Elanor COMMERCIAL PROPERTY FUND

ELANOR COMMERCIAL PROPERTY FUND

Product Disclosure Statement

Issued by Elanor Funds Management Limited
(ABN 39 125 903 031, AFSL 398196)
Offer of up to 138.9 million Securities at $1.25 each

6 NOVEMBER 2019

Joint Lead Managers

MOELIS AUSTRALIA ORD MINNETT ShawandPartners an EFG company

IMPORTANT NOTICES

THIS INFORMATION IS IMPORTANT AND REQUIRES YOUR ATTENTION.

It is important that you read this document carefully and in its entirety prior to making your investment decision with respect to the Offer. In particular you should pay careful consideration to the risk factors outlined in Section 7 and the tax implications in Section 12 of this document as they relate to your personal investment objectives, financial circumstances and needs. The potential tax effects of the Offer will vary between investors. Other risk factors may exist in addition to those identified in this document which should also be considered in light of your personal circumstances.

THE ISSUER

This document is a product disclosure statement (the "**PDS**") for the purposes of Part 7.9 of the Corporations Act and has been issued by Elanor Funds Management Limited (ABN 39 125 903 031, AFSL 398196) ("**Responsible Entity**") as Responsible Entity of Elanor Commercial Property Fund I (ARSN 636 623 099) and Elanor Commercial Property Fund II (ARSN 636 623 517), (each a "**Trust**" and together the "**Fund**"). The offer contained in this PDS is an offer of units in each of the Trusts, which will be stapled together and trade as stapled securities ("**Securities**") (the "**Offer**").

LODGEMENT AND LISTING

This PDS is dated 6 November 2019 and was lodged with the Australian Securities and Investments Commission ("**ASIC**") in accordance with Section 1013B of the Corporations Act on that date. The Responsible Entity will apply for the admission of the Fund to the official list of ASX and the quotation of the Securities on ASX within seven days of the date of this PDS. Neither ASIC nor ASX takes any responsibility for the contents of this PDS or the merits of the investment to which this PDS relates.

ASX reserves the right (but without limiting its absolute discretion) to remove one or more entities with Securities from the ASX Official List if any of their securities cease to be stapled together, or any equity securities are issued by one entity which are not stapled to equivalent securities in the other entity.

REFERENCES TO THE FUND AND THE RESTRUCTURE

In connection with the Offer, the Trusts are undergoing a restructure that is expected to complete around the time the Securities are allotted and issued pursuant to the Offer. Unless otherwise specified, this PDS has been prepared as if the restructure has been completed. References to the Fund throughout this PDS are references to the Fund that will exist from Completion of the Proposed Transaction. For example, the Investment Summary in Section 1 and the Fund Overview in Section 2 describe the Fund as if the restructure has completed, and the Forecast Financial Information in Section 6 represents the combined Fund for the financial year ending 30 June 2020. The key terms of the Implementation Deed are summarised in Section 13. Securities issued under the Offer are being issued under this PDS.

NOT INVESTMENT ADVICE

The information contained in this PDS should not be taken as financial product advice and has been prepared as general information only without consideration for your particular investment objectives, financial circumstances or particular needs. In particular you should pay careful consideration to the risk factors outlined in Section 7 in light of your personal circumstances, recognising that other risk factors may exist in addition to those identified and should also be considered before deciding whether to invest. If you have any queries or uncertainties relating to aspects of this PDS or the Offer please consult your stockbroker, accountant or other independent financial adviser before deciding whether to invest. Similarly the tax implications of your investment will vary depending on your personal financial circumstances and investment objectives. You should consider the tax implications outlined in Section 12 of this PDS and obtain your own professional taxation advice prior to deciding whether to invest in this Offer.

EXPOSURE PERIOD

The Corporations Act prohibits the Responsible Entity from processing Applications in the seven day period after the date of lodgement of the PDS ("**Exposure Period**"). This period may be extended by ASIC by up to a further seven days. The purpose of the Exposure Period is to enable this PDS to be examined by market participants before the sale of the Securities. Applications received during the Exposure Period will not be processed until after the expiry of that period. No preference will be conferred on Applications received during the Exposure Period.

NO COOLING OFF RIGHTS

Cooling-off rights do not apply to an investment in the Securities pursuant to the Offer.

RIGHTS AND LIABILITIES ATTACHED TO THE SECURITIES

From the date the Securities under the Offer are issued, all Securities will rank equally in all respects to the Securities on issue. Details of the rights and liabilities attached to each Security are set out in Section 13.1 and in the Constitutions of the Trusts, copies of which are available for inspection at the registered office of the Responsible Entity within normal trading hours.

ELECTRONIC PDS

An electronic copy of this PDS may be viewed online by Australian investors at www.elanoroffer.com during the Retail Offer Period. If you access the PDS electronically please ensure that you download and read the PDS in its entirety. The Offer to which this PDS relates is available to persons receiving this PDS (electronically or otherwise) in Australia only.

It is not available to persons in other jurisdictions other than under the Institutional Offer.

A paper form of this PDS can be obtained, free of charge, during the Retail Offer Period by contacting the Fund's Offer Information Line on 1800 773 382 (toll free within Australia) between 9:00am and 5:00pm (Sydney time) Monday to Friday.

Applications for Securities will only be considered if applied for on an Application Form attached to or accompanied by a copy of this PDS (refer to Section 17 for further information).

The Corporations Act prohibits any person from passing the Application Form on to another person unless it is accompanied by this PDS in its paper form or the complete and unaltered electronic form.

OVERSEAS INVESTORS

This PDS has been prepared to comply with the requirements of Australian law and is only being made to Australian resident Retail Investors and Institutional Investors in Australia, New Zealand, Hong Kong and Singapore and any other jurisdictions as determined by the Responsible Entity and Joint Lead Managers. This PDS does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

Distribution of this PDS outside of Australia (whether electronically or otherwise) may be restricted by law. Persons who receive this PDS outside of Australia are required to observe any such restrictions. Failure to comply with such restrictions may find you in violation of applicable securities laws. No action has been taken to register or qualify the Securities or the Offer, or to otherwise permit a public offering of Securities in any jurisdiction outside Australia. The Securities have not been, and will not be registered under the US Securities Act and may not be offered or sold in the United States or except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act. This PDS may not be distributed in the United States or to any person in the United States. Any person subscribing for Securities in the Offer shall by virtue of such subscription be deemed to represent that they are not in a jurisdiction which does not permit the making of an offer or invitation as detailed in this PDS, and are not acting for the account or benefit of a person within such jurisdiction. None of the Responsible Entity, the Joint Lead Managers, nor any of their respective directors, officers, employees, consultants, agents, partners or advisers accepts any liability or responsibility to determine whether a person is able to participate in the Offer. See Section 8.8 for further details.

UPDATED INFORMATION

Information regarding the Offer may need to be updated from time to time. Any updated information about the Offer that is considered not materially adverse to investors will be made available on the Fund's website at www.elanoroffer.com. The Responsible Entity will provide a copy of the updated information free of charge to any eligible investor who requests a copy by contacting the Fund's Offer Information Line on 1800 773 382 (toll free within Australia) between 9:00am and 5:00pm (Sydney time) Monday to Friday during the Retail Offer Period. In accordance with its obligations under the Corporations Act, the Responsible Entity may issue a supplementary PDS to supplement any relevant information not disclosed in this PDS. You should read any supplementary disclosures made in conjunction to this PDS prior to making any investment decision.

VARIATION OF THE OFFER

At any time prior to the allocation of the Securities contemplated in this PDS, the Responsible Entity reserves the right in its absolute discretion, without advance notice and without liability, to vary the Offer or its procedures or to postpone or cancel the Offer.

FINANCIAL INFORMATION

Section 6 of this PDS sets out in detail the financial information referred to in this PDS and the basis of preparation of that information. The Statutory Historical Financial Information includes the Statutory Historical Consolidated Income Statements of the Fund for the year ended 30 June 2017 (FY17), 30 June 2018 (FY18) and 30 June 2019 (FY19) and the Statutory Historical Consolidated Balance Sheet of the Fund as at 30 June 2019, which were audited by Deloitte Touche Tohmatsu. The Financial Information includes the Pro Forma Balance Sheet of the Fund as at the Allotment Date, which is derived from the Statutory Historical Consolidated Balance Sheet of the Fund as at 30 June 2019, after applying certain Pro Forma Adjustments to reflect the impact of the Offer and certain other transactions occurring between 1 July 2019 and Allotment Date.

The Forecast Financial Information included in this PDS comprises the Statutory Forecast Consolidated Income Statements of the Fund for year ending 30 June 2020 (FY20) and 30 June 2021 (FY21), together with the Pro Forma Forecast Distribution Statements for the period from the Allotment Date to 30 June 2020 and FY21. The Statutory Forecast Consolidated Income Statement for FY20 comprises the actual but unaudited financial results of Elanor Commercial Property Fund I and Elanor Commercial Property Fund II for the period from 1 July 2019 to 30 September 2019 and the forecast financial results from 1 October 2019 to the Allotment Date, together with the forecast financial results of Elanor Commercial Property Fund I and Elanor Commercial Property Fund II, including the forecast results related to the property acquisitions contemplated under this Offer, for the period from the Allotment Date to 30 June 2020, based on the best estimate assumptions of the Directors. The Forecast Financial Information is prepared and presented in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards, except where otherwise stated.

The Financial Information in this PDS should be read in conjunction with, and is qualified by reference to, the information contained in Section 6.

All financial amounts contained in this PDS are expressed in Australian dollars and rounded to the nearest $0.1 million unless otherwise stated. Some numerical figures included in this PDS have been subject to rounding adjustments. Any discrepancies between totals and sums of components in tables contained in this PDS are due to rounding. All fees in the PDS are quoted exclusive of GST unless otherwise stated. All financial information, operational information, and Portfolio statistics contained in this PDS are believed to be current as at the date of this PDS.

NON-IFRS FINANCIAL INFORMATION

Investors should be aware that certain financial data included in this PDS is 'non-IFRS financial information' under Regulatory Guide 230 Disclosing non-IFRS financial information, published by ASIC. The Directors believe this non-IFRS financial information provides useful information to users in measuring the financial performance and conditions of the Fund. The non-IFRS measures do not have standardised meanings prescribed by Australian Accounting Standards and therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information and ratios included in this PDS. Unless otherwise stated or implied, all pro forma data in this PDS gives effect to the pro forma adjustments referred to in Section 6.

FORWARD-LOOKING STATEMENTS

Certain "forward-looking statements" have been provided in this PDS. These statements can be identified by the use of words such as "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "predict", "guidance", "plan" and other similar expressions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Preparation of these forward-looking statements was undertaken with due care and attention, however, forward-looking statements remain subject to known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Responsible Entity and its officers, employees, agents and advisers. Consequently, such factors may impact the performance of the Fund such that actual performance differs materially to any performance indicated in the forward looking statements. Some of the risk factors that impact on forward looking statements in this PDS are set out in Section 7. No assurance can be provided that actual performance will mirror the guidance provided. Other than as required by law, none of the Responsible Entity, its directors, officers, employees or advisers or any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this PDS will actually occur. You are cautioned not to place undue reliance on those statements. The forward looking statements in this PDS reflect the views held only immediately before the date of this PDS, unless otherwise stated. Subject to the Corporations Act and any other applicable law, each of the Responsible Entity, its directors, officers, employees and advisers disclaim any duty to disseminate after the date of this PDS any updates or revisions to any such statements to reflect any change in expectations in relation to such statements or any change in events, conditions or circumstances on which any such statement is based.

INDEPENDENT VALUATIONS

This PDS contains information regarding the independent valuations of the Properties by independent valuers JLL, Savills and CBRE. Refer to Section 11 for details of the valuation dates for each Property in the Portfolio. Valuations are an opinion of the market value payable by a willing buyer at a point in time, not a guarantee of current or future market value. By necessity, valuations require the valuer to make subjective judgments that, even if logical and appropriate, may differ from those made by a purchaser or another valuer. Independent valuations are subject to a number of assumptions and conditions, which are set out in the summary of the valuations in Section 11.

Property values can change substantially, even over short periods of time, and an independent valuer's opinion of value could differ significantly if the date of valuation were to change. A high degree of volatility in the real estate market may lead to fluctuations in values over a short period of time.

UNDERWRITING AGREEMENT

Moelis Australia Advisory Pty Limited (ACN 142 008 446, AFSL 345 499), Ord Minnett Limited (ACN 002 733 048) and Shaw and Partners Limited (ACN 003 221 583) have been appointed by the Responsible Entity as Joint Lead Managers to the Offer, subject to certain terms and conditions stipulated in the Underwriting Agreement. The Underwriting Agreement sets out a number of circumstances where the Joint Lead Managers may terminate the agreement and their obligations. For further information on the terms and conditions of the Underwriting Agreement you should refer to Section 13.

PHOTOGRAPHS, DIAGRAMS AND ARTIST'S RENDERINGS

Photographs, diagrams and artist's renderings contained in this PDS that do not have accompanying descriptions are intended for illustrative purposes only. They should not be interpreted to mean an endorsement of this PDS or its contents by any person shown in these images. Furthermore assets not accompanied by a description should not be interpreted as being owned by the Fund.

Diagrams used in this PDS are also intended for illustrative purposes only and may not be drawn to scale.

USE OF LOGOS

Where logos and company names are used in the PDS, the logos and company names are trade marks of their respective holders, owners or registered proprietors ("Trade Mark Owners"). Except as otherwise expressed in this PDS, use of these logos and company names in the PDS does not imply any affiliation with or endorsement by the relevant Trade Mark Owner. No Trade Mark Owner has authorised or caused the issue of this PDS, nor has any Trade Mark Owner made any statement in this PDS. Accordingly, no Trade Mark Owner makes any representation regarding, nor takes any responsibility for, any statements or materials in, or omissions from, this PDS.

DEFINITIONS, ABBREVIATIONS AND OTHER INFORMATION

Explanations of defined terms and abbreviations used throughout this PDS can be found in the PDS Glossary (Section 15).

Unless otherwise stated or implied, references to times in this PDS are Sydney, Australia time.

Similarly, references to dates or years in this PDS are financial years unless otherwise stated or implied.

PRIVACY

By filling out an Application Form to apply for Securities, you are providing personal information to the Responsible Entity through the Registry that may be personal information for the purposes of the Privacy Act 1988 (as amended). The Responsible Entity and the Registry on its behalf, collect, hold and use that personal information in order to process your Application. The Responsible Entity may also collect, hold and use that personal information in order to service your needs as a Security Holder, provide facilities and services that you request and carry out appropriate administration.

If you do not provide the information requested in the Application Form, the Responsible Entity and/or the Registry may not be able to process or accept your Application. Your personal information may also be used from time to time to inform you about other products and services offered by the Responsible Entity, or entities within the Fund which it considers may be of interest to you. Your personal information may also be provided to the Responsible Entity's agents and service providers on the basis that they deal with such information in accordance with their respective privacy policies. These agents and service providers may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Joint Lead Managers in order to assess your Application;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- market research companies for the purpose of analysing the Fund's Security Holder base and for product development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Securities and for associated actions.

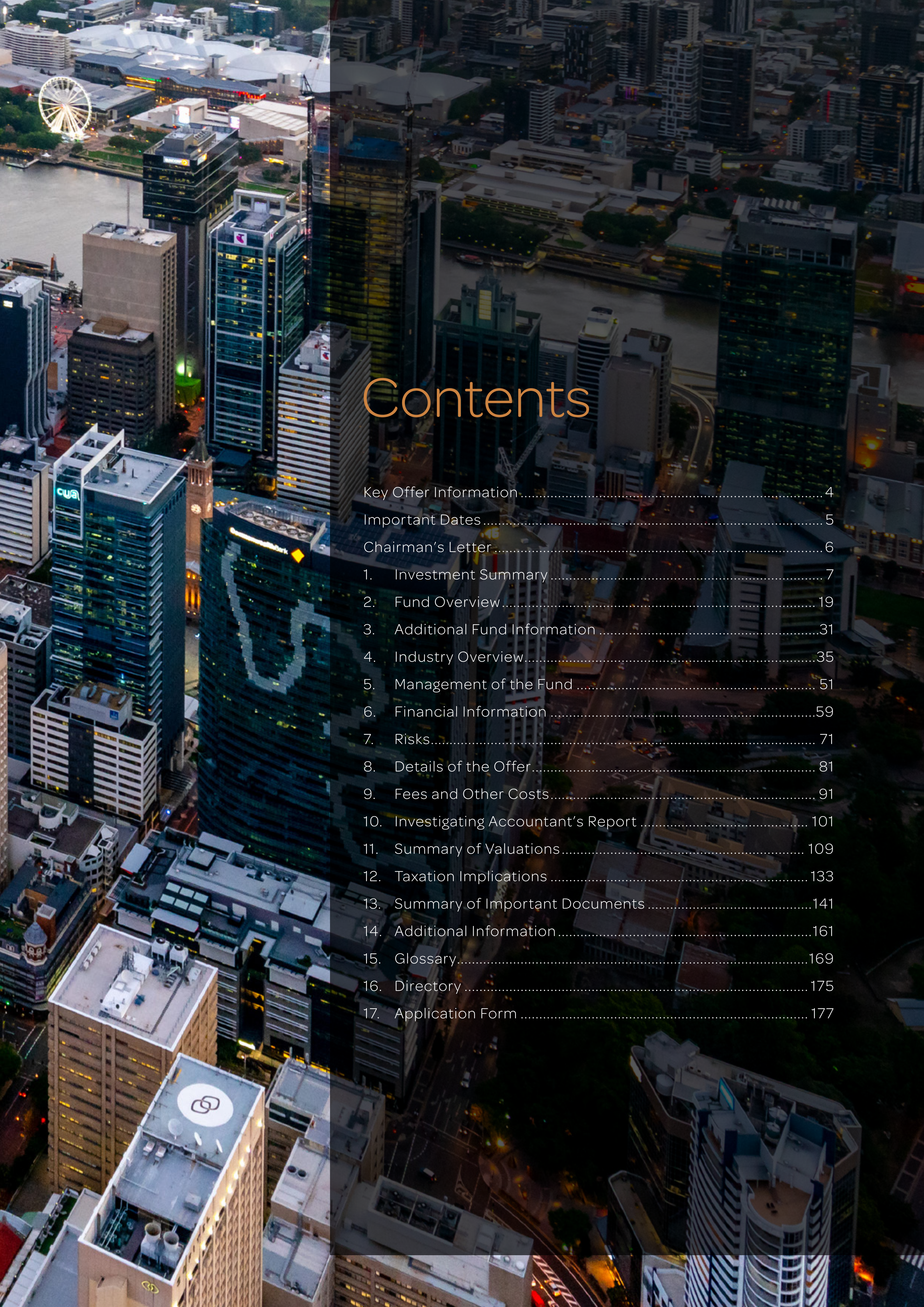
Under the Privacy Act 1988 (as amended), you may request access to your personal information held by (or on behalf of) the Responsible Entity. You may be required to pay a reasonable charge to the Registry in order to access your personal information. You can request access to your personal information by telephoning the Registry on +61 3 9415 4153. If any of your information is not correct or has changed, you may request it to be corrected. By submitting an Application, you agree that the Responsible Entity and the Registry may communicate with you in an electronic form or contact you by telephone in relation to the Offer.

DISCLAIMER

No person is authorised to give any information, or to make any representation, in connection with the Offer that is not contained in this PDS. Any information or representation that is not in this PDS may not be relied on as having been authorised by the Responsible Entity in connection with the Offer. Except as required by law, and only to the extent so required, neither the Responsible Entity, nor any other person, warrants or guarantees the future performance of the Fund or the repayment of capital, or any return on any investment made pursuant to this information. The Joint Lead Managers have not authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this PDS and does not make or purport to make any statement in this PDS and there is no statement in this PDS which is based on any statement by the Joint Lead Managers. The Joint Lead Managers and their affiliates, officers and employees, to the maximum extent permitted by law, expressly disclaim all liabilities in respect of, make no representations regarding, and take no responsibility for, any part of this PDS and make no representation or warranty as to the currency, accuracy, reliability or completeness of this PDS.

FURTHER QUESTIONS

If you have any queries relating to aspects of this PDS please call the Fund's Offer Information Line on 1800 773 382 (toll free within Australia) between 9:00am and 5:00pm (Sydney time) Monday to Friday (excluding public holidays during the Retail Offer Period).



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KEY OFFER INFORMATION

OFFER DETAILS	
Offer Price per Security	$1.25 per Security
Estimated Securities available under the Offer	138.9 million
Total Securities on issue at Completion	204.4 million
Market capitalisation at the Offer Price[1]	$255.5 million

INVESTMENT METRICS	
FY20 Annualised FFO Yield [2]	8.3%
FY20 Annualised Distribution Yield [3]	7.2%
FY21 FFO Yield [4]	8.4%
FY21 Distribution Yield[5]	7.3%
NTA per Security at Completion[6]	$1.19 per Security
Offer price premium to NTA per Security at Allotment	5.0%
Pro forma Gearing of the Fund[7]	20.0%

PORTFOLIO METRICS	
Number of properties	6
Independent Valuation	$306.4 million
Value per square metre	$6,418
Weighted average capitalisation rate[8]	7.0%
Net lettable area	47,735 sqm
Occupancy[9]	96.8%
Weighted average lease expiry (years)[10]	4.9
Weighted average rent review[10]	3.7% p.a.

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[1] Market capitalisation is determined by multiplying the number of Securities on issue by the Offer Price. Securities may not trade at the Offer Price after Listing.

[2] The Forecast Financial Information is based on the assumptions and accounting policies set out in Section 6, and is subject to the risks set out in Section 7. Forecast Funds from Operations (FFO) per Security of 6.04 cents for the period from Completion to 30 June 2020 (based on the total number of Securities on issue at Completion) divided by the Offer Price (annualised).

[3] Forecast Distribution per Security of 6.05 cents for the period from Completion to 30 June 2020 (based on the total number of Securities on issue at Completion) divided by the Offer Price (annualised).

[4] Forecast FFO per Security of 10.45 cents for the financial year ending 30 June 2021 (based on the total number of Securities on issue at Completion) divided by the Offer Price.

[5] Forecast Distribution per Security of 9.10 cents for the financial year ending 30 June 2021 (based on the total number of Securities on issue at Completion) divided by the Offer Price.

[6] NTA per Security is determined as total assets less total liabilities, divided by the total number of Securities on issue at Completion.

[7] Gearing calculated as drawn debt less cash divided by total assets less cash. For further details, refer to Section 6.

[8] By property value.

[9] By NLA.

[10] By gross income.

KEY OFFER DATES	
PDS lodgement date with ASIC	Wednesday, 6 November 2019
Offer Opening Date (Elanor Offer and Broker Firm Offer)	Thursday, 14 November 2019
Offer Closing Date (Elanor Offer and Broker Firm Offer)	Thursday, 28 November 2019
Settlement of the Offer	Thursday, 5 December 2019
Allotment of Securities and commencement of deferred settlement trading on ASX	Friday, 6 December 2019
Dispatch of holding statements	Monday, 9 December 2019
Commencement of normal trading on ASX	Tuesday, 10 December 2019

Dates may change

The Responsible Entity, in consultation with the Joint Lead Managers, reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws to vary the dates of the Offer, including closing the Offer early, extending the Offer or accepting late Applications, either generally or in particular cases, without notice. Accordingly, you are encouraged to submit your Application Form as soon as possible after the Offer opens.

How to invest

Applications for Stapled Securities can be made in accordance with the procedures described in the PDS. Instructions on how to apply for Stapled Securities are set out in Sections 8 and an application form is available at Section 17.

CHAIRMAN'S LETTER

Elanor
COMMERCIAL
PROPERTY
FUND

Wednesday, 6 November 2019

Dear Investor,

On behalf of the Board of the Responsible Entity, it is my pleasure to invite you to become an investor in the Elanor Commercial Property Fund ("**ECF**" or the "**Fund**"). The Fund was established in 2016 by Elanor Investors Group and is an Australian real estate investment trust that invests in commercial properties throughout Australia. The Portfolio consists of 6 investment grade commercial office properties located in Western Australia, Queensland and South Australia, which have been independently valued at $306.4 million.

The Fund will offer investors:

- An attractive FY21 FFO Yield of 8.4% and FY21 Distribution Yield of 7.3%;
- Property income that is underpinned by predominantly fixed contractual rental increases and further supported by long leases to blue chip tenants;
- A diversified portfolio that represents compelling value to equivalent assets in Sydney and Melbourne;
- Conservative initial gearing of 20% which provides capacity to support future acquisitions; and
- Access to Elanor Investors Group's ("**Elanor**") asset management platform and experienced investment management team who have demonstrated a track record of delivering strong investment returns to investors.

The Fund's objective is to provide above average risk adjusted returns through a combination of regular distributions and capital growth. To achieve this objective, the Fund's strategy is to:

- Invest in commercial properties located in major metropolitan areas or established commercial precincts;
- Implement leasing and active asset management to grow the income and value of the properties;
- Acquire additional investment grade commercial properties that satisfy the Fund's investment criteria and enhance overall portfolio quality; and
- Maintain a conservative capital structure with a target Gearing range between 30% and 40%.

The Fund will continue to be externally managed by Elanor. Elanor is an ASX-listed investment and funds management business with over $1.6 billion[1] in assets under management across Australia and New Zealand.

The Fund is seeking to list on the ASX and is undertaking an Offer of 138.9 million Securities at an Offer Price of $1.25 each to raise $173.6 million (the "**Offer**"). The Offer is being conducted to enable the Fund to acquire a new property and the remaining interest in WorkZone West, Perth, to provide Existing Investors with an opportunity to realise their investment, to refinance existing debt and to fund the Offer and acquisition related costs. The Offer will entail an Elanor Offer, a Broker Firm Offer and an Institutional Offer. On Completion, Elanor will be aligned with investors through its 15% Securityholding in the Fund.

This PDS contains detailed information about the Fund and the Offer. It is important that you read this PDS carefully and in its entirety before making an investment decision, including Section 7 which sets out certain risks associated with an investment in the Fund, and Section 9, which sets out the fees and other costs associated with investing in the Fund.

If you have questions you should seek relevant professional advice before making an investment decision. You can also contact the Offer Information Line on 1800 773 382 (toll free within Australia) between 9:00am and 5:00pm (Sydney time) Monday to Friday.

On behalf of my fellow Directors, I encourage you to consider this investment opportunity and look forward to welcoming you as an investor in the Elanor Commercial Property Fund.

Yours sincerely,

Paul Bedbrook

Chairman

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[1] As at 30 September 2019.

Elanor COMMERCIAL PROPERTY FUND

1. INVESTMENT SUMMARY

1. INVESTMENT SUMMARY

TOPIC	SUMMARY	FURTHER INFORMATION
INTRODUCTION		
What is the Elanor Commercial Property Fund?	ECF was established in 2016 and is an Australian real estate investment trust that invests in commercial properties throughout Australia. At completion, the Portfolio will consist of 6 investment-grade commercial office properties located in Western Australia, Queensland and South Australia, which have been independently valued at $306.4 million[1].	Section 2.1
Why is the Offer being conducted?	The Offer is being conducted to: • Acquire the New Property;[2] • Acquire the remaining 48.5% interest in WorkZone West which is currently held by another Elanor fund; • Provide Existing Investors with an opportunity to realise their investment; • Retire existing debt facilities to establish a capital structure that provides flexibility for future growth; and • Fund the costs of the Offer and other costs relating to the Proposed Transaction.	Section 8.2
What is the Fund's objective?	The Fund's objective is to provide above average risk adjusted returns through a combination of regular distributions and capital growth. To achieve this objective, the Fund's strategy is to: • Invest in commercial properties located in major metropolitan areas or established commercial precincts; • Implement leasing and active asset management to grow the income and value of the Properties; • Acquire additional investment grade commercial properties that satisfy the Fund's investment criteria and enhance overall Portfolio quality; and • Maintain a conservative capital structure with a target Gearing range between 30% and 40%.	Section 2.2
How is the Fund structured?	The Fund is structured as a stapled group consisting of stapled units in the Elanor Commercial Property Fund I (ARSN 636 623 099) and Elanor Commercial Property Fund II (ARSN 636 623 517).	Section 3.2
PORTFOLIO OVERVIEW		
What are the key metrics of the Portfolio?	Table 1.1: Key Portfolio metrics (see below)	Section 2.3

Table 1.1: Key Portfolio metrics

Key Portfolio metrics	
Independent value	$306.4m[1]
Value/sqm	$6,418
Passing Yield[3]	8.1%
Weighted Average Cap Rate ("WACR")	7.0%
NLA (sqm)	47,735sqm
Occupancy[4]	96.8%
WALE by income (years)[5]	4.9

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[1] As at 1 October 2019.

[2] The New Property is 200 Adelaide Street, Brisbane.

[3] Based on Independent Valuation, summaries available in Section 11.

[4] By NLA.

[5] By gross income.

<table>
<tr><th>TOPIC</th><th>SUMMARY</th><th>FURTHER INFORMATION</th></tr>
<tr><td>Where are the assets located?</td><td>The Portfolio comprises 6 assets that are located across Western Australia, Queensland and South Australia. The Fund's Portfolio has a strategic focus on the recovering Perth and Brisbane office markets.

Figure 1.1: Split by geography (% value)

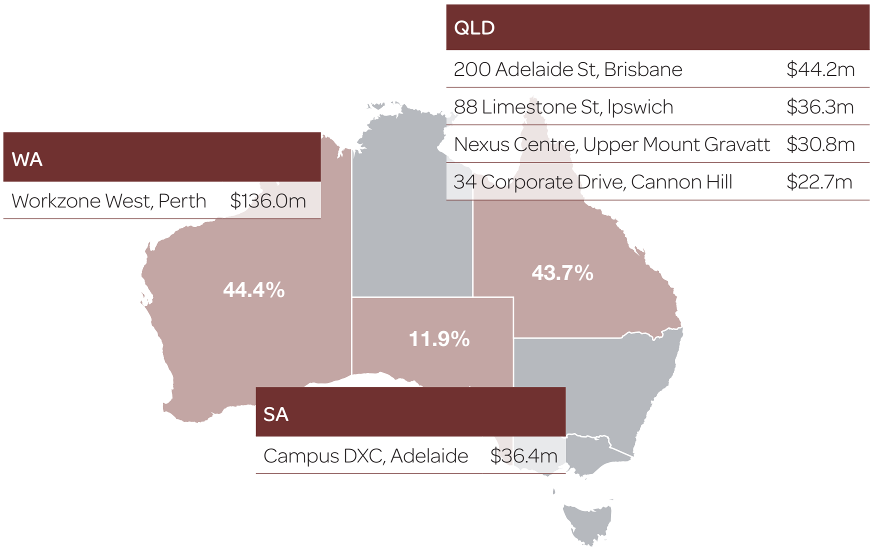
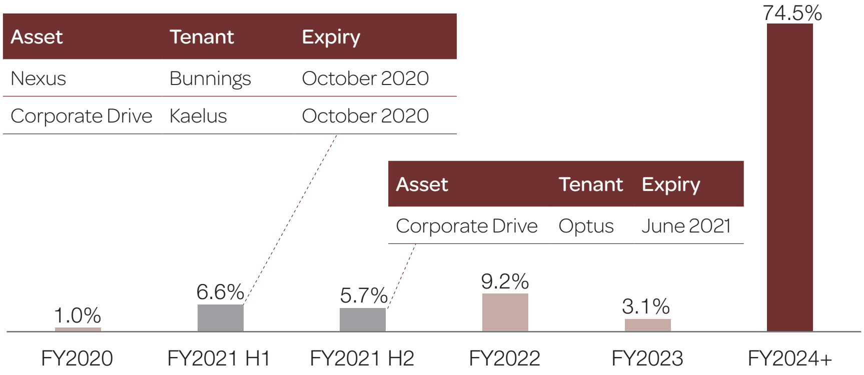

</td><td>Section 2.5</td></tr>
<tr><td>What is the Fund's lease expiry profile?</td><td>The Fund benefits from a WALE of 4.9 years[1] with over 74% of the leases expiring in 2024 and beyond.

Figure 1.2: Lease expiry profile


</td><td>Section 2.4</td></tr>
</table>

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[1] By gross income.

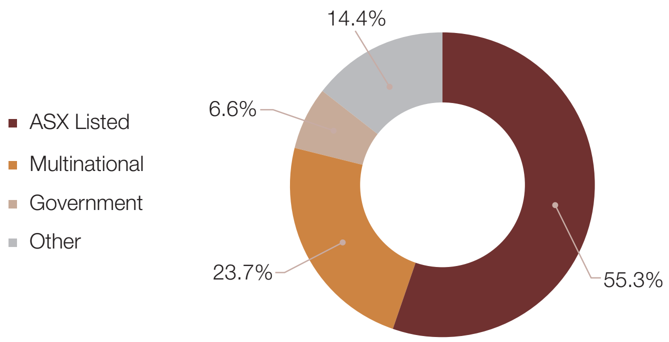
<table>
<tr><th>TOPIC</th><th>SUMMARY</th><th>FURTHER INFORMATION</th></tr>
<tr><td>Who are the top tenants in the Portfolio by Gross Income?</td><td>
The Fund’s top ten tenants constitute 89% of its income. These include ASX listed companies, Government and multinational tenants.

Table 1.2: Top ten tenants

<table>
<tr><th>Tenants</th><th>% of total income</th></tr>
<tr><td>CIMIC[1]</td><td>46.5%</td></tr>
<tr><td>DXC.technology</td><td>11.2%</td></tr>
<tr><td>hub AUSTRALIA</td><td>7.5%</td></tr>
<tr><td>Government Tenants[2]</td><td>6.6%</td></tr>
<tr><td>OPTUS</td><td>4.2%</td></tr>
<tr><td>Wesfarmers[3]</td><td>3.3%</td></tr>
<tr><td>coles</td><td>3.1%</td></tr>
<tr><td>kaelus[4]</td><td>3.0%</td></tr>
<tr><td>CLEMENGER BBDO</td><td>2.5%</td></tr>
<tr><td>nab</td><td>1.5%</td></tr>
<tr><td>Total top ten</td><td>89.3%</td></tr>
</table>

Notes:
1. Tenant is CPB Contractors, a wholly owned subsidiary of CIMIC Group
2. Various Government tenants including the State of Queensland, Queensland Urban Utilities and Queensland Rail Limited
3. Tenant is Bunnings, a wholly owned subsidiary of Wesfarmers Group
4. Tenant is Triasx, a wholly owned subsidiary of parent group Microdata Telecom
</td><td>Section 2.4.2</td></tr>
<tr><td>What is the tenant composition in the Fund?</td><td>
Greater than 80% of the Portfolio is leased to blue chip tenants including large multinationals, ASX listed companies and Government.

Figure 1.3: Tenant composition



</td><td>Section 2.4.2</td></tr>
</table>

TOPIC	SUMMARY	FURTHER INFORMATION
BENEFITS AND RISKS		
What are the main benefits associated with an investment in the Fund?	An investment in the Fund will offer Securityholders: **Attractive financial metrics:** • An annualised forecast FY20 FFO yield of 8.3%[5] and FY20 distribution yield of 7.2%[5]; • Forecast FY21 FFO yield of 8.4%[5] and FY21 distribution yield of 7.3% [5]; and • Offer Price premium to NTA of 5.0%. **Income underpinned by fixed contractual rental increases supported by long leases to blue chip tenants:** • Over 96% of gross income underpinned by fixed contractual rental increases[6]; • Weighted average rental review of 3.7% per annum[6]; • More than 80% of income provided by multinational, ASX listed and Government tenants; and • Portfolio WALE[7] of 4.9 years and occupancy[8] of 96.8% supported by leases to blue chip tenants. **Diversified portfolio that represents compelling value to equivalent assets:** • Portfolio is weighted towards Western Australia and Queensland office markets which are recovering from cyclical lows; • Attractive value spread to comparable properties in Melbourne and Sydney; and • Each asset has specific investment characteristics that enable it to provide strong cash flows. **Conservative gearing:** • Conservative initial gearing of 20% on listing which provides capacity to support future acquisitions. **Access to Elanor's asset management platform:** • Experienced investment management team with proven active asset management approach to drive income and value-enhancement; and • Alignment of interests with Elanor holding 15.0% of ECF at Completion.	Section 2.4

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[5] Based on the offer price.

[6] Excludes leases which expire before the next review date and leases with an upcoming market review which will subsequently be followed by fixed increases.

[7] By gross income.

[8] By NLA.

