consented to by such third parties and those third parties do not take any responsibility for statements and findings attributed to them in this IM.

None of the Trustee, the Investment Manager, its associates and each of their respective officers, employees, agents or advisers guarantees the success of an Investment or the performance of the Trust or the repayment of capital (including the return of any principal invested in the Trust or income return in respect of any Investment) or the performance of the Property.

This IM is intended to provide information and not advice and it should not be relied upon. This IM has been prepared without taking into account your individual objectives, financial situation, needs or taxation position. The Trustee strongly recommends that you consult with appropriate legal, financial business and taxation advisors in respect of your objectives, financial situation and needs before deciding to participate in the Offer. To the extent permitted by law, the parties mentioned in this IM, their officers, employees and associates exclude all liability in connection with an Investor's reliance on this IM.

Before applying for any Units, Investors must ensure they obtain a copy of and read the Constitution in its entirety and, if necessary, seek their own independent professional advice.

Investment Risk

The Investment is subject to substantial investment risk, including possible delays in payment and loss of income and capital invested.

All Due Diligence material obtained by the Trustee and Investment Manager is available to Investors on request. The Trustee and the Investment Manager strongly recommends that you consider all of that material prior to making a decision to subscribe for any Units

The Trust will be subject to a significant amount of debt. The Trust will initially borrow 65% of the Property purchase price to assist with the acquisition of the Property. Investors should consider the Investment to be speculative and illiquid.

The Trustee does not, in any way, represent that the description of key risks outlined in this IM is exhaustive or a complete description of all possible risks in connection with the Investment. Section 6 sets out some information on the risks associated with an Investment, but is not exhaustive.

Forward-looking Statements and Target Returns

This IM contains forward-looking statements and target returns and the Trustee, its associates and each of their respective officers, employees, agents or advisers may make additional written or oral forward-looking statements from time to time. Such forward-looking statements may include statements of intention, forecasts and projections of revenues, profits, losses, returns to Investors, capital expenditure, financings, developments and plans for future operations. No guarantee is given that any such forward-looking statements will prove to be correct. Furthermore, forward-looking statements and target returns are based on various assumptions that may prove to be incorrect and may materially affect the accuracy of such forward-looking statements and target returns. No representation or warranty is given as to the achievement or reasonableness of any target returns, plans, forecasts, future projections, management targets or prospects and nothing in this IM is or should be relied upon as a promise or representation as to the future.

Diagrams and Information

Diagrams used in this IM are illustrative only and may not be drawn to scale. All references to dollars are Australian dollars and are exclusive of GST unless stated otherwise.

Authorised Material

Without limiting any other disclaimers concerning this IM, no person is authorised to give any information or make any representation that is not contained in this IM and any information or representation not contained in this IM must not be relied upon as having been authorised by the Trustee.

Wholesale Clients Only

This IM has been prepared on a confidential basis for distribution only in Australia to "wholesale clients" within the meaning of section 761G of the Corporations Act ("**Qualifying Investors**"). This Offer is not intended for, should not be distributed to, and should not be construed as an offer or invitation to, any other person.

A person may not (directly or indirectly) offer or issue an invitation to subscribe for Units, nor distribute this IM in the Commonwealth of Australia, except under circumstances where the offer or invitation does not require disclosure to investors to be made under Part 7.9 of the Corporations Act and complies with any other applicable laws, regulations or directives.

Distribution in Australia only

Investment in the Trust is only available to Australian residents, and is not available to any entity that is controlled by a person or entity that is not an Australian resident. Units may not be offered or sold, directly or indirectly, and neither this IM nor any advertisement or other offering material may be distributed or published, in any jurisdiction other than Australia.

Confidentiality

The information in this IM is strictly confidential and must not be copied, disclosed, used, duplicated or transmitted by any means in whole or in part for any purpose other than the evaluation by the recipient of an Investment. If you do not agree with this condition please return or destroy this document immediately.

Questions & Contacts

If you have any questions regarding this IM or should you require any further assistance or information, please contact Emil Pahljina on 0427 929 358 or via email at emil@pipeclaylawson.com.au or David Libling on 0407 631 255 or via email at david@pipeclaylawson.com.au.

Contents

1. Executive Summary

Executive Summary

Pipeclay is pleased to present this opportunity to invest in the Blunder Road Property Trust. Subject to the satisfactory completion of its due diligence and legal documentation associated with the transaction including the Bank Loan Facility, the Trustee will acquire the Property, which will be the primary asset of the Trust.

Some investment highlights in relation to the Property are:

- A 2.1-hectare industrial property (21,020 sqm) circa 15 kilometres south of Brisbanes CBD.
- The Property is located a few hundred metres from an on/off ramp to the Ipswich Motorway and a few minutes' drive from the junction of the Ipswich and Centenary Motorways, giving it excellent access to all significant arterial roads in the Brisbane metropolitan area.
- The Property is leased to Chep Australia Limited, a wholly owned subsidiary of Brambles Limited, which has a current market capitalisation of $15 billion. Chep Australia uses it to repair, store and distribute pallets.
- Chep Australia has recently entered into a new five year lease (expires August 2020) and has two options to extend the lease, each for a further five years.
- Telstra has leased a 70 sqm section on the western boundary of the site until July 2034, upon which it has erected a telecommunications tower.
- The current net rent for the site is $646,552. The Chep rent, currently $625,000, increases at 3% each August. The Chep rent is subject to a market review on exercise of an option. In which case, the resulting rent cannot be lower than the previous year's rent and any increase in rent is capped at 10%.
- Forecast initial distribution yield of 10% p.a. and a target return to investors of 14.1% p.a. (annual effective) over an investment term of 15 years.

Pursuant to this IM, the Trustee is seeking to raise $3,538,000 of subscriptions through the issue of 3,625 Units to facilitate the acquisition of the Property. The CBA has provided Pipeclay with the indicative terms upon which they are seeking approval to provide the remaining funds to complete the purchase. These terms are set out in Section 5 of this IM.

Qualifying Investors are invited to apply for Units. Pipeclay requires each applicant to subscribe for a minimum of $250,000 worth of Units. However, Pipeclay reserves the right to accept smaller subscriptions at its discretion. Investors must send the relevant Application for Units form to the Trustee at GPO Box 5355, Sydney, NSW, 2001. Applicants are also required to pay the subscription amount in full by no later than 14 October 2015 in order to facilitate settlement of the acquisition of the Property, expected to be 2 November 2015.

Applicants must either enclose a cheque payable to the Trustee with their application or alternatively electronically transfer the requisite sum in accordance with the directions set out in the Application for Units form.

The Trustee may, acting in its sole discretion, extend the time for payment of any subscription amounts by Investors.

FPG Investments Trust will subscribe for 441 of the Units being offered in the Trust. The FPG Investment Trust will receive an $87,000 discount on the total subscription price of the Units it subscribes for, being equal to 1% of the total acquisition cost of the Property.

Distributions will be paid monthly in arrears. The first distribution will be paid on or around 4 December 2015.

The Property

The Property is located circa 15 kilometres south of the Brisbane CBD. It has excellent access to the Ipswich Motorway and is a few minutes' drive from the junction of the Ipswich and Centenary Motorways.

The Property is situated diagonally opposite a major Bunnings store and a few hundred metres from Harvey Norman and a number of other bulky goods retailers. The neighbouring property 141 Boundary Rd, which is further away from these existing bulky goods retail outlets, has already obtained development approval for conversion to retail use (bulky goods). The Brisbane Council has verbally confirmed that converting 141A Boundary Road to retail use (bulky goods) would be in accordance with Council policy.

The Property is 21,020 sqm of land with a building totaling 3,136 sqm and includes:

- Office space of 276 sqm
- A production facility totaling 2,860 sqm, and
- The site is extensively covered by concrete hardstand

The Property is used to refurbish and store pallets and appears well suited to Chep Australia's requirements. It has very low site coverage (circa 15%), excellent access and extensive concrete hardstand. The site is accessible on two sides, facilitating drive through traffic flow. It has direct frontage to Reedy Road and access to Boundary Road via an easement over 141 Boundary Road.

The Property and surrounding area (including Bunnings) was heavily inundated during the 2011 Brisbane floods. Various works and other measures have been undertaken which are expected to have reduced the risk of future flooding in the area. Notwithstanding, it is highly probable that the Property is still subject to some residual flooding risk. The Trustee believes this risk is fully reflected in the valuation undertaken by the Independent valuer engaged by the CBA and that this residual risk of flooding will not materially impact any potential redevelopment of the site.

Investment Strategy

The Investment Manager believes that over the long term well located industrial land in the greater Brisbane area will appreciate in value at annual growth rates in excess of the Consumer Price Index.

The Investment Manager is attracted to this Property for two reasons:

1. The Property is well tenanted and well suited to the current occupants needs and is therefore expected to generate good rental income in the medium to long term.
2. The prospects for capital growth are underpinned by the Property's relatively low site coverage, location and high potential to be approved for "bulky goods" retail use.

Chep Australia and its associates have occupied the property since 1992 and has recently agreed to a new five year lease which started in August this year, together with 2 options for extension. The improvements provide Chep Austrlia with relatively inexpensive premises for its pallet refurbishment works. The large expanse of concrete hardstand is operationally required for pallet storage and movement. The Investment Manager believes that Chep Australia has negotiated an attractive rent for the Property and protected its position by fixed rent reviews and a 10% cap on rent increases at "market" rent reviews. Consequently the Investment Manager believes that Chep Australia is likely to exercise at least one of its renewal options.

The Property is located diagonally opposite a major Bunnings store and a few hundred metres from Harvey Norman and a number of other bulky goods retailers. The neighbouring property 141 Boundary Rd, which is further away from these existing bulky goods retail outlets, has already obtained development approval for conversion to retail use (bulky goods). The Brisbane Council has verbally confirmed that converting 141A Boundary Road to retail use (bulky goods) would be in accordance with Council policy.

The independent valuer appointed by the CBA has estimated the Property's current land value to be $350 per sqm ($7.36 million). This represents a significant portion (90%) of the agreed purchase price. The Investment Manager therefore expects the Property to experience above average capital growth over the longer term.

The Property offers the prospect of an attractive (and growing) income yield together with a long term capital gain opportunity based on growth in land value. Pipeclay is targeting an overall return to investors of 14.1% p.a. (annual effective) over the 15 year proposed life of this investment.

Forecast Returns to Investors

Forecast distributions for the Trust are based on the assumptions set out in Section 5, which the Trustee currently believes are appropriate and reasonable.

Forecast Distributions:

Period to 30 June 2016	:	10.00%
Year to 30 June 2017	:	10.50%
Year to 30 June 2018	:	11.00%
Year to 30 June 2019	:	11.25%
Year to 30 June 2020	:	11.50%

Percentages are on a per annum basis and represent the monthly distributions per Unit, which are paid monthly in arrears, divided by $1,000 less any return of capital. The distribution yield quoted for the period from settlement to 30 June 2016 has been annualised.

Target Overall Return to Investors:

Approximately 14.1% p.a. (annual effective), based on a 15 year term.

Investment Manager

The Trustee will enter into an investment management agreement with the Investment Manager, who will be responsible for management of the Property and the administration of the Trust.

David Libling and the Flower Property Group have been successful investors in industrial property for 29 years. The Investment Manager will adopt their investment approach which is based on the following core values:

- To only buy industrial properties, which it believes have better than average prospects for value growth and to only buy when investment yields are attractive and the risk return proposition favours the purchaser.
- To develop an understanding of each tenant's business, be in frequent and senior contact and therefore be in a position to appropriately respond to each tenant requirement and to endeavour to anticipate and solve the tenant's property's operational problems.
- To address all repairs and maintenance so as to protect the value of each property whilst minimising the impact on each Lessee's operations and over the long term minimising outgoings expense to the tenant.
- 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.

It is a policy of Pipeclay that its principals (and or their related entities) provide 10% of the equity in each of its managed property investments. The Trustee believes that this provides investors with a fully aligned Trustee and a significant point of difference to alternate investment opportunities.

2. Investment Terms

Investment Terms

Trustee	Pipeclay Lawson Limited (ACN 163 013 732) (AFSL 437838).
The Investment Manager	The Trustee will engage FPG Pipeclay Property Management Pty Ltd under an investment management agreement to provide certain management services in respect of the Trust.
Legal Structure	The Blunder Road Property Trust will be an unlisted unregistered wholesale managed investment scheme.
Property	The Trust's primary asset will be the land and improvements located at 141A Boundary Road, Oxley, Queensland.
Purchase Price of Property	$8,215,000 A breakdown of total acquisition costs and the proposed split between debt and equity funding of such costs is shown below. These numbers are exclusive of GST (where GST is applicable).

Acquisition Cost	$
Purchase Price	8,215,000
Transfer Duties & Land Registry Fees	478,624
Due Diligence & Legal Costs	75,000
Debt Establishment Fee	21,356
Equity Underwriting Fees	79,605
Working Capital	7,415
Total	**8,877,000**
Bank Loan	-5,339,000
Total Equity Required	**3,538,000**

Offering of Units	Units in the Trust are being offered under this IM to wholesale clients (as defined under section 761G of the Corporations Act) in Australia ("Qualifying Investor"). These offers are made to an individual on a non-transferable basis to fund the Total Equity Required. The Trustee expects to issue 3,625 Units in total. The FPG Investments Trust will subscribe for 441 Units. This Offer relates to the issue of 3,184 Units each fully paid to $1,000 per Unit.
Minimum Investment	The minimum investment is $250,000. A lesser amount may be accepted at the discretion of the Trustee.
Key Documents	The Trust has been established by the Trust Constitution. The Constitution sets out the rights and entitlements of all Unitholders and governs the responsibilities, activities and fees payable to the Trustee. Each applicant will be required to execute an Application Form and by doing so they will acknowledge that they have reviewed the Constitution and will agree to be bound by its terms. A copy of the Trust Constitution will be made available to you or your adviser at your request.
Distributions to Unitholders	The Trustee is targeting distributions of 10% (annualised) for the period to 30 June 2016 and 10.5% for the financial year to 30 June 2017. Distributions will be paid monthly in arrears. Settlement of the acquisition is currently expected to occur 2 November 2015. The first distribution is expected to be paid on or around 4 December 2015. The Trust's distribution policy is to maintain an even monthly distribution with stepped annual increases over time, whilst maintaining prudent levels of cash reserves. The Trustee will have the discretion to defer the payment of distributions or not to pay distributions if required to meet the terms of the Bank Loan Facility or to prudently manage Trust cash needs.

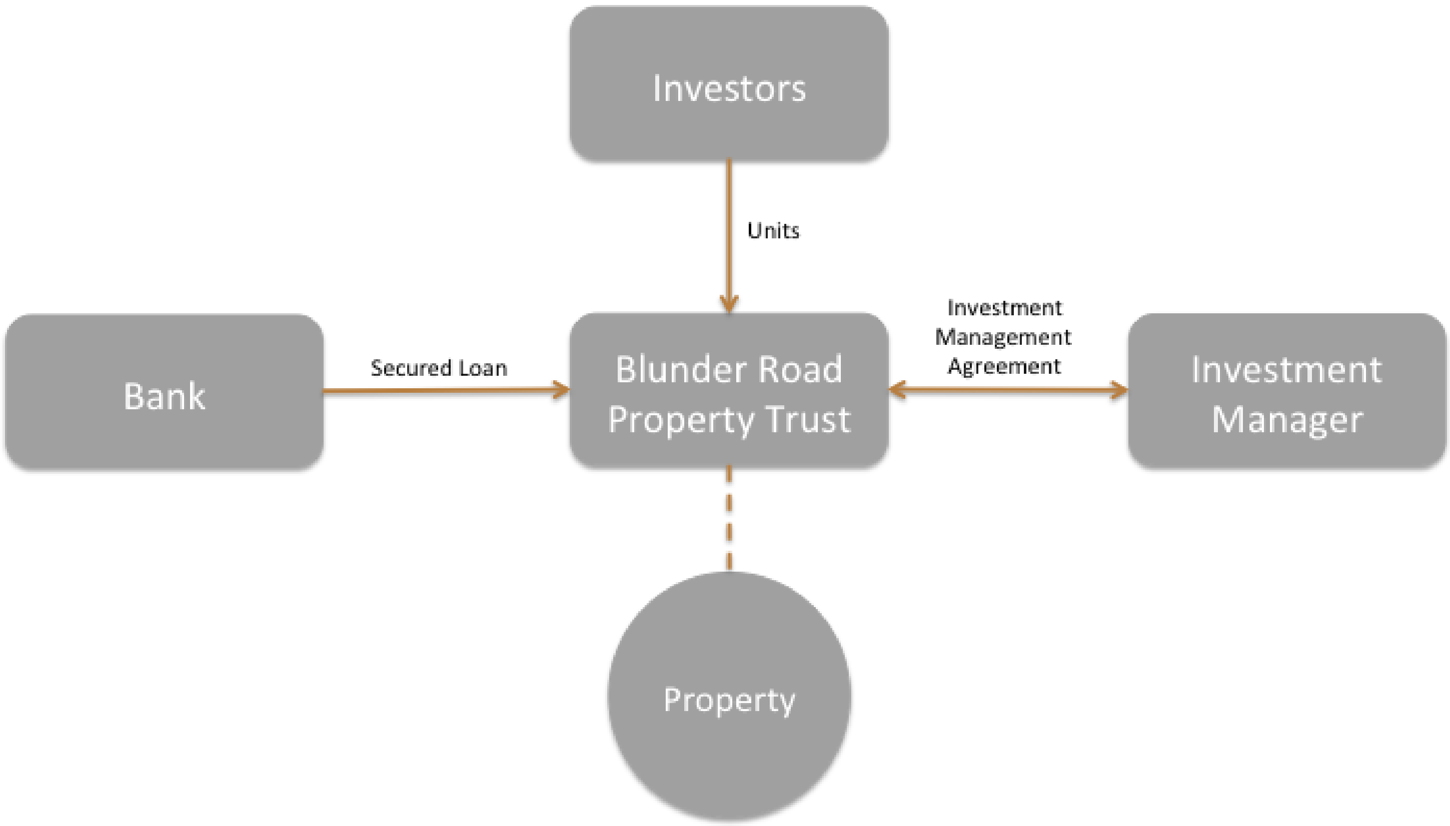
Term	The intended term of the Trust is circa 15 years. Subject to the qualifications set out below, the Trustee may sell the Property between 30 June 2029 and 30 June 2031. The Trustee's present intention is to endeavour to sell the property in the first half of 2030. The Investment Manager will continuously assess the market and may make recommendations to the Trustee concerning the realisation and/or the holding of the Property. If at any time the Investment Manager recommends that the Trustee should sell the Property prior to 30 June 2029, the Trustee will call a meeting of Unitholders. The Trustee may then sell the Property if a simple majority of Unitholders at the meeting approve the sale. If at any time the Unitholders at a meeting resolve by special resolution that the Property be sold, the Trustee will use its best endeavours to sell the Property within 12 months of the date the resolution was passed. A 'special resolution' is a resolution of Unitholders holding at least 75% of all issued Units. The Trustee will convene the meeting at the request of Unitholders with at least 25% of the issued Units. If at any time prior to 31 March 2030 the Investment Manager recommends that the Trustee should hold the Property beyond 30 June 2031, the Trustee will call a meeting of Unitholders. If at that meeting, the Unitholders by special resolution vote in favour of holding the Property beyond 30 June 2031 the Trustee will endeavour to sell the Property in accordance with the resolution. Upon completion of the sale of the Property, the Trustee will promptly wind-up the Trust.
Withdrawal Rights	Unitholders will not have a right to withdraw from the Trust.
Sale of Units	It is the current policy of Pipeclay to assist any Unitholder who wants to sell their Units to find an alternate purchaser of their Units. Unitholders will only be entitled to sell or transfer their Units in the Trust to a Qualifying Investor with the approval of the Trustee, which will not be unreasonably withheld or delayed. Transfers of Units to related parties of existing Unit Holders will only be permitted where the transferee is a Qualifying Investor.
Stamp Duty on Subsequent Sale	Generally, stamp duty will be payable by an Investor on any dealing (including issue, redemption, transfer or change in rights) in the Units after the Trustee enters into a contract to acquire the Property. The duty is generally payable on the higher of; o any consideration given; o or in general terms, a proportion of the unencumbered market value of the Property represented by the Units (note the actual calculation depends on a number of factors including the rights attaching to the Units to income and capital). Presently the top marginal rate of duty is 5.75%.
Unitholders Consents	The Trustee will generally exercise its powers to act according to its discretion but in certain circumstances is required to seek approval from Unit Holders. o Any variation to the Constitution that affects or may affect the rights of Unitholders will require the consent of a special resolution of Unitholders (holding at least 75% of all issued Units). The Trustee will have the ability to amend the Trust Constitution without the approval of the Unitholders but only where there is no effect on the rights of any Unitholder. o The Trustee may only increase the number of units issued by the Trust with the consent of a special resolution of Unitholders (holding 75% of all issued Units) unless the issue of further Units is to prevent or cure an event of default under the Bank Loan Facility, in which case the consent of a simple majority of Unitholders is required.
Investment Risks	An Investment in the Trust is expected to be illiquid and will involve investment risks. A non-exhaustive list of these risks is outlined in Section 6 of this Information Memorandum.
Trust Management Fees[1]	Pipeclay will be entitled to an annual management fee of 0.75% (plus GST) of the value of the Property. The management fee is to be paid monthly in arrears during the Trust term.