TOPIC	SUMMARY	FURTHER INFORMATION
What are the main risks associated with an investment in the Fund?	There are a number of risks associated with the Fund's business, each of which could materially adversely affect the Fund's financial performance and Distributions. Some of these key risks are summarised below and are further described in Section 7 of this PDS, along with other key risks: **Rental income** Distributions made by the Fund are largely dependent upon the rents received from its property Portfolio and the expenses incurred during operations. Rental income may be adversely affected by a number of factors, including overall macroeconomic conditions, local real estate conditions, the financial condition of tenants and their turn-over, increases in rental arrears and vacancy periods and additional expenses associated with re-leasing the tenancy or enforcement action. **Re-leasing and vacancy** The Portfolio's leases come up for renewal on a periodic basis, and there is a risk that the Fund may not be able to negotiate suitable lease renewals with existing tenants, maintain existing lease terms, or replace outgoing tenants with new tenants. Further, the Fund could lose key tenants due to a range of events, including as a result of failure to renew a lease, the termination of a lease due to change of control, deterioration in the level of service provided to tenants or insolvency of tenants. **Tenant concentration** In aggregate, approximately 89.3% of base rent of the Fund is generated from the top ten tenants. There is a risk that if one or more of the major tenants ceases to be a tenant, the Fund may not be able to find a suitable replacement tenant or may not be able to secure lease terms that are as favourable as current terms. **Funding and refinancing** In order to fund new acquisitions, capital expenditure or other material capital events, the Fund intends to rely on funding options including equity, debt or a combination of both. An inability to attract funding may adversely affect the Fund's ability to make future acquisitions or to meet future capital expenditure needs that in turn could adversely affect the growth prospects of the Fund or even the Fund's ability to maintain Properties to the requisite standard (which in turn may affect its ability to retain existing tenants or to attract new tenants). In addition, an inability to refinance the Fund's existing debt facilities (either on acceptable terms or at all), or any increase in the cost of such funding, may also adversely impact the financial performance and financial position of the Fund. **Others** A number of other key risks relating specifically to an investment in the Fund and generally to an investment in the Securities are included in Section 7, including risks associated with interest rates and hedging, gearing and financial covenants, taxation, capital expenditure, property valuations, operational risks (such as illiquidity of property assets, adequate insurance and competition), environment and contamination risk, climate change, conflicts of interest and risks that cannot be insured.	Section 7

TOPIC	SUMMARY	FURTHER INFORMATION
OVERVIEW OF THE MANAGER		
Who is the Responsible Entity of the Fund?	Elanor Funds Management Limited (ABN 39 125 903 031; AFSL 398196) is the Responsible Entity of the Fund.	Section 5
Who is Elanor?	Elanor is an ASX-listed investment and funds management business with over $1.6 billion[9] in assets under management across Australia and New Zealand.	Section 5.1
What is the role of the Responsible Entity?	The key responsibilities of the Responsible Entity in relation to the Fund include: • investment evaluation and implementation; • financial management and administration; and • governance and regulatory compliance. In consideration for these services, the Responsible Entity will be entitled to fees under the Constitutions as described in Section 13.	Section 5
What is the role of the Manager?	The Fund will be managed by Elanor Asset Services Pty Limited, under the supervision of the Responsible Entity. The services for which the Manager will be responsible include investment management, acquisition and divestment management, debt finance management, day-to-day administration, financial reporting, Securityholder relations, ASX listing management, related compliance management, investor relations and other incidental fund management services. The Manager will also be responsible for managing each property in the Portfolio, including by providing services in respect of leasing, tenant liaison, property maintenance, regulatory compliance, insurance and other usual services provided by a property manager.	Section 5
Who are the Directors of the Board of the Responsible Entity?	The Directors of the Board of the Responsible Entity are: • Paul Bedbrook (Chairman) • Glenn Willis • Nigel Ampherlaw • Tony Fehon • Kin Song Lim Further detail on each director is available in Sector 5.2.	Section 5.2
Who are the senior management team of the Fund?	The senior management team responsible for the Fund are: • Glenn Willis, Chief Executive Officer • Symon Simmons, Chief Financial Officer • Paul Siviour, Chief Operating Officer • David Burgess, Co-Head of Real Estate, Fund Manager ECF • Robert Bishop, Responsible Manager and Chair of the Compliance Committee Further detail on senior management is available in Sector 5.3.	Section 5.3

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[9] As at 30 September 2019.

TOPIC	SUMMARY	FURTHER INFORMATION
Will there be ongoing related party transactions with Elanor?	Elanor will be entitled to certain fees as outlined in Section 9 for the provision of investment management and property management services. The Directors of the Board of the Responsible Entity are also the directors of Elanor. In addition, entities associated with Elanor will hold 15% of the Securities on issue on the Allotment Date. Entities associated with Elanor may hold additional Securities in the future.	Section 5.6
What fees will Elanor receive?	Under the Investment Management Agreement, the Manager will be entitled to the following fees: • a Management Fee equal to 0.65% per annum of GAV; and • a performance fee of 15% over a 10% p.a. return hurdle (return hurdle calculated on increase in NAV plus distributions), subject to achievement of Security price plus distributions paid, TSR hurdle of 10% p.a. The performance fee will be first payable in the year ending 30 June 2021 for the period from IPO to 30 June 2021, with fees calculated and payable annually thereafter. Under the Property Management Agreement, the Manager will be entitled to the following fees: • leasing fees related to new tenants, lease renewals and market rent reviews (each calculated as a percentage of face rental under the relevant lease); • a property management fee up to 3% of gross rental billing for each month; and • a capital works fee equal to 5% of total cost of any capital works undertaken in respect of a Property. Certain costs and expenses of the Responsible Entity and the Manager will also be paid or reimbursed from assets of the Fund, pursuant to the Constitutions and the Management Agreements.	Section 9
Who appoints the Directors of the Responsible Entity?	As the Responsible Entity is a member of Elanor, the Directors are appointed by Elanor. Securityholders in the Fund will not have the right to appoint or re-elect Directors to the board of the Responsible Entity.	Section 5.2
Will Elanor hold Securities in the Fund?	Yes. Elanor is expected to have an investment in the Fund of 15% at Completion and is therefore strongly aligned to the Fund's performance.	Section 5.1
What are the key governance arrangements for the Fund?	The Board has established governance arrangements to ensure that the Fund is managed in a manner that is properly focused on executing its investment objectives in the interests of Securityholders, as well as conforming to regulatory requirements.	Section 5.7
Will annual and half-yearly financial reports be provided to Securityholders?	Yes. For both tax and reporting purposes, the Fund will report on a 30 June financial year end basis. Formal reporting will be provided to Securityholders as at 30 June (full year) and 31 December (interim) each year.	Section 3.7
Can the Responsible Entity be changed?	Yes, by a majority vote of Securityholders. A change of the Responsible Entity of the Fund (where the new responsible entity is not a member of Elanor) under certain circumstances will trigger termination rights and compensation payments to the Manager.	Section 13.6

TOPIC	SUMMARY	FURTHER INFORMATION
Will the Fund hold annual general meetings?	The Fund is not required to hold annual general meetings. General meetings will be held by the Fund if and when required.	
FINANCIAL INFORMATION		
What is the forecast net tangible assets (NTA) per Security after the Offer?	The Fund is expected to have an NTA of $1.19 per Security at Completion.	Section 6.6
What will be the Gearing level of the Fund?	The Fund's target Gearing range will be between 30% and 40%, with initial Gearing of 20% at Completion.	Section 6.6
DISTRIBUTIONS		
What will the Fund's forecast Distribution Yield be?	The Fund is forecast to achieve an annualised Distribution Yield on the Offer Price of 7.2% in FY20 and 7.3% in FY21.	Section 6.5
What portion of the Distributions will be tax deferred for Australian tax purposes?	The proposed Distribution from the Allotment date to 30 June 2020 is expected to be between 50% and 70% tax deferred. The tax deferred component may vary in the future depending on the age and composition of the Portfolio.	Section 12
What is the Fund's Distribution policy?	The Fund intends to make Distributions on a quarterly basis with the first Distribution to be made for the period from the Allotment Date to 31 March 2020. Distributions will be determined with reference to the Fund's Funds From Operations, with a target range for Distributions of between 80% and 100% of FFO. The first Distribution payment relating to the period ending 31 March 2020 is expected to be paid in May 2020.	Section 3.6
FEES, COSTS AND UNDERWRITING		
Is the Offer underwritten?	Yes.	Section 13
What are the fees and transaction costs associated with the Offer?	Total fees and costs of $9.6 million as well as $2.9 million of stamp duty are expected to be incurred in connection with the Proposed Transaction. The Fund will be responsible for these fees and costs.	Section 9.1
Is there any broker commission or stamp duty payable by Applicants?	No brokerage, commissions or stamp duty is payable by Applicants on the issue of Securities under the Offer.	Section 8.3

TOPIC	SUMMARY	FURTHER INFORMATION
OVERVIEW OF THE OFFER		
What is the Offer?	An Offer of 138.9 million Securities at a price of $1.25 to raise $173.6 million.	
Who can participate in the Offer?	The Elanor Offer is open to Eligible Existing Investors and selected persons invited to participate by the Responsible Entity. The Broker Firm Offer is open to all persons who have received a firm allocation of Securities from their Broker and who have a registered address in Australia. The Joint Lead Managers have invited certain Institutional Investors to bid for Securities in the Institutional Offer in Australia, New Zealand and certain other overseas jurisdictions.	Section 8
What is a Security?	A Security in the Fund comprises a Unit in Elanor Commercial Property Fund I stapled to a Unit in Elanor Commercial Property Fund II, such that the Units can only be purchased and sold together.	Section 3.2
Who is the issuer of this PDS and the Units?	Elanor Funds Management Limited (ABN 39 125 903 031; AFSL 398196) in its capacity as Responsible Entity of the Elanor Commercial Property Fund is the issuer of the PDS.	
What is the Offer Price?	$1.25 per Security.	
How will the proceeds of the Offer be used?	The proceeds of the Offer will be used, together with borrowings under the Debt Facility, to: • enable the Fund to acquire the New Property; • acquire the remaining 48.5% interest in WorkZone West; • redeem Existing Investor's investment if they elect to redeem some or all of their existing Units in the Trusts; • retire existing debt facilities to establish a capital structure that provides flexibility for future growth; and • fund the costs of the Offer and other costs relating to the Proposed Transaction. Table 1.3: Sources and uses (see below)	Section 8.2
Can the Offer be withdrawn?	Yes. The Offer can be withdrawn at any time.	Section 8.3
Is there a cooling-off period?	No. Cooling-off rights do not apply to an investment in Securities pursuant to the Offer.	Section 8.3 and 14.13

Table 1.3: Sources and uses

Sources	$m	Uses	$m
Proceeds from the Offer	173.6	Investor Redemptions	16.1
		Acquisitions	77.2
		Refinancing Existing Debt Facilities + Capital Management	67.8
		Stamp Duty	2.9
		Transaction Costs	9.6
Total Sources	**173.6**	**Total Uses**	**173.6**

TOPIC	SUMMARY	FURTHER INFORMATION
What are the minimum and maximum Application amounts under the Offer?	For Applicants applying under the Elanor Offer or the Broker Firm Offer, the minimum Application amount is at least $2,000 and in $500 increments thereafter. Applicants under the Institutional Offer have been provided with additional information regarding the Institutional Offer (including any minimum Application amounts) by the Joint Lead Managers. There is no maximum Application amount.	Section 8.3
What is the allocation policy under the Offer?	**Elanor Offer:** The allocation of Securities among Applicants in the Elanor Offer has been determined by the Responsible Entity by agreement with the Joint Lead Managers. **Institutional Offer:** The allocation of Securities among Applicants in the Institutional Offer has been determined by the Responsible Entity, in consultation with the Joint Lead Managers. **Broker Firm Offer:** Securities which have been allocated to Brokers for allocation to their Australian resident clients will be issued to the Applicants nominated by those Brokers (subject to the right of the Responsible Entity and the Joint Lead Managers to reject or scale back Applications). It will be a matter for the Brokers how they allocate firm stock among their eligible clients and they (and not the Responsible Entity or the Joint Lead Managers) will be responsible for ensuring that clients who have received a firm allocation from them receive the relevant Securities.	Section 8.3
HOW TO APPLY		
How can I apply under the Offer?	If you are a Broker Firm Applicant, you should complete and lodge your Application Form with the Broker from whom you received your allocation in accordance with the instructions received from the Broker. Applications for Securities may only be made on an Application Form attached to or accompanying this PDS. Elanor Offer Applicants may apply for Securities by lodging a valid Application Form in accordance with their personalised invitation to participate in the Elanor Offer through the Offer website at www.elanoroffer.com. The Joint Lead Managers have separately advised Institutional Investors of the application procedure for the Institutional Offer.	Sections 8.4, 8.5, 8.6 and 17
When do I apply?	The key dates for the Offer are set out in Key Offer Information at the front of the prospectus. Applications under the Elanor Offer and Broker Firm Offer will only be accepted during the Retail Offer Period which is expected to be open from 9.00am (Sydney time) Thursday, 14 November 2019 to 5.00pm (Sydney time), Thursday, 28 November 2019. The Responsible Entity, in consultation with the Joint Lead Managers, may elect to close the Offer or any part of it early, extend the Offer or any part of it, or accept late applications either generally or in particular cases. The Offer or any part of it may be closed at any earlier date and time, without further notice. Your Broker may also impose an earlier closing date (including payment of application monies). Applicants are therefore encouraged to submit their applications as early as possible.	

TOPIC	SUMMARY	FURTHER INFORMATION
TAXATION IMPLICATIONS		
What are the Australian tax implications of the acquisition of Securities under the Offer?	The acquisition of Securities under the Offer may have Australian taxation implications for investors participating in the Offer. These implications will vary depending on the individual circumstances of each investor who participates in the Offer.	Section 12
OTHER INFORMATION		
Will the Securities be quoted?	The Responsible Entity will apply within seven days of the lodgement of this PDS with ASIC for the Fund to be admitted to the Official List of the ASX and for the Securities to be granted official Quotation. If ASX listing approval is granted, trading of the Securities is expected to commence on a deferred settlement basis on Friday, 6 December 2019 and on a normal basis on Tuesday, 10 December 2019. The Fund's ASX code is expected to be ECF. If listing approval is not given, the Offer will be withdrawn and all Application Monies received will be refunded without interest in compliance with the Corporations Act.	Section 14
When can I sell my Securities on ASX?	Following Completion, Securityholders will be sent a holding statement that sets out the number of Securities that have been allocated to them. This statement will also provide details of a Securityholder's Holder Identification Number (or HIN) for CHESS holders or, where applicable, the Securityholder Reference Number (or SRN) for issuer sponsored holders. Securityholders will subsequently receive statements showing any changes in their Securityholding. It is the responsibility of each person who trades in Securities to confirm their holding before trading in Securities. If you sell Securities before receiving a holding statement, you do so at your own risk. The Responsible Entity, the Registry and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, if you sell Securities before receiving your holding statement, even if you obtained details of your holding from the Offer Information Line or confirmed your firm allocation through a Broker.	Section 14
Where can I find further information?	If you have further enquires regarding the Offer, please contact the Fund's Offer Information Line on 1800 773 382 (toll free within Australia) between 9:00am and 5:00pm (Sydney time) Monday to Friday (excluding public holidays).	Section 14

Elanor | COMMERCIAL PROPERTY FUND

2. FUND OVERVIEW

2.1 INTRODUCTION

Established in 2016, Elanor Commercial Property Fund is an Australian real estate investment trust investing in investment grade commercial office assets. On Completion the Fund will hold a Portfolio of $306.4 million of office assets across Australia.

2.2 FUND INVESTMENT OBJECTIVE AND STRATEGIES

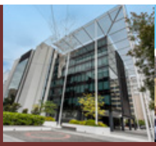
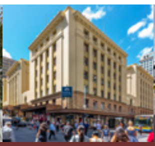
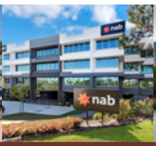
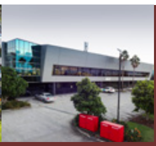
The Fund's objective is to provide above average risk adjusted returns through a combination of regular distributions and capital growth. To achieve this objective, the Fund's strategy is to:

- invest in commercial properties located in major metropolitan areas or established commercial precincts;
- implement leasing and active asset management to grow the income and value of the properties;
- acquire additional investment grade commercial properties that satisfy the fund's investment criteria and enhance overall portfolio quality; and
- maintain a conservative capital structure with a target Gearing range between 30% and 40%.

2.3 SUMMARY OF THE PORTFOLIO

On Completion, the Portfolio will comprise 6 commercial assets situated in Queensland, South Australia and Western Australia. The properties are independently valued at $306.4 million, reflecting a WACR of 7.0%. The Portfolio is 96.8% occupied[1] with a WALE[1] of 4.9 years.

Table 2.3: Portfolio summary

	 **WorkZone West, Perth**	 **200 Adelaide St, Brisbane**	 **Limestone Centre, Ipswich**	 **Campus DXC, Adelaide**	 **NEXUS Centre, Mount Gravatt**	 **34 Corporate Drive, Cannon Hill**	**Total**
State	WA	QLD	QLD	SA	QLD	QLD	
Independent value ($m)	136.0	44.2	36.3	36.4	30.8	22.7	**306.4**
Value/sqm	8,717	7,417	5,054	5,789	4,167	4,273	**6,418**
Cap Rate (%)	6.75%	6.75%	7.50%	7.25%	7.50%	7.00%	**6.99%**
NLA (sqm)	15,602	5,957	7,183	6,288	7,392	5,313	**47,735**
Occupancy	99.5%	78.6%	97.6%	100.0%	100.0%[2]	100.0%	**96.8%**
WALE by income (yrs)	5.8	7.8	2.6	5.8	2.5	1.3	**4.9**

2.4 WHAT ARE THE INVESTMENT HIGHLIGHTS?

2.4.1 ATTRACTIVE FINANCIAL METRICS

On Completion:

- Forecast Annualised FY20 FFO Yield of 8.3% and FY20 Distribution Yield of 7.2%;
- Forecast FY21 FFO Yield of 8.4% and FY21 Distribution Yield of 7.3%;

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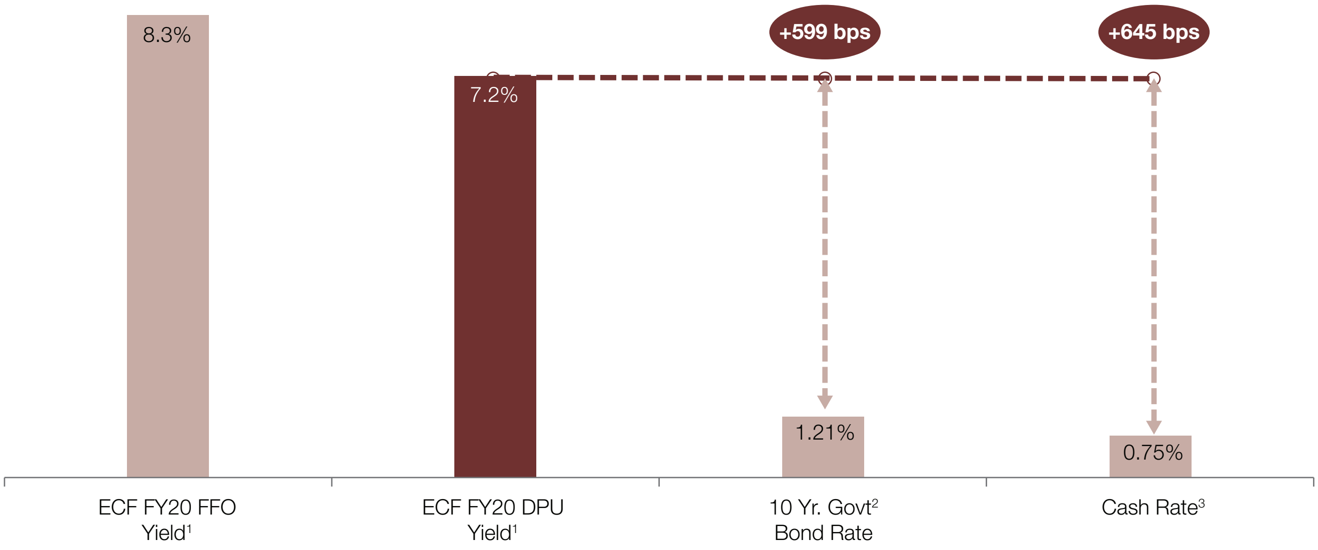
[1] By gross income.

[2] Assumes executed Heads of Agreement for a new lease beginning February 2020.

The Fund's FFO Yield and Distribution Yield are materially higher than alternative investment opportunities as outline below.

Figure 2.4.1: Attractive financial metrics



Notes:

1. ECF metrics based on annualised pro forma forecast for the period from allotment to 30 June 2020 on the offer price.
2. Source: Factset as at 5 November 2019.
3. Cash Rate as at 30 October 2019.

On Completion, the Fund's NTA is estimated at $1.19 per Security. As such the Offer price of $1.25 per Security represents a premium to the Fund's NTA per Security of 5.0%.

2.4.2 INCOME UNDERPINNED BY FIXED CONTRACTUAL RENTAL INCREASES SUPPORTED BY LONG LEASES TO BLUE CHIP TENANTS

Property Income growth is underpinned by contracted rental growth with over 96.0% of rental reviews on fixed rental increases. Notably, the weighted average fixed rent review is 3.7%. The tenant composition within the portfolio is predominantly multinational, ASX listed and Government tenants which constitute over 80% of the Portfolio's gross property income.

Figure 2.4.2.1: Rent reviews

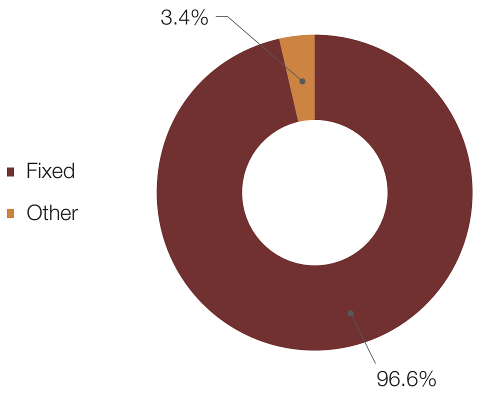
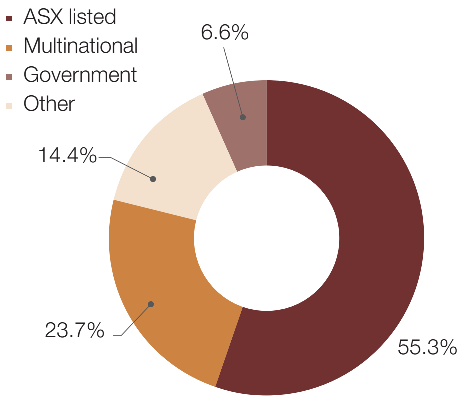


Figure 2.4.2.2: Tenant composition



The Portfolio has a diversified tenant base with a total of 35 tenants, of which the top 10 tenants comprise 89.3% of Portfolio income and are summarised below.

2. FUND OVERVIEW (continued)

Table 2.4.2: Top ten tenants

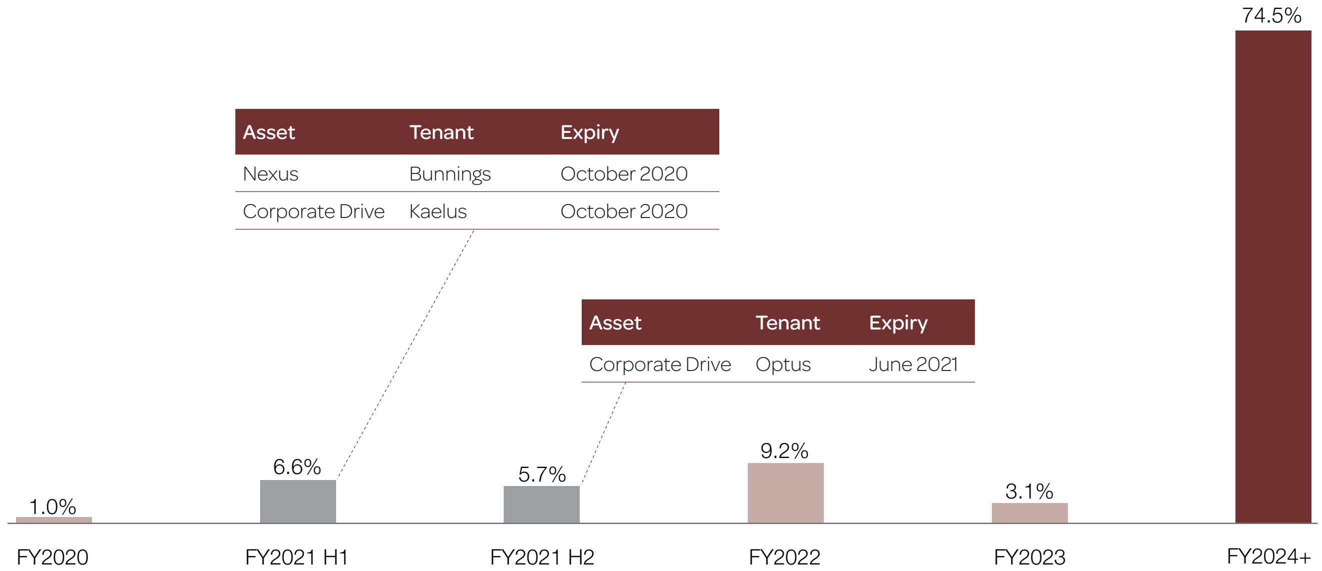
Tenants	% of income	Description
CIMIC[1]	46.5%	CIMIC is active in the telecommunications, engineering and infrastructure, building and property, mining and resources, and environmental services industries. CIMIC is listed on the ASX with a market capitalisation of approximately $10bn.
DXC.technology	11.2%	DXC Technology is an multinational B2B IT services provider that is listed on the New York Stock Exchange (NYSE:DXC) and has a market capitalisation of approximately US$7bn.
hub AUSTRALIA	7.5%	Hub Australia is a national co-working operator, with 7 operating locations across NSW, Victoria, Queensland and South Australia.
Government Tenants	6.6%	Various government owned entities, including the State of Queensland, Queensland Urban Utilities and Queensland Rail Limited.
OPTUS	4.2%	Optus is a wholly owned subsidiary of Singaporean telecommunications company Singtel, which is listed on the Singapore stock exchange (SGX:Z74) and has a market capitalisation of S$51bn. Optus is the second largest telecommunications company in Australia and has revenues of approximately $9bn.
Wesfarmers[2]	3.3%	Wesfarmers Limited is an Australian conglomerate, headquartered in Perth, Western Australia, with interests predominantly in Australian and New Zealand retail, chemicals, fertilisers, coal mining and industrial and safety products. Wesfarmers is listed on the ASX with a market capitalisation of approximately $46bn.
coles	3.1%	Coles Supermarkets Australia Pty Ltd, trading as Coles, is an Australian supermarket, retail and consumer services chain, headquartered in Melbourne as part of the Coles Group. Coles is listed on the ASX with a market capitalisation of approximately $20bn.
kaelus[3]	3.0%	Kaelus is an industry leader in portable PIM equipment, cable and antenna analysers and RF filtering solutions. Kaelus is part of Microdata Telecom, a global mobile infrastructure business domiciled in Sweden.
CLEMENGER BBDO	2.5%	Clemenger Group is the largest agency group in Australia. They are part of the BBDO network, a worldwide advertising agency headquartered in New York, USA.
nab	1.5%	National Australia Bank is one of the four largest financial institutions in Australia in terms of market capitalisation, earnings and customers. NAB is listed on the ASX with a market capitalisation of approximately $84bn.
Total top ten	**89.3%**	

Notes:

1. Tenant is CPB Contractors, a wholly owned subsidiary of CIMIC Group.
2. Tenant is Bunnings, a wholly owned subsidiary of Wesfarmers Group.
3. Tenant is Triasx, a wholly owned subsidiary of parent group Microdata Telecom.

The Fund benefits from a 4.9 year WALE[1] with over 74% of leases expiring in 2024 and beyond.

Figure 2.4.2.3: Lease expiry profile



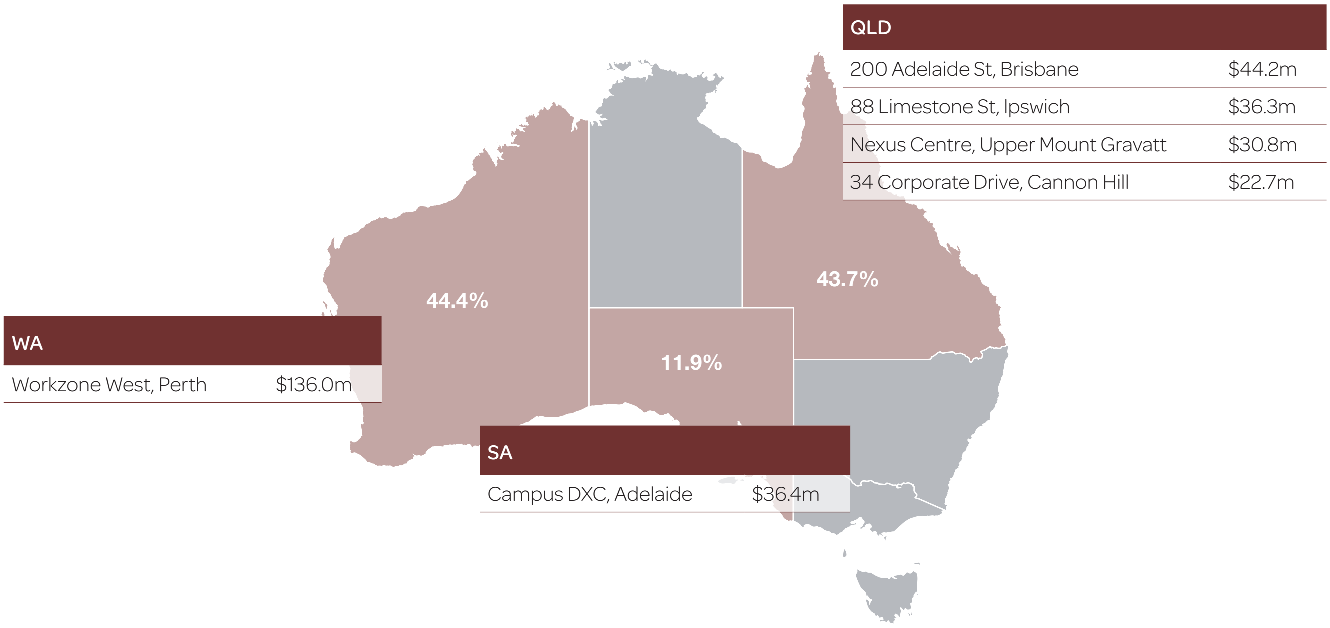
Asset	Tenant	Expiry
Nexus	Bunnings	October 2020
Corporate Drive	Kaelus	October 2020

Asset	Tenant	Expiry
Corporate Drive	Optus	June 2021

2.4.3 DIVERSIFIED PORTFOLIO THAT REPRESENTS COMPELLING VALUE TO EQUIVALENT ASSETS

The Fund's portfolio is weighted towards Western Australia and Queensland office markets which are recovering from cyclical lows.

Figure 2.4.3.1: Split by geography (% value)



QLD	
200 Adelaide St, Brisbane	$44.2m
88 Limestone St, Ipswich	$36.3m
Nexus Centre, Upper Mount Gravatt	$30.8m
34 Corporate Drive, Cannon Hill	$22.7m

WA	
Workzone West, Perth	$136.0m

SA	
Campus DXC, Adelaide	$36.4m

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[1] By gross income.

2.4.4 CONSERVATIVE GEARING

On Completion, the Fund will have conservative initial gearing of 20% on listing. Following Completion the Fund will maintain a target gearing range of between 30% and 40%. The initial gearing of the Portfolio provides the Fund capacity to debt fund future acquisitions.

2.4.5 ACCESS TO ELANOR'S ASSET MANAGEMENT PLATFORM

The Fund will have access to an experienced investment management team with proven active asset management approach to drive income and value-enhancement. Elanor is an aligned manager who will hold a 15% co-investment at Completion.

2.5 ASSET DETAILS

2.5.1 WORKZONE WEST, PERTH, WA

Property overview

WorkZone West is a seven-level, modern office building providing 15,602 sqm of NLA located on a large 5,688 sqm site. The upper levels provide high quality A-grade office accommodation, offering six large flexible floor plates averaging approximately 2,443 sqm. Workzone West benefit from 98% of NLA being leased to ASX-listed CIMIC Group. There are minimal capital works or short term repositioning requirements given the lease term and age of the building .

Location overview

WorkZone West is located within close proximity to Perth's Central Train Station, Perth's cultural centre and the gentrifying entertainment precinct of Northbridge. Location appeal to tenants is the strong amenity, transport access and proximity to Perth CBD.

Opportunities

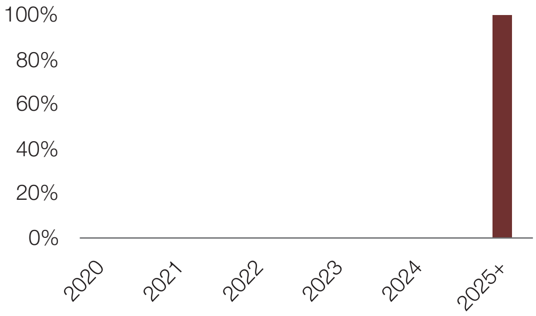
Opportunity to diversify tenant base upon expiry of the CIMIC lease.

Overview

Valuation	*A$m*	136.0
Valuation	*A$/sqm*	8,717
Cap-Rate	*%*	6.75
Passing Yield	*%*	9.1
WALE by income	*yrs*	5.8
NLA	*sqm*	15,602
Occupancy by NLA	*%*	99.5

Asset Photo

Lease expiry profile by income



Major tenants	NLA (sqm)	% of total income	Lease expiry
CIMIC[1]	15,331	99.1%	Aug-25

[1] Tenant is CPB Contractors, a wholly owned subsidiary of CIMIC Group.

2.5.2 200 ADELAIDE ST, BRISBANE, QLD

Property overview

200 Adelaide St is a heritage office building located in the heart of the Brisbane CBD providing 5,957 sqm of high-quality office accommodation. The building benefits from a recently completed capital works program including new lifts, lobby upgrade, and tenancy improvements. Recent capital works and the asset's location is expected to enhance tenant demand.

Completion of the acquisition of this property will be funded from the proceeds of the Offer.

Location overview

200 Adelaide St is in a prime CBD location with direct access to Brisbane's Central Railway Station, and within a short walk to Brisbane's premier shopping strip - Queen St Mall. The Brisbane CBD office market, will continue to benefit from infrastructure investment including the Queens Wharf entertainment precinct, Cross River Rail and Brisbane Live.

Opportunities

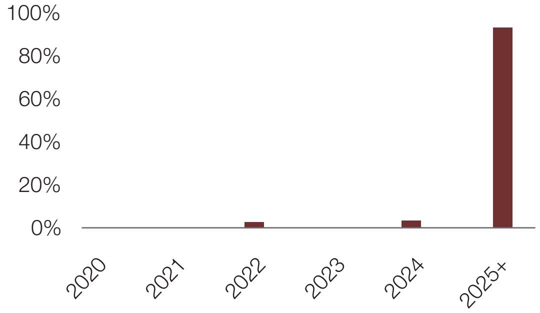
Level 1 tenant is vacating property upon lease expiry of 30 November 2019. Further value uplift is anticipated once the area is re-leased.

Overview

Valuation	*A$m*	44.2
Valuation	*A$/sqm*	7,417
Cap-Rate	*%*	6.75
Passing Yield	*%*	6.5
WALE by income	*yrs*	7.8[1]
NLA	*sqm*	5,957
Occupancy by NLA	*%*	78.6[2]

Asset Photo

Lease expiry profile by income



Major tenants	NLA (sqm)	% of total income	Lease expiry
HUB Australia	3,538	71.1%	Nov-28
Clemenger BBDO	1,045	23.1%	Apr-25

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[1] Based on Contracted income only.

[2] Excluding rental guarantees.

2.5.3 38 LIMESTONE ST, IPSWICH, QLD

Property overview

Limestone Centre consists of a dual-building business-park style office accommodation and ancillary retail in the Ipswich CBD, which is located ~31km from the Brisbane CBD. The building is located on an 8,064 sqm site, and comprises 7,183 sqm of NLA across two buildings, including ~285 sqm of retail and 305 car bays. The site includes approximately 850 sqm of vacant land.

Location overview

38 Limestone St is located in the Ipswich CBD, which has a strong tenant base of Government and health-industry tenants, who are strategically located to service the Ipswich corridor. Workers benefit from the amenity of the Ipswich shopping precinct which provides ample dining and shopping options.

Opportunities

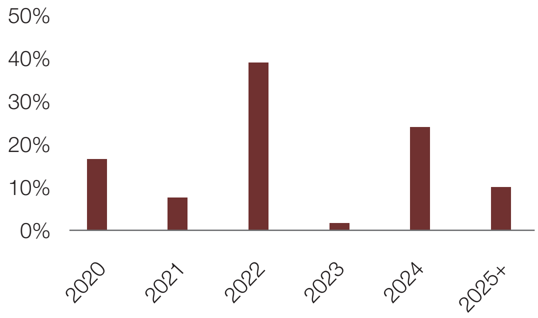
Opportunity to develop vacant land into additional NLA. The Fund will target a pre-commitment prior to undertaking any works.

Overview

Valuation	*A$m*	36.3
Valuation	*A$ / sqm*	5,054
Cap-Rate	*%*	7.5
Passing Yield	*%*	8.1
WALE by income	*yrs*	2.6
NLA	*sqm*	7,183
Occupancy by NLA	*%*	97.6

Asset Photo

Lease expiry profile by income



Major tenants	NLA (sqm)	% of total income	Lease expiry
Government[1]	4,076	52.8%	Var
The Uniting Church	822	10.2%	Jul-25

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[1] Government owned entities.

2.5.4 CAMPUS DXC, FELIXSTOW, SA

Property overview

Campus DXC is a two-level, modern, campus-style office building, which is solely leased to DXC Technologies and benefits from a ~5.8yr WALE. Campus DXC is situated on a 12,240 sqm site located 6km north-east of the Adelaide CBD, and comprises ~6,288 sqm of office space and 333 car bays. The site includes land which is currently being used for parking, and has redevelopment potential.

Location overview

Campus DXC is located in Felixstow, a suburban Adelaide market with direct Arterial Road access to the Adelaide CBD, and is ideal for tenants who want to occupy a campus style building.

Opportunities

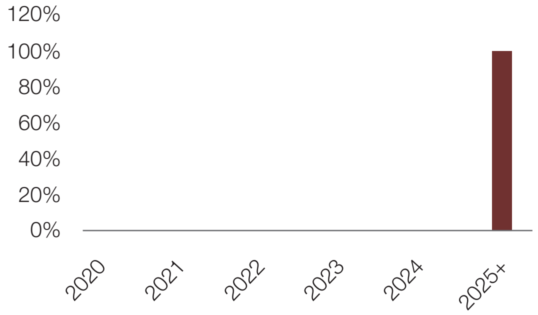
Develop land for existing tenant's expansion requirements.

Overview

Valuation	*A$m*	36.4
Valuation	*A$ / sqm*	5,789
Cap-Rate	*%*	7.25
Passing Yield	*%*	7.9
WALE by income	*yrs*	5.8
NLA	*sqm*	6,288
Occupancy by NLA	*%*	100.0

Asset Photo

Lease expiry profile by income



Major tenants	NLA (sqm)	% of total income	Lease expiry
DXC Technology	6,288	100.0%	Aug-25

2.5.5 NEXUS CENTRE, UPPER MOUNT GRAVATT, QLD

Property overview

Nexus Corporate Centre is a four-level freestanding office building located within the Upper Mount Gravatt commercial district, which is located ~12km from the Brisbane CBD. The building is located on a 6,455 sqm site and comprises 7,392 sqm of NLA across four floors with functional 2,005 sqm floorplates and 215 car bays. Main tenants include Coles Supermarkets (State office), Bunnings (State office) and National Australia Bank.