Property Management Fee	Pipeclay will be entitled to any Property Management Fee, paid by the Tenant as part of its outgoings obligations under the Lease. This fee is typically circa 2% of net rent but is capped at 1.5% of net rent under the terms of the lease to Chep Australia.
Trust Expenses	Pipeclay will be entitled to recover all expenses reasonably incurred by it in relation to the establishment of the Trust, the acquisition of the Property and the activities of the Trust provided the expenses are payable to unrelated third parties. An estimate of the relevant formation and acquisition costs is included on page 10 of this Information Memorandum. The Trustee will not be entitled to recover any travel expenses incurred by it or the Investment Manager in providing their services. Pipeclay will be responsible for all expenses incurred in the day to day administration of the Trust other than external accounting costs associated with preparation of the Trust's annual financial statements and tax returns, statutory costs, costs associated with the Bank Loan Facility or any replacement loan facility and costs associated with maintaining the bank accounts of the Trust.
Equity Underwriting Fee	The Trustee has entered into certain underwriting and sub-underwriting arrangements with respect to this capital raising with various parties including related parties of the Trustee ("Underwriters"). The Trustee has agreed to pay the Underwriters a fee of $79,605 (being 2.5% of the amount of Total Equity Required less the amount being subscribed for by the FPG Investments Trust) as consideration for this underwriting commitment.
Acquisition[1]	The Trustee's associate, the FPG Investments Trust, will be entitled to a discount equal to 1% of the total acquisition cost of the Property on the total subscription price paid by it for units in the Trust. The FPG Investment Trust will subscribe for 441 units in the Trust.
Outperformance Fee[1]	Upon the sale of the Property by the Trust ("**Realisation Event**"), Pipeclay will be entitled to a performance fee equal to 15% (plus GST) of Unitholders' returns in excess of the Hurdle IRR ("**Performance Fee**"). The Hurdle IRR is a pre-tax equity IRR of 10% per annum. When calculating this IRR all cash flows between the Unitholders and the Trust will be factored in.
Application for Units	Investors in Australia who are "wholesale clients" (as defined under section 761G of the Corporations Act) may apply for Units in the Trust. Units in the Trust are offered on an individual and non-transferable basis. The Trustee reserves the right to reject, in full or in part, any application for Units.
Taxation	The taxation consequences of any investment in the Trust are dependent on each individual's circumstances. Investors are responsible for seeking the advice appropriate to their circumstances. The Trustee will commission a depreciation schedule to be prepared by Napier & Blakeley after settlement of the purchase. A copy of the schedule will be made available to the Unitholders.
Subscription Payment	Subject to the Trustee exercising its discretion to extend the time for payment, the Trustee will require each Investor's subscription for Units to be paid on or before 14 October 2015 in order to facilitate settlement of the acquisition of the Property currently expected to be 2 November 2015.
How to Apply	Section 8 of this IM details the steps to apply for Units in the Trust. Investors are invited to register their interest only based on this IM.
No Cooling Off Period	Applications to invest in the Trust are not subject to a cooling off period.
Offer Period	An Investor may apply for Units until 3.00pm (AEST) Wednesday, 14 October 2015 (subject to the Trustee, acting in its sole discretion, extending the time for such applications to be made) unless this IM is otherwise withdrawn.

Note 1 - Fees are fully outlined in Section 4 of this IM.

Investment Structure

The Property will be held in an unlisted unregistered wholesale unit trust. The Trustee will engage FPG Pipeclay Property Management Pty Limited to provide management services in respect to the Property. Pipeclay will procure a secured loan from the CBA to assist with the acquisition of the Property. The diagram below illustrates the ownership and management structure for the Property.

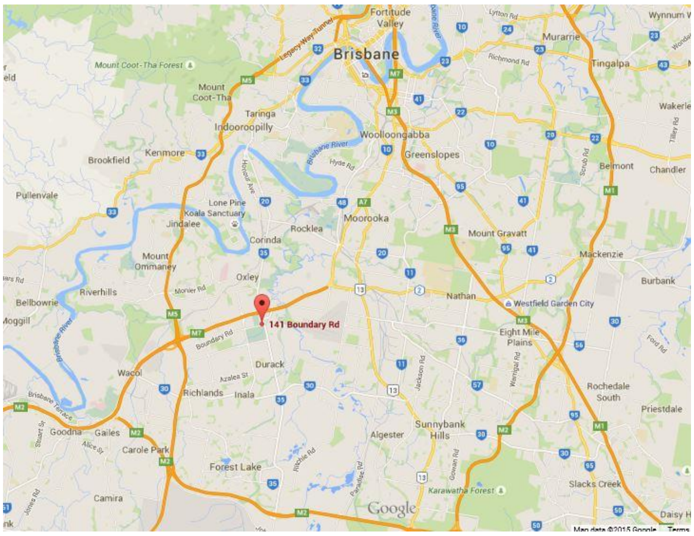


3. The Property

Location

The Property is located circa 15 kilometres south of the Brisbane CBD. It is within a few hundred metres of an on/off ramp to the Ipswich Motorway and a few minutes' drive from the junction of the Ipswich and Centenary Motorways providing ready access to all significant arterial roads in the Brisbane metropolitan area.

The Property is situated diagonally opposite a major Bunnings store and a few hundred metres from Harvey Norman. The neighbouring property 141 Boundary Rd has already obtained development approval for conversion to retail use (bulky goods). The Brisbane Council has verbally confirmed that converting 141A Boundary Road to retail use (bulky goods) would be in accordance with Council policy.



Flooding Risk

The Property and surrounding area (including Bunnings) was heavily inundated during the January 2011 Brisbane floods. Since the flood event, various works have been carried out to the Oxley Creek catchment and changes made to the release policy of the Wivenhoe Dam to reduce the future impact of flooding. Notwithstanding, it is highly probable that the Property is still subject to some residual flooding risk.