Location overview

Nexus Centre is located in the Brisbane metropolitan office market of Upper Mount Gravatt. The asset is one of three institutional grade office buildings in the Upper Mount Gravatt sub-market. The property benefits from having significant amenity, with Westfield Garden City located nearby, offering a wide range of dining and shopping options for workers.

Opportunities

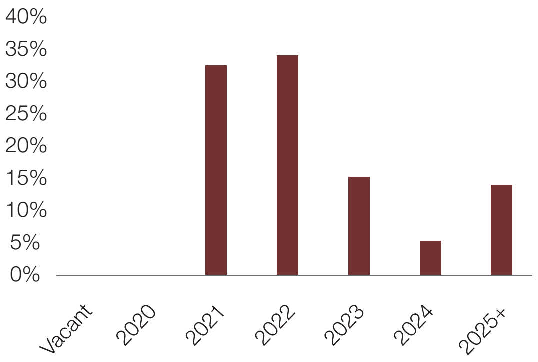
Enhance capital value by renewing existing tenants and extending WALE.

Overview

Valuation	*A$m*	30.8
Valuation	*A$/sqm*	4,167
Cap-Rate	*%*	7.5
Passing Yield	*%*	7.3
WALE by income	*yrs*	2.5
NLA	*sqm*	7,392
Occupancy by NLA	*%*	100.0[2]

Asset Photo

Lease expiry profile by income



Major tenants	NLA (sqm)	% of total income	Lease expiry
Wesfarmers[1]	2,005	28.2%	Oct-20
Coles Supermarkets	2,005	27.0%	Dec-21
National Australia Bank	910[2]	12.2%	Jan-25

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[1] Tenant is Bunnings, a wholly owned subsidiary of Wesfarmers Group.

[2] Assumes executed Heads of Agreement for a new lease beginning February 2020 for 205 sqm, due to expire February 2025.

2.5.6 34 CORPORATE DRIVE, CANNON HILL, QLD

Property overview

Corporate Drive is a high-quality office and warehouse asset located in the well-regarded Southgate Corporate Park, which is located 6km from the Brisbane CBD and sits adjacent to other large corporate users. The asset is situated on a 12,930 sqm site and has ~5,313 sqm of NLA split between Optus and Kaelus who are both multinational tenants.

Location overview

34 Corporate Drive is located in the Southgate Business Park, which is suitable for corporate tenants who require access to motorways, airport and ports to service clients.

Opportunities

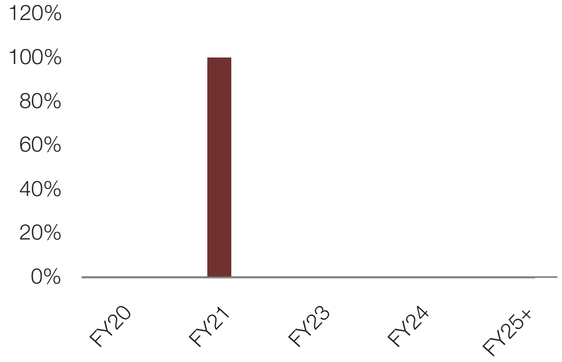
Enhance capital value by renewing existing tenants or releasing and extending WALE.

Overview

Valuation	*A$m*	22.7
Valuation	*A$ / sqm*	4,273
Cap-Rate	*%*	7.0
Passing Yield	*%*	6.6
WALE by income	*yrs*	1.3
NLA	*sqm*	5,313
Occupancy by NLA	*%*	100.0

Asset Photo

Lease expiry profile by income



Major tenants	NLA (sqm)	% of total income	Lease expiry
Optus	2,574	58.4%	Jun-21
Kaelus	2,739	41.6%	Oct-20

Elanor COMMERCIAL PROPERTY FUND

3. ADDITIONAL FUND INFORMATION

3.1 BACKGROUND TO THE TRANSACTION

As part of the Proposed Transaction, Existing Investors in the Trust were provided with the opportunity to:

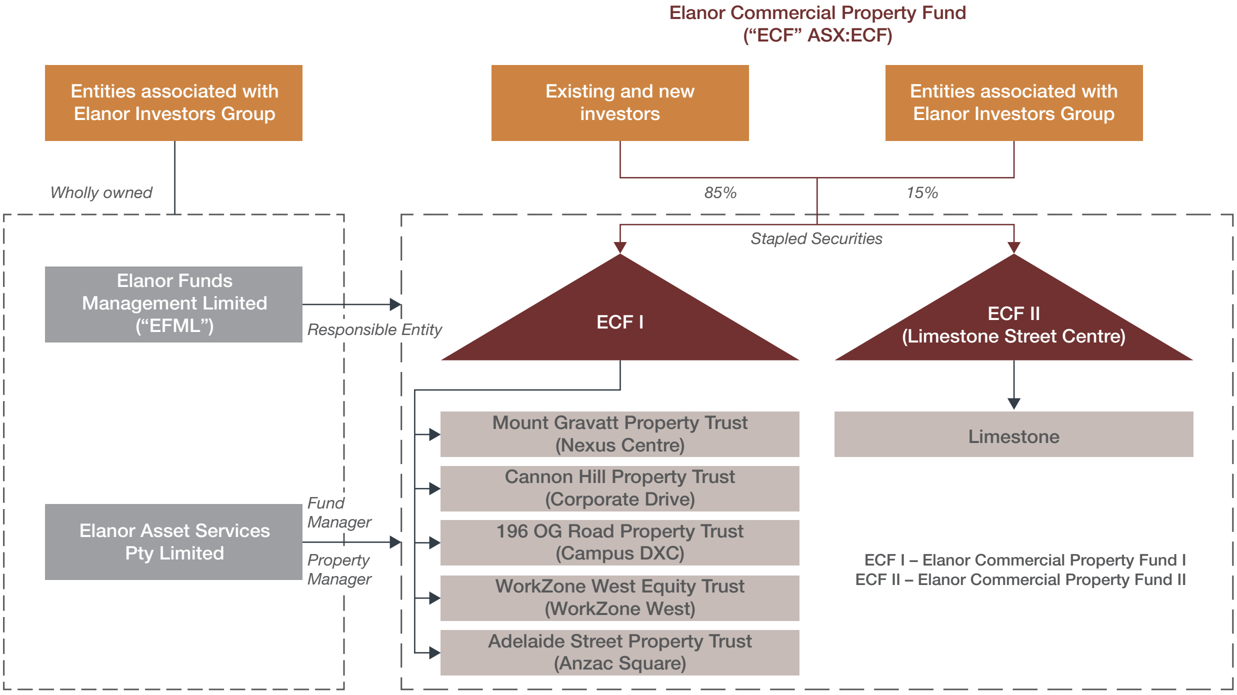
- retain some or all of their existing Units in the Trusts so as to participate in the Fund in its new stapled and ASX listed form;
- have some or all of their existing Units in the Trusts redeemed by the Responsible Entity for cash and not participate in the Fund to the extent of redemptions; or
- retain all of their existing units and have the opportunity to subscribe for additional units as part of the Elanor Offer.

3.2 STRUCTURE OF THE FUND

ECF is a stapled group consisting of stapled units in the Elanor Commercial Property Fund I (ARSN 636 623 099) and Elanor Commercial Property Fund II (ARSN 636 623 517).

Elanor Funds Management Limited (ABN 39 125 903 031; AFSL 398196) is the Responsible Entity of the Fund.

Figure 3.2: Corporate structure diagram at Completion



3.3 FINANCING ARRANGEMENTS

On Completion, it is expected that total drawn debt will be $64.7m which implies an LVR across the Portfolio of 21%.

Key lending covenants under the Debt Facilities are as follows:

- Loan to Value ratio (LVR) to be ≤ 63%.LVR is calculated as drawn debt divided by the value of WorkZone West;
- Interest Cover ratio (ICR) to be ≥ 2.0x, calculated over a 12 month period. ICR is calculated as net rental income from WorkZone West divided by interest expense.

3.4 CAPITAL MANAGEMENT

3.4.1 GEARING POLICY

The Fund intends to maintain a target Gearing range of between 30% and 40% over the medium term. It will consider reducing the loan refinancing risk by seeking different loan maturity dates and different loan counterparties.

This policy will continue to be reviewed in the context of any future indebtedness and the prevailing market conditions. The Directors of the Responsible Entity will continue to monitor the appropriateness of this policy to ensure that it meets the ongoing objectives of the Fund and is in the best interest of investors.

3.4.2 HEDGING POLICY

The Fund intends to implement an interest rate hedging policy to reduce the volatility of future FFO due to movements in interest rates. It will manage this exposure by:

- Targeting a range for fixed interest rate exposure of between 70% and 100% of drawn borrowings;
- The use of derivative contracts and/or other agreements to fix interest payment obligations; and
- Considering reducing the reset risk by seeking different maturity dates for the fixed rate agreements.

This policy will continue to be reviewed in the context of any future indebtedness and the prevailing market conditions. The Directors of the Responsible Entity will continue to monitor the appropriateness of this policy to ensure that it meets the ongoing objectives of the Fund and is in the best interest of investors.

The drawn debt at the Allotment Date will be 100% hedged. Refer to Section 6.7 for further information on the interest expense assumptions for the forecast period.

3.5 VALUATION POLICY

The fair value of the Properties will be reviewed by the Directors of the Responsible Entity at each reporting date. The Directors' assessment of fair value will be periodically confirmed by engaging an independent expert valuer to assess the fair value of individual properties:

- At least every three years on a rotating basis in accordance with relevant industry standards; and
- If there is reason to believe that the fair value of a property has materially changed from its book value (e.g. as a result of changes in market conditions, leasing activity in relation to the property or capital expenditure).

The Properties may be independently valued more frequently in volatile markets.

The valuer's assessment for each investment property will include:

- The fair market value of the investment property, assuming knowledgeable, willing parties in an arm's length transaction; and
- The use of an appropriate valuation methodology, such as the capitalisation of net income or a discounted future cash flow approach and include an assessment of market conditions and comparable property transactions.

3.6 DISTRIBUTION POLICY

The Fund's Distribution policy will be formulated with regard to a range of factors including:

- General business and financial conditions;
- The certainty of the Portfolio cash flow having regard to vacancy rates in the Portfolio, the average lease duration and the timing of significant lease expiries;
- Medium term capital expenditure requirements of the Portfolio;
- Taxation considerations;
- Working capital requirements; and
- Other factors that the Directors of the Responsible Entity considers relevant.

The Fund intends to make Distributions on a quarterly basis with the first Distribution to be made for the period from the Allotment Date to 31 March 2020. Distributions will be determined with reference to the Fund's FFO, with a target range for Distributions of between 80% and 100% of FFO.

The first Distribution payment relating to the period ending 31 March 2020 is expected to be paid in May 2020.

The Directors of the Responsible Entity will continue to monitor the appropriateness of this policy to ensure that it meets the ongoing objectives of the Fund and is in the best interest of Securityholders.

The Responsible Entity intends to establish a distribution reinvestment plan ("**DRP**") under which any Securityholder may elect that the Distributions payable by the Fund be reinvested in whole or part by a subscription of Securities at a price to be determined by the Responsible Entity from time to time. While the Responsible Entity intends to establish a DRP, it has been assumed that the DRP will not be activated by the Responsible Entity during the Forecast Period.

3.7 REPORTING

The Fund will operate on a 30 June financial year end basis for accounting and financial reporting purposes.

Formal financial reporting will be provided to Securityholders as at 31 December (interim) and 30 June (full-year) each year. These reports will detail (among other things) the following:

- An income statement, balance sheet and statement of cash flows for the period;
- The net asset position of the Fund as at the end of the period;
- The amount and tax treatment of Distributions for the period;
- Significant activities undertaken over the period; and
- Portfolio updates (including valuations of the Properties).

In addition to the investor reports an annual report will be provided by the Fund in accordance with the Corporations Act. The financial statements contained in the annual report will be audited and the financial statements in the half year accounts subject to review by the Fund's auditors.

3.8 AUDITOR

The Auditor of the Fund will be Deloitte Touche Tohmatsu.

3.9 REGISTER

The Securities register will be maintained in New South Wales by the Registry, Boardroom.

Elanor COMMERCIAL PROPERTY FUND

4. INDUSTRY OVERVIEW

JLL

Independent Office Market Report

This paper has been prepared for the Directors of Elanor Funds Management Limited as responsible entity of Elanor Commercial Property Fund I and Elanor Commercial Property Fund II and for the Due Diligence Committee for the IPO and ASX listing of Elanor Commercial Property Fund.

Overview

Prepared for

The Directors of Elanor Funds Management Limited as responsible entity of Elanor Commercial Property Fund I and Elanor Commercial Property Fund II and for the Due Diligence Committee for the IPO and ASX listing of Elanor Commercial Property Fund.

Prepared by

Jones Lang LaSalle Advisory Services Pty Ltd.

Scope

Jones Lang LaSalle Advisory Services Pty Ltd (*‘JLL’*) have been engaged by the Directors of Elanor Funds Management to prepare an independent market report outlining the market conditions for each property that is included within the Elanor Commercial Property Fund (ECPF). More specifically, this paper provides commentary surrounding the following commercial office markets:

- Brisbane CBD;
- Brisbane Suburban;
- Ipswich (Regional QLD);
- Adelaide Near City and Suburban; and
- Perth CBD.

The Report has been prepared for inclusion in the PDS for the IPO of Elanor Commercial Property Fund. We refer the reader to the commentary herein relating to the above scope.

Brisbane CBD Office

Overview

The Brisbane CBD office market is currently considered to be in its strongest position for 7 years, with vacancy now sitting at 11.0%, the lowest figure reported since 2012. The economic fundamentals for Brisbane continue to remain buoyant. The pipeline of infrastructure projects should directly boost demand for office space, while also providing an indirect boost to overall economic activity. Additional increases in population growth are also likely to be a strong driver of a broader pick-up in economic activity.

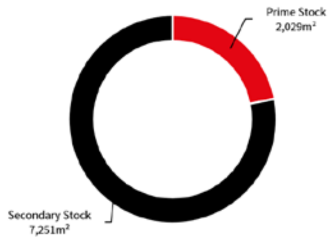
The market underwent a challenging period from 2014 through to 2018. This was due to the combination of three major catalysts that occurred in 2014; public sector employment cuts (State Government), the LNG sector transitioned from capex phase to production phase which saw a number of key employers reduce their white collar employee requirements and three major office developments reached completion (1 William Street, 480 Queen Street and 180 Ann Street).

Throughout 2015 to 2018 the recovery occurred slowly, however in late 2018 and early 2019 a number of key infrastructure projects, recentralisation themes, and general economic conditions have seen occupancy levels recover. Total market vacancy (11.0% as at Q2 2019) is at a 7 year low. At the same time, capital market conditions continue to strengthen. The Brisbane investment market is driven by the yield premium to Sydney and Melbourne as well as the improving leasing market conditions. We outline below the current market conditions with respect to Demand, Supply, Vacancy, Rents and Yields recorded throughout 2Q19.

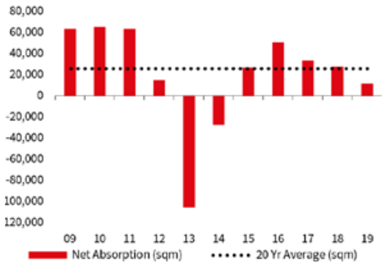
Demand

Net absorption totalled 9,280m² in 2Q19. This is well above the 10-year quarterly average of 4,510m² and marks the second consecutive quarter in which secondary absorption has recorded stronger performance than prime. This was largely due to activity within the smaller occupier market (<1,000m²) and expansionary leases from WeWork (4,600m² in 260 Queen Street) and Australian Rail Track Corporation (sub-leasing 3,842m² in 180 Ann Street). Currently, there are approximately 10 active tenant briefs that have been publicly marketed, with requirements in both the CBD and Near City. The largest brief in the CBD continues to be from the State Government seeking 25,000m².

Prime vs. Secondary Net Absorption



Annual Net Absorption



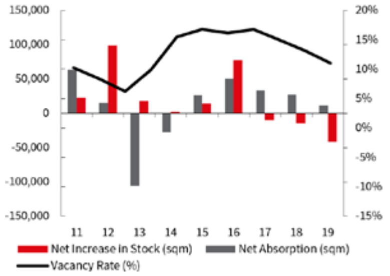
Supply

The supply pipeline has been relatively limited over the past 24 months with two major refurbishments and numerous withdrawals. Robust levels of demand, coupled with negative net supply, has tightened the prime market significantly and quality contiguous space has become a rare commodity. There are currently 4 projects under construction, totalling approximately 161,000m² of future supply in the CBD.

Projects Under Construction

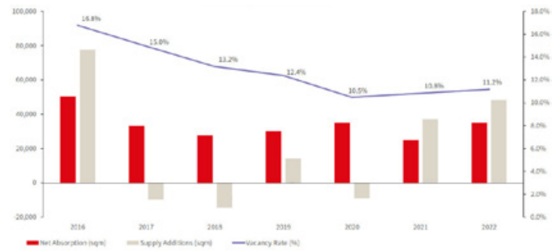
Project	Approx. NLA	Completion
300 George Street (Shayher Group)	48,000m²	4Q19
The Annex (Dexus)	8,000m²	4Q19
Midtown Centre (Ashe Morgan)	45,000m²	2021
80 Ann Street (Mirvac Group)	60,000m²	2022

Market Balance



The Midtown Centre and 80 Ann Street are the only projects that have confirmed leasing precommitments (Rio Tinto within the Midtown Centre and Suncorp at 80 Ann Street) as at 2Q19. Additionally, there are various mooted developments throughout the CBD which are at various stages of planning approval / development process. Noting the owner/developer profile of these proposed projects it is unlikely that any will proceed to construction phase without a substantial leasing pre-commitment.

Future Supply / Demand Pipeline



Future Supply (Proposed Projects)

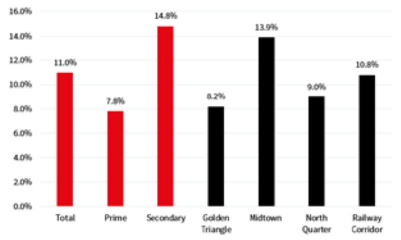
Project	Proposed NLA
30 Hershel Street (Cbus / Neilson Properties)	50,000m²
62 Mary Street (QIC)	38,000m²
The Regent (ISPT)	35,000m²
360 Queen Street (Charter Hall & Investa)	55,000m²

Vacancy

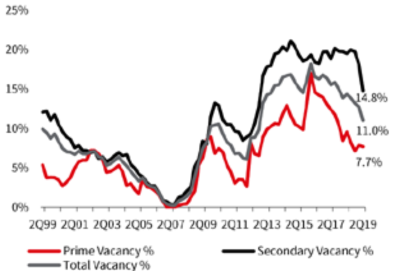
The headline vacancy rate decreased by 1.7% to 11.0% in 2Q19 and this is now the lowest recorded vacancy for the CBD since 4Q12. Prime vacancy fell 0.2% while secondary stock also decreased by 3.3%. Noting the supply anticipated to enter the market in 2019/20, it remains to be seen whether this momentum will continue in the short-to-medium term as the market absorbs these additions.

Amongst the precincts, Midtown continues to have the lowest vacancy rate followed by the North Quarter, Railway Corridor and Golden Triangle. The tightened vacancy rates in the Midtown and North Quarter precincts were largely due to withdrawals of 96 Albert Street (Midtown) and the East and West Towers at the Brisbane Transit Centre (North Quarter).

Vacancy Rate by Grade and Precinct



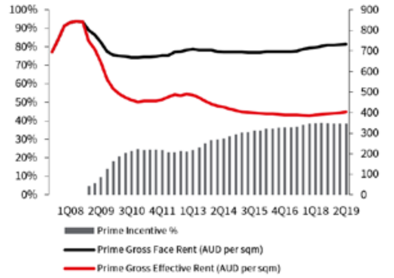
Annual Vacancy Trends



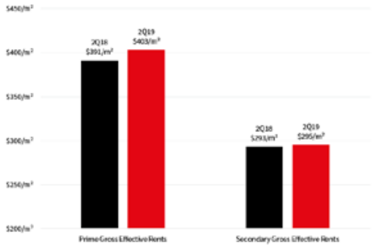
Rents

Prime gross effective rents increased by 0.8% QoQ to $403/m², marking the first time since 2Q15 that prime gross effective rents have exceeded $400/m². Growth for prime assets has been attributed to a strengthening local economy, growing demand and a declining vacancy rate. Prime incentives have remained stable at 38.5% noting Landlords still find it easier to re-coupe costs via face rents rather than lower incentives in a competitive leasing environment. For tenants the incentive to upgrade space remains strong, as the differential between prime and secondary gross effective rents is just $108/m². Secondary gross effective rents increased slightly to $295/m² in 2Q19. Despite the increase, the affordability factor is driving demand, especially amongst the smaller tenancies throughout the Brisbane CBD (< 1,000m²).

Rental Growth



Gross Effective Rents



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Yields & Sales

The investment market has been particularly strong in the last five years, experiencing above average transaction volumes. In 2Q19, investor appetite for CBD assets remained robust as sales volumes totalled $521.5 million across six sales. Queensland office assets continue to be highly sought after as they offer a different risk-return profile in comparison with Sydney and Melbourne office assets.

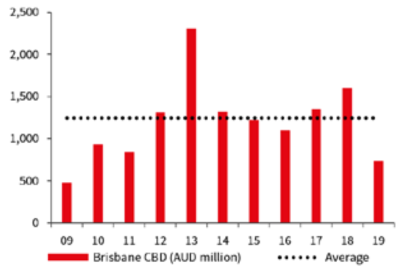
Notable sales throughout 2Q19 comprise the following:

- 348 Edward Street from Hines to Centuria for $89.0 Million;
- 239 George Street and 15 Adelaide Street from Oxford Properties to Anton Capital for $225.0 million;
- 201 Charlotte Street from Fortius Funds Management and BlackRock (two private funds) to Kyko Group for $126.7 million;
- 30 Makerston Street from Challenger Life Company to Sentinel Property Group for $103.0 million;
- 280 Elizabeth Street from Telstra to Firmus Capital (leaseback scenario) for $57.0 million.

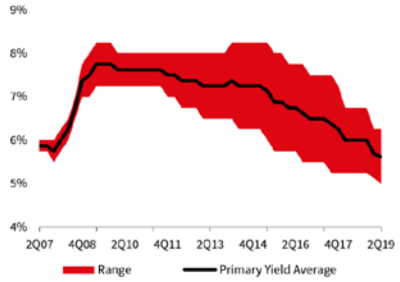
Brisbane continues to remain in demand as investors are attracted to Queensland's improving economic fundamentals. More so, capital in search of yield are drawn to Brisbane as quality prime assets offer an attractive yield spread when compared to competing investment markets of Sydney and Melbourne.

Currently prime benchmark yields range from 5.00% to 6.25% with secondary benchmark yields ranging from 5.75% to 7.50%. We anticipate robust demand to apply downward pressure on yields for both prime and secondary assets as investors continue to look for strong covenants and strategic locations. Sales volumes for H2/2019 are anticipated to be strong with numerous significant deals in the pipeline.

Transaction Volumes



Prime Benchmark Yield Range



Outlook

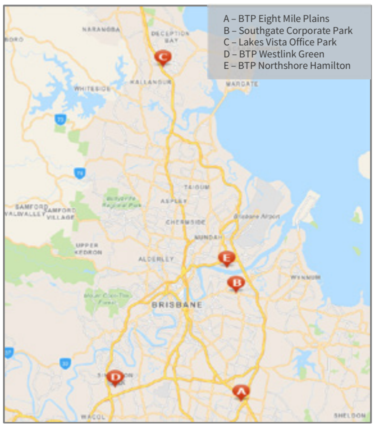
We anticipate demand to hold steady over 2019 given that price incentives continue to favour the CBD over the Near City and noting demand from a list of sizeable leasing requirements. We note a significant amount of supply towards the latter end of the year may soften the market in the short term. We anticipate Landlords will continue to reposition their assets to meet the quality requirements of prospective tenants.

In the absence of any global macroeconomic disruption, we expect the investment interest in Brisbane to remain strong. This reflects both the improving fundamentals and the return spread compared to Sydney and Melbourne. While the upper end of yield ranges is likely to be stable in the short-term, we anticipate continued low yields in the current low interest rate environment.

Brisbane Suburban Office

Overview

Brisbane's suburban office market is largely divided into two sub-categories, being the technology park office market which is predominantly owned by institutions and property syndicates and the secondary suburban office market which is owned by private investors (i.e. high net worth individuals self-managed superannuation funds) or owner-occupiers. Whilst both markets are located within the suburbs, we note each sub-category is competing for a different calibre of tenant with the technology park office market competing for corporate-grade tenants and the secondary market competing for small-to-medium enterprises.



Source: ESRI Street Map within JLL's Internal Mapping System, September 2019.

The technology park office market is dominated by the Brisbane Technology Park (BTP) in Eight Mile Plains (situated approximately 14 kilometres south of the Brisbane CBD) and the Southgate Corporate Park in Cannon Hill (situated approximately 6 kilometres east of the Brisbane CBD).

BTP Eight Mile Plains is considered the largest technology style estate in terms of geographical significance and overall asset value with the Southgate Corporate Park in Cannon Hill considered the second largest. These are considered the two most established/mature estates in the market, however, we note in more recent times there has been the emergence of other technology park precincts.

These emerging precincts include Lakes Vista Office Park situated in North Lakes (approximately 26 kilometres north of the Brisbane CBD), BTP Westlink Green located at Darra (approximately 13 kilometres south-west of the Brisbane CBD) and BTP Northshore situated in Hamilton (approximately 6 kilometres north-east of the Brisbane CBD) as illustrated on the map extract.

Development within these new precincts is driven by the availability of land supply and proximity to major transport corridors and overall are still considered somewhat emerging precincts at this stage in the current market.

Rents and Leasing Market

Rental rates have remained relatively stable in more recent times and vary significantly relative to the individual estate, quality of the accommodation provided within a specific asset, exposure and access to both the property, broader estate and surrounding road corridors. These rates can range from approximately $300/m² to $500/m² gross face and are largely contingent upon the above factors. Broadly speaking, incentives currently sit between 20% and 35% and have remained relatively stable in recent times. We note that development is largely demand driven and new development is typically completed subject to whole-of-building (or significant) tenant pre-commitment. Rents in these new developments are therefore generally reflective of an "economic rental" level.

From a tenant's perspective, occupying within these respective estates or office precincts is largely driven by the locational and operational requirements of an individual business and proximity to local trade catchments. Generally businesses within these estates predominantly service the local population or major landmarks, leverage upon the proximity to major road corridors (i.e. tenants with large off-site fleet contracting operations) or are strategically located relative to a broader business requirement (i.e. head office or business operations located in proximity to a larger distribution warehouse facility).

Noting the prevailing conditions throughout Brisbane's Near City office market, there is an affordability factor driving some tenants to relocate to traditional Near City office precincts, however, this is somewhat offset within these estates due to the aforementioned locational requirements, quality of office accommodation provided in the estates and volumes of available on-site car parking which is generally negotiated at a lower rental quantum relative to Brisbane CBD and Brisbane Near City precincts.

In addition to the above technology parks, we also note there are a number of mature, existing suburban office precincts throughout Brisbane such as Chermside to the north of the Brisbane CBD, Taringa and Indooroopilly to the south-west of the Brisbane CBD and Upper Mount Gravatt and Springwood to the south-east of the Brisbane CBD. These precincts generally provide secondary office accommodation with an older age and standard of improvements. There is generally limited availability of good quality buildings in these precincts.

Investment Markets

From a capital perspective, transaction volumes have been strong for technology park estates with approximately $190 million worth of assets transacting over 2018 and 2019 across all estates. The majority of these transactions are within the Brisbane Technology Park and Southgate Corporate Park with prime benchmark yields generally reflecting 6.50% to 7.75%. Notable transactions that have occurred over the past 12 months comprise the following:

- **28 MacGregor Street, Upper Mount Gravatt** from LaSalle Investment Management to Charter Hall for $63,750,000 in 2019;
- **19 Corporate Drive, Cannon Hill** in Southgate Corporate Park from Centuria to Aviator Capital for $36,950,000 in 2019;
- **381 MacArthur Avenue, Hamilton** in BTP Northshore Hamilton from Alceon Group to Centuria for $19,735,601 in 2019;
- **831 Gympie Road, Chermside** from Maroon Property Holding to a Local Private Investors for $30,700,000 in 2018;
- **Building 5 – 747 Lytton Road, Murarrie** from Robina Land Corporation to a Local Private Investor for $24,333,638 in 2018; and
- **Buildings 8 &17 – 2404 Logan Road, Eight Mile Plains** from 151 Property Group to Alceon Group for $14,000,000 in 2018.

Supply

Moving forward, it is likely that any new office stock developed throughout the technology park and suburban precincts would be tenant-led, with the probability of major speculative supply being introduced to the market being unlikely. This should assist in tempering occupancy/vacancy rates and leasing competition within the suburbs, relative to key Brisbane CBD and Brisbane Near City markets. We note this is largely predicated on tenant retention in newly developed stock and 'backfill' vacancy due to tenant vacates (either derived from changes in tenant's business or locational requirements) and this tenant predication is considered to be a key risk for the suburban office market.

Overall, there has been renewed demand for technology park style office assets noting the limited availability of quality investment opportunities throughout the traditional Brisbane CBD and Brisbane Near City commercial office markets. This, paired with the prevailing cost of debt environment on a broader capital basis, is anticipated to continue in the short-term.

Precinct Overview – Southgate Corporate Park (Cannon Hill)

The Southgate Corporate Park is positioned in Cannon Hill, located approximately 6 kilometres by road east of the Brisbane CBD and 8 kilometres south of the Brisbane Airport (accessed via the Gateway Motorway). The estate is positioned to the north of Wynnum Road, a major arterial road corridor, and located in close proximity public transport infrastructure and major retail amenities such as the Cannon Hill Kmart Plaza, Morningside Plaza and Westfield Carindale super regional shopping centre. We note that Southgate Corporate Park is the only suburban office park in Brisbane that is serviced by rail transport.

The estate has been progressively developed by Anthony John Group (noting major works occurred throughout the early to late 2000s) and currently provides approximately 42,500m² of NLA over numerous buildings.

Occupants throughout the estate comprise corporates, various State Government departments, technology based groups (with laboratory space requirements) and not-for-profit groups.

Notable occupiers throughout the Southgate Corporate Park include National Australia Bank, Holden Motors, NBN Co, Honeywell, Optus, the Real Estate Institute of Queensland, Endeavour Foundation (owner-occupier), IOR Petroleum, Macquarie Radio Network (owner-occupier) and various State Government departments.

In addition to the office accommodation, there is also a childcare centre, convenience centre, tavern and freestanding quick service restaurant located within the estate.

Source: Southgate Corporate Park Masterplan (Anthony John Group), sourced September 2019

The Southgate Corporate Park is largely developed and considered landlocked in terms of future supply beyond the existing estate boundaries and adjoining East Village site that is also owned by Anthony John Group (refer overleaf).

Within the estate, we have identified 5 separate allotments totalling 10,203m² (of site area) that could be mooted for future office supply with future development likely to be led by tenant demand and subject to a leasing pre-commitment. The estate is considered to be somewhat physically constrained in terms of availability of land.

Anthony John Group are currently developing East Village across various stages and this site immediately adjoins the Southgate Corporate Park. Upon completion, East Village will provide various uses including residential (unit and townhouse stock), high street retail (including a cinema and gym), medical, short-term accommodation and commercial offices. The commercial office component may slow rental growth in the short-to-medium term as the new supply is absorbed into local market, however, this is contingent upon the quality of stock and tenant profile this accommodation is targeting. Despite the future supply additions, we note the overall scheme is anticipated to benefit the greater Cannon Hill market (including amenity and overall investor sentiment) in the near future.

Precinct Overview – Upper Mount Gravatt

Upper Mount Gravatt is a mature office precinct situated approximately 13 kilometres by road south of the Brisbane CBD. Office accommodation throughout Upper Mount Gravatt varies significantly with a high volume of low-rise strip retail/commercial stock concentrated along the major local road corridors of Logan Road, Kessels Road and Mount Gravatt Capalaba Road and only 3 office buildings that are considered to be of an institutional grade located within the suburb. Majority of the office accommodation within Upper Mount Gravatt surrounds the Westfield Garden City shopping centre, a key activity hub for the suburb.

As highlighted, there are only three institutional grade office buildings within the suburb which comprise the following:

- **28 MacGregor Street, Upper Mount Gravatt** recently acquired by Charter Hall;
- **The Garden Square Office Park – 643 Kessels Road, Upper Mount Gravatt** owned by Quintessential Equity; and
- **The Nexus Centre – 96 Mount Gravatt Capalaba Road** owned by Elanor Investors Group.

In terms of scale, 28 MacGregor Street is considered the largest office building in the suburb on an overall NLA basis, providing approximately 14,300m² of NLA across 6 levels in addition to 2 basement levels that provide on-site car parking for 405 cars. Typical floorplates within the building are in the order of 2,375m². The building was purpose built for the Australian Taxation Office (ATO) in 1992 with major refurbishments undertaken in 2012 and more recently throughout 2017/18.

28 MacGregor Street recently sold in 2019 to Charter Hall (Charter Hall Long WALE REIT) for $63,500,000. Upon sale the building was fully leased (99.9% of NLA occupied by Australian Tax Office under a single lease agreement expiring December 2026).

The Garden Square Office Park at 643 Kessels Road provides approximately 12,600m² of NLA across 2 detached commercial office buildings that are held on a single title. The building positioned the western alignment of the base parcel provides approximately 7,500m² of NLA across 4 levels whilst the building located to the eastern alignment provides approximately 5,100m² across 3 levels, with typical floorplates between both buildings ranging from 1,667m² to 1,920m² of NLA.

The Garden Square Office Park is primarily tenanted by the State Government (various departments) in addition to some smaller corporate occupiers. It was purchased by Quintessential Equity August 2016 in for $45,250,000 and has since undergone major capital upgrades to the building foyers, external areas, courtyard and mechanical systems. Additionally, we note property has approval from Brisbane City Council to a develop a new 11-level building on an under-utilised part of the 16,650m² site that will supply a total NLA of approximately 24,000m² to the market should development occur. However we consider this unlikely in the absence of a significant tenant pre-commitment.

The Nexus Centre at 96 Mount Gravatt Capalaba Road provides a total NLA of approximately 7,400m² across 4 levels. The improvements are currently configured to accommodate 13 tenants with major tenants (on an overall NLA basis) comprising Coles Supermarkets Australia, Bunnings Group and National Australia Bank. The improvements were constructed circa 1992 and have been periodically refurbished to provide its current standard of office accommodation. Elanor Investors Group purchased the Nexus Centre from RF CorVal for $29,750,000 in January 2017.

Noting 28 MacGregor Street is fully leased to the ATO until December 2026, leasing competition is shared between the Garden Square Office Park and Nexus Centre (albeit noting the Nexus Centre is almost fully occupied as at the date of reporting) from a corporate occupier's perspective. Beyond these two buildings, additional leasing competition is derived from assets located within the Brisbane Technology Park and Freeway Office Park located in the adjoining suburb of Eight Mile Plains and the Brisbane Near City.

Ipswich Office Market (Regional QLD)

Ipswich is situated approximately 45 kilometres south-west of the Brisbane CBD and is located to the junction of the Brisbane, Lockyer and Fassifern Valleys.

Office accommodation varies significantly throughout the Ipswich region and is largely concentrated throughout the CBD precinct or along major road corridors surrounding major retail amenities (i.e. Brisbane Road surrounding the Booval Fair sub-regional shopping centre). The Ipswich CBD office market is predominantly situated along Brisbane and Limestone Streets or within the vicinity of the Ipswich Hospital which houses many allied health operators. In terms of major office buildings, we have identified the following buildings throughout the Ipswich CBD that make up majority of the CBD's corporate-grade office supply:

- **Tower Central – 114 Brisbane, Street, Ipswich** owned by Trilogy;
- **City Heart Building – 117 Brisbane Street, Ipswich** owned by Cromwell Funds Management;
- **38 Limestone Street, Ipswich** owned by Elanor Investors Group;
- **2-4 Bell Street, Ipswich** owned by Queensland Rail Limited; and
- **30 Thorn Street, Ipswich** owned by a private investor and currently on the market for sale.

Additionally, we also note the recent refurbishments of **59 East Street, Ipswich** (the former courthouse building) with various commercial tenancies currently available for lease.

In terms of future supply, we note the redevelopment of Ipswich Central continues to progress with planning approval for key parts of the project secured in 2018 and construction on the $140 million contract (tendered to Hutchinson Buildings) commencing in mid-2019. This redevelopment will include a new council administration centre, public library, civic and outdoors events space and the reconfiguration of the Ipswich Mall to a one-way road for low-speed traffic. Anticipated completion is mid-2020 for the public library and mid-2021 for the new council administration centre. We understand that a new headquarters for the Ipswich City Council had been planned, however this is no longer included in the current scheme and there are limited commercial office uses included in the current development scheme.

We note there is limited demand for large-scale office accommodation within the CBD, with the primary occupier being government agencies at the Commonwealth, State and Local levels in addition to numerous not-for-profit organisations and the Bendigo Bank State Headquarters. Outside of government agencies and not-for-profit organisations, there is limited demand for office accommodation within the CBD, particularly for tenancies over 1,000m² and this is considered a key risk in the market (albeit noting that historically there has been a limited presence of broad-scale white collar corporates in the CBD). Noting the limited sources of demand for office accommodation, construction of new developments is generally driven by leasing pre-commitments (generally Government) with very limited speculative development occurring in recent times. Options for existing tenants are generally restricted to the abovementioned buildings.

The resultant leasing demand for office accommodation is primarily driven by smaller organisations throughout the Ipswich CBD, whose requirements are typically for smaller tenancies in the sub-500m² category and largely driven by business/locational requirements of the individual business and well as the quality and affordability of an individual asset.