The Trustee believes this risk is fully reflected in the valuation undertaken by the Independent valuer engaged by the CBA and that this residual risk of flooding will not materially impact the attractiveness of the site to Chep Australia or a subset of alternate tenants attracted to the sites characteristics. Butler & Partners have also confirmed that the risk of flooding will not materially increase the cost of redeveloping the site.

Investors are encouraged to read both the valuation and the report from Butler & Partners.

Property Description

The Property is 21,020 sqm of land with a building totaling 3,136 sqm and includes:

- Office space of 276 sqm
- A production facility totaling 2,860 sqm, and
- The site is extensively covered by concrete hardstand

The Property appears very well suited to Chep Australia's requirements, it has very low site coverage (circa 15%), excellent access and extensive concrete hardstand. The site is accessible on two sides, facilitating drive through traffic flow. It has direct frontage to Reedy Road and access to Boundary Road via an easement over 141 Boundary Road.

The Trustee has commissioned various due diligence reports on the Property from the following consultants:

Environmental, Hydrology & Engineering	Butler & Partners P/L
Asbestos	Napier & Blakley
Valuation	M3 Property
Legal	Corrs Chambers Westgarth

Whilst the majority of due diligence has been finalised there are still some outstanding enquiries. The Trustee will issue Investors a supplemental information memorandum outlining any noteworthy issues, if any emerge and are not resolved prior to exercise of the option to acquire the Property. Investors are encouraged to review each of the due diligence reports. Investors interested in obtaining copies of the reports should contact Sheila Quarta at sheila@pipeclaylawson.com.au

Chep Australia Tenancy

The principal terms of the lease are summarised as follows:

Lessee	Chep Australia Limited
Lease Term	Circa 5 years to 4 August 2020
Option	The Lessee has two options to extend the lease, each for a further five years. Each option must be exercised no later than 3 months prior to expiry of the current term of the lease.
Initial Rent	$625,000. p.a plus GST payable monthly in advance
Rent Review	Rent will increase by 3% each August. On exercise of an option rent is subject of a market review. Following a market review rent cannot decrease or be more than 10% greater than the rent immediately prior to the rent review.
Outgoings	The Lessee is required to pay all taxes, impositions and outgoings other in respect of repairs that are capital or structural in nature.
Maintenance & Repair	The Tenant is required to ensure that the improvements are clean and in good and substantial repair at all times during and on expiry of the lease. The Tenant expects to spend circa $40,000 per annum to maintain the extensive concrete hardstand on site.

Chep Australia Limited

Chep Australia Limited is a wholly owned subsidiary of Brambles Limited, which is an Australian listed public company with a market capitalisation of $15 billion.

Chep began in Australia in 1945 and is a leading provider of pallet and container pooling services. The pallets business segment of Brambles has global sales of over US$4 billion and generated an operating profit (before financing costs and tax) of US$812 million for the financial year to 30 June 2015.

Telstra Corporation Limited

The principal terms of the lease are summarised as follows:

Lessee	Telstra Corporation Limited
Lease Term	Expires 31 July 2034
Options	The tenant has no option to extend the lease
Initial Rent	$21,552 p.a. plus GST payable yearly in advance
Rent Review	Rent will increase by 4% each July. In July 2024 the rent is subject to a market review with a minimum increase of 4%.
Outgoings	Telstra has no obligation to contribute to outgoings
Restoration on Expiry	Telstra is required to remove its installations on expiry of the lease and to make good all damage.

4. Investment Strategy

Investment Strategy

The Trustee will engage the Investment Manager to manage the Property on behalf of the Trust. The Investment Manager will be responsible for management of the Property and implementing the investment strategy as described in this IM. The Investment Manager will also assist the Trustee in management of the Trust.

Investment Management Approach

David Libling and the Flower Property Group have been successful investors in industrial property for 29 years. The Investment Manager will adopt his investment management approach, which is based on the following core values:

- To only buy industrial properties, which it believes, have better than average prospects for value growth and to only buy when investment yields are attractive and the risk return proposition favours the purchaser.
- To develop an understanding of each tenant's business, be in frequent and senior contact and therefore be in a position to appropriately respond to each tenant requirement and to endeavour to anticipate and solve the tenant's property's operational problems.
- To address all repairs and maintenance so as to protect the value of each property whilst minimising the impact on each Lessee's operations and over the long term minimising outgoings expense to the tenant
- To constantly assess the market and sell the property if market conditions or property specific opportunity is unlikely to be maintained in the future.

Pipeclay has been formed to provide investors with the ability to invest alongside David Libling. Consequently, no property will be the subject of any Pipeclay managed trust unless there has been a prior determination by the principals that they will invest in that property. In the case of the Blunder Road Property Trust, the principals of Pipeclay and their associates have underwritten all of the equity capital that is required to complete the purchase.

The Investment Strategy for the Property

The Investment Manager believes that over the long term well located industrial land in the greater Brisbane area will appreciate in value at annual growth rates in excess of the Consumer Price Index.

The Investment Manager is attracted to this Property for two reasons:

1. The Property is well tenanted and well suited to the current occupants needs and is therefore expected to generate good rental income in the medium to long term.
2. The prospects for capital growth are underpinned by the Property's relatively low site coverage, location and high potential to be approved for "bulky goods"retail use.

Chep Australia and its associates have occupied the property since 1992. Chep has recently agreed to a new five year lease which started on August 6 of this year, together with 2 options for extension. The improvements provide Chep Australia with relatively inexpensive premises for its pallet refurbishment works. The large expanse of concrete hardstand is operationally required for pallet storage and movement. The Investment Manager believes that Chep Australia has negotiated an attractive rent for the Property and protected its position by fixed rent reviews and a 10% cap on rent increases at "market" rent reviews. Consequently the Investment Manager believes that Chep Australia is likely to exercise at least one of its renewal options.

The Property is located diagonally opposite a major Bunnings store and a couple hundred metres from Harvey Norman and a number of other bulky goods retailers. The neighbouring property 141 Boundary Rd, which is further away from these existing bulky goods retail outlets, has already obtained development approval for conversion to retail use (bulky goods). The Brisbane Council has verbally confirmed that converting 141A Boundary Road to retail use (bulky goods) would be in accordance with Council policy.

The independent valuer appointed by the CBA has estimated the Property's current land value to be $350 per sqm ($7.36 million). This represents a significant portion (90%) of the agreed purchase price. The Investment Manager therefore expects the Property to experience above average capital growth over the longer term.

The Property offers the prospect of an attractive (and growing) income yield together with a long term capital gain opportunity based on growth in land value. Pipeclay is targeting an overall return to investors of 14.1% p.a. (annual effective) over the 15 year proposed life of this investment.

Managing Investment Capital

Investment Term

The Trustee currently believes that the optimal term of the investment for this Property is circa 15 years, being the maximum term of Chep Australia's existing right to occupy the premises.

It is the Trustee's current intention to hold the Property for no less than 10 years. If Chep Australia fails to exercise its first option to renew in August 2020 then the Trustee intends to find a replacement tenant.

Prior to selling the Property the Trustee currently intends to submit a Development Application ("DA") to the Brisbane City Council seeking a material change in the use of the premises to retail (bulky goods). The application process is expected to take circa 12 months. Once a DA is approved it is generally valid for 4 years. The Trustee currently believes that vacant possession and a DA will increase the appeal of the Property to developers looking to extend the current bulky good precinct and therefore maximise net sales proceeds to the Trust.

The Investment Manager will monitor the intentions of the sitting tenant to meet the timing considerations associated with the DA application process.

The Investment Manager will also continuously assess the market and may make recommendations to the Trustee concerning the realisation and/or the holding of the Property.

If at any time the Investment Manager recommends that the Trustee should sell the Property prior to 30 June 2029, the Trustee will call a meeting of Unitholders. The Trustee may then sell the Property if a simple majority of Unitholders at the meeting approve the sale.

If at any time the Unitholders at a meeting resolve by special resolution that the Property be sold, the Trustee will use its best endeavours to sell the Property within 12 months of the date the resolution was passed. 'Special resolution' is a resolution of Unitholders holding at least 75% of all issued Units. The Trustee will convene the meeting at the request of Unitholders with at least 25% of the issued Units.

If at any time prior to 31 March 2030 the Investment Manager recommends that the Trustee should hold the Property beyond 30 June 2031, the Trustee will call a meeting of Unitholders. If at that meeting, the Unitholders, the Unitholders by special resolution vote in favour of holding the Property beyond 30 June 2031 the Trustee will endeavour to sell the Property in accordance with the resolution.

Payment of Distributions

Distributions will be paid monthly in arrears. Settlement of the acquisition is currently expected to occur 2 November 2015. The first distribution is expected to be paid on or around 4 December 2015.

The Trust's distribution policy is to maintain an even monthly distribution with stepped annual increases over time, whilst maintaining prudent levels of cash reserves.

The Trustee will have the discretion to defer the payment of distributions or not to pay distributions if required to make adequate provision for costs and expenses of the Trust or where the Trustee considers it to be in the best interest of Unitholders.

Capital Management

The Trustee intends to take advantage of capital management opportunities if they arise.

Investment Management Team

David Libling

David was educated at Melbourne and Oxford Universities and has been the Managing Director of the Flower Property Group since its inception. David has been acquiring, managing and divesting of industrial properties for over 29 years. During his career, David has been a director of various subsidiaries of National Mutual, Rothschilds Australia, Bank of America and Westpac Banking Corporation.

David is one of the Responsible Managers for Pipeclay.

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Sandy Libling

Sandy was educated at Oxford University (Philosophy, Politics & Economics) and University of Sydney (Psychology). She has been a Director of the Flower Property Group since its inception and has experience in all aspects of industrial property investment, including construction. She has been CEO of Filmco Limited, a publicly listed company, has been an Executive Producer, and has consulted to Rothschilds Australia and NZ Insurance.

Emil Pahljina

Emil has a degree in Economics from Monash University and Bachelor of Law from the University of Melbourne. Emil has 15 years of funds management experience including a range of managed investment schemes in respect of both real estate and infrastructure assets. Emil was the Chief Executive of the ASX listed Challenger Infrastructure Fund to December 2012 and prior to that Head of Principal Investments and Acquisitions for the Specialised Capital Group at Westpac Banking Corporation.

Emil is one of the Responsible Managers for Pipeclay.

Matt Libling

Matt graduated from Cambridge University with first class honours and, subsequently, a Masters in Mathematics. Matt began his career with McKinsey & Company in London. He is currently the Director of Strategy and a member of the Executive Management Committee for NOW: Pensions, the fastest growing private sector pension scheme in the UK. NOW Pensions is a UK Subsidiary of ATP, Denmark's largest pension fund with GB70 billion of assets under management.

Fees and Charges

The Trustee is entitled to receive certain fees in consideration for services provided to the Trust. The fees paid to the Trustee will be paid out of the Trust. The Trustee has agreed to pay a significant proportion of its fees to the Investment Manager.

Asset Management Fees

The Trustee will be entitled to an annual management fee equal to 0.75% of Property Value. The management fee (plus GST) will be paid monthly in arrears each calendar month or part thereof during the term of the Trust.

The Trustee will have the Property independently valued every three years, or whenever the Bank requires and on any refinance of the Trusts debt facility. The Trustee will adopt the most recent valuation undertaken for these purposes as the Property Value for calculating management fees.

Property Management Fees

Under the terms of the Lease, the lessee is obliged to meet the cost of "Outgoings". Outgoings include the cost incurred by the property owner in relation to property management but do not include the property owner's internal costs of property management. The Trustee has engaged FPG Pipeclay Property Management Pty Limited, a related company to the Trustee, to provide property management services. The Investment Manager will be entitled to any Property Management Fees, paid by the Tenant as part of its outgoings obligations under the Lease. This fee is capped at 1.5% of net rent under the terms of the lease to Chep Australia.

Trust Expenses and Costs

Pipeclay will be entitled to recover all expenses reasonably incurred by it in relation to the establishment of the Trust, the acquisition of the Property and the activities of the Trust provided the expenses are payable to unrelated third parties.

The Trustee will not be entitled to recover any travel expenses incurred by it or the Investment Manager in providing their services.

Pipeclay will be responsible for all expenses incurred in the administration of the Trust other than external accounting costs associated with preparation of the Trust's annual financial statements and tax returns, statutory costs (including registration fees payable to ASIC) and costs associated with the Bank Loan Facility and maintaining bank accounts of the Trust.

Acquisition Discount

The FPG Pipeclay Investments Trust will provide 10% of the required equity capital by subscribing for Units ($354,000). The FPG Pipeclay Investment Trust will be entitled to a total discount equal to approximately $87,000 (being 1% of the total acquisition cost of the Property) on the face value of the 441 Units it acquires.

Equity Underwriting Fee

The Trustee has entered into certain underwriting and sub-underwriting arrangements with respect to this capital raising with various parties including related parties of the Trustee ("Underwriters"). The Trustee has agreed to pay the Underwriters a fee of approximately $79,605 being 2.5% of the total equity amount being raised, other than from the FPG Investments Trust, as consideration for the underwriting.

Outperformance Fee

Upon a Realisation Event the Trustee will be entitled to a performance fee equal to 15% (plus GST) of Unitholder returns in excess of the Hurdle IRR.

The Hurdle IRR is a pre-tax equity IRR of 10%. When calculating this IRR, all movements between the Unitholders and the Trustee will be factored in.

Building Supervision Fee

In the event of capital expenditure in excess of 3% of the value of the Property being undertaken, the Trustee is entitled to a fee equal to 4.5% of the cost of that capital expenditure. The Trustee does not expect this fee to arise during the investment term.

Refund of Due Diligence and Costs

Upon the acquisition of the Property, the Trustee will be entitled to a refund of Due Diligence and legal costs it has incurred in relation to the Property. They include:

- the cost of obtaining environmental, hydrology and engineering due diligence reports from Butler & Partners Pty Limited;
- the cost of a survey of the land from Bennett & Francis Pty Ltd ;
- the cost of the CBA obtaining a valuation report from M3 Property;
- the legal cost of negotiating amendments to the option agreement and contract of purchase and general conveyancing advice from Corrs Chambers Westgarth;
- the legal cost of drafting the Constitution, settling this IM and legal advice associated with the structure of the transaction and this Offer by Corrs Chambers Westgarth; and,
- the cost of an Asbestos report and a tax depreciation report from Napier and Blakely.

The total amount expected to be payable by the Trust in respect of the above costs is $75,000.

5. Financial Information

Acquisition Costs and Funding

A breakdown of the total acquisition costs and funding requirements of the Trust are as follows:

Acquisition Costs	
Purchase Price	8,215,000
Transfer Duty & Land Registry Fee	478,624
Due Diligence & Legal Costs	75,000
Bank Establishment Fee	21,356
Equity Underwriting Fee	79,605
Working Capital	7,415
Total	**8,877,000**
Secured Loan	-5,340,000
Total Equity Required	**5,538,000**

Bank Debt Facility

The CBA has provided the Trustee with the indicative terms upon which they are seeking approval to provide the Bank Loan Facility. These indicative terms include the following key provisions:

Facility Limit	$5,340,000
LVR	65% of Purchase Price
Term	3 years from drawdown
Interest Margin	1.40% facility margin above 90 day bank bill rate. The Trustee intends to enter into a 4 year interest rate swap to fix its interest rate cost under this loan facility.
Payments	Interest only payable quarterly in arrears
Key Covenants	EBITDA / Interest (Interest cover ratio) cover must exceed 1.85 times The Property must be insured on terms acceptable to CBA. The Trustee will not alter the Lease, the Constitution and the management agreement without the CBA's consent
Key Event of Default	The LVR to not exceed 65% for the term of the facility. The Trustee may cure any default by reducing the outstanding loan balance or by providing cash security to the CBA.

Interest Rate Management

CBA has also offered to provide the Trust with a 4 year interest rate swap to effectively fix the level of its interest rate payments on the Bank Loan. It is the intention of the Trustee to fix 100% of the interest rate on its secured loan at settlement of the acquisition of the Property.

The Trustee will monitor long term interest rates and where it believes Unitholders interests are best served it will seek to extend some or all of its interest rate swaps to cover the expected interest rate exposure in the period beyond the initial term of the interest rate swap. Currently the CBA will not approve a swap term that expires within 9 months of the potential expiry of the lease to Chep Australia.

In the event that the interest rate swap is terminated earlier than its maturity date (4 years from settlement), then break costs may be payable to or receivable from the CBA.

Event of Default

The Trust is required to have a LVR no greater than 65% during the term of the facility. The LVR will be determined by reference to an independent valuation from a CBA approved valuer.

Debt Refinance

The Trustee will regularly assess the state of debt capital markets and evaluate opportunities to refinance the Bank Loan Facility.

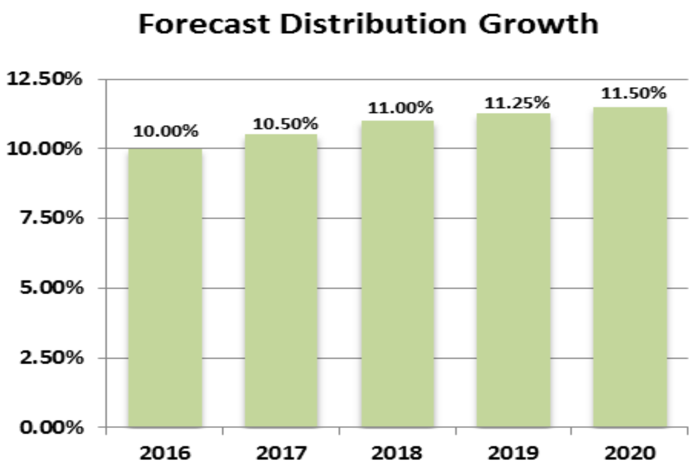
Target Returns to Investors

Forecast returns to Investor over the first 5 years of the Trust are shown below.