From a capital perspective, there has been limited transactions of institutional investment stock that has transacted within the past 12-24 months, with some purchasers and financiers expressing caution around regional localities and soft corporate leasing market conditions. However, in stating the above, there is recent evidence to suggest that purchasers are becoming more willing to explore opportunities in secondary locations, particularly in regional areas given the lack of prime investment opportunities in metropolitan areas. Recent transactions illustrating this trend are as follows:

- **420 Flinders Street, Townsville** from Lancini Property to Cromwell Funds Management for $63,500,000 in 2018;
- **44 Nelson Street, Mackay** from Nelson Street Properties to Auslink Property Holdings No. 2 for $52,400,000 in 2018;
- **364 Flinders Street, Townsville** from Trident to Sentinel Property Group for $15,500,000 in 2018;
- **10 Russell Street, Toowoomba** from Quadra Pacific to Bernoth Properties for $10,500,000 in 2019;
- **146 Herries Street, Toowoomba** from DeMartini Fletcher to MPG Funds Management Limited for $7,346,969 in 2019; and
- **157 to 159 Bunda Street, Cairns** purchased by Collective Capital for $14,700,000 in 2019.

Moving forward, and in the absence of any broader market or political disruption, we anticipate this current investment appetite to remain steady in the short-to-medium term throughout the regional property markets. Key risks within these markets will continue to surround the leasing market and tenant retention within individual assets will need to remain a key consideration from current owners in the prevailing leasing market.

Liability limited by a scheme approved under Professional Standards Legislation.

Adelaide Near City & Suburban Office

Overview

The sectors of defence and aerospace, biotech, technology, and creative industries are expected to be the emerging drivers of commercial occupier demand in Adelaide over the medium term. Additionally, we expect demand from the professional services firms that support these industries to increase in line with these sectors.

It is expected that the positive momentum from the Defence sector will continue over the medium term. As the AUD 90.0 billion shipbuilding projects near commencement in 2020, demand from Defence-related occupiers for flagship office space in the CBD will increase as evidenced in 3Q19 with BAE Systems Australia and Boeing committing to additional office space at 30 Pirie Street. Defence organisations are seeking to cluster and be in close proximity to government departments, technology firms, universities, and other Defence operators.

Major infrastructure projects like the Adelaide BioMed City and the Ten Gigabit Adelaide will also support occupier demand from the bio-med/health, engineering, design and creative, and education sectors. Furthermore, dedicated technology and education precincts like Lot Fourteen, being developed on the old Royal Adelaide Hospital site, will also support business clustering in the aerospace and technology sectors. Along with the Australian Space Agency, Lot Fourteen has also secured commitments from Massachusetts Institute of Technology (MIT) Living Lab, the National Centre of Excellence in Machine Learning, Stone & Chalk co-working, and French cyber-security firm Squad.

We summarise below recent 2Q19 data available for the Adelaide Near City office market. Furthermore, we consider recent trends as illustrated by the Near City market (and outlined herein) to be similar to that illustrated within the inner suburban areas of Adelaide (additionally noting that these suburban markets are becoming likely alternative locations for office users in the market).

Traditionally these markets have attracted small to medium-sized enterprises of 500m² and less, and market drivers for tenants are quite varied and largely dependent upon the locational and business requirements of each individual business. We note there are various campus style and technology park office developments also dispersed throughout these precincts, including Elanor Investor Group's Campus DXC building in Felixstow, World Park at Keswick (currently proposing 22,500m² across 2 buildings), the Mawson Lakes/Technology park to the north of Adelaide and Tonsley Estate and Bedford Park/Science Park to the south of Adelaide.

While there was an abundance of land in Mawson Lakes/Technology Park, this has been absorbed of late with defence users establishing a greater presence in this location – Lockheed Martin have expanded into the former Optus building, Raytheon have committed to a new facility while Saab are about to embark on an expansion of its existing facility. To the south, while Bedford Park offers limited existing opportunities, a proposal to redevelop land alongside Flinders University may offer further opportunity for tenants in the future.

A potential risk to investment volumes over the short term is the proposed changes to current land tax charges in SA which is set to be introduced to legislation on 1 July 2020. In the 2019-20 Budget, the Government proposed changes to the way land taxes are assessed, whereby land owners will no longer be assessed on the land values of assets owned by separate legal entities and family trusts. The new changes to land tax assessment will be assessed on a multiple holding basis associated with the base ownership (beneficiary), regardless of which legal entity holds those properties.

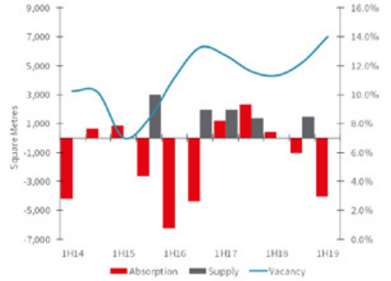
Demand & Vacancy

Net absorption was negative at -4,000m² in 1H19 as a result of a number of large occupier relocations out of the office market. On the back of the negative half-yearly net absorption figure, headline vacancy increased 1.8 basis points to 14.0%.

There were 3 significant tenant moves in the sub-1000m² size cohort in the 1H19. However, a number of large occupier moves out of the market over the same period negatively impacted net absorption. The largest was the closure Clinical Labs at 34 Greenhill Road, Wayville. Also relocating out of the market in 1H19 was SA Lotteries which vacated space at 24 Greenhill Road, moving to 188 Richmond Road, Marleston, and Godfrey Pembroke, which centralised to space at 420 King William Street in the Adelaide CBD.

More positively, a significant pre-lease deal was announced in 1H19 with automotive manufacturer Bridgestone committing to approximately 2,500m² of commercial space at a new office development at 210 Greenhill Road, Eastwood.

Market Balance (Near City)



Vacancy (Near City)

Supply

The supply pipeline in the Adelaide Near City office market is low. There is 1 project under construction at 162 Fullarton Road, Rose Park that commenced in 2H18 with completion expected in 2H19. The next major project anticipated to commence is a 7-level building at 210 Greenhill Road Eastwood. The development, which is partly preleased to Bridgestone, comprises 3 floors of car parking and 3 floors of commercial space totalling 3,774m².

There are also 3 projects along Richmond Road that are in the pipeline, however, these would likely require precommitments in order for construction to begin. These comprise 2 buildings within the World Park 01 Office Park at 33-39 Richmond Road owned by Axiom Properties (approximately 22,500m² of NLA) and the redevelopment of 12-22 Richmond Road by Maras Group (approximately 6,900m² of NLA).

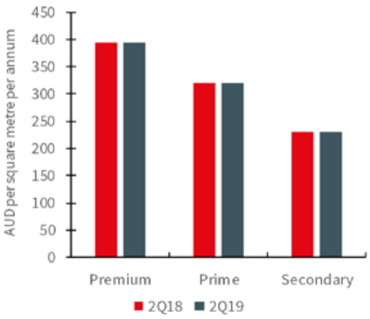
Rents

Average rental ranges were stable across all grades in 1H19 with limited leasing evidence to support movement in either direction. As at 1H19, average Adelaide Near City gross face rents were as follows:

Grade	Minimum	Maximum
Premium	$370/m²	$450/m²
Prime	$280/m²	$360/m²
Secondary	$210/m²	$250/m²

Current average prime gross face rents in the Adelaide Near City represent a 60% value proposition compared to Adelaide CBD prime gross face rents. Average secondary gross face rents represent a 53% value proposition when compared to average Adelaide CBD secondary gross face rents.

Rental Growth by Grade



Yields & Sales

There were 2 major transactions ($3.0 million) recorded in 1H19, totalling $10.0 million, maintaining the positive investor demand for Adelaide Near City commercial assets recorded throughout 2018. Average benchmark yields across both grades tightened in 1H19 on the back of continued improvement in investor demand for Adelaide Near City commercial assets. Prime benchmark yields compressed by 0.25% on both ends and now range from 6.25%-7.00% and secondary benchmark yields also compressed by 0.25% on both ends now ranging from 7.25%-8.25%.

Outlook

Business rationalisation has negatively impacted net absorption over the last 12 months. However, in broader terms, the Near City remains attractive to smaller occupiers with requirements for car parking amenity. Demand will be supported over the short-term by the ongoing reduction of prime grade incentives in the Adelaide CBD, which will keep CBD effective rents trending upwards in 2019. It is expected that continued residential conversion of secondary grade redundant office stock will continue to create a moderate level of churn in the market and support leasing activity in higher quality buildings as secondary office space is withdrawn from the market. On the investment side, yields are expected to hold firm over the next 12 months.

Perth CBD Office

Overview

Perth's CBD office market is undergoing a recovery phase and the headline vacancy rate decreased by 0.4% to 20.4% in 2Q19. This results in 10 out of the last 11 quarters that has seen overall vacancy tighten. This follows a challenging period for the market from 2014 through to 2018. This was largely due to the slowdown in the state's broader economy following the completion of various major liquefied natural gas projects (which saw numerous key employers reduce their white collar employee requirements throughout the CBD) and the end of the broader 'mining boom' which impacted both the state and national economic backdrops. In more recent years, we have seen some economic recovery following increased demand for minerals and petroleum commodities and commitments of mining companies to several new projects throughout 2017-19.

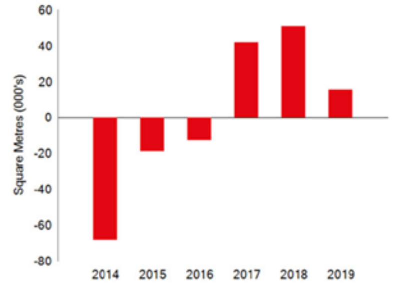
Whilst incentives remain relatively high in light of these events, there has been some contraction more recently due to improving economic conditions. Total market vacancy (20.4% as at 2Q19) has continued to tighten over the past 10 of 11 quarters and capital market conditions have strengthened over this period. The investment market is driven by the yield premium to competing eastern seaboard CBD's as well as a recovering leasing market (although noting the broader economy is largely underpinned by movements within the mining sector). We outline below the current market conditions with respect to Demand, Supply, Vacancy, Rents and Yields recorded throughout 2Q19.

Demand

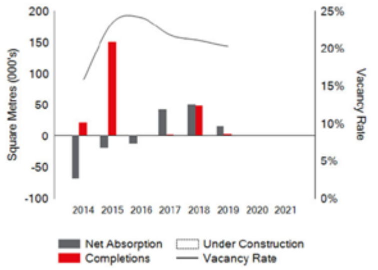
Net absorption totalled 6,700m² in 2Q19. The largest occupier move was WorleyParsons (10,706m² in Woodside Plaza at 224-240 St Georges Terrace) who consolidated 2 locations in an expansionary move. Net absorption for the year to 2Q19 totalled 49,700m².

As favourable leasing conditions for occupiers continues in the CBD, the centralisation of tenants into the CBD from suburban locations is expected to increase (noting these made up 13% of total take up in 2Q19). This is anticipated to be a key driver of leasing enquiry and activity moving forward. Existing CBD occupiers also have the opportunity to upgrade their space given the attractive rents and incentives on offer. CBD owners are subdividing floors and offering speculative fit outs, catering to smaller suburban tenants looking to enter the CBD market.

Annual Net Absorption



Market Balance



Supply

There were no major office completions over 2Q19 in the Perth CBD. Furthermore, the supply pipeline has relatively low levels of stock over the short-to-medium term and speculative construction is unlikely in the current market noting the prevailing vacancy rates.

A number of new projects throughout the CBD have received development approval, or are proposed for development, however limited information is known on the timing of these projects. These include Chevron's approved building at Elizabeth Quay (54,000m² with likely completion 4Q23) and potential projects at 480 Hay Street (QV1 site) and Lot 5 Elizabeth Quay.

Stock withdrawals are likely to increase as older stock is removed for conversion or redevelopment. Additionally, competition derived from newer, more affordable, and higher quality buildings should make the leasing environment more challenging for these older assets. We note the level of withdrawals remains considerably lower than seen in previous cycles, and further that no major buildings in the CBD have been confirmed for withdrawal.

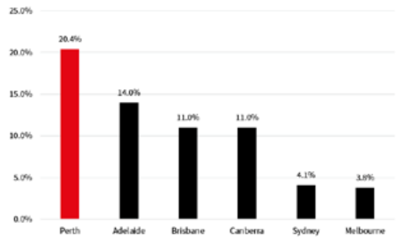
The availability of land for development in the CBD has meant we have yet to witness the need for developers/owners to consider conversions or redevelopments of existing stock through the current cycle.

Vacancy

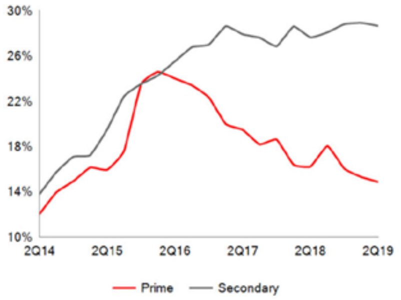
The headline vacancy rate decreased by 0.4% to 20.4% in 2Q19 and results in 10 out of the last 11 quarters that has seen overall vacancy tighten (albeit noting that Perth continues to have the softest vacancy rate in the country). Prime vacancy decreased by 0.4% to 14.9% over the quarter and secondary vacancy also decreased by 0.3% to 28.6%. Prime vacancy has continued to improve since its peak in 1Q16, with subleasing space now being absorbed and leasing activity for corporate users targeting higher quality buildings.

Despite improvements, secondary vacancy has continued to dwindle over the past 3 years because of a “flight to quality” trend however, we note that the availability of contiguous prime space (>1,000m²) is starting to diminish. Sub-lease vacancies currently equate to 2.3% of total stock as has generally been on the decline, noting occupiers either reabsorbing or removing their sub-lease offerings from the market (largely offered by mining and engineering companies).

Vacancy of Perth relative to competing CBDs



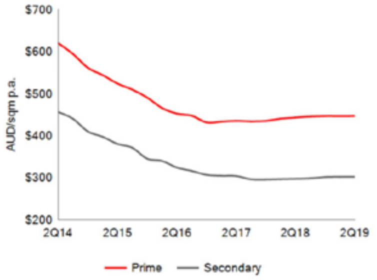
Annual Vacancy Trends



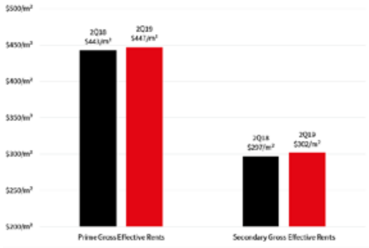
Rents

Prime gross effective rents were stable in 2Q19, averaging $447/m² with incentives sitting at 47.8% (based on a notional 10-year lease). Whilst average market incentives have doubled over the last 3 years (in line with vacancies), recent positive leasing demand and vacancy declines have started to contribute to these being scaled back in premium grade buildings. Secondary gross effective rents were also stable in 2Q19 with incentives averaging 50.5% (based on a notional 10-year lease). As tenants continue to upgrade their facilities, and relocate into higher grade buildings, secondary rents are expected to remain under pressure, in line with potential further increases in secondary vacancy.

Rental Growth



Gross Effective Rents

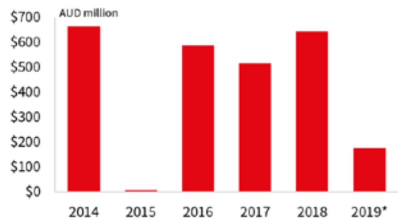


Yields & Sales

There were no major office sales recorded across the CBD (≥$5.0 million) in 2Q19. Over the last 12 months, transaction volumes have totalled $511.5 million across 5 deals. Of the buildings being marketed for sale, the majority are located outside the core CBD precinct. Currently, the major CBD listing is HBF House at 750 Wellington Street (13,019m²). HBF own the building and have listed the asset as a sale and lease back.

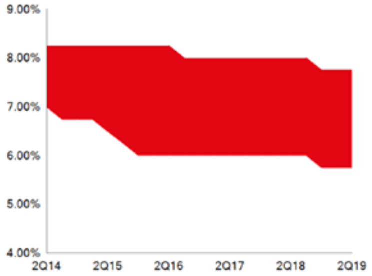
Currently prime benchmark yields range from 5.75% to 7.75% with secondary benchmark yields ranging from 7.50% to 9.50%. Yields have generally tightened across prime and secondary-grade assets over the last two years, despite elevated vacancy. This reflects the number of active investors and counter-cyclical buyers looking to invest in the Perth market. While opportunities are limited, investment interest remains robust from local, national and offshore buyers, looking to invest in the Perth office market.

Transaction Volumes



*as at 2Q19

Prime Benchmark Yield Range



Outlook

Moving forward, vacancy throughout the CBD is anticipated to recover gradually and is expected to remain at elevated levels for longer than previous cycles. The headline vacancy rate is forecast to decrease to 19.3% by the end of 2019, with the longer-term prognosis looking more optimistic than previously anticipated. The outlook for vacancy remains intrinsically linked to the resource sector and reliant on a sustained improvement in commodity prices to stimulate activity from mining firms.

This rate of recovery will remain dependent on whether any additional vacancy or sub-lease space enters the market. The current economic environment, demand for WA resources and commodity pricing will play large roles in future space commitments by the resource industry. Additionally, firms outside the resource sector may continue to assist in the recovery given the favourable conditions for tenants, and the ability to upgrade business accommodation.

The prime equivalent yield range may still tighten over the next year as investment demand for Perth assets remains strong. While the spread between benchmark prime equivalent yields in Perth and Eastern Seaboard office markets is wider than historical benchmarks, investors remain cautious due to elevated vacancy rates and restrained income growth. Nevertheless, multiple capital sources are willing to adopt a counter-cyclical view of the Perth market and there is likely to be interest form a range of buyers if assets become available.

Elanor COMMERCIAL PROPERTY FUND

5. MANAGEMENT OF THE FUND

5.1 WHO IS THE MANAGER?

Elanor Asset Services Pty Ltd is the Manager of the Fund. Elanor Asset Services Pty Ltd is a wholly owned subsidiary of Elanor Investors Group. Elanor Investors Group (ASX:ENN) is an ASX-listed investment and funds management business with over $1.6 billion[1] in assets under management across Australia and New Zealand.

Elanor Investors Group is an aligned investment manager and will hold 15% of the Securities in the Fund at the Allotment Date.

5.2 BOARD OF THE RESPONSIBLE ENTITY

Elanor Funds Management (ABN 39 125 903 031; AFSL 398196) is the Responsible Entity of the Fund. The Board of the Responsible Entity comprises five Directors. As the Responsible Entity is a wholly owned subsidiary of Elanor Investors Group, the board of the Responsible Entity has been appointed by Elanor Investors Group.

The Directors of the Responsible Entity bring a broad range of relevant skills and experience, including industry and business knowledge, financial management and corporate governance experience.

Paul Bedbrook

Chairman

- Paul was appointed a Director of Elanor Investors Group in June 2014. Paul has had a career of over 30 years in financial services, originally as an analyst, fund manager and then the GM & Chief Investment Officer for Mercantile Mutual Investment Management Ltd (ING owned) from 1987 to 1995.
- Paul was an executive for 26 years with the Dutch global banking, insurance and investment group, ING, retiring in 2010. Paul's career included the roles of: President and CEO of ING Direct Bank, Canada (2000 – 2003), CEO of the ING Australia/ANZ Bank Wealth JV (2003 – 2008) and Regional CEO, ING Asia Pacific, Hong Kong (2008 – 2010). Paul is currently the Chairman of Zurich Financial Services Australia and its Life, General and Investment Companies, and a non-executive director of Credit Union Australia and the National Blood Authority.

Glenn Willis

Chief Executive Officer

- Glenn has extensive industry knowledge with over 30 years' experience in the Australian and international capital markets. Glenn was the co-founder and Chief Executive Officer of Moss Capital, prior to the establishment and ASX listing of Elanor Investors Group in July 2014. Prior to Moss Capital, Glenn co-founded Grange Securities and led the team in his role as Managing Director and CEO.
- After 12 years of growth, Grange Securities, was acquired by Lehman Brothers International in 2007, as the platform for Lehman's Australian investment banking and funds management operations. Glenn was appointed Managing Director and Country Head in March 2007. In 2008, Glenn was appointed executive Vice Chairman of Lehman Brothers Australia.
- Glenn is a Director of Big Brothers Big Sisters Australia and FSHD Global Research Foundation.

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[1] As at 30 September 2019.

Nigel Ampherlaw

Non-Executive Director

- Nigel was appointed a Director of Elanor Investors Group in June 2014. Nigel was a Partner of PricewaterhouseCoopers for 22 years where he held a number of leadership positions, including heading the financial services audit, business advisory services and consulting businesses.
- Independent Non-Executive Director Chairman, Audit and Risk Committee Nigel was appointed a Director of Elanor Investors Group in June 2014. Nigel was a Partner of PricewaterhouseCoopers for 22 years where he held a number of leadership positions, including heading the financial services audit, business advisory services and consulting businesses. He also held a number of senior client Lead Partner roles. Nigel has extensive experience in risk management, technology, consulting and auditing in Australia and the Asia-Pacific region.
- Nigel's current Directorships include as Chairman of Credit Union Australia and non-executive Director of the Australia Red Cross Blood Service, where he is a member of the Finance and Audit Committee and a member of the Risk Committee. Former listed directorships in the last three years: Quickstep Holdings Ltd.

Tony Fehon

Non-Executive Director

- Tony was appointed as a Director of Elanor Investors Group in August 2019. Tony has more than 30 years' experience working with some of Australia's leading financial services and funds management businesses. He has broad experience in operational and leadership roles across many industries.
- Tony is an Executive Director of Volt Bank Limited and has primary responsibility for capital management. He is also director of enLighten Australia Pty Limited and Team Mates Pty Limited. Previously Tony was an Executive Director of Macquarie Bank Limited where he was involved in the formation and listing of several of Macquarie's listed property trusts including being a director of the listed leisure trust. Tony has continued to be involved in developing and completing investment structures for real estate investment and development, financial assets and leisure assets.
- Since leaving Macquarie in 2007, Tony has established a number of businesses in lighting, technology, public relations and strategic marketing as well as serving on the boards of a number of private companies.

Kin Song Lim

Non-Executive Director

- Kin Song was appointed as a Director of Elanor Investors Group in May 2019. Kin Song is the CEO of Rockworth Capital Partners and is responsible for all aspects of Rockworth's business with a focus on strategy, transactions, business development and investor relations.
- With over 20 years of experience in the real estate sector, Kin Song specialises in acquisitions, asset management, business development and leasing. He has extensive experience across multi-core real estate sectors in Australia and South East Asia.
- Kin Song has been the key driver of Rockworth's rapid growth in its assets under management since its inception in 2011, and provided leadership and strategic direction in transactions, corporate development, capital allocation and asset management. Prior to founding Rockworth in 2011, Kin Song held various positions in leading property groups in Asia, including Frasers Centrepoint Ltd, Ascendas-MGM Funds Management and the CapitaLand Group.
- Kin Song holds a Masters of Business Administration from the Nanyang Technological University and a Bachelor of Science (Honours) in Estate Management from the National University of Singapore. He is a member of the Singapore Institute of Surveyors and Valuers (SISV), a Chartered Commercial Property Surveyor and a Member of the Royal Institution of Chartered Surveyors (RICS).

5.3 MANAGEMENT TEAM

Glenn Willis

Chief Executive Officer

- Glenn has extensive industry knowledge with over 30 years' experience in the Australian and international capital markets. Glenn was the co-founder and Chief Executive Officer of Moss Capital, prior to the establishment and ASX listing of Elanor Investors Group in July 2014. Prior to Moss Capital, Glenn co-founded Grange Securities and led the team in his role as Managing Director and CEO.

Symon Simmons

Chief Financial Officer

- Symon has over 24 years' business management experience, most recently as Chief Operating Officer at Moss Capital where he was responsible for the firm's Finance, Corporate, Human Resources, Legal and Administration functions.
- Prior to Moss Capital, Symon worked at global accounting firm EY where he gained experience across a range of businesses and transactions.

Paul Siviour

Chief Operating Officer

- Paul has over 30 years' experience in senior roles in financial services, investment banking and corporate finance. Paul most recently was Oceania Leader of Banking and Capital Markets and a partner in the Financial Services practice at EY.
- Prior to that he held a number of positions at Investec Bank (Australia) Limited, including Co-Head of the Private Bank and Senior Mergers & Acquisitions Adviser.
- Before joining Investec, Paul was a partner of EY in the Corporate Finance practice for 11 years and also served as a member of the Board of Partners of EY Australia for a period of six years.

David Burgess

Co-Head of Real Estate, Fund Manager ECF

- David is Co-Head Of Real Estate and is jointly responsible for the acquisition and investment management of real estate assets, with a focus on commercial property. David has more than 25 years of experience in Real Estate markets across property valuation, equity markets, investment management and funds management roles.
- Prior to joining Elanor in 2017 David was Head of Investment Management, Office and Logistics at The GPT Group. In this role he was responsible for the performance of over $5 billion of balance sheet assets.

Robert Bishop

Responsible Manager and Chair of the Compliance Committee

- Robert is a Responsible Manager on Elanor's Australian Financial Services Licence (AFSL) and also the Chair of the Group's Compliance Committee. Robert has over 30 years' experience in corporate finance and law, including as chairman of the Australian Barclays Bank responsible entity, Celsius Investments Australia.
- Robert is a solicitor of the Supreme Courts of New South Wales and England & Wales and has also held roles at Linklaters, Allens, Robert Fleming & Co., and Ord Minnett (Director – Corporate Finance).

5.4 INTERESTS OF DIRECTORS

On Allotment, the Directors will hold the following interests (both direct and indirect) in Securities:

Table 7.4: Interests of Directors

Director	Number of Securities held at Completion
Nil.	Nil.

5.5 INTERESTS OF SENIOR MANAGEMENT

On Allotment, members of the senior management team will hold the following interests (both direct and indirect) in Securities:

Table 5.5: Interests of senior management

Management Personnel	Number of Securities held at Completion
Symon Simmons	81,237
Robert Bishop	101,608
David Burgess	40,000
Paul Siviour	125,000

5.6 RELATED PARTY TRANSACTIONS

As described in this PDS, a number of agreements have been entered into between the Fund and entities associated with Elanor Investors Group. Elanor Investors Group will maintain an ongoing relationship with the Fund in the following manner:

- Elanor Funds Management Limited is the Responsible Entity of the Fund and will be entitled to receive fees under the Constitutions as consideration for its services to the Fund; and
- Elanor Asset Services Pty Limited will be the Manager of the Fund, and will be entitled to receive fees for services provided under the terms of the Investment Management Agreement and Property Management Agreement.

Certain expenses of the Responsible Entity and the Manager will also be reimbursed from assets of the Fund, pursuant to the Constitutions, and the Management Agreements. Further detail regarding the key terms of these agreements is contained in Section 13. In addition, fees and expenses payable to the Responsible Entity and the Manager under the Constitutions or the Investment Management Agreement may in certain circumstances be satisfied by the issue of Securities.

The Directors of the Board of the Responsible Entity are also the directors of the Elanor Investors Group.

In addition, entities associated with Elanor Investors Group will hold 15% of the Securities at Allotment. Entities associated with Elanor Investors Group may hold additional Securities in the future.

On completion of the Offer and settlement of the Acquisitions, the Responsible Entity will be entitled to a fee of $0.5 million in respect of the Proposed Transaction. Refer to Section 9 for further details.

Related party transactions carry a risk that they could be assessed and monitored less rigorously than arm's length third party transactions. It is important for Securityholders to be able to assess whether the Responsible Entity takes an appropriate approach to related party transactions. Refer to Section 5.7 below for details on the Fund's Conflicts of Interest and Related Party Policy and the procedures it has in place to manage conflicts of interest and related party transactions going forward.

5.7 CORPORATE GOVERNANCE

The Board of the Responsible Entity recognises the importance of strong corporate governance and is committed to high standards of compliance. This will be achieved through the Board determining appropriate governance arrangements for the Fund and continually monitoring those arrangements.

The Board of the Responsible Entity has adopted policies recommended by the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Third Edition) ("ASX Recommendations"), to the extent that they are applicable to the Fund (as an externally managed listed entity). Under the ASX Listing Rules, the Fund will be required to provide a statement in its annual financial report or on its website disclosing the extent to which it has followed the ASX Recommendations in the reporting period. Where the Fund does not follow a recommendation, it must identify the recommendation that has not been followed and give reasons for not following it.

The Fourth Edition of the ASX Recommendations was released in February 2019 and takes effect for a listed entity's first full financial year commencing on or after 1 January 2020 (which, for the Fund, commences on 1 July 2020). Until that time, the Third Edition of the ASX Recommendations will apply.

This Section summarises the key elements of the Responsible Entity's governance framework. Copies of the charters and policies adopted by the Responsible Entity can be found on the website www.elanorinvestors.com/ecf.

BOARD ROLES AND RESPONSIBILITIES

The primary function of the Board is to ensure that the Fund is managed in a manner that protects and enhances the interests of Securityholders. The Board has formalised its roles and responsibilities into the Board charter. Key functions of the Board include:

- contributing to and approving management's strategy for the Fund;
- evaluating, approving and monitoring the financial plans, annual budgets, business plans and major capital expenditure;
- overseeing effective management and control;
- reviewing the performance of the Manager and other service provers;
- reviewing, ratifying and monitoring the Fund's risk and audit framework; and
- reviewing corporate governance policies.

CONSTITUTIONS AND COMPLIANCE PLANS

The Constitutions set out the rights and obligations of the Securityholders and the Responsible Entity. A summary of the Constitutions is set out in Section 13.

In order to ensure compliance with the Constitutions, the Corporations Act and the ASX Listing Rules, the Responsible Entity has adopted a Compliance Plan for each Trust, which set out the key compliance processes the Responsible Entity will apply in operating the Fund.

You may request a copy of the Constitutions or Compliance Plans. See Section 13 for further details regarding the Constitutions.

BOARD COMMITTEE

The Board has established an Audit and Risk committee to assist in the discharge of its responsibilities. The committee examines proposals and provide advice to the Board with regard to the effectiveness of their respective programs, but does not act on behalf of the Board without a specific mandate to do so.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee consists of Paul Bedbrook, Glenn Willis and Nigel Ampherlaw. The Chairman of the Audit and Risk Committee is Nigel Ampherlaw. The role of the Audit and Risk Committee is to assist the Board in carrying out its accounting, auditing, financial reporting, risk management and compliance responsibilities, including, among other things:

- assessing the adequacy of management reporting on risks, operations and finances;
- scrutinising accounting policies and reviewing financial statements;
- reviewing the performance of and consulting with external auditors;

- review risk management and internal control systems;
- monitor compliance with the Compliance Plans; and
- monitor and assess the Fund's overall performance in relation to safety and sustainability.

SECURITIES TRADING POLICY

The Responsible Entity has adopted a Securities Trading Policy which explains the prohibited and permitted type of conduct in relation to dealings in Securities under the Corporations Act and to establish a best practice procedure in relation to certain restricted persons dealings in Securities. The restrictions have been imposed to prevent breaches of the law and to maintain investor confidence.

CONTINUOUS DISCLOSURE POLICY

The Responsible Entity is aware of the obligations it will have, once the Fund is listed, to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act. The Responsible Entity has adopted a policy which establishes procedures aimed at ensuring that Directors and management are aware of and fulfil their obligations in relation to the timely disclosure of material price-sensitive information.

CODE OF CONDUCT

The Board recognises the need to observe the highest standards of corporate practice and business conduct, and has adopted a formal Code of Conduct that applies to all the Board, as well as officers, employees, contractors, consultants, other persons that act on behalf of the Responsible Entity, and associates of the Responsible Entity. The code sets out the Responsible Entity's key values on various matters including among other things, ethical conduct, business conduct, compliance, privacy, security of information, financial integrity and conflicts of interest and how they should be applied.

CONFLICTS OF INTEREST AND RELATED PARTY POLICY

The Responsible Entity has obligations under the Corporations Act and ASX Listing Rules to have in place adequate arrangements to identify and manage conflicts of interest or duty and related party transactions. Given the relationships between the Fund and Elanor Investors Group, the Responsible Entity has adopted a Conflicts of Interest and Related Party Policy to ensure there are adequate arrangements to identify and manage conflicts of interest or duty and related party transactions.

The Policy seeks to ensure that:

- the Responsible Entity has in place adequate arrangements to identify and manage conflicts of interest or duty; and
- in relation to related party transactions and certain conflicted proposals, there are agreed principles in relation to the conduct by the parties to those transactions or proposals (including ensuring compliance with all Corporations Act requirements.

Each member of Elanor Investors Group, including the Responsible Entity and the Manager, are required to adhere to this policy.

COMMUNICATION POLICY

The Responsible Entity has adopted a Communication Policy to ensure that there is effective communication between the Responsible Entity and Securityholders. In accordance with the Communication Policy, the Fund's website (www.elanorinvestors.com/ecf) is regularly updated and contains recent announcements, annual report and results announcements, disclosure documents, and market information and is a significant component of the communications strategy.

CUSTODIAN

The Responsible Entity has appointed The Trust Company (Australia) Limited (ACN 000 000 993), as Custodian, and in that role the Custodian holds the registered title to the Fund's interests in the Properties of the Fund and the Fund's ownership interests in each of the Sub-Trusts. The Custodian holds the Fund's interests in the Properties as directed by the Responsible Entity and will act only on instructions from the Responsible Entity and in accordance with the terms set out in the Custody Deed. The Custodian will be entitled to the fee which is set out in Section 13.8.

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Elanor | COMMERCIAL PROPERTY FUND

6. FINANCIAL INFORMATION

6.1 OVERVIEW

The financial information contained in this Section has been prepared by the Directors of the Responsible Entity, and includes historical financial information for the years ended 30 June 2017 (FY17), 30 June 2018 (FY18) and 30 June 2019 (FY19), a statutory historical consolidated balance sheet as at 30 June 2019, a pro forma balance sheet as at the Allotment Date and forecast financial information for the years ending 30 June 2020 (FY20F) and 30 June 2021 (FY21F), as well as pro forma forecast financial information for the period from the Allotment Date to 30 June 2020; this is described in more detail below:

- statutory historical consolidated income statements for FY17, FY18 and FY19, together with the statutory historical consolidated balance sheet as at 30 June 2019 ("**Statutory Historical Financial Information**");
- statutory forecast consolidated income statements for FY20F and FY21F ("**Statutory Forecast Consolidated Income Statements**");
- pro forma forecast consolidated distribution statements for the period from the Allotment Date to 30 June 2020 and FY21F ("**Pro Forma Forecast Distribution Statements**");
- pro forma consolidated balance sheet as at the Allotment Date ("**Pro Forma Consolidated Balance Sheet**");
- collectively the Statutory Forecast Consolidated Income Statements, and Pro Forma Forecast Distribution Statements are defined as the "**Forecast Financial Information**".

Collectively the Forecast Financial Information, Statutory Historical Financial Information, and the Pro Forma Consolidated Balance Sheet comprise the "**Financial Information**".

The Financial Information has been prepared to reflect the implementation of the Proposed Transaction. The Financial Information is for the Fund and its respective controlled entities. The Fund will operate on a financial year ending to 30 June, and all figures within this Section are for periods ending 30 June unless otherwise noted. Rounding of the figures provided in the Financial Information may result in some discrepancies between the sum of components and the totals outlined within the tables and percentage calculations.

Information provided in this Section should be read in conjunction with the sensitivities outlined in Section 6.8, the risk factors outlined in Section 7 and the other information provided in this PDS.

6.2 BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL INFORMATION

The Financial Information in this PDS is intended to present potential investors with information to assist them in understanding the pro forma financial position of the Fund at the Allotment Date together with the forecast financial performance of the Fund.

The Financial Information has been prepared and presented in accordance with the recognition and measurement principles prescribed in the Australian Accounting Standards and other mandatory professional reporting requirements in Australia.

Certain significant accounting policies relevant to the Financial Information are disclosed in Section 6.9. The Financial Information is presented in an abbreviated form and does not contain all of the presentation and disclosures, statements or comparative information as required by Australian Accounting Standards ("**AAS**") applicable to annual financial reports prepared in accordance with the Corporations Act.

The Financial Information has been reviewed by Deloitte Corporate Finance Pty Limited, whose Investigating Accountant's Report is provided in Section 10 of this PDS. Investors should note the scope and limitations of the Investigating Accountant's Report.

6.2.1 EXPLANATION OF CERTAIN NON-IFRS FINANCIAL MEASURES

The Fund uses measures to manage and report on its business that are not recognised under Australian Accounting Standards. These measures are collectively referred in this Section 6 and under Regulatory Guide 230 Disclosing Non-IFRS Financial Information published by ASIC as "non-IFRS financial measures". The principal non-IFRS financial measures that are referred to in this PDS are as follows:

- **Funds From Operations (FFO)**: FFO calculated in accordance with the Property Council Guidelines, determined by adjusting statutory net profit (under IFRS) for non cash and other items such as property revaluations, derivative mark-to-market impacts, amortisation of tenant incentives, gains/loss on sale of investment properties, straight-line rental adjustments, non-FFO tax expenses/benefits and other unrealised one-off items; and
- **FFO Yield**: Represents the rate of return derived by dividing the FFO per unit by the Offer Price.

6.2.2 PREPARATION OF STATUTORY HISTORICAL FINANCIAL INFORMATION

The Statutory Historical Financial Information has been extracted from the consolidated financial statements of the Fund for FY17, FY18 and FY19, which were audited by Deloitte Touche Tohmatsu, who issued an unqualified audit opinion on each set of financial statements.

The consolidated financial statements of the Fund for FY17, FY18 and FY19 will be lodged with ASX on Listing.

6.2.3 PREPARATION OF FORECAST FINANCIAL INFORMATION

The Forecast Financial Information is based on the assumptions set out in Section 6.7. The Directors believe that the Forecast Financial Information has been prepared with due care and attention, and consider the base case assumptions in Section 6.7 to be reasonable at the time of preparing this PDS.

The Forecast Financial Information has been prepared on the basis that the Proposed Transaction is completed on the Allotment Date, which is expected to be on or around 6 December 2019.

Prospective investors should be aware that the timing of actual events and the magnitude of their impact might differ from that assumed in preparing the Forecast Financial Information, and that any deviation from these assumptions may have a material positive or negative effect on the Fund's actual financial performance or position. Investors are advised to review the assumptions set out in Section 6.7, in conjunction with the sensitivity analysis set out in Section 6.8, the risk factors set out in Section 7 and other information set out in this PDS.

The principal differences between the Pro Forma Forecast Consolidated Income Statements and Statutory Forecast Consolidated Income Statements are:

- the Statutory Forecast Consolidated Income Statement reflects the financial results for FY20F, including the period prior to the implementation of the Proposed Transaction which is considered less relevant to potential new investors in the Fund, whereas the Pro Forma Forecast Consolidated Income Statement relates to FY20F and FY21F and the period from the Allotment Date to 30 June 2020, which is therefore considered more relevant to potential new investors in the Fund;
- the Pro Forma Forecast Consolidated Income Statements for FY20F and for the period from the Allotment Date to 30 June 2020 exclude one-off transaction costs in relation to the Offer and the implementation of the Proposed Transaction;
- the Fund will have a different capital structure in place subsequent to the Allotment Date but this has not been determined, nor adjusted in the period from 1 July 2019 to the Allotment Date ; and
- no adjustment has been made to reflect the financial performance of the acquired assets in the period prior to the Allotment Date as the acquisitions are considered to be in the ordinary course of business for the Fund.

6.2.4 PREPARATION OF PRO FORMA FORECAST DISTRIBUTION STATEMENTS

The Pro Forma Forecast Distribution Statements have been derived by adjusting the net operating profit included in the Pro Forma Consolidated Income Statements as detailed in Section 6.5 for non cash and other items such as amortisation of tenant incentives, straight-line rental adjustments and amortisation of capitalised borrowing costs. The resulting measure is termed Funds from Operations ("**FFO**"), being the Directors' measure of the periodic amount available for distributions, which differs from net profit as determined in accordance with Australian Accounting Standards.

6.2.5 PREPARATION OF PRO FORMA CONSOLIDATED BALANCE SHEET

The Pro Forma Consolidated Balance Sheet has been derived from the statutory historical consolidated balance sheet as at 30 June 2019, adjusted to reflect the impact of earnings and distributions between 1 July 2019 and Allotment Date and the impact of the Offer. Section 6.6, Table 6.6 set out the pro forma adjustments to the statutory historical consolidated balance sheet.

6.3 STATUTORY HISTORICAL CONSOLIDATED INCOME STATEMENTS

ECF was established in June 2016, and acquired the Corporate Drive property in December 2016, followed by the Nexus Centre in February 2017. The financial results of the Fund in FY17 reflect the Net Property Income from these two properties from their acquisition to 30 June 2017.

The Fund acquired the Campus DXC property in May 2018. Accordingly, the financial results of the Fund for FY18 include the Net Property Income from Campus DXC from its acquisition in May 2018 to 30 June 2018. Fund fees, finance costs and other expenses for the period were reflective of the growth of the Fund.

In August 2018 (i.e. during the FY19 financial year), the Fund acquired a 51.5% interest in the WorkZone West Syndicate which owns the WorkZone West property. In addition in that year, the Fund acquired the 38 Limestone Street property in December 2018 through a stapling of the units in ECF II (formerly known as the Limestone Street Centre Syndicate) with the units in ECF I to form the current structure of the Fund.

The WorkZone West and 38 Limestone Street properties were consolidated in the Fund's financial statements from the date of acquisition for the financial year ending 30 June 2019. The stapling transaction and associated acquisition of ECF II was accounted for as a business combination under Australian Accounting Standards with ECF deemed the parent and acquirer of ECF II. The acquisition of the 51.5% interest in the WorkZone West Syndicate was treated as an asset acquisition. Therefore, the significant increase in Net Property Income and Net Operating Profit of the Fund between FY18 and FY19 results from these acquisitions.

Table 6.3: Statutory Historical Consolidated Income Statements

$ million	FY17	FY18	FY19[2]
Rental income[1]	2.3	5.6	26.2
Property expenses	(0.5)	(1.3)	(4.8)
Net property income	**1.8**	**4.3**	**21.4**
Management fees	(0.3)	(0.6)	(2.3)
Finance costs	(0.5)	(1.2)	(5.0)
Other operating expenses	(0.1)	(0.2)	(0.4)
Net operating profit	**0.9**	**2.3**	**13.7**
Fair value movement and transaction costs[3]	(3.5)	2.4	0.3
Statutory net profit	**(2.6)**	**4.7**	**14.0**
Attributable to security holders of:			
The Fund	(2.6)	4.7	11.1
External non-controlling interest (WorkZone West)	-	-	2.9
Total net profit	**(2.6)**	**4.7**	**14.0**

Notes:

1. Rental income includes rental income after straight-lining adjustments and rental abatements. The increase in rental income reflects acquisition of new assets and rent increases.
2. FY19 results represent the impact of WorkZone's consolidation.
3. Net fair value movements comprise the changes in valuation of investment property based on valuation recorded for the individual assets at period end, as well as transaction costs expensed on acquisition of investment property.

6.4 STATUTORY FORECAST CONSOLIDATED INCOME STATEMENTS

The table below details the Statutory Forecast Consolidated Income Statement for the periods: 1 July 2019 to the Allotment Date, the Allotment Date to 30 June 2020; Financial year ending 30 June 2020; and Financial year ending 30 June 2021.

- 1 July 2019 to the Allotment Date: represents the statutory forecast income statement for the approximate 5 months from 1 July 2019 to the Allotment Date. This is based on the approximate 3 months of actual unaudited results from 1 July 2019 to 30 September 2019 and the forecast results from 1 October 2019 to the Allotment Date. This period represents the results of the Fund prior to listing when there was a different capital structure, different management fee structure, different Securityholders and the New Property was not owned;
- Allotment Date to 30 June 2020: represents the statutory forecast consolidated income statement from the Allotment Date to 30 June 2020; and
- Statutory Forecast FY20 results represent the sum of the results from 1 July 2019 to Allotment Date and the results from Allotment Date to 30 June 2020.

Table 6.4: Statutory Forecast Consolidated Income Statements[1]

$ million	1 July 2019 to Allotment	Allotment to 30 June 2020	FY20	FY21
Rental income	12.7	18.4	31.1	30.7
Property expenses	(2.3)	(3.5)	(5.8)	(6.2)
Net property income	**10.4**	**14.9**	**25.3**	**24.6**
Management fees	(1.2)	(1.2)	(2.4)	(2.0)
Finance costs	(2.5)	(1.2)	(3.7)	(1.9)
Other operating expenses	(0.2)	(0.5)	(0.7)	(0.9)
Net operating profit	**6.5**	**12.0**	**18.5**	**19.7**
Fair value movement and transaction costs[1]	3.2	(8.3)	(5.1)	-
Statutory net profit	**9.7**	**3.7**	**13.4**	**19.7**
Attributable to security holders of:				
The Fund	6.1	3.7	9.8	19.7
External non-controlling interest (WorkZone West)	3.6	-	3.6	-
Total net profit	**9.7**	**3.7**	**13.4**	**19.7**

Notes:

1. The statutory forecast consolidated income statement assumes there will be no underlying movement in the fair value of the investment properties during the Forecast Period. The Directors do not believe such movements can be reliably forecast.
2. Management fee for FY20 and FY21 does not include Performance Fee, which is subject to future performance of the Fund, as discussed in Section 9.

6.5 PRO FORMA FORECAST DISTRIBUTION STATEMENTS

Funds from Operations (**FFO**) represents the Directors' view of cash available for distribution to Securityholders in the Forecast Period, being the net operating profit adjusted for non-cash items: being straightlining of rental income, amortisation of capitalised borrowing costs, adding back amortisation of rent abatements.

The table below provides a reconciliation from the pro forma forecast net operating profit to Funds from Operations. The Fund will aim to distribute between 80% and 100% of FFO each year, as outlined in the table below.

Table 6.5: Pro Forma Forecast Distribution Statements

$ million	Allotment to 30 June 2020	FY21
Rental income	18.4	30.7
Property expenses	(3.5)	(6.2)
Net property income	**14.9**	**24.6**
Management fees	(1.2)	(2.0)
Finance costs	(1.2)	(1.9)
Other operating expenses	(0.5)	(0.9)
Net operating profit	**12.0**	**19.7**
Add: Straightlining of rental income	(0.9)	(0.8)
Add Amortisation of capitalised borrowing costs	0.0	0.0
Add: Amortisation of abatements	1.2	2.5
FFO	**12.3**	**21.4**
Distributions	**10.7**	**18.6**
Securities on Issue	**204.4**	**204.4**
FFO per Security (cents)	**6.04**	**10.45**
FFO Yield on Offer Price[1]	**8.3%**	**8.4%**
Distribution per Security (cents)	**5.25**	**9.10**
Distribution Yield on Offer Price[1]	**7.2%**	**7.3%**
Payout Ratio (to FFO)	**86.9%**	**87.1%**

Notes:

1. FFO Yield and DPU Yield for period from Allotment to 30 June 2020 are annualised.

6.6 PRO FORMA CONSOLIDATED BALANCE SHEET

The Pro Forma Consolidated Balance Sheet presents the statutory historical consolidated balance sheet of Elanor Commercial Property Fund as at 30 June 2019, adjusted to reflect certain transactions occurring between 1 July 2019 and Allotment Date, and transactions entered into as part of the Offer.

The table below illustrates the derivation of the Pro Forma Consolidated Balance Sheet as at the Allotment Date.

Table 6.6: Pro Forma Consolidated Balance Sheet

$ million	Statutory historical consolidated balance sheet at 30 June 2019	Adjustments from 1 July 2019 to Allotment Date	Adjustments for the Proposed Transaction	Pro Forma Consolidated Balance Sheet
Assets				
Cash	6.7	(3.6)	-	3.1
Other assets	0.7	-	0.5	1.2
Current assets	**7.4**	**(3.6)**	**0.5**	**4.3**
Investment properties[1]	259.0	3.2	44.2	306.4
Non current assets	**259.0**	**3.2**	**44.2**	**306.4**
Total Assets	**266.4**	**(0.4)**	**44.7**	**310.7**
Liabilities				
Interest bearing liabilities and derivatives[2]	26.7	(0.2)	(26.5)	-
Distribution payable	3.2	(3.2)	-	-
Other liabilities	2.9	-	-	2.9
Current liabilities	**32.8**	**(3.4)**	**(26.5)**	**2.9**
Interest bearing liabilities and derivatives[2]	105.9	-	(41.3)	64.6
Non current liabilities	**105.9**	**-**	**(41.3)**	**64.6**
Total Liabilities	**138.7**	**(3.4)**	**(67.8)**	**67.5**
Net assets	**127.7**	**3.2**	**112.3**	**243.2**
Total Equity attributable to:				
The Fund	96.4	1.6[3]	145.2[5]	243.2
Non-Controlling interest (WorkZone West)	31.3	1.7[4]	(33.0)	0.0
Total Equity	**127.7**	**3.2**	**112.3**	**243.2**

Number of Securities (million)	204.4
NTA per Security ($)	1.19
Gearing (Drawn Debt - Cash / Total Assets - Cash)	20.0%

Notes:

1. Includes the assets to be acquired as part of the Proposed Transaction of $44.2 million. The value of assets acquired is based on the independent valuation report for the New Property which is summarised in Section 11.
2. Interest bearing liabilities and derivative financial instruments of $132.6 million as at 30 June 2019 comprise drawn debt of $129.3 million and $3.3 million attributable to of fair value of derivative financial instrument.
3. The additional equity attributable to Securityholders of the Fund from 1 July 2019 to Allotment Date reflects the Fund's share of the fair value movements in investment properties, offset by the interest swap revaluation.
4. The additional equity attributable to the Non-Controlling Interest from 1 July 2019 to Allotment Date is calculated based on the 48.5% interest of the non-controlling interest and the adjustments for WorkZone West's investment property revaluation and the interest rate swap revaluation.
5. The net new equity raised from the IPO of $145.2 million is presented after taking account of total proceeds from the Offer of $255.5 million, including the roll over equity from Existing Investors of $81.9 million and the redemption of the units held by the Existing Investors ($98.0 million) and total Transaction costs of $12.5 million, of which $$4.2m is capitalised directly against equity and $8.3 million is expensed.

6.6.1 PRO FORMA ADJUSTMENTS TO THE STATUTORY HISTORICAL CONSOLIDATED BALANCE SHEET

The Pro Forma Consolidated Balance Sheet has been prepared to reflect two sets of adjustments as set out below.

The pro forma adjustment to reflect the transactions occurring between 1 July 2019 and Allotment Date assumes:

- revaluation of Investment Properties from 1 July 2019 to the Allotment Date of $3.2 million;
- mark-to-market revaluation of the interest rate swaps of $0.2 million;
- amortisation of the WorkZone West Debt Facility of $0.5 million;
- payment of accrued distributions to Existing Investors of ECF of $3.2 million; and
- no adjustment has been made in respect of trading results for the period between 1 July 2019 to Allotment Date because any accumulated profit during the period will be distributed to the Existing Investors prior to Allotment Date.

The pro forma adjustment to reflect the Proposed Transaction assumes:

- the raising of $173.6 million of equity under the Offer through the issue of 138.9 million Securities at an Offer Price of $1.25 per Security (which includes the assumed retention of equity interests by Existing Investors, equating to $81.9 million), and is offset by:
  - payment of redemption amounts of $16.1 million to Existing Investors; and
  - payment of total transaction costs of $12.5 million, comprising stamp duty ($2.9 million), general transaction costs ($6.0 million), and equity raising costs ($3.6 million), of which $4.2 million has been capitalised against equity with the remaining $8.3 million expensed;
- the acquisition of the New Property and the remaining equity in WorkZone West for $77.2 million, which incorporates the elimination of the Non-Controlling Interest of $33.0 million; and
- repayment of $64.4 million of debt and estimated fair value of swap termination costs on the Allotment Date of $3.6 million. As a result, the Fund will have drawn debt of $64.7 million as at 6 December 2019, offset by $0.1 million of capitalised borrowing costs.

6.6.2 LIQUIDITY AND INDEBTEDNESS

The Responsible Entity is of the opinion that the Fund will have sufficient working capital to carry out its stated objectives. The Fund is expected to have $3.1 million in cash at bank as at Allotment Date. In addition to this amount, the Fund is expected to have $7 million in undrawn debt capacity under the Debt Facilities at Allotment Date. Therefore, the Fund is expected to have combined cash and debt reserves of $10.1 million as at Allotment Date.

6.7 FORECAST ASSUMPTIONS

Key assumptions relating to the Forecast Financial Information are set out below.

GENERAL ASSUMPTIONS

Key general assumptions include:

- the Allotment Date occurs on 6 December 2019;
- no material business acquisitions or disposals during the Forecast Period other than those set out in this PDS;
- no material contract disputes or litigation during the Forecast Period;
- no material change in the competitive operating environment during the Forecast Period;
- no significant change to the legislative regime and regulatory environment in the jurisdictions that the Fund operates during the Forecast Period;
- all existing leases are enforceable and are performed in accordance with their terms;
- no material changes to accounting standards, other mandatory professional reporting requirements, the Corporations Act or any other relevant foreign equivalent of the Corporations Act during the Forecast Period;
- no material changes to Australian income tax legislation during the Forecast Period; and
- there will be no underlying movement in the fair value of the investment properties or other financial assets, including any mark to market movements in relation to the interest rate swaps taken in respect of the debt. The Responsible Entity does not believe such movements can be reliably estimated.

SPECIFIC ASSUMPTIONS

The specific, best-estimate assumptions applied in preparing the Forecast Financial Information are described below.

RENTAL INCOME

Rental income has been forecast on a property-by-property basis based on existing leases and assumptions for future occupancy rates, tenant retention, downtime and market rentals. Gross property income comprises gross rental and expense recoveries.

Rental income has been recognised on a straight-line basis in accordance with Australian Accounting Standards.

Rental income will be received by the Fund for the period from the settlement date of the New Property. The Forecast Financial Information assumes that the acquisition of the New Property being acquired from the respective vendors will complete on the Allotment Date. The settlement of the acquisition is scheduled to occur as soon as practicable at Allotment Date.

RELETTING AND VACANCY

Rental income decreases in FY21 mainly due to the expiry of leases in October 2020. A 9-month downtime period has been assumed to re-let this space, equivalent to lost rent of approximately $1.2m in FY21 based on current lease agreements with existing tenants. Should the space be leased-up more quickly in FY21 then this would present a potential increase in revenue and net operating income for the Fund in that year.

Reletting and lease incentives for expiring leases during the Forecast Period have been assumed on a property-by-property basis, taking into consideration agreements for lease, draft terms being negotiated with potential tenants (including existing tenants), and also taking into consideration available information for the relevant tenancy, such as current passing rent, market rent, property, locality, and discussions with existing tenants and prospective tenants.

Letting up periods have been forecast on a property-by-property basis based on management's experience and plans for the property. Lease incentives comprising abatements and fitout incentives are included based on either contracted arrangements or assumed incentive payments as assessed by the Manager.

Leasing commissions have been assumed on the let up of each individual lease. Commissions have been forecast to be 15% of first year rental income for new leases, leasing costs are capitalised as incurred and amortised over the life of the lease.

OUTGOINGS AND EXPENSES

Outgoings have been forecast by management on a property-by-property basis, having regard to current outgoings for each property in the Portfolio that are not recoverable from tenants under lease terms or applicable law. Outgoings are forecast to increase in line with known increases to statutory rates and taxes, as agreed in existing service contracts, or by CPI.

The forecast operating expenses of the Fund include estimates of Responsible Entity and Manager fees, audit fees, legal fees, valuation fees, security registry fees and other costs which the Fund expects to incur. The forecast costs represent the Responsible Entity's best estimates of the likely costs to be incurred based on a combination of external quotes and external benchmarks.

The total transaction costs of $12.5 million in relation to the Proposed Transaction comprise $2.9 million stamp duty and $5.8 million general transaction costs that are expensed and Equity raising costs of $3.8 million. Of which, $4.2 million of transaction costs have been offset against contributed equity and the remaining $8.3 million is expensed.

NET INTEREST EXPENSE

The Fund's borrowings under the Debt Facility is forecast to incur an average interest rate of 3.0% (inclusive of margin and hedging arrangements).

TAXATION

The Fund is treated as a trust for Australian tax purposes. Under current Australian income tax legislation, the Fund is not liable for Australian income tax, including capital gains tax, provided that Securityholders are presently entitled to the income of the Fund as determined in accordance with the Fund Constitutions.

6.8 SENSITIVITY ANALYSIS

The Forecast Financial Information is based on a number of estimates and assumptions that are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Responsible Entity, its Directors and management. These estimates and assumptions are subject to change.

Set out below is a summary of the sensitivity of forecast FFO per Security to certain changes in a number of key variables. The changes in the key variables as set out in the sensitivity analysis are not intended to be indicative of the complete range of variations that may be experienced.

Table 6.8: Sensitivity Analysis

FFO (cents per Security)	Allotment to 30 June 2020	FY21
Base Case	6.04	10.45
50bps Increase in Interest Margin on Debt	5.95	10.30
Increase all downtime by 3mths	5.88	10.40
1.0% Increase in Base Rent	6.13	10.61
5.0% Increase in Outgoings	5.96	10.30
5.0% Increase in Other Operating Expenses	6.03	10.43

The estimated impact of changes in each of the variables has been calculated in isolation from changes in other variables, to illustrate the likely impact on the financial forecasts. In practice, changes in variables may offset each other or may be cumulative.

6.9 SIGNIFICANT ACCOUNTING POLICIES

The preparation of the Financial Information requires estimates, judgements and assumptions that affect the reported amounts of gross revenues, gross expenses, assets and liabilities, including the determination of the parent entity of the Fund, and fair valuation of investment properties. Actual results may differ from these estimates under different assumptions or conditions. Revisions to estimates are recognised in the period in which the estimate is revised and in any future period affected.

The significant accounting policies outlined below apply estimates, judgements and assumptions which could materially affect the financial results or financial position reported in future periods.

Reporting Entity

Elanor Commercial Property Fund ("**the Fund**"), is a stapled consolidated entity comprising the assets and liabilities of:

- Elanor Commercial Property Fund I ("**ECF I**") and its controlled entities; and
- Elanor Commercial Property Fund II ("**ECF II**")

together referred to as the "**Fund**".

The Units in ECF I are stapled to the Units of ECF II and, on and from listing, will be quoted as Securities on the ASX such that the Units cannot be traded separately. ECF I and ECF II are both registered managed investment schemes. The Responsible Entity of ECF I and ECF II is Elanor Funds Management Limited.

PRINCIPLES OF CONSOLIDATION

The consolidated Financial Statements of the Fund incorporate the assets and liabilities of ECF I (the Parent) and all of its subsidiaries, including ECF II and its subsidiaries. ECF I is the parent entity in relation to the stapling.

A subsidiary is an entity over which the Fund is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. All subsidiaries have a 30 June balance date. All inter-entity balances and transactions between entities in the Fund, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those policies adopted by the Fund.

REVENUE RECOGNITION

The Fund recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Fund's activities as described below.

Rental income is recognised as revenue on a straight-line basis over the lease term.

INVESTMENT PROPERTY

Investment properties are properties held to earn rental income and/or for capital appreciation. Investment properties are measured initially at cost. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in the statement of profit or loss and other comprehensive income in the year in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss and other comprehensive income in the year in which the property is derecognised.

PAYABLES

Payables represent liabilities and accrued expenses owing by the Fund at year end which are unpaid. The amounts are unsecured and usually paid within 30 days of recognition. Payables are recognised at amortised cost and normal commercial terms and conditions apply to payables.

Distributions paid and payable are recognised as distributions within equity. A liability is recognised where distributions have been declared but have not been paid at reporting date.

All payables with maturities greater than 12 months after the reporting date are classified as non-current liabilities.

INTEREST BEARING LIABILITIES

Interest bearing liabilities are recognised initially at cost, being the fair value of the consideration received net of transaction costs associated with the borrowing. Subsequent to initial recognition, interest bearing liabilities are recognised at amortised cost using the effective interest method. Under the effective interest method, any transaction fees, costs, discounts and premiums directly related to the borrowings are recognised in the statement of profit or loss and other comprehensive income over the expected life of the borrowings.

Interest bearing liabilities are classified as current liabilities where the liability has been drawn under a financing facility which expires within 12 months. Amounts drawn under financial facilities which expire after 12 months are classified as non-current.

DERIVATIVES

The Group enters into derivative financial instruments to manage its exposure to interest rate risk. Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

INCOME TAX

Under current tax legislation, the Fund is not liable for income tax, provided the Securityholders are presently entitled to the taxable income of ECF I and ECF II including realised capital gains each financial year.

ISSUED CAPITAL

Securities are classified as equity and recognised at the fair value of the consideration received by the Fund. Any transaction costs arising on the issue of ordinary securities are recognised directly in equity as a reduction, of the proceeds received.

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7. RISKS

The Fund's business activities are subject to risks, specific both to its investment in property and its operations, as well as of a general nature. Many of these risks, or the consequences of them, are outside the control of the Responsible Entity. Individually, or in combination, these risks may affect the future operating performance of the Fund and the value of an investment in the Fund if they eventuate.

Prospective investors should note that this Section identifies the Directors' current views on the key risks of an investment in the Fund and is not intended to be exhaustive. Prospective investors should carefully consider the risk factors identified, in addition to the other information in this PDS, before deciding to invest in Securities. Prospective investors should ensure they have sufficient awareness of the risks and have regard to their own investment objectives, financial circumstances and taxation position before deciding to invest.

If you do not understand any part of this PDS, or are in doubt as to whether to invest in Securities or not, it is recommended that you seek professional guidance from your broker, solicitor, accountant or other qualified professional adviser before deciding whether to invest.

7.1 RISKS SPECIFIC TO YOUR INVESTMENT IN PROPERTY

These risks relate to an investment in real estate:

RENTAL INCOME

Distributions made by the Fund are largely dependent upon the rents received from its property Portfolio and the expenses incurred during operations. Rental income may be adversely affected by a number of factors, including:

- overall macroeconomic conditions;
- local real estate conditions;
- competition from other office assets;
- the perceived attractiveness of the office assets for prospective tenants;
- the financial condition of tenants;
- increases in rental arrears and vacancy periods;
- extensions of incentives offered to attract prospective tenants;
- additional expenses associated with re-leasing the tenancy or enforcement action;
- changes in tenancy laws; and
- external factors including terrorist attacks, significant security incidents, acts of God or a major world event.

The Forecast Financial Information included in this PDS make a number of assumptions in relation to the level of rental income (see Section 6.7), including that all existing leases are performed in accordance with their terms. Any negative impact on rental income (including a failure of existing tenants to perform existing leases in accordance with their terms) could materially adversely affect the Fund's financial performance and Distributions.

RE-LEASING AND VACANCY

The Portfolio's leases come up for renewal on a periodic basis, and there is a risk that the Fund may not be able to negotiate suitable lease renewals with existing tenants, maintain existing lease terms, or replace outgoing tenants with new tenants. The ability to secure lease renewals or to obtain replacement tenants may be influenced by any leasing incentives granted to prospective tenants and the supply of new commercial properties in the market, which, in turn, may increase the time required to let vacant space. Should the Fund be unable to secure a replacement tenant for a period of time or if replacement tenants lease the property on less favourable terms than existing lease terms, this will result in a lower rental return to the Fund, which could materially adversely affect the financial performance of the Fund and Distributions.

The Fund could lose key tenants due to a range of events including as a result of failure to renew a lease, the termination of a lease due to change of control, deterioration in the level of service provided to tenants, weakening of tenant relationships or disputes with tenants, consolidation of a tenant's sites or insolvency of tenants. Any of these factors could materially adversely affect the financial performance of the Fund and Distributions.

PROPERTY VALUATIONS

The Responsible Entity has obtained independent valuations for each of the properties in the Portfolio and will periodically confirm those values by engaging an independent valuer in accordance with the Fund's valuation policy. Valuations ascribed to each property will be influenced by a number of ongoing factors affecting the Australian property market generally, as well as the Fund in particular, including:

- supply and demand for commercial properties;
- general property market conditions; and
- the ability to attract and implement economically viable rental arrangements.

In addition, the independent valuations of the Properties included in this PDS are the best estimates of the independent valuers at a certain point in time and may not reflect the actual price a property would realise if sold. The independent valuations are subject to a number of assumptions which may not be accurate. A reduction in the value of any Property may have a negative impact on the Fund's income statement and may adversely affect the value of Securities in the Fund. It may also impact on the Fund's financing arrangements.

PROPERTY LIQUIDITY

The Fund may be required to dispose of some of its property assets in response to adverse business conditions. Given the relatively illiquid nature of property investments, the Fund may not be able to achieve the disposal of the property asset(s) in a timely manner or at an optimal sale price. There is no guarantee that the time a property is put out to the market coincides with an optimal time to sell, particularly when the decision is driven by a factor other than the receipt of a third party favorable offer. This may affect the Fund's net asset value or trading price per Security.

CAPITAL EXPENDITURE

The forecast Capital Expenditure represents the Director's current best estimate of the associated costs in maintaining the existing property Portfolio. Capital expenditure may exceed the current forecasts which could lead to increased funding costs and potentially lower distributions.

COMPETITION

The Fund will face competition from other property groups active in Australia. Some of these competitors have significantly greater scale, and may have an advantage in acquiring properties relative to the Fund due to more readily available sources of capital and a lower return threshold. Competition for new acquisitions in the sector in which the Fund operates may make it difficult for the Fund to acquire properties and to increase its scale or its level of diversification. In addition, such competition could lead to the following adverse outcomes:

- loss of tenants to competitors;
- an inability to secure new tenants resulting from oversupply of commercial space; and
- an inability to secure maximum rents due to increased competition.

ENVIRONMENT AND CONTAMINATION RISK

Property income, Distributions or property valuations could be adversely affected by discovery of an environmental contaminant and the costs of property preservation or remediation associated with environmental contamination. This risk may occur whether or not the contamination was accidental, caused by the Fund, or by prior owners or third parties. This risk may not be possible to ascertain in due diligence on a new acquisition. Remediation costs may be significant, and there may be consequential effects such as Property closure and loss of rent (including potential costs of relocation of tenants in some circumstances) which could adversely affect Distributions and the Security price of the Fund. It may also potentially hinder the ability of the Fund to dispose of the property and their ability to be used as collateral may be limited.

In addition, new or more stringent environmental laws or regulations introduced in the future, for example, in order to combat climate change, may require the Fund to undertake material expenditure to ensure that the relevant standards are met.

Exposure to hazardous substances at a property within the Portfolio could result in personal injury claims. Where such a claim is not covered by insurance, there is a risk the claim could prove greater than the value of the contaminated property which may adversely affect the financial performance of the Fund and Distributions.

The Limestone Street property is in an area that had sustained flooding in the past and the building and liability insurance cover for that property has a sub-limit for flood related claims of $1.5 million in any one year

DEVELOPMENT

In seeking to maximise returns for investors, the Responsible Entity will consider opportunities to enhance the value of the Fund's properties. While the Responsible Entity does not intend to undertake any development on a speculative basis, there are typically higher risks associated with development activities than holding developed assets.

The risks faced by the Fund in relation to existing or future development contractor projects will depend on the terms of the transaction at the time. There is a risk that a contractor engaged on any given project is unable to complete the specified works on time or could default on other obligations under its contract. Completion of construction works may be delayed for a number of reasons, including industrial disputes, inclement weather, permitted variations to the works, changes to legislative requirements, delays in authority inspections or regulatory approvals or a builder experiencing financial difficulties. Even where a development is under a fixed price contract, there is a risk of potential contractor default where actual development costs are materially greater than expected. In those circumstances, the actual development costs may not be able to be funded by the contractor and the development may not complete unless the Fund agrees to bear the excess costs or is able to replace the contractor. However, the Fund may not be able to replace the contractor with another with similar experience and/or on terms as advantageous to it. In addition, the Fund may suffer loss of rent in respect of a delay in completion. Any of these factors could materially adversely affect the financial performance of the Fund and Distributions.

7.2 RISKS SPECIFIC TO YOUR INVESTMENT IN THE FUND

These risks relate specifically to your investment in the Fund:

FINANCIAL INFORMATION AND FORECASTS

The forward looking statements, opinions and estimates provided in this PDS, including the Forecast Financial Information provided, rely on various factors, many of which are outside the control of the Responsible Entity, and several assumptions (some of which are described in Section 6), any of which could be inaccurate or result in material deviations in actual performance from expected results. There can be no guarantee that the Fund will achieve its stated objectives or that any forward looking statements or forecasts will eventuate.

The Fund's financial forecasts may also be negatively impacted by any unexpected increases in non-recoverable property operating expenses.

RESPONSIBLE ENTITY AND MANAGEMENT

By investing in the Fund, Securityholders have delegated investment decisions to the Responsible Entity and its officers. The Responsible Entity has delegated the day to day management of the Fund and the Portfolio to the Manager, as well as to other external service providers.

Accordingly, the Fund is reliant on the management expertise, support, experience and strategies of the key executives of Elanor Investors Group and other third parties, which cannot be assured. If Elanor Investors Group (and its subsidiaries) and other third parties do not perform as service providers this could have an adverse impact on the management and performance of the Fund and therefore Distributions and the Security price. The past performance of the Elanor Investors Group is not a guarantee of the future performance of the Fund.

The ability of the Manager to discharge its responsibilities in terms of managing the Portfolio business model depends to a significant extent, on the experience, knowledge and performance of its key personnel; in particular the senior management of Elanor Investors Group disclosed in Section 5. The loss of key personnel, a sustained underperformance by key personnel or any delay in the appointment of their suitable replacements may therefore materially adversely affect the financial performance of the Fund and Distributions.

In addition, if Elanor Funds Management Limited is replaced as responsible entity of the Fund by an entity that is not a related body corporate of the Elanor Investors Group, there is potential for adverse effects to be experienced by the Fund due to the loss of the services of the Manager (as the Investment Management Agreement and Property Management Agreement will provide the incoming responsible entity and/or the Manager a right to terminate in these circumstances). If the agreement is terminated as a result of the change in responsible entity, the Manager will be entitled to a compensation payment equal to 24 months management fees.

CONFLICTS OF INTEREST WITH OTHER ELANOR MANAGED FUNDS

In addition to being the responsible entity of the Fund, the Responsible Entity is also the responsible entity of a number of managed funds in the Elanor Investors Group. Elanor was established in July 2014 and also has an asset-based investment strategy. In considering investment opportunities, the Manager and Responsible Entity must make a decision as to which of the Fund, or Elanor, or any other funds managed in the future by the Responsible Entity or members of the Elanor Investors Group, will have the opportunity to participate in the relevant opportunity. The Manager currently intends to first offer to the Fund any opportunity to acquire an investment in a commercial office asset that the Manager identifies and which falls within the Fund's investment strategy, however neither the Fund, nor Elanor Investors Group (nor any other fund), will otherwise have priority over the other in relation to any investment opportunity.

ACQUISITIONS

The Fund faces competition from other property investors and organisations active in the Australian property market, who may have significantly greater scale and have an advantage in acquiring properties relative to the Fund. There is a risk that the Fund will be unable to identify suitable investment opportunities that meet the Fund's investment objectives or the Fund will be unable to dispose of and/or acquire properties on appropriate terms, thereby potentially limiting the growth of the Fund. The Fund's failure to deliver or effectively execute its stated strategy including its acquisition and/or disposal of properties or its failure to redefine its strategy to meet changing conditions could result in a decline in the price of the Units and/or Distributions. There can be no assurance that any future acquisitions and/or disposals will enhance the investment returns of Securityholders.

SECTOR CONCENTRATION

The Portfolio is principally comprised of office properties. The Fund's performance depends on, in part, the performance of the office property sector in Australia. If there is a downturn in this sector, the Fund's performance may be affected by way of lower rental income and/or increased vacancy, which may reduce Property Income and impact FFO of the Fund and Distributions.

HEALTH AND SAFETY

There is a risk that liability arising from workplace health and safety matters at a Property may be attributable to the Fund as the landlord instead of, or as well as, the tenant. To the extent that any liabilities may be borne by the Fund, this may impact the financial performance of the Fund (to the extent not covered by insurance). In addition, penalties may be imposed upon the Fund which may have an adverse impact on the Fund.

TENANT CONCENTRATION

In aggregate, approximately 89.3% of gross income of the Fund is generated from the top ten tenants. There is a risk that if one or more of the major tenants ceases to be a tenant, the Fund may not be able to find a suitable replacement tenant or may not be able to secure lease terms that are as favourable as current terms. Should the Fund be unable to secure a replacement tenant for a major tenant for a period of time or if replacement tenants lease the property on less favourable terms, this will result in a lower rental return to the Fund, which could materially adversely affect the financial performance of the Fund and Distributions.

NEW STAPLED ENTITY WITH NO PREVIOUS PUBLIC MARKET TRADING HISTORY

The Fund will be a new stapled entity with no previous public market trading history for Securities. As the Fund is a new stapled entity with no previous public market trading history, corporate costs could be higher than forecast.

The Fund's financial forecasts may also be negatively impacted by any unexpected increases in non-recoverable property operating expenses.

STAMP DUTY ON ACQUISITIONS

On the basis that no person, either alone or with associated persons, acquires a 90% or greater interest in either Trust, the Responsible Entity currently expects that no ad valorem stamp duty should be payable. Stamp duty will be payable on the acquisition of the New Property. To the extent that stamp duty is levied other than as expected, then the Fund may incur significant unexpected costs. The current Stamp Duty cost is estimated to be in the order of $2.9 million.

FUNDING AND REFINANCING

In order to fund new acquisitions, capital expenditure or other material capital events, the Fund intends to rely on funding options including equity, debt or a combination of both. The Fund's ability to raise funds from either debt or equity markets on favourable terms is dependent on a number of factors including:

- the general economic and political climate;
- the state of debt and equity capital markets; and
- the performance, reputation and financial strength of the Fund.

Changes to any one of these underlying factors could lead to an increased cost of funding or an inability to attract funding. This may adversely affect the Fund's ability to make future acquisitions or to meet future capital expenditure needs that in turn could adversely affect the growth prospects of the Fund or even the Fund's ability to maintain its Properties to the requisite standard (which in turn may affect its ability to retain existing, or to attract new tenants).

In addition, an inability to refinance the Fund's existing debt facilities (either on acceptable terms or at all), or any increase in the cost of such funding, may also adversely impact performance and financial position of the Fund.

GEARING

The Fund's target Gearing range is provided in Section 3.4.1 of this PDS. Details of the Fund's Debt Facilities are set out in Section 13.10.

The level of Gearing will magnify the effect on the Fund of any changes in interest rates or changes in value or performance measures. A higher level of gearing will increase the effect. If the level of Gearing increases over the term of the Debt Facility this is a factor that may create refinancing risk on the Fund's debt facilities as they approach expiration.

INTEREST RATES AND FINANCIAL COVENANTS

There is a risk when the Fund seeks the extension, refinancing or establishment of debt financing and interest rate hedges that it may be unable to do so on current terms. It is possible that interest rates and the cost of interest rate hedges will increase in the future, or new lenders may require more stringent financial covenants than those contained in the Debt Facility, each of which could have a material negative impact on the Fund's financial performance and available distributions.

BREACH OF DEBT FACILITY

Banks may seek repayment of the Debt Facility prior to expected facility expiry if an event of default occurs which is not remedied. The Debt Facility contains undertakings to maintain certain Gearing and interest coverage ratios, and an event of default would occur if the Fund fails to maintain these financial levels. The Fund may need to dispose of assets for less than their face value, raise additional equity, or reduce or suspend distributions in order to repay the Debt Facility. Details of the financial ratios that are included in the Debt Facility are set out in Section 13.10.

TAX

To the extent that ECF I and ECF II are not classified as "public trading trusts", the Fund will generally not be subject to Australian income tax, including capital gains tax, under current Australian income tax legislation provided that the Fund's Securityholders are presently entitled to all of the income of the Fund at the end of each income year, as should be the case under the Constitutions. Consequently, Distributions made by the Fund will be on a 'pre-tax' basis with any Australian income tax in respect of the Fund's income being payable by, or on behalf of, Securityholders rather than the Responsible Entity. Changes in the Fund's business activities could result in the Fund incurring tax on its income in the future, such that subsequent distributions would be paid on a 'post-tax' basis. Furthermore, changes to Australian tax legislation or regulations, or the interpretation thereof by the courts, may impact on the manner or basis of taxation of the Fund or Securityholders.

Further details of tax consequences for certain Australian investors are provided in Section 12 of this PDS.