Period Ending 30 June	FY 16*	FY 17	FY 18	FY 19	FY 20
Rent	481,322	662,716	682,597	703,075	724,167
Recoverable Outgoings	101,419	157,883	164,198	170,766	177,596
Total Inflows	**582,742**	**820,598**	**846,795**	**873,841**	**901,764**
Debt Interest & Fees	-137,130	-207,687	-207,687	-207,687	-253,545
Outgoings	-94,361	-146,894	-152,770	-158,881	-165,236
Property Management Fee	-7,058	-10,988	-11,428	-11,885	-12,360
Asset Management Fee	-40,768	-61,616	-61,616	-64,710	-64,710
Trust Expenses	-5,293	-8,240	-8,570	-14,320	-9,269
Total Net Outflows	**-284,611**	**-435,425**	**-442,070**	**-457,483**	**-505,121**
Net Income (Before Depreciation	**298,131**	**385,173**	**404,725**	**416,358**	**396,643**
Movement in Working Capital	-56,464	-4,548	-5,975	-8,545	20,232
Cash Avaliable for Distribution	**241,667**	**380,625**	**398,750**	**407,813**	**416,875**
Distributions ($ per Unit)	66.7	105.0	110.0	112.5	115.0
Running Yield	**10.00%**	**10.50%**	**11.00%**	**11.25%**	**11.50%**
Monthly Distributions	8.33	8.75	9.17	9.38	9.58
Interest Cover (EBITDA / Interest)	3.91	3.61	3.74	3.83	3.26

* FY16 cash flow relates to the 8 months from settlement of the acquisition assumed to be 2 November 2015 to 30 June 2016. Running yield has been annualised

The targeted distributions for investors are illustrated below:



The investment highlights for investors are:

- A forecast distribution of 10% p.a for the 8 months to 30 June 2016 rising to 10.5 % for the year to 30 June 2017.
- Distributions will be paid monthly in arrears.
- The Trustee expects a portion of the distributions will be tax deferred in the 2016 financial year. The Trustee expects a depreciation schedule to be available in November 2015.

Return Assumptions

The forecast returns set out in this IM are based on the Trust completing the acquisition of the Property on 2 November 2015 in accordance at a total acquisition & formation cost of $8,877,000 million as set out above and the following assumptions, which the Trustee considers to be reasonable and appropriate.

Rental Income

The Tenant pays all rent and outgoings in accordance with its obligations under the proposed lease:

- Chep Australia pays rent of $625,000 p.a. monthly in advance from acquisition. The Chep Australia rent increases by 3% each August during the forecast period.
- Telstra pays rent of $22,414 p.a. annually in advance from 31 July 2016. The Telstra rent increases by 4% each July throughout the forecast period.
- Chep Australia pays all outgoings when due in accordance with the terms of its lease.

Senior Debt Assumptions

The Trustee borrows $5.34 million from the CBA in accordance with its offer of finance:

- The terms of the Bank Loan Facility including all fees and margins are as set out above.
- The fixed rate payable under the 4 year interest rate swap is 2.49% p.a. The base interest rate is assumed to increase to 3.62% p.a. from 30 September 2019 for the remainder of the forecast period. The bank facility margin is assumed to be 1.40% p.a throughout the forecast period.
- There is no event of default during the forecast period.

Tenancy Assumption

The current Tenant continues to occupy the Property until expiry of the initial lease term.

Trust Administration Expenses

The Trustee will bear costs and expenses associated with administration of the Trust other than:

- External accounting costs associated with the preparation of annual financial and tax returns.
- Statutory costs associated with the Trust.
- Bank charges and costs associated with the Bank Debt Facility including the costs associated with getting independent valuations of the Property.
- Costs associated with the Trusts bank accounts.

Management Fees

The fees payable to the Trustee are as set out in Section 4 of this IM.

Targeted Overall Return to Investors

The Trustee has prepared an Investment Model, which calculates the overall return to Investors in certain scenarios. The Trustee believes that an acceptable Base Case scenario is as follows:

- The Tenants pays all rent and outgoings when due.
- Chep Australia occupies the premises until 4 August 2030, circa 15 years from settlement.
- Chep Australia's rent escalates at 3% for the entire term of their occupancy (i.e the market reviews in August 2020 and August 2025 result in a 3% increase in annual rent).
- The Bank Loan Facility is refinanced on similar terms for the duration of the investment term.
- The Trustee's average interest rate cost (including margins & fees) is 3.89% p.a. for the period to 30 September 2019, then 5.02% p.a. until 30 September 2025 and 6.52% p.a. thereafter.
- The Trust's administration expenses are $8,000 p.a. and escalate at 4% p.a. over the investment term.
- Management fees are as set out in Section 4.

The Property is sold in 15 years' time for $13.25 million. This assumes that the market value for the land is currently $350 per sqm and that the land value escalates at 4.0% p.a for the duration of the investment term. The overall return to Investors in this Base Case scenario is 14.1% p.a (annual effective) after payment of the outperformance fee.

Tax Deferred Benefits

The targeted annual distributions indicated above may include deferred tax distributions due to building depreciation allowances and depreciation of plant and equipment. The Trustee will arrange for a schedule of depreciation to be prepared following the acquisition of the Property, which will allow the tax deferred component of the distributions to be determined.

Sensitivity Analysis

The targeted returns are based on certain assumptions. While these assumptions are currently considered reasonable and appropriate, the nature of the property market and uncertainties and risks involved in predicting future events are such that actual outcomes may vary significantly from anticipated returns set out in this IM.

The following sensitivity analysis seeks to illustrate the susceptibility of Unit Holder returns to variations of certain identified event assumptions. All assumptions other than those identified are held constant in the Investment Model for the purpose of these illustrations.

Changes to Interest Rates

Currently the Investment Model assumes that the weighted average swap rate entered into by the Trustee at settlement is 2.49% which is reflective of the 4 year swap rate offered by the CBA at the date this IM was prepared. Changes to the interest rate set on settlement of +/- 25pts have the following impact on Unitholder returns:

Variance	4 Year Swap Rate (Yrs 0 – 5)	Equity IRR (Annual Effective)	Distributions Per Unit* (FY 16 – 20)
-25pts	2.24%	14.2%	52.3%
Base Case	2.49%	14.1%	50.9%
+25pts	2.74%	13.9%	49.5%

* Total distributions forecast to be paid to 30 June 2020 as a % of Unit issue price

In addition the Investment Model assumes that on maturity of the initial 4 year interest rate swap the fixed interest rate for is 3.62% until 30 September 2025 and 5.12% thereafter for the remainder of the investment term. Changes to these interest rates of +/- 100bpts have the following impact on Unitholder returns:

Variance	Interest Rate (Yrs 5 – 10)	Interest Rate (Yrs 10 – 15)	Equity IRR (Annual Effective)
-100pts	2.62%	4.12%	14.7%
Base Case	3.62%	5.12%	14.1%
+100pts	4.62%	6.12%	13.5%

* Total distributions over the forecast period remain unchanged

Changes in Annual Growth in Land Value

The Investment Model assumes that the current market value of the land is $350 per sqm and that this land value escalates at circa 4%p.a. The following table demonstrates the effect of that growth rate being +/- 100pts over the term of the Investment.

Variance	Growth Rate % p.a.	Equity IRR (Annual Effective)	Distributions Per Unit* (FY 16 – 20)
-100bpts	**3.0%**	**13.2%**	**50.9%**
Base Case	**4.0%**	**14.1%**	**50.9%**
+100bpts	**5.0%**	**14.9%**	**50.9%**

* Total distributions forecast to be paid to 30 June 2020 as a % of Unit issue price

Chep Australia Fails to Exercise an Option

The Investment Model assumes that Chep Australia exercises both renewal options and therefore only vacates the Property in 15 years' time.

If Chep Australia elects not to exercise its first renewal option in August 2020 the Trustees currently intends to re-lease the Property to alternate tenants. This may not be achieved within the notice period set out in the lease and consequently the Property may not be generating rent for a period of time, in which case distributions would likely be suspended. An extended period of vacancy could result in a breach of the terms of the Bank Loan and there could be a significant diminution in Unitholder returns and / or losses suffered by Investors.

Should Chep Australia exercise its first renewal option but not the second renewal option in year 10 then the Trustee may recommend that Unitholders agree to sell the Property and liquidate the Trust at that time. In which case the Equity IRR (annual effective) is 13.8% p.a. assuming a current market value for the land of $350 per sqm and that this land value escalates at 4% p.a. over the reduced term of the Investment. The following table demonstrates the impact on Unitholder returns at growth rates of at + / - 100 bpts over the reduced investment term:

Variance	Growth Rate p.a.	Equity IRR (Annual Effective)	Distributions Per Unit* (FY 16 – 20)
- 100bpts	3.0%	12.6%	**50.9%**
10 Year Term	4.0%	13.8%	**50.9%**
+100bpts	5.0%	14.9%	**50.9%**

* Total distributions forecast to be paid to 30 June 2020 as a % of Unit issue price

6. Risks

Risks

Investing in the Trust exposes an Investor to a variety of risks. Investors should be aware that the value of future distributions and total returns may be influenced by a number of factors. Investors should only make an investment if they are prepared to accept the risks of that Investment.