INSOLVENCY

In the event of any liquidation or winding up of the Fund the claims of the Fund's creditors will rank ahead of those of its Securityholders. Under such circumstances the Fund will first repay or discharge all claims of its creditors. Any surplus assets will then be distributed to the Fund's Securityholders. All Securityholders will rank equally in their claim and will be entitled to an equal share per Security.

COMPLIANCE RISK

The Responsible Entity is subject to strict regulatory and compliance arrangements under the Corporations Act and ASIC policy. If the Responsible Entity breaches the Corporations Act or the terms of its AFSL, ASIC may take action to suspend or revoke the licence, which in turn would adversely impact the ability of the Responsible Entity to manage the Fund. In order to ensure compliance with the Fund Constitutions, the Corporations Act and the Listing Rules, the Responsible Entity has adopted a Compliance Plan which sets out the key processes the Responsible Entity will apply in complying with its compliance obligations.

DISPUTES AND LITIGATION

The Fund may be subject to litigation and other claims and disputes in the course of its business, including tenancy disputes, employment disputes, indemnity claims and occupational health and safety. The Fund may also be subject to regulatory investigations by governmental agencies and may be subject to sanctions or fines by those governmental agencies in the event of non-compliance with relevant statutory, regulatory or licensing requirements. Such litigation, claims and disputes, including the costs of settling claims and operational impacts, may materially adversely affect financial performance of the Fund and Distributions.

TERMINATION

In the event of termination or winding up of the Fund, the claims of the Fund's creditors will have priority over the claims of Securityholders. Under such circumstances, the Responsible Entity may sell Properties and first repay or discharge all costs and liabilities owed to the Fund's creditors before distributing the remaining proceeds to Securityholders. Any remaining proceeds will be distributed among Securityholders pro rata in accordance with the proportion of Units held by Securityholders. As such, there is a risk that Securityholders may receive no amount, or an amount less than the Final Offer Price, on termination or winding up of the Fund.

IMPACT OF CLIMATE CHANGE

Climate change presents a potentially material risk to Fund. The increasing severity of acute weather events (such as heatwaves, cyclones and storms) and chronic climate impacts may affect one or more of the Fund's Properties (and associated communities) through physical damage, operating costs and ability to trade and operate. These acute weather events may be sudden and acute or more gradual in nature. For example, a Property may be damaged by storms or flooding which requires extensive repairs and may impact rental income at that Property. Alternatively, tenants may be impacted by disruptions to their operations. The Responsible Entity has conducted both high-level and asset-level assessments of physical risks in order to identify and mitigate those risks. Transitioning to a lower-carbon economy may entail extensive policy, legal, technology and market changes to address mitigation and adaption requirements related to climate change. These may require the Responsible to incur costs to address these changes. The transition to a low carbon economy may enable the Fund to realise opportunities such as reducing its reliance on the electricity grid by generating onsite renewable energy which also protects its business from future energy market and policy uncertainty.

CLADDING

Aluminium Composite Panelling (ACP) has been identified at some of the Properties in the Portfolio. Certain types of ACP can be flammable, and therefore the Manager has engaged independent assessments of the identified ACP. The Manager believes that the identified ACP across the portfolio is not material and does not pose a material risk to the affected Properties.

7.3 GENERAL RISKS

These risks are typically common of most investments:

PRICE OF SECURITIES

The price of the Securities in the Fund quoted on the ASX may fluctuate resulting in the Securities trading at prices below or above the Final Price. These fluctuations may be due to a number of factors including:

- changes to general economic conditions in Australia and abroad including inflation, interest rates and exchange rates;
- shifts in consumer sentiment;
- demand for property securities both domestically and internationally;
- changes in Government policy, legislation and regulations;
- inclusion or removal from major market indices; and
- general and operational business risks.

Consequently, the trading price of the Securities may be influenced by factors non-specific to the Fund and out of the Responsible Entity's ability to control. These fluctuations could have materially adverse effects of the trading performance of the Securities.

No assurances can be made that the performance of the Securities will not be adversely affected by such market fluctuations or factors. None of the Responsible Entity, its Directors or any other person guarantees the performance of the Securities.

TRADING OF SECURITIES

The Fund has no trading history on public markets prior to the Offer. Consequently, following Listing and Quotation on the ASX there is no guarantee that an active trading market will develop for the Securities. Liquidity of the Securities will be dependent on the volume of relative buyers and sellers in the secondary market at any given time. Additionally, large Securityholders choosing to trade out of their positions at discounts to prevailing market prices may also affect the market.

Increased trading price volatility may occur as a result of any of these factors with the outcome being that Securityholders selling their Securities into the public markets may receive a sale price that is less than the Issue Price.

INSURANCE

The Fund will carry a range of insurances which the Responsible Entity Board and management view as customary for similar properties. However, there are certain events for which the Fund will not maintain insurance cover. These events may include, but are not limited to:

- Act of war or political instability;
- Acts of terrorism; or
- Catastrophic events such as floods or earthquakes.

If any of the Fund's properties are damaged or destroyed by an event for which the Fund does not have coverage, the Fund could incur a capital loss and lost income which could reduce Securityholders' returns.

Dependent on the type of coverage, the Fund may have to incur an excess prior to any payment by the insurer or pay for any difference between the full replacement cost and insured amount. The Fund may also incur increases to its insurance premium applicable to other areas of cover as a result of the event.

The Fund may not be able to recover under its insurance if the company or companies providing the insurance (or any reinsurance) are under financial distress or fail.

ACCOUNTING STANDARDS

The Australian Accounting Standards to which the Fund adheres are set by the Australian Accountings Standards Board (AASB) and are consequently out of the control of the Responsible Entity and its Directors. Changes to accounting standards issued by AASB or changes to the commonly held views on the application of those standards could materially adversely affect the financial performance and position reported in the Fund's financial statements.

GENERAL ECONOMIC CONDITIONS

There is the risk that changes in economic and market conditions may affect asset returns and values and may decrease the Security price. The overall performance of Securities may be affected by changing economic or property market conditions. These may include movements in interest rates, exchange rates, securities markets, inflation, consumer spending, employment and the performance of individual local, state, national and international economies.

LEGAL AND REGULATORY CHANGES

There is the risk that changes in any law, regulation or government policy affecting the Fund's operations (which may or may not have a retrospective effect) will have an effect on the Portfolio and/or the Fund's performance. This may include changes to taxation regimes.

FORCES MAJEURE

Unforeseen circumstances and situations may affect any of the Fund's properties or property interests. These unforeseen circumstances are outside the control of the Responsible Entity, however the Fund may be required to remediate any resulting damage or loss. The cost of remediation could be substantial. In addition, if the Fund is not able to remediate a site properly, this may adversely affect its ability to sell the relevant property or to use it as collateral for borrowings.

DILUTION FROM FUTURE CAPITAL RAISINGS

Future capital raisings and equity-funded acquisitions by the Fund may dilute the holdings of Securityholders. In the normal course of managing the Fund, the Responsible Entity is seeking to increase distribution income to Securityholders and to provide the potential for capital growth. In order to provide this growth, capital raisings may be undertaken to acquire property investments. At the extreme, a capital raising may need to be undertaken to reduce debt in order that the Fund remain compliant with its debt covenants.

RELIANCE ON THIRD PARTIES

The Responsible Entity may engage third party services providers in respect of a part or the whole Portfolio. The terms of such engagement and the nature, scope and fees relating to the services provided by such third party service providers will be subject to contractual arrangements between the Responsible Entity or the Manager and the relevant third parties. A failure of third parties to discharge their agreed responsibilities may adversely affect the management and financial performance of the Fund and therefore also adversely impact returns to Securityholders.

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Elanor COMMERCIAL PROPERTY FUND

8. DETAILS OF THE OFFER

8.1 INTRODUCTION

The Offer is an invitation to subscribe for up to 138.9 million new Securities in the Fund at an Offer Price of $1.25 per Security. The total number of Securities on issue at Completion will be 204.4 million. All Securities will, once issued, rank equally with each other.

The Offer comprises:

- An Elanor Offer which is open to eligible Elanor Securityholders and other selected persons who have received an invitation from the Responsible Entity to participate in the Elanor Offer;
- A Broker Firm Offer to Australian resident investors who receive a firm allocation of Securities from their Broker; and
- An Institutional Offer to Institutional Investors in Australia and other jurisdictions as managed by the Joint Lead Managers.

Selected cornerstone investors have been approached by the Issuer and Joint Lead Managers to support the transaction. Cornerstone investors will be or have been given a guaranteed allocation which will not be subject to a scale back.

138.9 million Securities will be available under the Offer at an Offer Price of $1.25 per Security to raise $173.6 million.

Elanor will be aligned with investors by holding a 15% co-investment stake.

8.2 PURPOSE OF THE OFFER AND USE OF PROCEEDS

The purpose of the Offer is to:

- enable the Fund to acquire the New Property;
- acquire the remaining 48.5% interest in WorkZone West;
- redeem Existing Investors investment if they elect to redeem some or all of their existing units in the trusts;
- retire existing debt facilities to establish a capital structure that provides flexibility for future growth; and
- fund the costs of the Offer and other costs relating to the Proposed Transaction.

The sources and uses of funding for the Offer are as follows:

Table 8.2.1: Source and uses

Sources	$ m
Proceeds from the Offer	173.6
Total Sources	**173.6**

Uses	$ m
Investor Redemptions	16.1
Acquisitions	77.2
Refinancing Existing Debt Facilities + Capital Management	67.8
Stamp Duty	2.9
Transaction Costs	9.6
Total Uses	**173.6**

Existing Investors were given the opportunity to redeem some or all of their Securities at a Net Asset Value (NAV) of $1.00 per Stapled Security immediately prior to the restructure for the Offer. The total value of Stapled Securities which could be redeemed was $98.0 million. At the date of the PDS the amount of redemptions applied for was $16.1 million. The amount of monies raised under this Offer to be applied to the redemptions Offer is $16.1 million. The Offer is fully underwritten and the Responsible Entity believes that all redemption requests will be satisfied.

Table 8.2.2:

	Post-Restructure			At Allotment Date		
$ million	Securities held (m)	Value of securities ($m)[1]	% Total	Securities held (m)	Value of securities ($m)[1]	% Total
Existing Investors (excluding Elanor Investors Group stake)	70.8	88.6	90.4%	59.0	73.8	28.9%
Elanor Investors Group co-investment	7.5	9.4	9.6%	30.7	38.3	15.0%
New Investors	0.0	0.0	0.0%	114.7	143.4	56.1%
Total Securities on Offer	**78.3**	**97.9**	**100.0%**	**204.4**	**255.5**	**100.0%**

Notes:

1. Value of securities calculated as Securities held multiplied by the Offer Price.

8.3 TERMS AND CONDITIONS OF THE OFFER

TOPIC	SUMMARY
What is being offered?	Securities in the Fund will be a stapled security structure comprising one Unit in Elanor Commercial Property Fund I (ARSN 636 623 099) stapled to one Unit in Elanor Commercial Property Fund II (ARSN 636 623 517).
What are the rights and liabilities attached to the Securities being offered?	A description of the Securities, including the rights and liabilities attaching to them, is set out in Section 13.1.
What is the consideration payable for each Security being offered?	The Offer Price is $1.25 per Security.
What is the Offer period?	The key dates, including details of the Retail Offer period, are set out in Key Information. The Joint Lead Managers have separately advised Institutional Investors the key dates for the Institutional Offer.
What is the allocation policy?	The allocation of Securities between the Elanor Offer, Broker Firm Offer and the Institutional Offer have been determined by the Responsible Entity by agreement with the Joint Lead Managers. The allocation of Securities among Applicants under the Broker Firm Offer is a matter for the Brokers in how they allocate firm stock among their eligible clients. The allocation of Securities among Applicants in the Elanor Offer will be determined by the Responsible Entity in consultation with the Joint Lead Managers, with priority given to applications from Eligible Existing Investors over other Applicants. The allocation of Securities among Applicants in the Institutional Offer has been be determined by the Responsible Entity in consultation with the Joint Lead Managers. The Responsible Entity, in consultation with the Joint Lead Managers, reserves the right to reject any Application or to allocate a lesser number of Securities than that applied for.
Is there a cooling-off period?	No. Cooling-off rights do not apply to an investment in Securities pursuant to the Offer. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.
What is the minimum and maximum application size under the Offer?	The minimum Application size for Applicants applying under the Elanor Offer and the Broker Firm Offer is $2,000 and in increments of at least $500 thereafter. Applicants under the Institutional Offer have been separately provided with additional information regarding the minimum Application size under the Institutional Offer. There is no maximum number of Securities that may be applied for under the Offer.
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be dispatched by standard post on or about Monday, 9 December 2019. Refunds to Applicants who make an Application and receive an allocation, the value of which is smaller than the amount of their Application Monies, will be made (without interest) as soon as possible post Settlement of the Offer, in accordance with the Corporations Act.

TOPIC	SUMMARY
Will the Securities be quoted?	The Fund will apply for Quotation of the Stapled Securities on ASX and is expected to trade under the ASX code ECF. Completion of the Offer is conditional on ASX approving this application. If approval is not given, the Offer will be withdrawn and all Application Monies received will be refunded without interest as soon practicable in accordance with the requirements of the Corporations Act.
When are the Securities expected to commence trading?	It is expected that trading of the Securities on ASX will commence on or about Friday, 6 December 2019, initially on a deferred settlement basis. Securities are expected to commence trading on ASX on a normal settlement basis on or about Tuesday, 10 December 2019. It is the responsibility of each Applicant to confirm their holding before trading in Securities. Applicants who sell Securities before they receive an initial statement of holding do so at their own risk. The Responsible Entity disclaims all liability, whether in negligence or otherwise, to persons who sell Securities before receiving their initial statement of holding, whether on the basis of a confirmation of allocation provided by any of them, by the Offer Information Line, by a Broker or otherwise.
Is the Offer fully underwritten?	Yes, by the Joint Lead Managers. Details of the underwriting agreement are set out in Section 13.11.
Has an ASIC relief or ASX waiver been applied for?	Yes. Details of the ASIC relief and ASX waivers are provided in Section 14.2 and 14.3.
Are there any Australian tax considerations?	Yes. Please refer to Section 12.
Are there any brokerage commissions or stamp duty considerations?	No brokerage or commission is payable by Applicants on the issue of Securities under the Offer. In addition, stamp duty should not be payable in any State or Territory on the issue, transfer or redemption of a Security in the Fund, provided that the Securities are quoted on the Official List at all relevant times and no investor, alone or with associates, acquires 90% or more of the Securities in the Fund.
Can the Offer be withdrawn?	Yes, the Offer can be withdrawn by the Responsible Entity at any time prior to Completion. Responsible Entity reserves the right not to proceed with the Offer at any time before the issue of Securities to successful Applicants. If the Offer does not proceed or complete, Application Monies will be refunded to Applicants. No interest will be paid on any Application Monies refunded. If the Offer is withdrawn after Securities have commenced trading on a deferred settlement basis, all contracts for the sale of the Securities on ASX will be cancelled and any money paid in connection with the settlement refunded (without interest).
What should you do with any inquiries?	If you have inquiries regarding the Offer, please contact the Offer Information Line on 1800 773 382 (toll free within Australia) between 9:00am and 5:00pm (Sydney time) Monday to Friday. If you are unclear in relation to any matter or are uncertain as to whether the Fund is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest.
Are there any escrow arrangements?	No escrow arrangements apply to Securities issued under the Offer.

8.4 BROKER FIRM OFFER

WHO CAN APPLY?

The Broker Firm Offer is open to persons who have received a firm allocation from their Broker and who have a registered address in Australia. If a Broker offers you a firm allocation, you will be treated as an Applicant under the Broker Firm Offer in respect of that allocation. You should contact your Broker to determine whether they may allocate Securities to you under the Broker Firm Offer.

HOW TO APPLY UNDER THE BROKER FIRM OFFER

Applications for Securities may only be made on a Broker Firm Application Form attached to or accompanying this PDS. If you are an investor investing under the Broker Firm Offer, you should complete and lodge your Application Form with the Broker from whom you received your firm allocation. Application Forms for the Broker Firm Offer must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the reverse of the Application Form. By making an Application, you declare that you were given access to the PDS, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this PDS or the complete and unaltered electronic version of this PDS.

The minimum Application under the Broker Firm Offer is $2,000 worth of Securities and in increments of $500 thereafter. There is no maximum number or value of Securities that may be applied for under the Broker Firm Offer. The Responsible Entity and the Joint Lead Managers also reserve the right to aggregate any Applications which they believe may be multiple applications from the same person.

The Responsible Entity may determine a person to be eligible to participate in the Broker Firm Offer, and may amend or waive the Broker Firm Offer application procedures or requirements, at its discretion, in compliance with applicable laws. Applicants under the Broker Firm Offer must lodge their Application Form and Application Monies with the relevant Broker in accordance with the relevant Broker's directions in order to receive their firm allocation. Applicants under the Broker Firm Offer must not send their Application Forms to the Registry.

The Broker Firm Offer opens at 9.00am (Sydney time) on Thursday, 14 November 2019 and is expected to close at 5.00pm (Sydney time) on Thursday, 28 November 2019. The Responsible Entity with the consent of the Joint Lead Managers, may elect to close the Offer or any part of it early, extend the Offer or any part of it, or accept late Applications either generally or in particular cases. The Offer or any part of it may be closed at any earlier date and time, without further notice. Your Broker may also impose an earlier closing date. Applicants are therefore encouraged to submit their Applications as early as possible. Please contact your Broker for instructions.

ALLOCATION POLICY UNDER THE BROKER FIRM OFFER

Securities which have been allocated to Brokers for allocation to their Australian resident clients will be issued to the Applicants nominated by those Brokers (subject to the right of the Responsible Entity and the Joint Lead Managers to reject or scale back Applications). It will be a matter for the Brokers how they allocate firm stock among their eligible clients and they (and not Responsible Entity or the Joint Lead Managers) will be responsible for ensuring that clients who have received a firm allocation from them receive the relevant Securities.

ANNOUNCEMENT OF FINAL ALLOCATION POLICY IN THE BROKER FIRM OFFER

Applicants in the Broker Firm Offer should confirm their final allocation with the Broker from whom they received their allocation.

If you sell Securities before receiving a holding statement, you do so at your own risk, even if you have confirmed your firm allocation with your Broker or obtained details of your holding from the Elanor Offer Information Line.

8.5 ELANOR OFFER

WHO CAN APPLY?

The Elanor Offer is open to:

- Eligible Existing Investors;
- Eligible Elanor Securityholders; and
- persons who have received an invitation from the Responsible Entity to participate in the Elanor Offer;

in each case, who have a registered address in Australia.

If you are invited by the Responsible Entity to participate in the Elanor Offer, you will be treated as an Applicant under the Elanor Offer in respect of those Securities that are allocated to you.

HOW TO APPLY?

If you receive an invitation to participate in the Elanor Offer, please visit www.elanoroffer.com or contact the Offer Information Line for information on how to apply. If you receive an invitation to participate in the Elanor Offer from the Responsible Entity, you may apply for Securities before the Elanor Offer closes by applying online at www.elanoroffer.com and by paying Application Monies via BPAY® (unless instructed otherwise by the Manager). No physical Application Form is needed when paying in this manner. There are instructions set out on your personalised invitation and the online Elanor Offer Application Form to help you complete it. By making an Application, you declare that you were invited to participate in the Elanor Offer and were given access to this PDS (and any supplementary or replacement PDS), together with an online Elanor Offer Application Form. The minimum Application size is $2,000 worth of Securities. There is no maximum value of Securities which may be applied for under the Elanor Offer.

The Responsible Entity may amend or waive the Elanor Offer application procedures or requirements, in its discretion in compliance with applicable laws. The Elanor Offer opens at 9:00am (Sydney time) on Thursday, 14 November 2019 and is expected to close at 5:00pm (Sydney time) on Thursday, 28 November 2019.

The Responsible Entity with the consent of the Joint Lead Managers, may elect to close the Offer or any part of it early, extend the Offer or any part of it, or accept late Applications either generally or in particular cases. The Offer or any part of it may be closed at any earlier date and time, without further notice.

HOW TO PAY?

Applicants under the Elanor Offer must pay their Application Monies by BPAY® in accordance with the instructions on the online Elanor Offer Application Form (unless instructed otherwise by the Manager). When completing your BPAY® payment, please make sure to use the specific biller code and unique Customer Reference Number ('CRN') provided to you or generated by the online Elanor Offer Application Form. Application Monies paid via BPAY® must be received by the Registry by no later than 5.00pm (Sydney time) on Thursday, 28 November 2019 and it is your responsibility to ensure that this occurs. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making payment. Neither the Responsible Entity nor the Joint Lead Managers take any responsibility for any failure to receive Application Monies or payment by BPAY® before the Elanor Offer closes arising as a result of, among other things, delays in processing of payments by financial institutions.

For more details, prospective Applicants should refer to www.elanoroffer.com or contact the Offer Information Line on 1800 773 382 (within Australia) from 9.00am to 5.00pm (Sydney time), Monday to Friday (Business Days only).

ALLOCATION POLICY UNDER THE ELANOR OFFER

The allocation of Securities among Applicants in the Elanor Offer will be determined by the Responsible Entity by agreement with the Joint Lead Managers, with priority given to applications from Eligible Existing Investors over other Applicants. The Responsible Entity, by agreement with the Joint Lead Managers, otherwise has absolute discretion regarding the basis of allocation of Securities among Elanor Offer Investors, and there is no assurance that any Elanor Offer Investor will be allocated any Securities, or the number of Securities for which it has bid.

ACCEPTANCE OF APPLICATIONS

An Application in the Elanor Offer or the Broker Firm Offer is an offer by the Applicant to the Responsible Entity in respect of the Fund to subscribe for or purchase Securities for all or any of the Application Monies specified in and accompanying the Application Form at the Offer Price on the terms and conditions set out in this PDS, including any supplementary or replacement product disclosure statement and the Application Form. To the extent permitted by law, an Application by an Applicant under the Elanor Offer or Broker Firm Offer is irrevocable.

An Application may be accepted by the Responsible Entity or Joint Lead Managers in respect of the full number of Securities specified in the Application Form or any number of them, without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract.

8.6 INSTITUTIONAL OFFER

INVITATION TO BID

The Institutional Offer consists of an invitation to certain Institutional Investors in Australia, New Zealand, Hong Kong and Singapore, and any other jurisdictions as determined by the Responsible Entity and the Joint Lead Managers, to apply for Securities. The Joint Lead Managers have separately advised Institutional Investors of the application procedure for the Institutional Offer.

ALLOCATION POLICY UNDER THE INSTITUTIONAL OFFER

The allocation of Securities among Applicants in the Institutional Offer was determined by the Responsible Entity in consultation with the Joint Lead Managers. The Joint Lead Managers, in consultation with the Responsible Entity, has absolute discretion regarding the basis of allocation of Securities among Institutional Investors, and there was no assurance that any Institutional Investor was allocated any Securities, or the number of Securities for which it has bid. The allocation policy was influenced by the following factors:

- number of Securities bid for by particular bidders;
- the timeliness of the bid by particular bidders;
- the Responsible Entity's desire for an informed and active trading market following listing on ASX;
- the Responsible Entity's desire to establish a wide spread of Institutional Investors;
- overall demand under the Offer;
- the size and type of funds under management of particular bidders;
- the likelihood that particular bidders will be long-term Securityholders; and
- any other factors that the Responsible Entity and the Joint Lead Managers considered appropriate.

8.7 UNDERWRITING AGREEMENT

The Responsible Entity, as Responsible Entity of the Fund, and the Joint Lead Managers have entered into an Underwriting Agreement in respect of the Offer. In accordance with the Underwriting Agreement, the Joint Lead Managers will arrange, manage and underwrite the Offer. Set out within the Underwriting Agreement are the circumstances under which the Joint Lead Managers may terminate the agreement. A summary of termination events (and other material terms of the Underwriting Agreement) is set out in Section 13.11.

8.8 RESTRICTIONS ON DISTRIBUTION

No action has been taken to register or qualify this PDS, the Securities or the Offer or otherwise to permit a public offering of the Securities in any jurisdiction outside Australia.

This PDS does not constitute an offer of Securities in any jurisdiction in which it would be unlawful. In particular, this PDS may not be distributed to any person, and the Securities may not be offered or sold, in any country outside Australia except to the extent permitted below.

Hong Kong

WARNING: This PDS has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this PDS or to permit the distribution of this PDS or any documents issued in connection with it. Accordingly, the Securities have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Securities has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Securities may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this PDS have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this PDS, you should obtain independent professional advice.

New Zealand

This PDS has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "**FMC Act**"). The Securities are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Singapore

This PDS has not been registered as a prospectus with the Monetary Authority of Singapore ("**MAS**") and, accordingly, statutory liability under the Securities and Futures Act, Chapter 289 (the "**SFA**") in relation to the content of prospectuses does not apply, and you should consider carefully whether the investment is suitable for you. ECPF is not a collective investment scheme authorised under Section 286 of the SFA or recognised by the MAS under Section 287 of the SFA and the Securities are not allowed to be offered to the retail public. This PDS and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Securities may not be circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except to "institutional investors" (as defined in the SFA), or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

This PDS has been given to you on the basis that you are an "institutional investor" (as defined under the SFA). In the event that you are not an institutional investor, please return this PDS immediately. You may not forward or circulate this PDS to any other person in Singapore.

Any offer is not made to you with a view to the Securities being subsequently offered for sale to any other party. You are advised to acquaint yourself with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

8.9 DISCRETION REGARDING THE OFFER

The Responsible Entity reserves the right to:

- close the Offer or any part of it early;
- extend the Offer or any part of it;
- accept late Applications either generally or in particular cases;
- reject any Applications; and
- allocate any Applicant fewer Securities than applied for or not allocate any Securities to an Applicant.

Any amendment to the Offer Timetable will be announced to the market through ASX and will be made with prior written consent of the Joint Lead Managers.

8.10 ASX LISTING, REGISTERS AND HOLDING STATEMENTS AND DEFERRED SETTLEMENT TRADING

APPLICATION TO ASX FOR LISTING AND QUOTATION OF SECURITIES

The Fund will apply no later than seven days after the date of lodgement of this PDS with ASIC to have the Securities quoted on the Official List of ASX. If permission for quotation of Securities is not granted by ASX, Application Monies will be refunded in full (without interest) as soon as practicable in accordance with the requirements of the Corporations Act. The Fund's expected ASX code is ECF.

ASX takes no responsibility for this PDS or the investment to which it relates. The fact that ASX may admit the Fund to the Official List is not to be taken as an indication of the merits of the Fund or the Securities offered for subscription.

Subject to certain conditions (including any waivers obtained by the Fund from time to time), the Fund will be required to comply with ASX Listing Rules.

CHESS AND ISSUER SPONSORED HOLDINGS

The Fund will apply to participate in ASX's Clearing House Electronic Sub-register System (CHESS) and will comply with the Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are effected in an electronic form.

When the Securities become Approved Financial Products (defined in the ASX Settlement Operating Rules), holdings will be registered in one of two sub-registers, an electronic CHESS sub-register or an issuer sponsored sub-register. For all successful Applicants, the Securities of a Securityholder who is a participant in CHESS or a Securityholder sponsored by a participant in CHESS will be registered on the CHESS sub-register. All other Securities will be registered on the issuer sponsored sub-register.

Following Completion, Securityholders will be sent a holding statement that sets out the number of Securities that have been allocated to them. This statement will also provide details of a Securityholder's Holding Identification Number (HIN) for CHESS holders or, where applicable, the Securityholder Reference Number (SRN) of issuer sponsored holders. Securityholders will subsequently receive statements showing any changes in their Securityholding. Certificates will not be issued.

Securityholders will receive subsequent statements at the end of each month if there has been a change to their holding on the register and as otherwise required under the Listing Rules and the Corporations Act. Additional statements may be required at any other time either directly through the Securityholder's sponsoring broker in the case of a holding on the CHESS sub-register or through the Registry in the case of a holding on the issuer sponsored sub-register. The Fund and the Registry may charge a fee for these additional issuer sponsored statements.

DEFERRED SETTLEMENT TRADING AND SELLING SECURITIES ON MARKET

It is expected that trading of the Securities will commence on or about Friday, 6 December 2019, initially on a deferred settlement basis until the Responsible Entity has advised ASX that holding statements have been dispatched to Securityholders. Normal settlement trading is expected to commence on or about Tuesday, 10 December 2019.

The Responsible Entity disclaims all liability, whether in negligence or otherwise, if you sell Securities before receiving your holding statement, even if you obtained details of your holding from Offer Information Line or confirmed your firm allocation through a Broker.

Elanor COMMERCIAL PROPERTY FUND

9. FEES AND OTHER COSTS

The Corporations Act requires Elanor Funds Management Limited as the Responsible Entity to the Fund to include the following standard consumer advisory warning. The information in the consumer advisory warning is standard across all product disclosure statements and is not specific to information on fees and costs in the Fund.

CONSUMER ADVISORY WARNING

CONSUMER ADVISORY WARNING

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your Fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from $100,000 to $80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the Fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities & Investments Commission (ASIC) website (www.moneysmart.gov.au) has a managed investment fee calculator to help you check out different fee options.

9.1 FEES AND OTHER COSTS

The following table shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the Fund as a whole. Taxes are set out in Section 12. You should read all the information about fees and costs because it is important to understand their impact on your investment. All fees are quoted before GST.

Type of fee or cost	Amount	How and When Paid
Fees when your money moves in or out of the fund		
Establishment fee The fee to open your investment.	Nil	Not applicable
Contribution fee The fee on each amount contributed to your investment.	Nil	Not applicable
Withdrawal fee The fee on each amount you take out of your investment.	Nil	Not applicable
Termination fee The fee to close your investment.	Nil	Not applicable
Management costs		
Ongoing management costs A fee for the management and operation of the Fund	**Management Fee** The Manager is entitled, from Allotment, to a Management Fee equal to 0.65% per annum of Gross Asset Value ("**GAV**")	To be paid from the income or assets of the Fund monthly in arrears
	Performance Fee The Manager may be entitled, from Allotment, to a Performance Fee capped at 0.35% per annum of Gross Asset Value ("**GAV**")	To be paid from the income or assets of the Fund annually in arrears
	Other Management Fees The Responsible Entity and the Manager are entitled to be paid or reimbursed for expenses relating to proper performance of their duties as Responsible Entity and Manager (estimated to equal $0.3 million per annum which is equal to approximately 0.12% of NAV at Completion)	Expenses are reimbursable to the Responsible Entity and Manager from the Fund's income and assets as and when incurred
Service fees		
Switching fees The fee for changing investment options	Nil	Not applicable

9.1.1 EXAMPLE OF ANNUAL FEES AND COSTS

The following table gives an example of how the fees and costs to Fund can affect your investment over a 1 year period.

You should use this table to compare this product with other managed investment products. All amounts are exclusive of GST.

Type of fee or cost		Balance of $50,000 with a contribution of $5,000 during year[1]
Contribution Fees	Nil	For every additional $5,000 you put in, you will be charged $0
PLUS Management Costs		
Management fees	0.81% per annum of NAV	For every $50,000 you have invested you will be charged $406[2]
Property Management Fees	0.17% per annum of NAV	For every $50,000 you have invested, you will be charged $86
EQUALS Cost to Fund	If you had an investment of $50,000 at the beginning of the year and you invested an additional $5,000 at the beginning of the year, you would be charged fees and expenses of $492 for that year (excluding any performance fees which are not guaranteed)[3]	

Notes:

1. This table assumes that a total of $50,000 is invested under the Offer (i.e. to acquire 40,000 Securities at $1.25 each). If you were to invest $50,000 in Securities subsequent to the Offer, the amount of fees applicable to that investment may differ from the amounts set out in this table if more or less than 40,000 Securities are acquired (even if the Fund's GAV and operating expenses were estimated).
2. This amount has been estimated based on the Fund's expected GAV at Completion of $310.7m and applies the full management fee of 0.65% per annum of GAV. This is an estimate only and it is likely that the Fund's GAV, and therefore the amount of the management fee payable to the Responsible Entity will change over time.
   This amount is an estimate only based on the expected costs of managing the administering the Fund (excluding the management Base Fee).
3. The Performance Fee is estimated to be 0 for the purposes of this table based on the Fund's current forecasts and projections, and the inherent uncertainty in the future price of the Securities for the purposes of the TSR hurdle.

9.2 FEES AND COSTS ASSOCIATED WITH THE TRANSACTION

The following table sets out the fees and costs expected to be incurred in connection with the Proposed Transaction and the portion of those fees and costs which the Fund will be responsible for.

9.2.1 STAMP DUTY COSTS

No stamp duty is payable in respect of the Existing Properties as a result of the Offer. However, stamp duty is payable on the acquisition of the New Property.

The subsequent listing of the Fund on the ASX and Official Quotation of the Securities on the ASX will not trigger any stamp duty liability, provided that no person, either alone or with associated persons, acquires a 90% or greater interest in the Securities in the Fund.

Stamp duty is payable on the acquisition of 200 Adelaide St, and is estimated to be approximately $2.9 million.

9.2.2 OFFER MANAGEMENT, ADVISERS', CONSULTANTS' AND OTHER TRANSACTION COSTS

Transaction costs are estimated to be approximately $9.6 million and include offer management fees, advisers' and consultants' fees, printing, marketing, property valuation fees and costs associated with establishing a listed entity (such as registry, Responsible Entity and an initial listing fee). These costs will be paid by the Fund from the proceeds of the Offer.

Table 9.2.2: Transaction costs

Type of Fee or Cost inclusive of GST	Amount ($m)
Stamp duty costs	2.9
Transaction costs	6.0
Offer management fees and costs	3.6
Total fees and costs	**12.5**

9.3 ADDITIONAL EXPLANATION OF FEES AND COSTS

9.3.1 OPERATING EXPENSES

To the extent permitted by the Corporations Act, the Responsible Entity and the Manager are entitled to recover all costs and expenses incurred in the proper performance of their duties as Responsible Entity and Manager of the Fund, including in relation to:

- the Fund's external advisers, such as the Fund's Auditor, accounting and tax advisers and legal advisers;
- ongoing fees payable to the ASX and ASIC or other regulatory and government authorities;
- fees payable to the Registry;
- fees payable to valuers and other consulting service providers;
- fees payable to the Fund's Custodian (refer to Section 13.8 for a description of the fees payable to the Custodian); and
- expenses (including travel), costs (excluding salaries) and disbursements incurred by Elanor Investors Group personnel in relation to the management and administration of the Fund and the Portfolio.

The Responsible Entity and the Manager estimate that they will incur costs of managing and administering the Fund of approximately $0.9 million per annum which is equal to approximately 0.37% of the Fund's NAV at Completion. This is an estimate only and the actual expenses incurred by the Responsible Entity and Manager may differ.

9.4 FEES TO RELATED PARTIES UNDER OTHER ARRANGEMENTS

Certain fees and expenses will be paid from assets of the Fund to related parties of the Fund, including pursuant to the Management Agreements. See below for further detail on the fees payable under those agreements. These amounts, which are summarised below, are not included in the above tables as "management costs", as they are of a kind that would typically be incurred if investors acquired the relevant properties directly and not through the Fund.

Elanor Investors Group may also earn additional fees in relation to services which the Fund engages it to undertake on an arm's length basis.

9.4.1 INVESTMENT MANAGEMENT AGREEMENT

9.4.1.1 Management Fee

Under the Investment Management Agreement, the Manager is entitled to be paid a fee equal to 0.65% per annum of GAV (Management Fee) (plus GST) .

The Management Fee is payable monthly in arrears. The Manager is entitled to be paid or reimbursed for all reasonable expenses properly incurred in the performance of the services, including all taxes and amounts it pays to third parties for which it is also separately indemnified.

9.4.1.2 Performance Fee

The Manager is also entitled to receive a Performance Fee calculated as:

$$PF = 15\% \times (A - B) - C$$

where:

PF = Performance Fee (plus GST).

A = the Adjusted Net Asset Value of the Fund at the end of the Performance Fee Period;

B = the "hurdle" net asset value of the Fund (being the Adjusted NAV of the Fund, required at the end of the Performance Fee Period, that when discounted together with the NAV of the Fund at the Allotment Date and all Distributions, capital distributions and returns and other distributions (before the deduction of any taxes) paid or made after the Allotment Date during the relevant Performance Fee Period (or that have been declared or accrued and remain unpaid on the last day of the relevant Performance Fee Period) and new equity contributions (net of equity raising costs) made by Securityholders after the Allotment Date during the relevant Performance Fee Period, would result in an internal rate of return of 10% per annum being achieved.

C = is the aggregate of all paid Performance Fees from the Allotment Date to the last day of the relevant Performance Fee Period (but for the avoidance of doubt excluding any Performance Fees accrued or payable at the last day of the relevant Performance Fee Period).

The first Performance Fee amount (if any) will be payable in respect of the Performance Fee Period from the Allotment Date to 30 June 2021, with Performance Fees calculated and payable annually thereafter for each subsequent Performance Fee Period.

The aggregate of the Management Fee plus any Performance Fee in that may be payable for any financial year is capped at 1.00% of the GAV of the Fund. Any excess Performance Fee that has been paid must be repaid by the Manager within 30 days after the end of the relevant financial year. Any excess amount will be carried over and paid in subsequent financial years (subject to the application of the cap in those financial years). On the date a Trigger Event occurs, the Manager becomes entitled to immediate payment of all deferred Performance Fees (and the cap does not apply).

The Performance Fee is also subject to a TSR Hurdle being achieved. The TSR Hurdle requires that the Securities must achieve an IRR of in excess of 10% per annum from the Allotment Date to the end of the Performance Fee Period when taking to account the performance of Securities on the ASX plus any distributions paid . Where this return is not met no Performance Fee is payable for that financial year. Any performance fee will be carried over and paid in subsequent years financial years, subject to meeting the required hurdles.

9.4.1.3 Performance Fee Example

The example below is illustrative only and in no way reflects the potential future performance of the Fund. All numbers used in the examples are hypothetical and do not represent the likely Performance Fee (if any) payable by the Fund.

Table 9.4.1.3.1

Key Assumptions		
GAV at the Allotment Date	A$m	310.7
NAV at the Allotment Date	A$m	243.2
Annual Distribution	A$m	18.6
Annual GAV Growth (Assumed)	A$m	15.0
Share of outperformance to manager	%	15.0%
Hurdle Return	%	10.0%
Fee cap as a % of GAV	%	1.0%
Management fee as a % of GAV	%	0.65%

Illustrative Example of Performance Fee	Year	0	1	2	3	4
Gross Asset Value						
Opening GAV	A$m		310.7	325.7	340.7	355.7
Change in GAV	A$m	310.7	15.0	15.0	15.0	15.0
Closing GAV	**A$m**	**310.7**	**325.7**	**340.7**	**355.7**	**370.7**
Gross Asset Value						
Opening GAV	A$m		243.2	258.2	273.2	288.2
Change in GAV	A$m	243.2	15.0	15.0	15.0	15.0
Closing GAV	**A$m**	**243.2**	**258.2**	**273.2**	**288.2**	**303.2**
Hurdle NAV	A$m	243.2	267.5	273.8	280.7	288.3
Less Distributions Paid	A$m		(18.6)	(18.6)	(18.6)	(18.6)
= Adjusted NAV Hurdle (B)	**A$m**	**243.2**	**248.9**	**255.2**	**262.1**	**269.7**
(A - B) = Outperformance (C)	**A$m**			**18.0**	**26.1**	**33.5**
Share of Outperformance (D)	%			15.0%	15.0%	15.0%
(E) = (C) x (D)	**A$m**			**2.7**	**3.9**	**5.0**
Performance Fee Accrued Since Allotment Date	A$m				(2.7)	(3.9)
Performance Fee Payable	**A$m**			**2.7**	**1.2**	**1.1**
Fee Cap (1.0% of Average GAV)	A$m			3.3	3.5	3.6
Less Management Fee (65bps of Average GAV)	A$m			2.2	2.3	2.4
= Available for Performance Fee	A$m			**1.2**	**1.2**	**1.3**
Performance Fee Balance						
Opening Balance	A$m			0.0	1.5	1.5
Accrued Performance Fee	A$m			2.7	1.2	1.1
Paid Performance Fee	A$m			(1.2)	(1.2)	(1.3)
Closing Balance	**A$m**			**1.5**	**1.5**	**1.4**

The illustrative example of the Performance Fee calculations and Performance Fee payable in the table above reflect the calculations under the NAV hurdle. Payment of any Performance Fee is also subject to achieving a TSR hurdle. Set out below is an illustrated and hypothetical example of the Performance Fee calculations and Performance Fee payable in relation to the further application of the TSR hurdle on the illustrative calculations in the table above under the NAV hurdle.

Table 9.4.1.3.2

Illustrative Example of Performance Fee		Year	0	1	2	3	4
Illustrative Security Price (year end)		A$/Unit	$1.25	$1.35	$1.38	$1.34	$1.50
Illustrative Distribution per Security		A$/Unit		$0.091	$0.091	$0.091	$0.091
TSR ($) (End Period Security Price - Prior Period End Security Price + Distribution)		A$/Unit		$0.191	$0.121	$0.051	$0.251
Cumulative TSR		A$/Unit		$0.191	$0.312	$0.363	$0.614
Cumulative TSR Hurdle	10.0%	%		$0.125	$0.253	$0.386	$0.522
TSR Achieved (Yes / No)		Yes / No		Yes	Yes	Yes	Yes
Performance Fee Accrued from Above					**2.7**	**1.2**	**1.1**
Performance Fee Payable under TSR Hurdle Scenario ($m)					**(1.2)**	**0.0**	**(1.3)**
Performance Fee Balance ($m)							
Opening Balance					0.0	1.5	2.8
Accrued Performance Fee					2.7	1.2	1.3
Paid Performance Fee					(1.2)	0.0	(1.3)
Closing Balance					1.5	2.8	2.8

9.4.2 PROPERTY MANAGEMENT AGREEMENT

Under the Property Management Agreement, the Manager is entitled to:

- Property Management Fee: 3% of gross income for each property for each month; and
- Leasing fees: the Manager is entitled to a leasing administration fee based on the following;

Lease Term	Fee
Up to 3 years	11% of the first year of gross rental (plus GST)
3 to 4 years	12% of the first year of gross rental (plus GST)
4 to 5 years	13% of the first year of gross rental (plus GST)
5 years or more	13% plus 1% for every year over 5 years (capped at 15%) of the first year of gross rental (plus GST)

- Capital Works Fee: 5% of total capital work costs (being the total cost of any capital works undertaken in respect of a property).

9.4.3 RESPONSIBLE ENTITY FEES

Under the Constitutions, the Responsible Entity is entitled to be paid a management fee equal to 0.65% per annum of GAV. To the extent the Management Fee is payable to the Manager under the Investment Management Agreement, the Responsible Entity will waive its right to receive the equivalent fee under the Constitutions.

The Responsible Entity will also be reimbursed for all expenses incurred, including those in connection with the establishment, promotion and operation of the Fund, in properly performing its duties.

The Responsible Entity may elect that it be issued Securities in lieu of cash payment of the management fees or reimbursement of expenses incurred in connection with the operation of the Fund. The number of Securities to be issued to the Responsible Entity will be based on the amount of management fee to be paid or the expenses to be reimbursed (including any GST) by way of issue of Securities, divided by the volume weighted average price of Securities for each of the 10 trading days immediately before the management fee is payable or the day on which the expenses are reimbursable.

On completion of the Offer and settlement of the Acquisitions, the Responsible Entity will be entitled to a fee of $0.5 million in respect of the Proposed Transaction.

9.5 FEE CHANGES

The Responsible Entity may not increase the fees payable to it as set out in the Constitution without a special resolution of Securityholders first having varied the Constitution. A special resolution requires 75% of the votes cast by those Securityholders entitled to vote on the resolution (by value).

The Manager’s fees may not be amended without the agreement of the Responsible Entity and the Manager.

9.6 TAXES

Unless stated otherwise, all fees in this Section 9 are inclusive of non-recoverable GST and less a full input tax credit or reduced input tax credit. For additional information in relation to the taxation implications of an investment in the Fund, please see Section 12.

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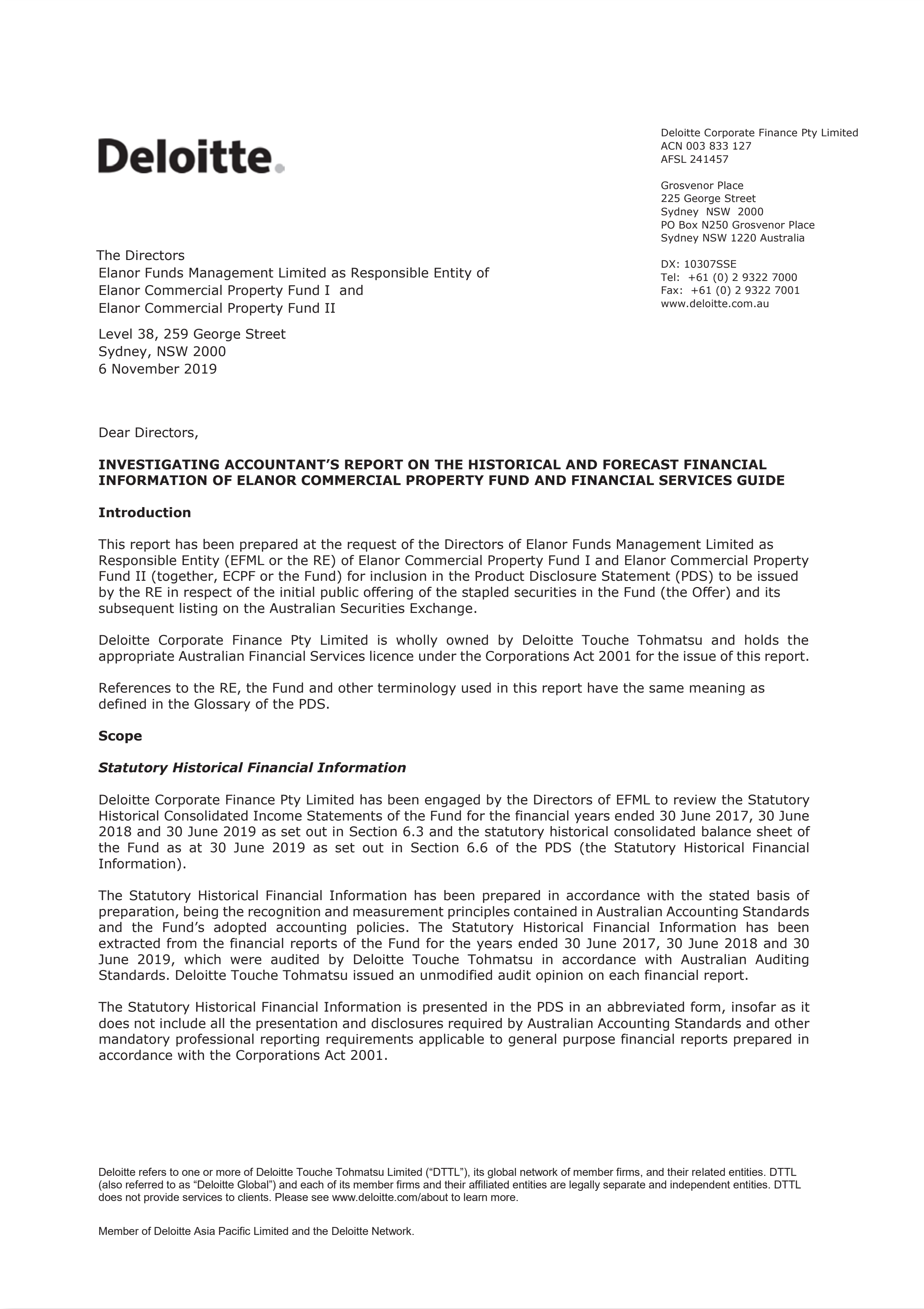
Elanor | COMMERCIAL PROPERTY FUND

10. INVESTIGATING ACCOUNTANT'S REPORT



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The Directors
Elanor Funds Management Limited as Responsible Entity of
Elanor Commercial Property Fund I and
Elanor Commercial Property Fund II

Level 38, 259 George Street
Sydney, NSW 2000
6 November 2019

Dear Directors,

INVESTIGATING ACCOUNTANT'S REPORT ON THE HISTORICAL AND FORECAST FINANCIAL INFORMATION OF ELANOR COMMERCIAL PROPERTY FUND AND FINANCIAL SERVICES GUIDE

Introduction

This report has been prepared at the request of the Directors of Elanor Funds Management Limited as Responsible Entity (EFML or the RE) of Elanor Commercial Property Fund I and Elanor Commercial Property Fund II (together, ECPF or the Fund) for inclusion in the Product Disclosure Statement (PDS) to be issued by the RE in respect of the initial public offering of the stapled securities in the Fund (the Offer) and its subsequent listing on the Australian Securities Exchange.

Deloitte Corporate Finance Pty Limited is wholly owned by Deloitte Touche Tohmatsu and holds the appropriate Australian Financial Services licence under the Corporations Act 2001 for the issue of this report.

References to the RE, the Fund and other terminology used in this report have the same meaning as defined in the Glossary of the PDS.

Scope

Statutory Historical Financial Information

Deloitte Corporate Finance Pty Limited has been engaged by the Directors of EFML to review the Statutory Historical Consolidated Income Statements of the Fund for the financial years ended 30 June 2017, 30 June 2018 and 30 June 2019 as set out in Section 6.3 and the statutory historical consolidated balance sheet of the Fund as at 30 June 2019 as set out in Section 6.6 of the PDS (the Statutory Historical Financial Information).

The Statutory Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Fund's adopted accounting policies. The Statutory Historical Financial Information has been extracted from the financial reports of the Fund for the years ended 30 June 2017, 30 June 2018 and 30 June 2019, which were audited by Deloitte Touche Tohmatsu in accordance with Australian Auditing Standards. Deloitte Touche Tohmatsu issued an unmodified audit opinion on each financial report.

The Statutory Historical Financial Information is presented in the PDS in an abbreviated form, insofar as it does not include all the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

Pro Forma Consolidated Balance Sheet

Deloitte Corporate Finance Pty Limited has been engaged by the Directors of EFML to review the Pro Forma Consolidated Balance Sheet of the Fund as at Allotment Date as set out in Section 6.6 of the PDS (the Pro Forma Consolidated Balance Sheet).

The Pro Forma Consolidated Balance Sheet has been derived from the statutory historical consolidated balance sheet of the Fund as at 30 June 2019 after adjusting for the effects of pro forma adjustments described in Section 6.6 of the PDS (the Pro Forma Adjustments).

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the statutory historical consolidated balance sheet of the Fund as at 30 June 2019 and the application of the Pro Forma Adjustments to reflect the transactions occurring between 1 July 2019 and Allotment Date and the impact of the Offer, as described in sections 6.2.5 and 6.6 of the PDS. Due to its nature, the Pro Forma Consolidated Balance Sheet does not represent the Fund's actual or prospective financial position.

Forecast Financial Information

Deloitte Corporate Finance Pty Limited has been engaged by the Directors of EFML to review the Statutory Forecast Consolidated Income Statements of the Fund for the financial years ending 30 June 2020 and 30 June 2021 as set out in Section 6.4 of the PDS (the Statutory Forecast Financial Information) and the Pro Forma Forecast Distribution Statements of the Fund for the period from the Allotment Date to 30 June 2020 and the financial year ending 30 June 2021 as set out in Section 6.5 of the PDS (the Pro Forma Forecast Financial Information) (together the Forecast Financial Information).

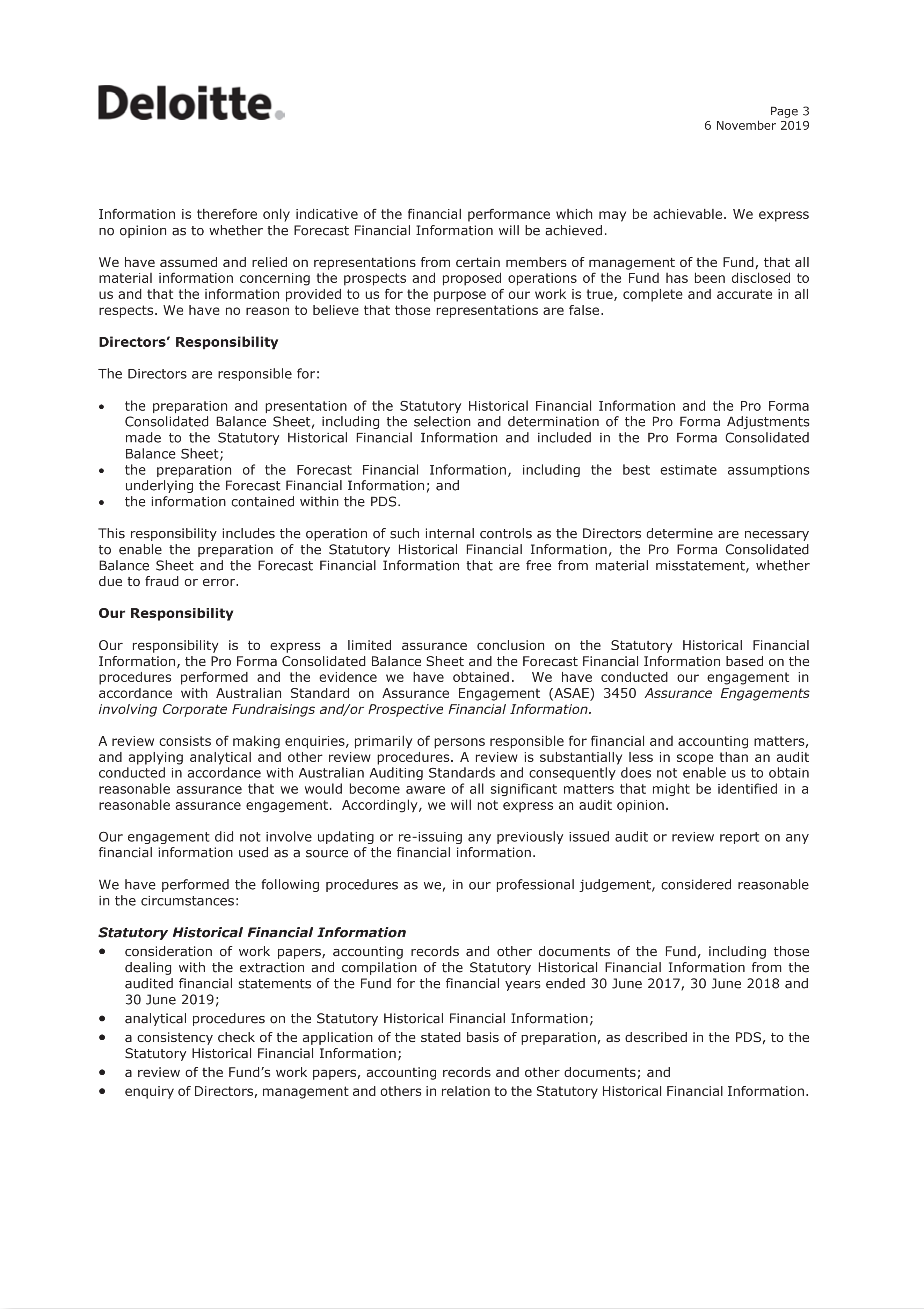
The director's best-estimate assumptions underlying the Forecast Financial Information are described in Section 6.7 of the PDS. The stated basis of preparation used in the preparation of the Forecast Financial Information is the recognition and measurement principles contained in Australian Accounting Standards and the Fund's adopted accounting policies.

The Forecast Financial Information has been prepared by management and adopted by the Directors in order to provide prospective investors with a guide to the potential financial performance of the Fund for the financial years ending 30 June 2020 and 30 June 2021. There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to events and transactions that have not yet occurred and may not occur. Actual results are likely to be different from the Forecast Financial Information since anticipated events or transactions frequently do not occur as expected and the variation may be material.

The Directors' best estimate assumptions on which the Forecast Financial Information is based relate to future events and/or transactions that management expect to occur and actions that management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of the Fund. Evidence may be available to support the assumptions on which the Forecast Financial Information is based, however such evidence is generally future orientated and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those best estimate assumptions, and accordingly, provide a lesser level of assurance on the reasonableness of the Directors' best estimate assumptions. We do not express any opinion on the achievability of the results. The limited assurance conclusion expressed in this report has been formed on the above basis.

As disclosed in Section 6.7 of the PDS, the Forecast Financial Information assumes that there are no revaluations of the investment properties during the forecast period and no fair value movements are included in the Forecast Financial Information as the Directors do not believe that the future revaluations can be reliably measured.

Prospective investors should be aware of the material risks and uncertainties relating to an investment in the Fund which are detailed in the PDS, and the inherent uncertainty relating to the prospective financial information. Accordingly, prospective investors should have regard to the investment risks and sensitivities set out in Section 7 of the PDS. The sensitivity analysis set out in Section 6.8 of the PDS demonstrates the impacts on the Forecast Financial Information of changes in key assumptions. The Forecast Financial



Information is therefore only indicative of the financial performance which may be achievable. We express no opinion as to whether the Forecast Financial Information will be achieved.

We have assumed and relied on representations from certain members of management of the Fund, that all material information concerning the prospects and proposed operations of the Fund has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

Directors' Responsibility

The Directors are responsible for:

- the preparation and presentation of the Statutory Historical Financial Information and the Pro Forma Consolidated Balance Sheet, including the selection and determination of the Pro Forma Adjustments made to the Statutory Historical Financial Information and included in the Pro Forma Consolidated Balance Sheet;
- the preparation of the Forecast Financial Information, including the best estimate assumptions underlying the Forecast Financial Information; and
- the information contained within the PDS.

This responsibility includes the operation of such internal controls as the Directors determine are necessary to enable the preparation of the Statutory Historical Financial Information, the Pro Forma Consolidated Balance Sheet and the Forecast Financial Information that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Statutory Historical Financial Information, the Pro Forma Consolidated Balance Sheet and the Forecast Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with Australian Standard on Assurance Engagement (ASAE) 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.*

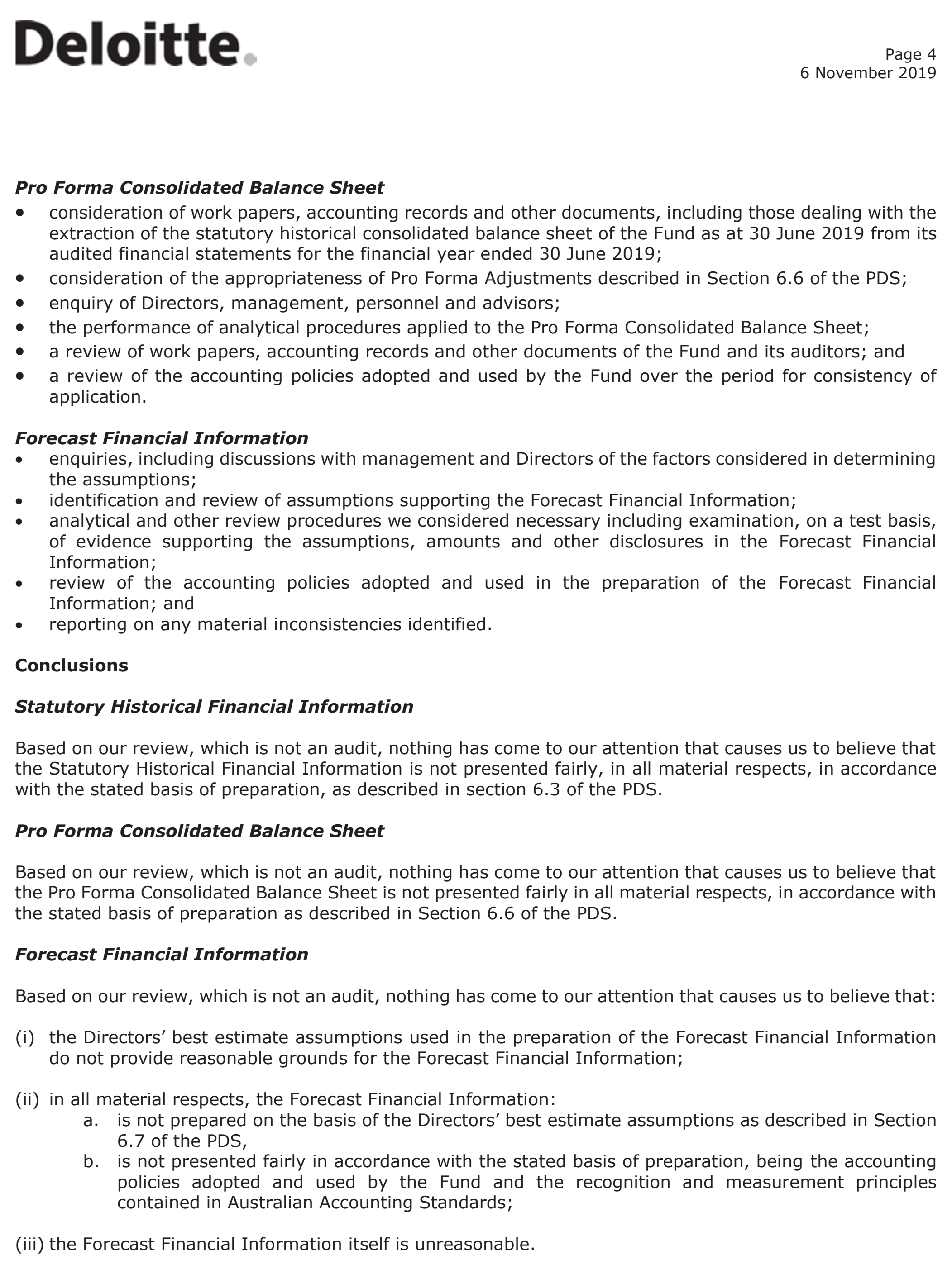
A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we will not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

We have performed the following procedures as we, in our professional judgement, considered reasonable in the circumstances:

Statutory Historical Financial Information

- consideration of work papers, accounting records and other documents of the Fund, including those dealing with the extraction and compilation of the Statutory Historical Financial Information from the audited financial statements of the Fund for the financial years ended 30 June 2017, 30 June 2018 and 30 June 2019;
- analytical procedures on the Statutory Historical Financial Information;
- a consistency check of the application of the stated basis of preparation, as described in the PDS, to the Statutory Historical Financial Information;
- a review of the Fund's work papers, accounting records and other documents; and
- enquiry of Directors, management and others in relation to the Statutory Historical Financial Information.



Pro Forma Consolidated Balance Sheet

- consideration of work papers, accounting records and other documents, including those dealing with the extraction of the statutory historical consolidated balance sheet of the Fund as at 30 June 2019 from its audited financial statements for the financial year ended 30 June 2019;
- consideration of the appropriateness of Pro Forma Adjustments described in Section 6.6 of the PDS;
- enquiry of Directors, management, personnel and advisors;
- the performance of analytical procedures applied to the Pro Forma Consolidated Balance Sheet;
- a review of work papers, accounting records and other documents of the Fund and its auditors; and
- a review of the accounting policies adopted and used by the Fund over the period for consistency of application.

Forecast Financial Information

- enquiries, including discussions with management and Directors of the factors considered in determining the assumptions;
- identification and review of assumptions supporting the Forecast Financial Information;
- analytical and other review procedures we considered necessary including examination, on a test basis, of evidence supporting the assumptions, amounts and other disclosures in the Forecast Financial Information;
- review of the accounting policies adopted and used in the preparation of the Forecast Financial Information; and
- reporting on any material inconsistencies identified.

Conclusions

Statutory Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Statutory Historical Financial Information is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 6.3 of the PDS.

Pro Forma Consolidated Balance Sheet

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Consolidated Balance Sheet is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in Section 6.6 of the PDS.

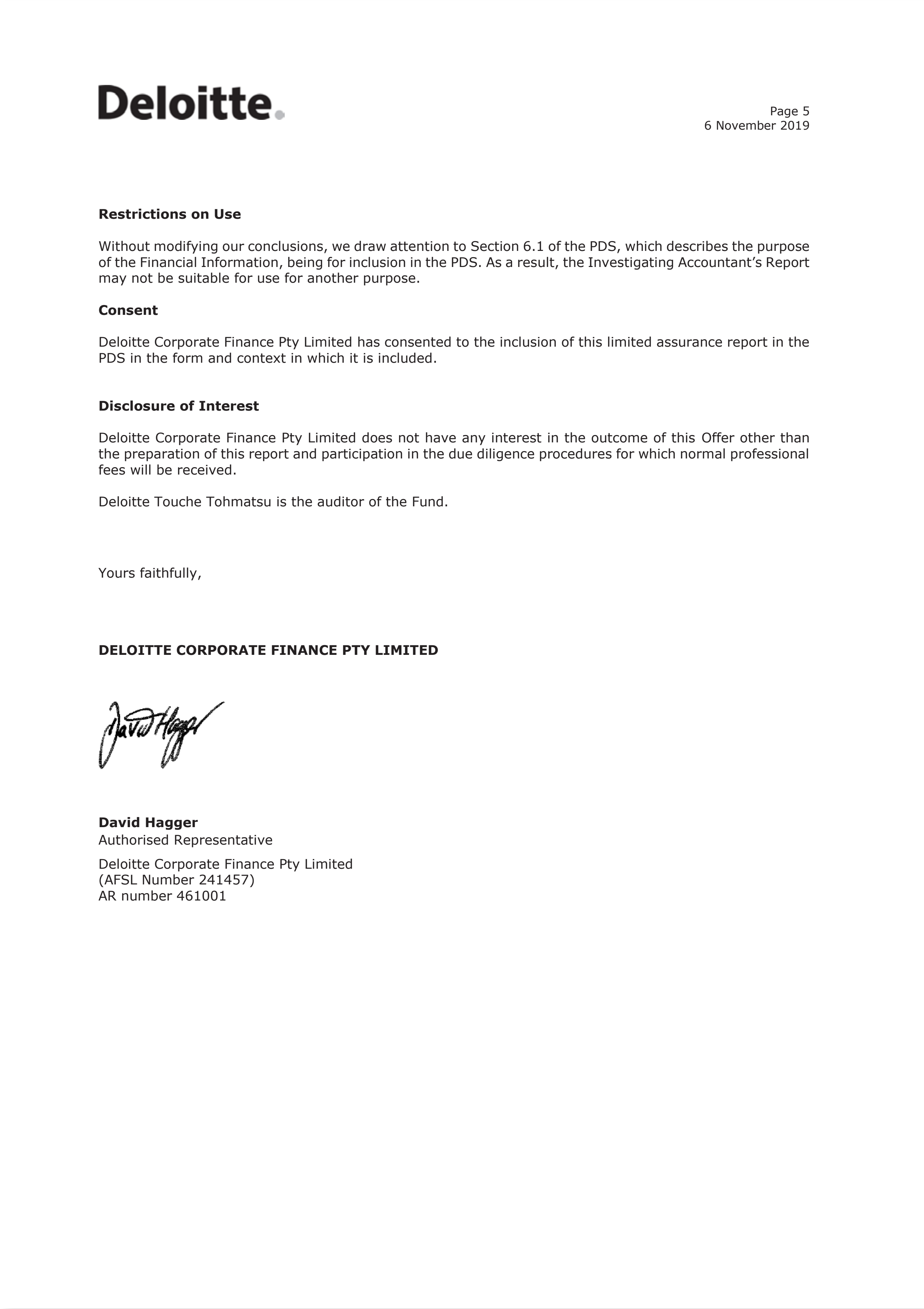
Forecast Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that:

(i) the Directors' best estimate assumptions used in the preparation of the Forecast Financial Information do not provide reasonable grounds for the Forecast Financial Information;

(ii) in all material respects, the Forecast Financial Information:
    a. is not prepared on the basis of the Directors' best estimate assumptions as described in Section 6.7 of the PDS,
    b. is not presented fairly in accordance with the stated basis of preparation, being the accounting policies adopted and used by the Fund and the recognition and measurement principles contained in Australian Accounting Standards;

(iii) the Forecast Financial Information itself is unreasonable.



Restrictions on Use

Without modifying our conclusions, we draw attention to Section 6.1 of the PDS, which describes the purpose of the Financial Information, being for inclusion in the PDS. As a result, the Investigating Accountant's Report may not be suitable for use for another purpose.

Consent

Deloitte Corporate Finance Pty Limited has consented to the inclusion of this limited assurance report in the PDS in the form and context in which it is included.

Disclosure of Interest

Deloitte Corporate Finance Pty Limited does not have any interest in the outcome of this Offer other than the preparation of this report and participation in the due diligence procedures for which normal professional fees will be received.

Deloitte Touche Tohmatsu is the auditor of the Fund.

Yours faithfully,

DELOITTE CORPORATE FINANCE PTY LIMITED

David Hagger

David Hagger
Authorised Representative

Deloitte Corporate Finance Pty Limited
(AFSL Number 241457)
AR number 461001

Deloitte.

November 2018

Financial Services Guide (FSG)

What is an FSG?

An FSG is designed to provide information about the supply of financial services to you.

Deloitte Corporate Finance Pty Limited (DCF) (AFSL 241457) provides this FSG to you, so you know how we are remunerated and who to contact if you have a complaint.

Who supplies the financial services?

We provide this FSG to you where you engage us to act on your behalf when providing financial services.

Alternatively, we may provide this FSG to you because our client has provided financial services to you that we delivered to them.

The person who provides the financial service to you is our Authorised Representative (AR) and DCF authorises the AR to distribute this FSG.

What financial services are we licensed to provide?

We are authorised to provide financial product advice and to arrange for another person to deal in financial products in relation to securities, interests in managed investment schemes, government debentures, stocks or bonds, to retail and wholesale clients. We are also authorised to provide personal and general financial product advice and deal by arranging in derivatives and regulated emissions units to wholesale clients, and general financial product advice relating to derivatives to retail clients.

General financial product advice

We provide general advice when we have not taken into account your personal objectives, financial situation or needs, and you would not expect us to have done so. In this situation, you should consider whether our general advice is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If we provide advice to you in connection with the acquisition of a financial product, you should read the relevant offer document carefully before making any decision about whether to acquire that product.

Personal financial product advice

When we give you advice that takes into account your objectives, financial situation and needs, we will give you a Statement of Advice to help you understand our advice, so you can decide whether to rely on it.

How are we remunerated?

Our fees are usually determined on a fixed fee or time cost basis plus reimbursement of any expenses incurred in providing the services. Our fees are agreed with, and paid by, those who engage us.

Clients may request particulars of our remuneration within a reasonable time after being given this FSG.

Apart from these fees, DCF, our directors and officers, and any related bodies corporate, affiliates or associates, and their directors and officers, do not receive any commissions or other benefits.

All employees receive a salary, and, while eligible for annual salary increases and bonuses based on overall performance, they do not receive any commissions or other benefits as a result of the services provided to you.

The remuneration paid to our directors reflects their individual contribution to the organisation and covers all aspects of performance.

We do not pay commissions or provide other benefits to anyone who refers prospective clients to us.

Associations and relationships

The Deloitte member firm in Australia (Deloitte Touche Tohmatsu) controls DCF. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu.

We, and other entities related to Deloitte Touche Tohmatsu, do not have any formal associations or relationships with any entities that are issuers of financial products. However, we may provide professional services to issuers of financial products in the ordinary course of business.

What should you do if you have a complaint?

Please contact us about a concern:

The Complaints Officer
PO Box N250
Grosvenor Place
Sydney NSW 1220
complaints@deloitte.com.au
Phone: +61 2 9322 7000

If an issue is not resolved to your satisfaction, you can lodge a dispute with the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services dispute resolution free to consumers.

www.afca.org.au
1800 931 678 (free call)
Australian Financial Complaints Authority Limited

GPO Box 3 Melbourne VIC 3001

What compensation arrangements do we have?

Deloitte Australia holds professional indemnity insurance that covers the financial services we provide. This insurance satisfies the compensation requirements of the Corporations Act 2001 (Cth).