Some general and more specific risks are considered below. **The risks identified are not an exhaustive list.** The risks we have set out are considered by us to represent the most significant risks of the Trust. The mitigating factors listed below should not be viewed as eliminating the identified risks but rather as factors to be considered.

Completion of Acquisition

RISK: The acquisition of the Property is subject to the satisfactory completion of the due diligence referred to in section 3 (Property) of this Information Memorandum. The obtaining of satisfactory results of the due diligence is, itself, a condition to finalising the Bank Loan Facility.

Valuation

RISK: The value of the Property may decrease, not meet growth expectations or oscillate. Such changes can have significant negative effects on the the Trusts existing financing arrangements, the Trustees ability to refinance the existing bank loan and/or the price realised on sale of the Property. Changes in value of the Property may arise as a result of property specific matters and general market conditions. Some of the major factors which influence the value of an industrial property are the level of general economic activity, the attractiveness for industrial activity of the area in which a property is located, the financial quality of the tenant, the remaining period of the lease term, physical requirements for industrial facilities, the level of long term interest rates, supply/availability of industrial land, the actual rent and its relationship to market rents and the site coverage ratio. All of these change over time.

The independent valuations of the Property procured by the Trustee, or the Trust's financiers may not accurately reflect the realisable market value of the Property on disposal, due to assumptions and difficulties in accurately valuing real estate.

The above risks could cause the Trust to breach its loan covenants resulting in loss to the Trust and a decrease in the value of an Investment.

MITIGANT: The independent valuer instructed by the CBA has confirmed that the agreed purchase price is the current market value of the Property.

Rent Reviews

RISK: The Lease provides for "market" rent reviews upon option exercise. If an option is not exercised and the Trustee seeks to lease the property to a new tenant, the Trust will be exposed to the vagaries of market rent at that point in time.

MITIGANT: The current land value as assessed by the independent valuer instructed by CBA appears to support the level of rent payable by Chep Australia. The valuation states that rental growth of 3% p.a. is likely to be below market.

Vacancy / Leasing

RISK: Chep Australia may not exercise its option to renew on expiry of the current lease term (August 2020). The local rental market and or economy may be in a downturn leading to difficulty in securing an alternate tenant and or maintaining rental value. In which case distributions would likely be suspended and there could be significant diminution in Unitholder returns and / or losses suffered by investors. Further a vacancy could result in a breach of the terms of the Bank Loan. The Trust may need to raise further capital from Unitholders to prevent a potential event of default.

MITIGANT: Chep Australia and its associates have occupied the Property for 23 years and the Property appears to suit its needs at an attractive rental. The Property is very well located and has major road exposure.

Tenants Performance

RISK: The Property's income, and value, is dependent on the Tenant's ability and willingness to meet its obligations including its payment obligations. If the Tenant were unable to meet its obligations this would have an adverse effect on the Trust. Distributions would likely be suspended and there could be significant diminution in Unitholder returns and / or losses suffered by investors.

MITIGANT: Chep Australia is a substantial subsidiary of Brambles Limited, which has a current market capitalisation of $15 billion and a reported profit after tax of US$585.5 million for the financial year ending 30 June 2015.

Term and Liquidity

RISK: The Trust term is expected to be 15 years. The Trust will be illiquid and there will be no established secondary market in which to sell Units.

Debt Finance

RISK: The initial term of the bank facility will be 3 years. Over the expected term of the investment the Trustee will periodically need to refinance the bank loan once. The availability of credit and the terms on which it is available is a function of the credit markets. Depending on the market conditions prevailing at the time, the terms relating to any replacement loan, including the LVR and interest cover ratio, maybe less favourable to the Trust than the terms of the initial loan provided by the CBA. Banks will generally require the LVR to be lower when a lease is near expiry.

The Trustee may be required to raise equity to reduce the Trust's LVR so as to avoid a forced sale of the Property. This may result in dilution of Unitholders' investment in the Trust and will negatively affect overall returns to Unitholders. Unitholders will rank behind all secured and unsecured creditors of the Trust in any winding up of the Trust.

MITIGANT: The rent payable by Chep Australia increases by 3% p.a and as such will be 9.27% above its current level on maturity of the initial Bank Loan facility. Furthermore the independent valuers appointed by the CBA have concluded that a large portion of the value of the Property is its land value. The Trustee anticipates that these factors will provide some buffer against tightening LVR requirements at the end of the Lease period.

RISK: Any increase in the interest rate incurred by the Trust on its bank loan decreases the amount available for distribution to Unitholders. A sufficiently large increase in interest rates payable by the Trust could result in a breach of the covenant relating to the Interest Coverage Ratio. This could result in the Trust being forced to sell the Property at a disadvantageous time or manner and result in a loss to the Investors.

The Trustee has made arrangements with the CBA to fix the interest rate for 4 years from the date of settlement. Interest rates may increase from the date of this IM to the settlement date, which may have an adverse impact on Unitholders returns. For the purpose of forecasting the long term return on this investment the Trustee has made an assumption as to the average interest rate in years 5-15 of the currency of this Investment. That assumption may prove to be incorrect and have an adverse impact on Unitholder returns.

Early termination of the swap arrangement would result in break costs, which equal the difference between the economic value of the initial swap rate and the economic value of the then applicable swap rate. This could result in a substantial payment to or from the Trust.

The Investment Manager has provided a sensitivity analysis on the potential impact of interest rates being higher or lower than the assumptions made in relation to the forecast period and the target return for Unitholders.

Single Asset Exposure

RISK: The Trust is a single asset investment and is not diversified. The return on investment is dependent solely on the income generated by and value of the Property. If the rental income or the value of the Property decreases, the Trust will have no other assets to minimise the adverse effect on the performance of the Trust.

Environmental Risk

RISK: In forming its view that the Property is in a condition to be an attractive investment for the Trust the Trustee has relied on an environmental investigation" by Butler Partners Pty Ltd. The Trustee does not have in-house professional expertise in this field. If it should transpire that this report is wrong, inaccurate or failed to uncover some defect or shortcoming (whether latent or otherwise), the Trust could incur substantial expenditure and/or the value of the Property could be substantially diminished. It is possible for these adverse consequence(s) to arise without any fault or negligence on the part of the consultants engaged by Pipeclay.

MITIGANT: The Trustee has employed a specialist consultant to investigate the identified risks, which it believes to be reputable and experienced. Butler & Partners have considered the historical uses of the site and have concluded that further investigation is not warranted other in respect to a quantity of "fill" brought onto the site prior to 1992. Butler & Partners have no reason to expect that the fill was contaminated but have nevertheless recommended that two further sample bores be drilled in order check the filled areas for contaminants. These sample bores have been commissioned. The Trustee will issue Investors a supplemental information memorandum outlining any noteworthy issues, if any emerge from these investigations.

Persons intending to invest in the Trust are encouraged to contact the Trustee who on request will provide electronic copies of the report provided by the consultant. Potential investors are encouraged to assess for themselves the thoroughness and likely accuracy of their report.

Investment Model Assumptions

RISK: The Investment Model used to estimate Unitholder returns on the Investment is subject to numerous assumptions. Whilst, at the date of this IM, these assumptions are considered to be reasonable and appropriate by the Trustee, the assumptions may prove to be incorrect. If any of the assumptions prove to be incorrect, this may materially adversely affect the estimated returns to Unitholders.

Flooding

The Property and surrounding area (including Bunnings) was heavily inundated during the 2011 Brisbane floods. Various works and other measures have been undertaken which are expected to have reduced the risk of flooding in the future. Notwithstanding, it is highly probable that the Property is still subject to some residual flooding risk.

The risk of inundation may increase the cost of any future construction on site which could impact land value, or deter potential tenants from considering the site as an appropriate location for their business operations.

Furthermore if the Property suffers damage or destruction as a result of a flood this may entitle the Tenant to terminate its lease and/or the CBA to demand repayment of its loan. In these circumstances the Trust could suffer substantial financial loss.

MITIGANT: The Trustee has engaged Butler Partners, a specialist consultant, to specifically consider future construction costs on the site. Bulter & Partners have advised that construction on this site will not be materially more challenging than usual and that construction consistent with the Properties current and intended use on site is unlikely to require extensive piling.

The independent valuers engaged by the CBA have considered the flood risk in their determination of the current market value. M3 Property believes that a six month letting up period is adequate for this property in the current market.

Persons intending to invest in the Trust are encouraged to contact the Trustee who on request will provide electronic copies of the valuation and Butler & Partners report.

Chep Australia can generally only terminate the lease where the damage caused by a flood results in the Property being uninhabitable for 3 months. Following the 2011 flood event Chep Australia continued to occupy the Property and have recently entered into a new 5 year lease.

Natural Events

RISK: The Property could be affected by a range of natural events including fire, flood, earthquake or other event.

The Property will be insured against physical loss or damage to the improvements and consequential loss of rent. However, it is possible, though in the opinion of the Trustee unlikely, that the Property will be affected by an uninsured event (for example any damage resulting from civil unrest). It is also possible, though in the opinion of the Trustee unlikely that the insurance will prove to be inadequate (for example if the period of reinstatement exceeds the period of loss of rent insurance).

If the Property suffers damage or destruction that event may entitle the Tenant to terminate its lease and/or the CBA to demand repayment of its loan. In these circumstances the Trust could suffer substantial financial loss.

MITIGANT; Chep Australia can generally only terminate the lease where the damage caused by the natural event results in the Property being uninhabitable for 3 months.

Need for Capital Expenditure

RISK: Any investment in Industrial properties carries with it the risk that a material amount of capital expenditure will be required. Circumstances where capital expenditure may be incurred include:

(a) the fabric or plant of the building may require replacement at an earlier date than anticipated by the Trustee

(b) if the Tenant does not exercise its option, an alternate tenant may only be available if there is a greater level of development of the land.

Taxation

RISK: The taxation rules governing an investment in the Trust may change during the investment term. These changes may adversely affect Unitholder returns. Each investor is encouraged to seek professional tax advice in connection with any investment in the Trust

Legal Risk

RISK: The Trustee has engaged Corrs, Chambers Westgarth, solicitors, to act for it. The Trustee does not have in-house legal expertise and relies on its solicitors to obtain valid title to the property, a registered valid lease and a well-drafted and valid trust deed under which the trust is administered. If any of these matters were to prove to be incorrect, the Trust could suffer substantial financial detriment.

Unforseeen and Unlisted Events

RISK: Owning and renting an industrial property is a form of business activity. Like all business activities it carries risks, including risks, of rare, unforeseen or overlooked events. Such risks if they materialise can result in a material financial detriment to Unitholders.

7. Taxation

The information provided below is a brief summary of some relevant tax considerations and does not constitute advice or the opinion of the Trustee. Pipeclay does not have any in-house taxation expertise and in listing the consideration below has relied on advice and seeks no more than to highlight to the Investors that each Investor should obtain its own advice reflective of his/her circumstances.

It has been prepared on the basis that Investors are Australian residents who hold their Units on capital account. The information may not apply to Investors who are carrying on a business of trading or investing in Units for a profit. The taxation of a unit trust investment such as the Trust can be complex and may change over time. This section is not, and is not intended to be, tax advice. Accordingly, Investors are advised to seek professional tax advice in relation to their own position. The information below is based on existing tax law and practice as at the date of this IM.

Taxation of the Trust

The Trustee will not generally be liable for Australian income tax, provided that Investors are presently entitled within each income year to all of the distributable income of the Trust for that income year. This is intended to be the case under the Trust Constitution. The taxation liability, in respect of the net income of the Trust, will rest with the Investors.

Public Trading Trusts

The Trust may, however, be liable for income tax in any year where the requirements to be classed as either a public trading trust or a corporate unit trust are satisfied for that year. Based on the investment strategy of the Trust described in Section 4 of this IM, the Trustee believes that the Trust is not likely to meet these requirements and so should not be taxable as a public trading or corporate unit trust. The requirements are ongoing so that the position of the Trust in any year will depend upon the circumstances of the trust in that year.

Tax Losses

Where a revenue loss or net capital loss is incurred by the Trust, the loss cannot be passed on to Investors for tax purposes. Instead, revenue tax losses will, provided the relevant trust loss rules are satisfied, be carried forward in the Trust and offset against assessable income derived by the Trust in future years. Net capital losses will be carried forward in the Trust and will be available to offset against future capital gains. The relevant trust loss rules for carrying forward revenue losses include a continuity of more than 50% of the ownership interests in the Trust.

Managed Investment Trust Rules

For the Trust to qualify as a managed investment trust in relation to an income year, it must satisfy a number of conditions including conditions relating to being widely held by Investors. Based on the anticipated investor base of the Trust, the Trustee does not believe the Trust will satisfy the "widely-held conditions" necessary for the Trust to qualify as a managed investment trust.

The remainder of this section, the investment strategy and the Investment Model assume that the Trust is not a managed investment trust.

Taxation of Australian Resident Investors

Taxation of Distributions

Investors should have a present entitlement, within each income year, to all of the distributable income of the Trust for that income year. As such, each Investor will be required to include in their assessable income their share of the Trust's net income for each income year ending 30 June, at the tax rate applicable to the Investor.

The assessable portion of trust distributions, as advised by the Trustee on an annual basis, should be included in an Investor's assessable income in the year to which the distribution relates (i.e. the year in which the Trust derives the income, not when it is physically received by the Investor).

Distributions from the Trust may include various components, the taxation treatment of which may differ depending on the status of the Investor. For example, distributions may include tax deferred amounts, CGT concession amounts and net capital gains.

Tax Deferred Distributions

Tax deferred distributions effectively represent the excess of the income distributed by the Trust over the assessable component of those distributions.

The excess is sheltered from tax because of deductions such as capital works, depreciation on plant and equipment and other tax timing differences. Under current law and administration, tax deferred distributions are not immediately assessable when received by the Investor but will reduce the cost base of their Units. Therefore, tax deferred distributions received affect the Investor's capital gain/loss on disposal of the Units. If an Investor exhausts their cost base in the Units, the tax deferred component of the distributions will give rise to an immediate capital gain to that Investor.

CGT Concession Component

The CGT concession component of a distribution represents the component of a capital gain derived by the Trust which is not taxable by virtue of the CGT discount rules. There will be no reduction to the cost base of the Units held by the Investor in respect of the CGT concession component of a distribution by the Trust.

Net Capital Gain

A realised capital gain distributed by the Trust should be included with an Investor's other capital gains and losses (i.e. calculation of their net capital gain or loss).

Where the distributed capital gain includes a discounted capital gain component, the Investor is required to "gross up" that amount by the discount applied by the Trust (i.e. 50%). The nominal capital gain (i.e. the whole amount of the gain prior to discount) is then included in the calculation of the Investor's net capital gain. The Investor may be entitled in their own right to a CGT discount if it is an individual, a trust or a complying superannuation entity (50% in the case of an individual or trust and 33⅓% in the case of a complying superannuation entity). Companies do not receive a discount on capital gains.

Disposals of Units and Taxation of Capital Gains

Investors who dispose of their Units must include any realised capital gain or loss on disposal of the Units in the calculation of their net capital gain or loss for the year. A net capital gain will be included in assessable income. A net capital loss may be carried forward until the Investor has realised capital gains against which the net capital loss can be offset (subject to any relevant loss recoupment rules). A net capital loss cannot be deducted against other assessable income for the year.

An Investor's net capital gain or loss is calculated as follows:

- The excess or shortfall of disposal proceeds over the cost base of the Units gives rise to a capital gain or loss on disposal of the Units.
- If the Investor has held the Units for less than 12 months, this amount is the gain or loss included in the Investor's net capital gain calculation.
- If the Investor has held the Units for 12 months or more and there is a loss, this loss is included in the Investor's net capital gain calculation.
- If the Investor has held the Units for 12 months or more and there is a gain, a discount factor may be available to certain Investors. The gain on the Units is initially reduced by any other capital losses of the Investor. If, as a result, a net capital gain arises it may be reduced by the discount factor. The discount factor for individuals and trusts is 50%, whilst a discount factor of 33⅓% applies for complying superannuation entities.

GST

GST of 10% is generally applicable to the fees, costs, expenses and commissions payable by the Trust, including the base management fees and other fees paid to the Trustee.

Generally the Trust can claim a credit for the GST incurred on expenses related to the underlying Property, so there is no net GST cost to the Trust. Certain costs, such as some of those related to the initial issue of Units and Investor relations will not be eligible for full credit, in which case 75% reduced input tax credits may be available on the ineligible part.

GST is not applicable to Investors in relation to the acquisition or redemption of Units.

Tax File Numbers and Australian Business Numbers

An Investor need not quote a TFN when applying for Units. However, if a TFN is not quoted, or an appropriate TFN exemption is not provided, tax is required to be deducted from any income distribution entitlement at the highest marginal tax rate plus Medicare levy (currently 46.5%) unless the Investor holds Units in the course of furtherance of an enterprise, in which case an ABN can be quoted instead.

8. How to Apply

PIPECLAY LAWSON

How to Apply

Investors who wish to apply for Units must complete and return the attached Application Form.

First, read this IM and the Constitution, and the Application Form, and once signed, return the Application Form to Pipeclay Lawson Limited at GPO Box 5355, Sydney, NSW, 2001, so it is received by no later than 3.00pm Wednesday, 14 October 2015 in order to facilitate settlement of the acquisition of the Property on 2 November 2015.

Applicants must also either enclose a cheque with their application or alternatively electronically transfer the requisite sum in accordance with the directions set out in the Application Form. All cheques should be made out to Pipeclay Lawson Limited ATF the Blunder Road Property Trust. The Trustee may, acting in its sole discretion, extend the time for payment of any subscription amounts by Investors.

Save in the case of those Investors subscribing for, at least, $500,000 worth of Units, all Investors will also be required to provide a Wholesale Client Declaration form certified by a qualified accountant.

ATTENTION IS DRAWN TO THE REPRESENTATIONS CONTAINED IN THE APPLICATION FOR UNITS FORM

INVESTORS WHO SUBSCRIBE AND WHOSE SUBSCRIPTION IS ACCEPTED WILL BE BOUND BY THE CONSTITUTION.