Deloitte Corporate Finance Pty Limited, ABN 19 003 833 127, AFSL number 241457 of Level 1 Grosvenor Place, 225 George Street, Sydney NSW 2000
Member of Deloitte Touche Tohmatsu Limited

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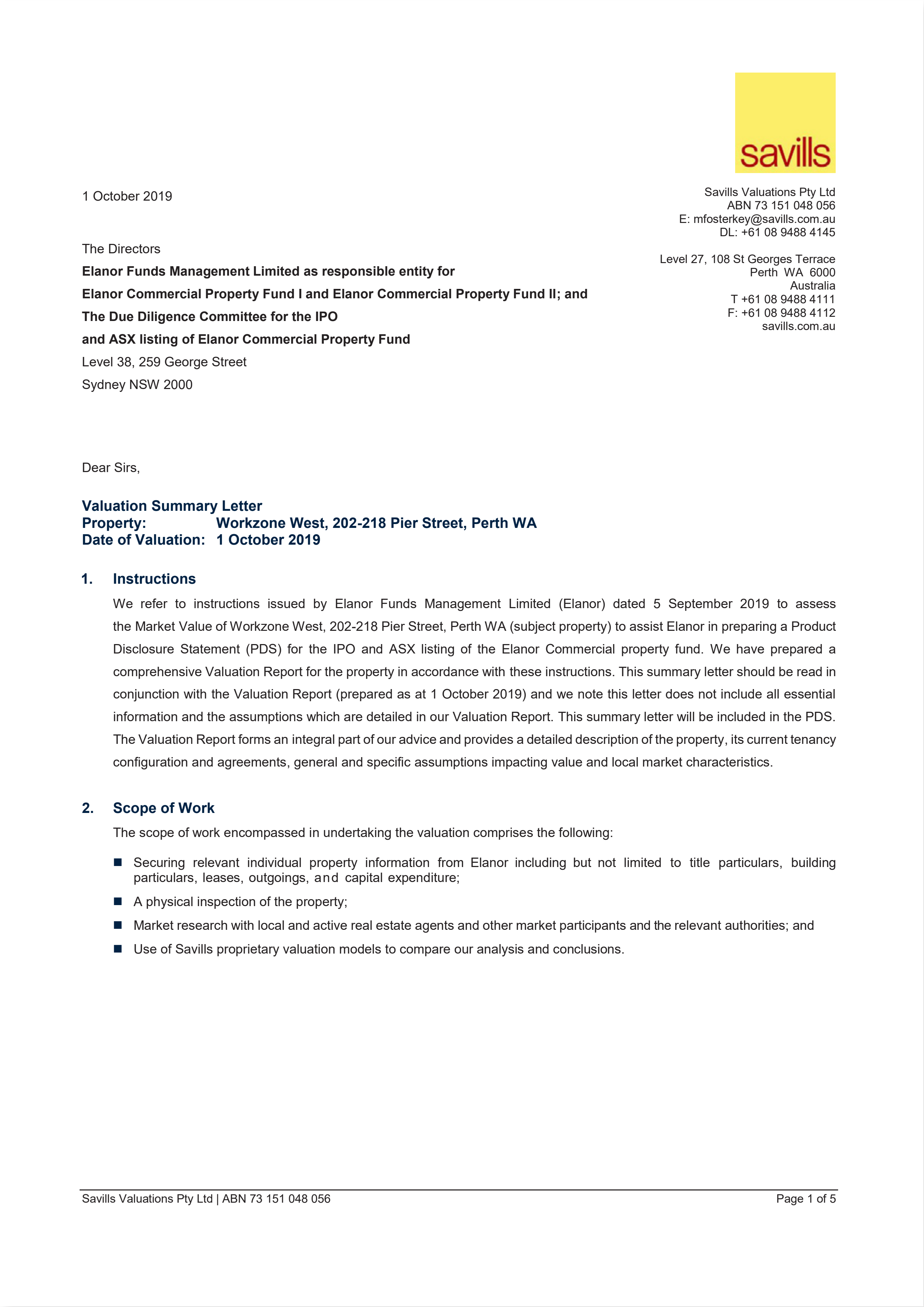
Elanor COMMERCIAL PROPERTY FUND

11. SUMMARY OF VALUATIONS



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Australia
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1 October 2019

The Directors
Elanor Funds Management Limited as responsible entity for
Elanor Commercial Property Fund I and Elanor Commercial Property Fund II; and
The Due Diligence Committee for the IPO
and ASX listing of Elanor Commercial Property Fund
Level 38, 259 George Street
Sydney NSW 2000

Dear Sirs,

Valuation Summary Letter
Property: Workzone West, 202-218 Pier Street, Perth WA
Date of Valuation: 1 October 2019

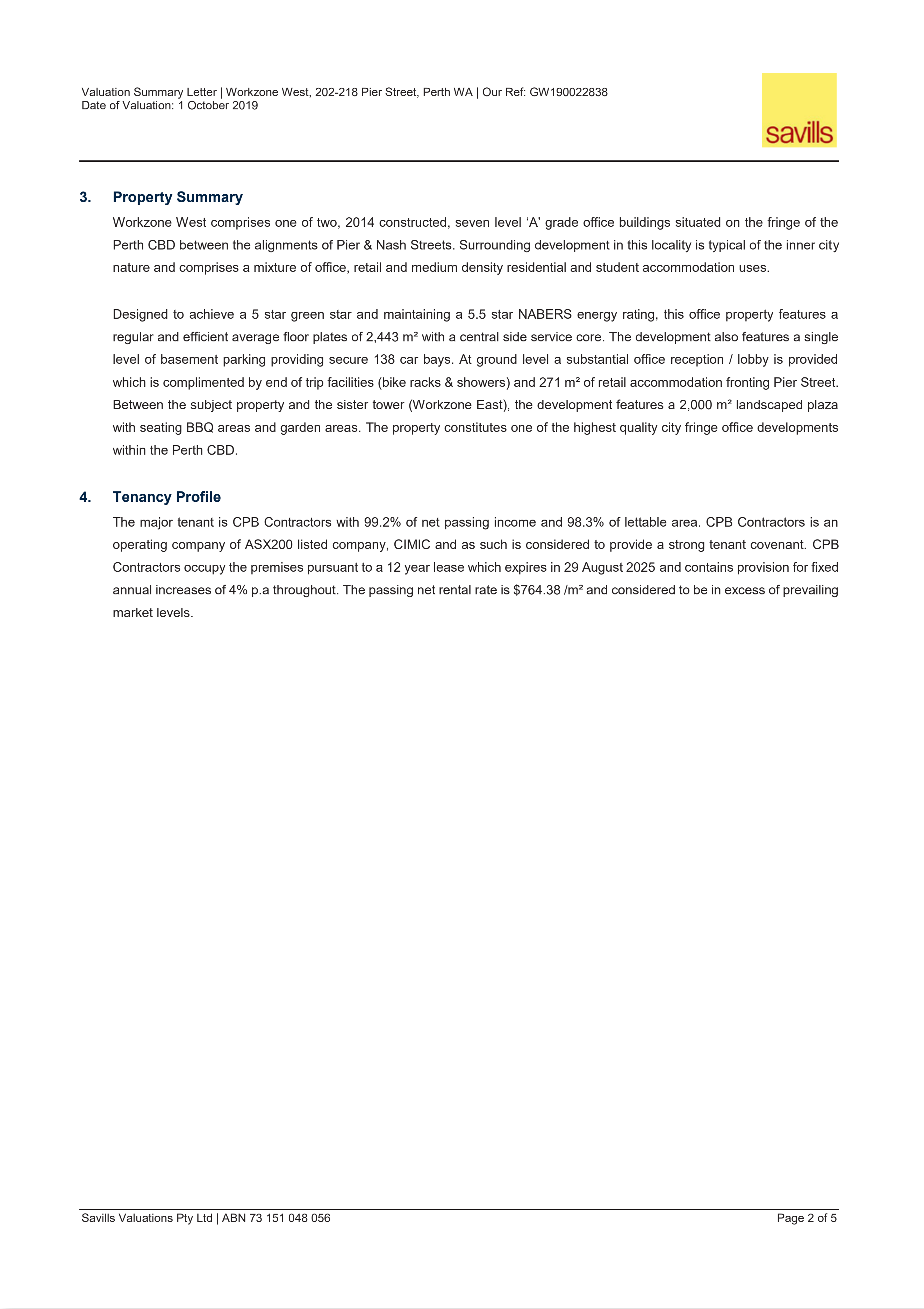
1. Instructions

We refer to instructions issued by Elanor Funds Management Limited (Elanor) dated 5 September 2019 to assess the Market Value of Workzone West, 202-218 Pier Street, Perth WA (subject property) to assist Elanor in preparing a Product Disclosure Statement (PDS) for the IPO and ASX listing of the Elanor Commercial property fund. We have prepared a comprehensive Valuation Report for the property in accordance with these instructions. This summary letter should be read in conjunction with the Valuation Report (prepared as at 1 October 2019) and we note this letter does not include all essential information and the assumptions which are detailed in our Valuation Report. This summary letter will be included in the PDS. The Valuation Report forms an integral part of our advice and provides a detailed description of the property, its current tenancy configuration and agreements, general and specific assumptions impacting value and local market characteristics.

2. Scope of Work

The scope of work encompassed in undertaking the valuation comprises the following:

- Securing relevant individual property information from Elanor including but not limited to title particulars, building particulars, leases, outgoings, and capital expenditure;
- A physical inspection of the property;
- Market research with local and active real estate agents and other market participants and the relevant authorities; and
- Use of Savills proprietary valuation models to compare our analysis and conclusions.



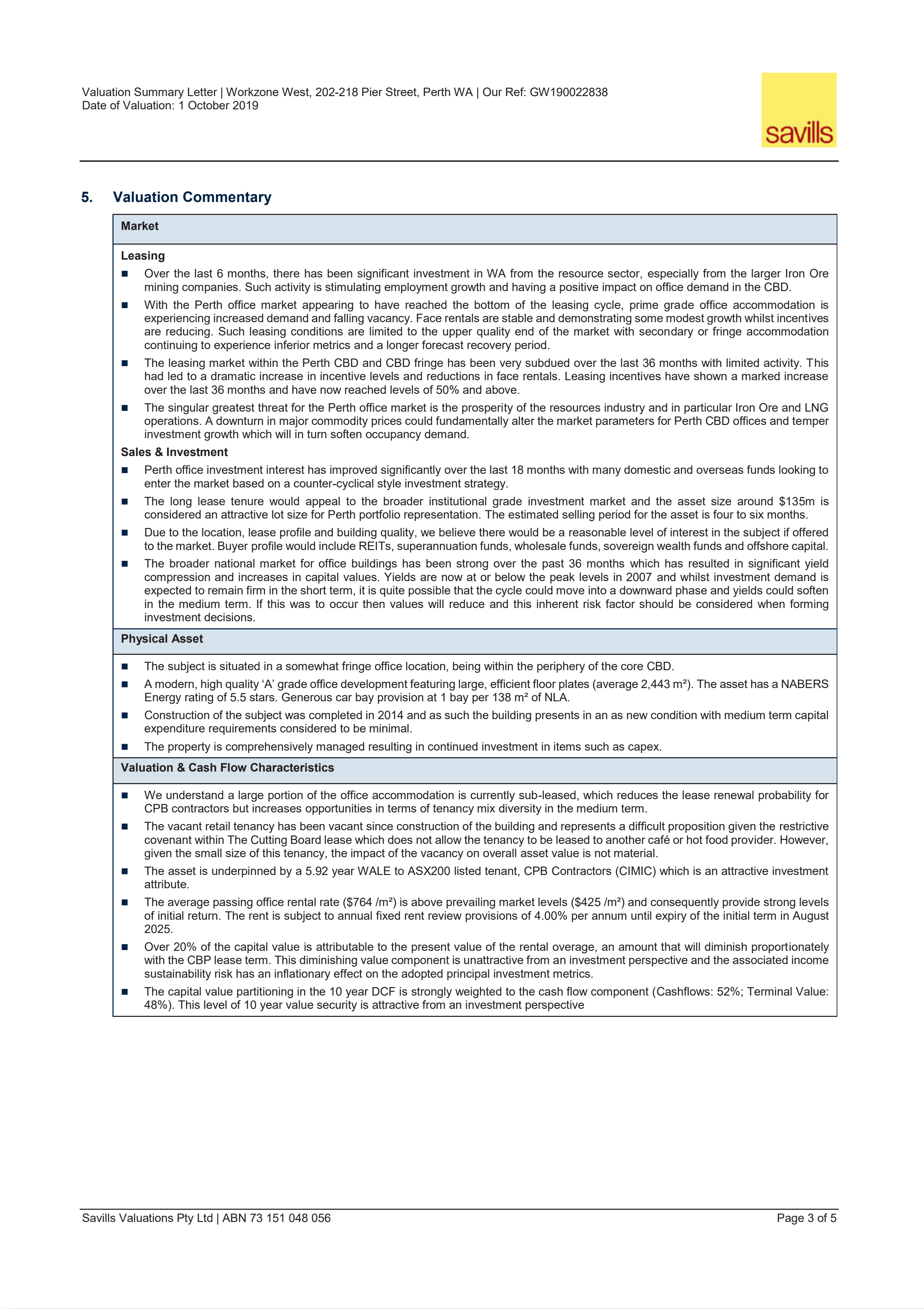
3. Property Summary

Workzone West comprises one of two, 2014 constructed, seven level ‘A’ grade office buildings situated on the fringe of the Perth CBD between the alignments of Pier & Nash Streets. Surrounding development in this locality is typical of the inner city nature and comprises a mixture of office, retail and medium density residential and student accommodation uses.

Designed to achieve a 5 star green star and maintaining a 5.5 star NABERS energy rating, this office property features a regular and efficient average floor plates of 2,443 m² with a central side service core. The development also features a single level of basement parking providing secure 138 car bays. At ground level a substantial office reception / lobby is provided which is complimented by end of trip facilities (bike racks & showers) and 271 m² of retail accommodation fronting Pier Street. Between the subject property and the sister tower (Workzone East), the development features a 2,000 m² landscaped plaza with seating BBQ areas and garden areas. The property constitutes one of the highest quality city fringe office developments within the Perth CBD.

4. Tenancy Profile

The major tenant is CPB Contractors with 99.2% of net passing income and 98.3% of lettable area. CPB Contractors is an operating company of ASX200 listed company, CIMIC and as such is considered to provide a strong tenant covenant. CPB Contractors occupy the premises pursuant to a 12 year lease which expires in 29 August 2025 and contains provision for fixed annual increases of 4% p.a throughout. The passing net rental rate is $764.38 /m² and considered to be in excess of prevailing market levels.



5. Valuation Commentary

Market

Leasing

- Over the last 6 months, there has been significant investment in WA from the resource sector, especially from the larger Iron Ore mining companies. Such activity is stimulating employment growth and having a positive impact on office demand in the CBD.
- With the Perth office market appearing to have reached the bottom of the leasing cycle, prime grade office accommodation is experiencing increased demand and falling vacancy. Face rentals are stable and demonstrating some modest growth whilst incentives are reducing. Such leasing conditions are limited to the upper quality end of the market with secondary or fringe accommodation continuing to experience inferior metrics and a longer forecast recovery period.
- The leasing market within the Perth CBD and CBD fringe has been very subdued over the last 36 months with limited activity. This had led to a dramatic increase in incentive levels and reductions in face rentals. Leasing incentives have shown a marked increase over the last 36 months and have now reached levels of 50% and above.
- The singular greatest threat for the Perth office market is the prosperity of the resources industry and in particular Iron Ore and LNG operations. A downturn in major commodity prices could fundamentally alter the market parameters for Perth CBD offices and temper investment growth which will in turn soften occupancy demand.

Sales & Investment

- Perth office investment interest has improved significantly over the last 18 months with many domestic and overseas funds looking to enter the market based on a counter-cyclical style investment strategy.
- The long lease tenure would appeal to the broader institutional grade investment market and the asset size around $135m is considered an attractive lot size for Perth portfolio representation. The estimated selling period for the asset is four to six months.
- Due to the location, lease profile and building quality, we believe there would be a reasonable level of interest in the subject if offered to the market. Buyer profile would include REITs, superannuation funds, wholesale funds, sovereign wealth funds and offshore capital.
- The broader national market for office buildings has been strong over the past 36 months which has resulted in significant yield compression and increases in capital values. Yields are now at or below the peak levels in 2007 and whilst investment demand is expected to remain firm in the short term, it is quite possible that the cycle could move into a downward phase and yields could soften in the medium term. If this was to occur then values will reduce and this inherent risk factor should be considered when forming investment decisions.

Physical Asset

- The subject is situated in a somewhat fringe office location, being within the periphery of the core CBD.
- A modern, high quality 'A' grade office development featuring large, efficient floor plates (average 2,443 m²). The asset has a NABERS Energy rating of 5.5 stars. Generous car bay provision at 1 bay per 138 m² of NLA.
- Construction of the subject was completed in 2014 and as such the building presents in an as new condition with medium term capital expenditure requirements considered to be minimal.
- The property is comprehensively managed resulting in continued investment in items such as capex.

Valuation & Cash Flow Characteristics

- We understand a large portion of the office accommodation is currently sub-leased, which reduces the lease renewal probability for CPB contractors but increases opportunities in terms of tenancy mix diversity in the medium term.
- The vacant retail tenancy has been vacant since construction of the building and represents a difficult proposition given the restrictive covenant within The Cutting Board lease which does not allow the tenancy to be leased to another café or hot food provider. However, given the small size of this tenancy, the impact of the vacancy on overall asset value is not material.
- The asset is underpinned by a 5.92 year WALE to ASX200 listed tenant, CPB Contractors (CIMIC) which is an attractive investment attribute.
- The average passing office rental rate ($764 /m²) is above prevailing market levels ($425 /m²) and consequently provide strong levels of initial return. The rent is subject to annual fixed rent review provisions of 4.00% per annum until expiry of the initial term in August 2025.
- Over 20% of the capital value is attributable to the present value of the rental overage, an amount that will diminish proportionately with the CBP lease term. This diminishing value component is unattractive from an investment perspective and the associated income sustainability risk has an inflationary effect on the adopted principal investment metrics.
- The capital value partitioning in the 10 year DCF is strongly weighted to the cash flow component (Cashflows: 52%; Terminal Value: 48%). This level of 10 year value security is attractive from an investment perspective

6. Valuation Summary

A summary of our valuation is provided below.

Interest Valued	100% Freehold subject to existing tenancies
Carparking	138 lettable bays (ratio of 1 space per 113m²)
Lettable Area	15,601.80 m²
Site Area	5,688.00 m²
Zoning	City Centre - 'Stirling' (Precinct 3), CPS No.2 & City of Perth
Valuation Approaches	Discounted Cash Flow & Capitalisation Approach
Current Vacancy Rate	0.50% (78.2m²)
WALE (by Income)	5.92 years
Net Passing Income	$12,423,826 (avg office $764/m²)
Net Income Used for Valuing (Market Income)	$7,183,500 (avg office $425/m²)
Adopted Outgoings	$2,203,595 ($141.24/m²)
Passing Initial Yield	9.14%
Equated Market Yield	6.76%
Quoted Capitalisation Rate	6.75%
Quoted Discount Rate	7.25%
Terminal Yield	7.00%
Net Rental Growth Projections	Office: 3.17% (average compound rate)
	Car Parking: 2.13% (average compound rate)
Capex Allowance (DCF incl Term Calc)	$5,010,856 (FV $321/m²)
10 Year IRR	7.19%
Partitioned IRR	Cashflows: 52%; Terminal Value: 48%
$Rate/m² of Lettable Area	$8,717 /m² (Core Capital Value $6,821 /m² : PV of Rental Reversion $1,896/m²)
Date of Valuation	**1 October 2019**
Adopted Market Value	**$136,000,000 (*)**
Prepared by Savills Valuations Pty Ltd.	Mark Foster-Key State Director Certified Practising Valuer Licensed Valuer No.44673 For the State of Western Australia Ryan Jacob AAPI Director Certified Practising Valuer Licensed Valuer No.44673 For the State of Western Australia

(*) This valuation amount is exclusive of a Goods and Services Tax and is expressed in $AUD. The Director signatory (R Jacob) verifies that this summary letter is genuine, issued by, and endorsed by Savills Valuations Pty Ltd. However the opinion expressed in this letter has been arrived at the State Director (M Foster-Key).

We advise that this summary letter should be read in conjunction with full valuation report (including appendices) which contains a detailed overview of the property, its tenancy profile and local market conditions and characteristics. This valuation summary letter should not be relied upon in isolation for finance or any other purposes. Liability limited by a scheme approved under Professional Standards Legislation. Savills will not be liable for loss of business revenue, contracts, savings or consequential losses as a result of any reliance on the opinions expressed in this summary letter.

7. Liability Disclaimer

Savills Valuations Pty Ltd (Savills) has prepared this summary letter for Elanor Funds Management Limited as responsible entity for Elanor Commercial Property Fund I and Elanor Commercial Property Fund II, to assist it in preparing a Product Disclosure Statement (PDS) for the IPO and ASX listing of the Elanor Commercial property fund. Savills have has only been involved in the preparation of this summary letter and the valuation referred to therein. Savills specifically disclaim liability to any person in the event of any omission from, or false or misleading statements included in the PDS other than with respect to this summary letter.

Savills has prepared this summary letter and the full valuation report based upon information made available to us at the date of issue. This summary letter should not be relied upon in isolation and any reliance should be based upon the actual possession or sighting of an original valuation report duly signed and countersigned. We believe that this information is accurate and complete, however we have not independently verified all such information. In providing this summary, Savills is not providing advice about a financial product, nor the suitability of the investment set out in the PDS. Savills does not, nor do the Valuers, hold an Australian Financial Services Licence and is not operating under such a licence in providing its opinion as to the value of the property detailed in this report.

We confirm that Savills Valuations Pty Limited and the appointed Valuer, Mr Mark Foster-Key, do not have any pecuniary interest that would conflict with the proper valuation of the property and the valuation being made independently of Responsible Entity and/or its officers. Savills Valuations Pty Limited was paid a fee of $8,000 plus GST for undertaking the valuation of the property and preparing the valuation report and this summary valuation letter.

This Valuation is current at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements or factors specific to the particular property). Subject to applicable laws, liability for losses arising from such subsequent changes in value are excluded as is liability where the valuation is relied upon after the date of the valuation.

We have assessed the market value of each property in accordance with the Market Value definition contained within our full valuation report. In the event that, having regard to current economic conditions, a sale was to occur in circumstances not reflecting that Market Value definition, the price realised may be at a substantial discount to the Market Value assessed.

Savills consents to the Valuation Report being made available for inspection at the registered address of Elanor.

Liability limited by a scheme approved under Professional Standards Legislation.

Office | Retail | Industrial | Hotels & Leisure | Residential Development | Retirement & Healthcare | Agribusiness | Rating & Taxing | Government | Specialised Assets

CBRE

Our Ref: 1940101116

CBRE Valuations Pty Limited
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F 61 7 3833 9830

tristan.gasiewski@cbre.com.au
www.cbre.com.au

16 September 2019

The Directors
Elanor Funds Management Limited
as responsible entity of
Elanor Commercial Property Fund I and
Elanor Commercial Property Fund II

Dear Sirs

Summary of Valuation Report: 200 Adelaide Street, Brisbane QLD 4000

CBRE Valuations Pty Limited ("CBRE") accepted instructions dated 17 July 2019 to prepare a Valuation of the freehold interest in the property listed above. The Valuation is to be relied upon for First Mortgage Security and Product Disclosure Statement purposes only and is specifically addressed for use and reliance upon by the parties named in the full Valuation Report. The Valuation is prepared in accordance with the Australian Property Institute Australia and New Zealand Valuation and Property Standards, having regard to ANZVGN 8, Valuations for use in Offer Documents. We have provided our opinion of the market value of the property on the following basis:

- Market Value – As Is - Subject to existing occupancy arrangements
  (*Refer to critical assumptions noted overleaf)

CBRE has been instructed to provide a full Valuation Report in addition to this Summary Letter to be included in the Product Disclosure Statement ("PDS") for the IPO and ASX listing of Elanor Commercial Property Fund. In accordance with ANZVGN 8, our Valuation Report draws attention to the key issues and considerations impacting value and provides a detailed Property Risk Assessment and SWOT Analysis, plus the report details our Critical Assumptions, Assumptions, Disclaimers, Limitations and Qualifications and our Recommendations. As commercial investments of this nature are inherently complex and the market conditions have changed and/or have been uncertain in recent times, it is considered prudent to consider the entire contents of our Valuation Report. Therefore, we recommend that this Summary Letter is to be read and considered together with the Valuation Report. We accept no responsibility for reliance upon the Summary Letter. We refer the reader to Elanor Investors Group to arrange to view our Valuation Report.

Brief Description of the Property

The Anzac Square building comprises a block of six inter-connected buildings of mainly 7 storeys which were originally constructed between 1931 and 1957. The building was redeveloped and volumetrically titled in 1998/99 as separate residential, retail, serviced apartment and commercial office components. The subject property comprises the office accommodation and ground floor retail known as 200 Adelaide Street. This portion of the complex incorporates basement level car parking for 22 vehicles, ground floor retail accommodation, 5 upper levels of office accommodation and a rooftop function and terrace area.

Tenancy Details

The property is leased to a variety of tenants including Hub Australia, Console Australia, Clemenger BBDO, Extract Coffee and Flowers by Jane. Console Australia are understood to be vacating the complex at the expiry of their lease term and accordingly we have adopted a zero renewal probability within our calculations over both the Level 2 tenancy and the 2 car bays. The weighted average lease expiry equates to 6.2 years (by income) and 6.5 years (by area).

Market Movement

The valuation referred to above represents the value of the property as at the date of valuation only. The value assessed may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements or factors specific to the particular property or particular property sector). CBRE is not liable for losses arising from any subsequent changes in value.

Critical Assumptions and Reliance on Information Provided

A summary of the Critical Assumptions noted in the full Valuation Report are noted as follows:

Clemenger BBDO Lease Term

- Clemenger BBDO currently lease 1,045 square metres of office accommodation over Level 3 and 7 car bays expiring on 30 April 2020. We note that Clemenger BBDO has agreed to a 5 year lease renewal from 1 May 2020 over Level 2 (1,045 square metres of office accommodation) and 7 car bays. For the purpose of accurately calculating future leases within the subject property, we have included this new lease structure within our calculations and have included an allowance for the rental overage between the date of valuation and commencement date of the new Clemenger BBDO lease which has specific regard to the remaining Clemenger BBDO rental.

Volumetric Title

- We have not made enquiry with the Body Corporate and assume there are no outstanding debts or major repair orders. We recommend the Reliant Party make its own enquiry in this regard. Should such enquiry reveal any outstanding debts or major repair orders, then this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation.

Contract of Sale

- We have been provided with an executed Heads of Agreement which summarises the commercial terms of the proposed sale of the property, as previously detailed in Section 2.4. Our assessment is provided on the assumption that the formal Contract of Sale for the proposed transaction will reflect the commercial terms outlined in the Heads of Agreement provided.

Vendor Leasing Guarantee

- As a condition of the Heads of Agreement for the proposed purchase, the Vendor is required to provide a 12-month leasing guarantee over any vacant tenancies or tenancies on holdover which are not supported by an executed lease at the time of settlement, up to a maximum of $844,350. We have included an allowance of $844,350 for this vendor leasing guarantee as a capital adjustment within our calculations.

Vendor Incentive Payment

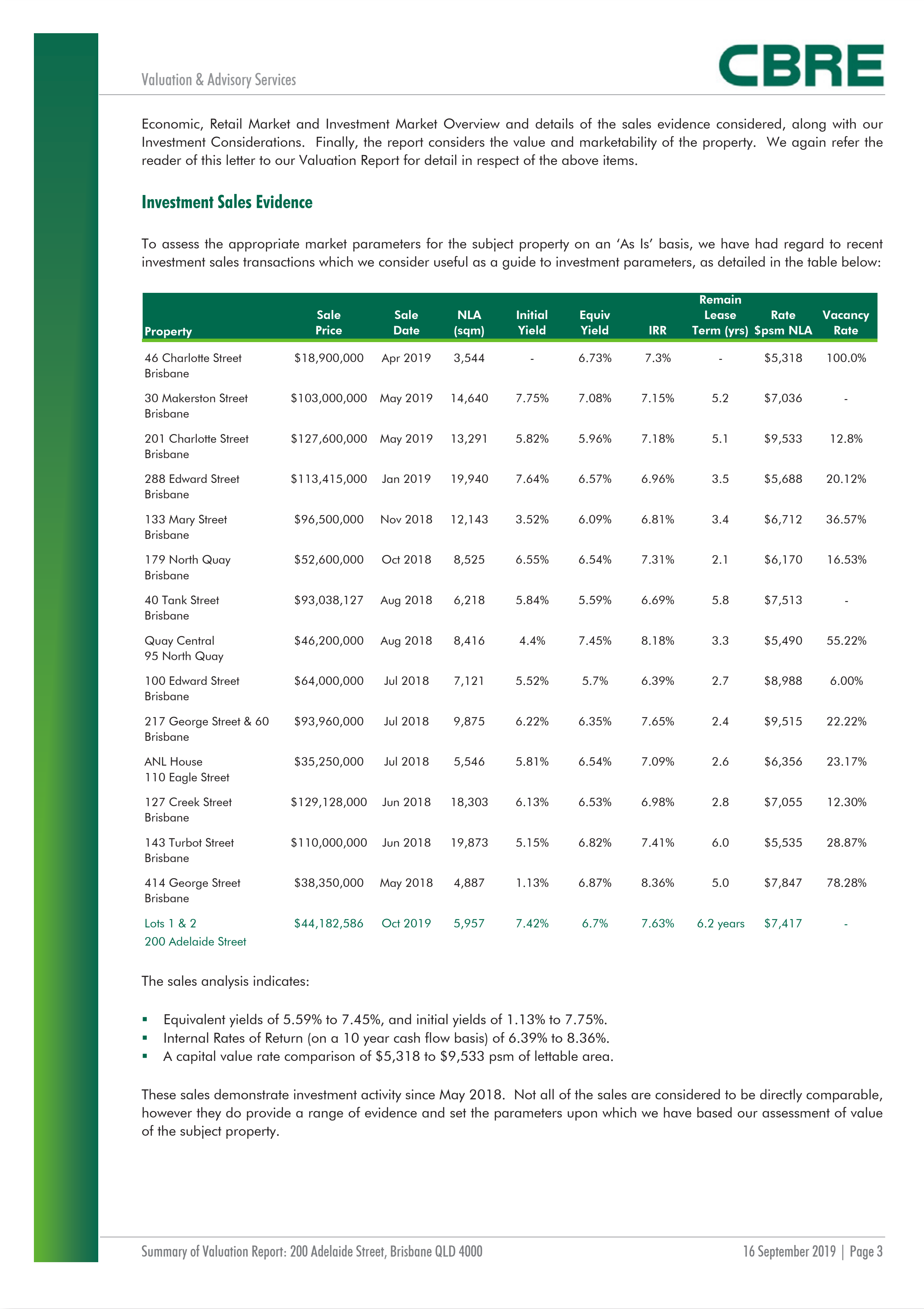
- As a condition of the Heads of Agreement for the proposed purchase, the present value of any outstanding tenant incentives as at the date of settlement (30 September 2019) (including rent free, rent abatement, committed capital contributions relating to fitout or other items) will be adjusted in favour of the purchaser, discounted at a rate of 7%. We have therefore only included an adjustment of $3,161,764 for the present value of the outstanding incentives discounted at a rate of 7% within our 'Market Value - As Is - Subject to existing occupancy arrangements - Including Vendors Adjustment for Outstanding Incentives' assessment calculations in Section 13.1 of the report at as a capital adjustment.

We have relied upon information provided by Elanor Investors Group. Our valuation is based upon the most current information available at the time the valuation was prepared. CBRE accepts no responsibility for subsequent changes in information as to income, expenses or market conditions. Any subsequent change in lease terms may also have a corresponding change to the value.

In the current market it is our view that a 6 month marketing period may be required to effect a disposal of asset assuming a professional marketing campaign.

Report Content

Our Valuation Report, in addition to the content noted earlier, contains detailed information and description pertaining to: Instructions, Reliance and Liability; Site Details including Location, Legal, Environmental and Town Planning; Building Improvements; and our analysis of the asset's Occupational and Financial attributes. This is followed by a comprehensive



Economic, Retail Market and Investment Market Overview and details of the sales evidence considered, along with our Investment Considerations. Finally, the report considers the value and marketability of the property. We again refer the reader of this letter to our Valuation Report for detail in respect of the above items.

Investment Sales Evidence

To assess the appropriate market parameters for the subject property on an 'As Is' basis, we have had regard to recent investment sales transactions which we consider useful as a guide to investment parameters, as detailed in the table below:

Property	Sale Price	Sale Date	NLA (sqm)	Initial Yield	Equiv Yield	IRR	Remain Lease Term (yrs)	Rate $psm NLA	Vacancy Rate
46 Charlotte Street Brisbane	$18,900,000	Apr 2019	3,544	-	6.73%	7.3%	-	$5,318	100.0%
30 Makerston Street Brisbane	$103,000,000	May 2019	14,640	7.75%	7.08%	7.15%	5.2	$7,036	-
201 Charlotte Street Brisbane	$127,600,000	May 2019	13,291	5.82%	5.96%	7.18%	5.1	$9,533	12.8%
288 Edward Street Brisbane	$113,415,000	Jan 2019	19,940	7.64%	6.57%	6.96%	3.5	$5,688	20.12%
133 Mary Street Brisbane	$96,500,000	Nov 2018	12,143	3.52%	6.09%	6.81%	3.4	$6,712	36.57%
179 North Quay Brisbane	$52,600,000	Oct 2018	8,525	6.55%	6.54%	7.31%	2.1	$6,170	16.53%
40 Tank Street Brisbane	$93,038,127	Aug 2018	6,218	5.84%	5.59%	6.69%	5.8	$7,513	-
Quay Central 95 North Quay	$46,200,000	Aug 2018	8,416	4.4%	7.45%	8.18%	3.3	$5,490	55.22%
100 Edward Street Brisbane	$64,000,000	Jul 2018	7,121	5.52%	5.7%	6.39%	2.7	$8,988	6.00%
217 George Street & 60 Brisbane	$93,960,000	Jul 2018	9,875	6.22%	6.35%	7.65%	2.4	$9,515	22.22%
ANL House 110 Eagle Street	$35,250,000	Jul 2018	5,546	5.81%	6.54%	7.09%	2.6	$6,356	23.17%
127 Creek Street Brisbane	$129,128,000	Jun 2018	18,303	6.13%	6.53%	6.98%	2.8	$7,055	12.30%
143 Turbot Street Brisbane	$110,000,000	Jun 2018	19,873	5.15%	6.82%	7.41%	6.0	$5,535	28.87%
414 George Street Brisbane	$38,350,000	May 2018	4,887	1.13%	6.87%	8.36%	5.0	$7,847	78.28%
Lots 1 & 2 200 Adelaide Street	$44,182,586	Oct 2019	5,957	7.42%	6.7%	7.63%	6.2 years	$7,417	-

The sales analysis indicates:

- Equivalent yields of 5.59% to 7.45%, and initial yields of 1.13% to 7.75%.
- Internal Rates of Return (on a 10 year cash flow basis) of 6.39% to 8.36%.
- A capital value rate comparison of $5,318 to $9,533 psm of lettable area.

These sales demonstrate investment activity since May 2018. Not all of the sales are considered to be directly comparable, however they do provide a range of evidence and set the parameters upon which we have based our assessment of value of the subject property.

Valuation Rationale

In arriving at our opinion of value, we have considered relevant general and economic factors and have investigated recent sales and leasing transactions of comparable properties.

In assessing the market value of the subject property on an 'As Is' basis, we have placed primary emphasis on the capitalisation of net income approach and have additionally undertaken a DCF analysis as a supporting method of valuation. A detailed explanation of the asset's investment credentials and the application of the capitalisation approach and DCF methodology is provided in the full Valuation Report.

Valuation Summary

Based on the various valuation methodologies considered and having regard to the Critical Assumptions noted on Page 2, we summarise our valuation and conclusions, as at 1 October 2019, as follows:

Market Value - As Is - Subject to existing occupancy arrangements & excluding Vendors Adjustment for Outstanding Incentives
$44,182,586 (Forty Four Million, One Hundred and Eighty Two Thousand, Five Hundred and Eighty Six Dollars) GST exclusive.

Market Value - As Is - Subject to existing occupancy arrangements & including Vendors Adjustment for Outstanding Incentive
$47,344,350 (Forty Seven Million, Three Hundred and Forty Four Thousand, Three Hundred and Fifty Dollars)

The table overleaf outlines our valuation conclusion for the subject property and provides a summary of the tenancy profile and key investment parameters as at 1 October 2019.

CBRE

Valuation & Advisory Services

VALUATION SUMMARY (100% Freehold)		
Valuation Approaches	Capitalisation & Discounted Cash Flow	
Net Lettable Area (sqm)	5,957.0	
Site Area (sqm)	2,471.0	
NABERS Rating	2.5 Stars Energy, Water (Not Rate), Waste (Not Rated).	
Date of Valuation	**1 October 2019**	
Adopt Contract Price	**$44,182,586**	
Net Passing Income Fully Leased (Inc. Incentives)	$2,915,358	$489 psm
Net Passing Income (Inc. Incentives)	$2,868,558	$482 psm
Net Market Income (Inc. Incentives)	$2,915,358	$489 psm
Average Gross Market Rent (Office)	$615 psm	
Average Gross Market Rent (Retail)	$1,836 psm	
Weighted Average Lease Term (by income/by area) on occupied areas	6.2 years	6.5 years
Weighted Average Lease Term (by Income) incl. cars, sundry and vacancies	6.2 years	
Outgoings (Adopted)	$149 psm	
PV of Outstanding Tenant Incentives	$3,108,637	
Capitalisation Rate	6.75%	
Terminal Yield	7.00%	
Target IRR (Discount Rate)	7.50%	
Ten Year IRR (Indicated)	7.63%	
Passing Initial Yield (Excl. Incentives)	7.42%	
Passing Initial Yield (Inc. Incentives)	6.49%	
Passing Initial Yield plus vacancies	7.38%	
Equivalent Yield	6.70%	
Reversionary (Market) Yield	7.38%	
Value psm of NLA	$7,417 psm	
Value psm of NLA (Excl. Vendors Adjustment for Outstanding Incentives)	$7,417 psm	
Percentage Over/Under Rented (On Occupied)	-1.41%	-20.04%
Current Vacancy Rate	Nil	

VALUATION ASSUMPTIONS			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
CPI (Deloitte Access Economics)	2.33% (10 yr avg)		2.19%	2.22%	2.53%	2.37%	2.20%	2.17%	2.44%	2.57%	2.42%	2.21%
Office Market Rent Growth (gross)	3.30% (10 yr avg)		1.50%	2.50%	3.50%	3.75%	3.75%	3.75%	3.75%	3.50%	3.50%	3.50%
Retail Market Rent Growth (gross)	3.83% (10 yr avg)		3.69%	3.72%	4.03%	3.87%	3.70%	3.67%	3.94%	4.07%	3.92%	3.71%
Office Effective Rent Growth(gross)	5.46% (10 yr avg)		1.50%	6.44%	7.33%	11.16%	10.67%	3.75%	3.75%	3.50%	3.50%	3.50%
Car Parking Growth	4.00% (10 yr avg)		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Sundry Growth	2.33% (10 yr avg)		2.19%	2.22%	2.53%	2.37%	2.20%	2.17%	2.44%	2.57%	2.42%	2.21%
Outgoing Escalation	2.33% (10 yr avg)		2.19%	2.22%	2.53%	2.37%	2.20%	2.17%	2.44%	2.57%	2.42%	2.21%
Incentives Yr 1 (Office)	35.0%		35.0%	35.0%	32.5%	30.0%	25.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Incentives Yr 1 (Retail)	6 mths		6 mths	6 mths	6 mths	6 mths	6 mths	6 mths	6 mths	6 mths	6 mths	6 mths
Renewal Probability (Office/Retail)	50%	70%										
Leasing Up Period Yr 1 (Office/Retail)	9 mths	6 mths										
Assumed New Lease Term (Office/Retail)	5 years	5 years										
Assumed New Lease Reviews (Office/Retail)	3.50%	4.00%										
Assumed Leasing Commissions (new/renewal)	15%	8%										
Lessors Works/Make Good ($psm) (Office/Retail)	$100 psm	$100 psm										
Refurbishment Allowance (Yr 11)	$100 psm											
Total Capital Expenditure (Yrs 1 to 11) *	$3,345,181	$562 psm										

** Includes Refurbishment and Lessors Make Good allowances.*

TENANT PROFILE	Area (sqm)	Passing Gross Rent	Market Gross Rent	Expiry
Hub Australia	3,538.0	$2,085,179	$2,085,179	Nov-28
Console Australia	1,275.0	$830,195	$830,195	Nov-19
Clemenger BBDO	1,045.0	$690,083	$690,083	Apr-25
Extract Coffee	59.0	$81,746	$81,746	Dec-21
Flowers by Jane	40.0	$100,000	$100,000	Feb-24
Other Office Tenants				6.9 yrs
Other Retail Tenants				
Monthly				
Car Parking		$113,595	$113,595	
Sundry		$200,725	$200,725	
Total (Gross Passing)	**5,957.0**	**$4,101,523**	**$4,101,523**	
Vacant				
Vacant Cars		$46,800	$46,800	
Vacant Sundry				
Total (Gross Passing Fully leased)	**5,957.0**	**$4,148,323**	**$4,148,323**	

Note: Gross rents include outgoings recovery (where applicable). Market rent shown for vacancies.

Summary of Valuation Report: 200 Adelaide Street, Brisbane QLD 4000

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Consent

CBRE provides its consent for the inclusion of this Summary Letter within the Offer Document for Elanor Investor Group subject to:-

- CBRE's prior consent to the form and context in which the Summary Letter will appear, including prior consent that the valuation or Summary Letter has been accurately reproduced in the Offer Document and is being used for the purposes for which it is produced;
- CBRE having no liability or responsibility for any content of the Offer Document which does not form this Summary Letter.

Liability Disclaimer

- CBRE is not operating under an Australian Financial Services Licence when providing the full Valuation Report or this Summary Letter and those documents do not constitute financial product advice. Investors should consider obtaining independent advice from their financial advisor before making any decision to invest in/with Elanor Investors Group.
- CBRE disclaims any liability to any person in the event of an omission from, or false and misleading statements included in the PDS, other than in respect to this Summary Letter and the full Valuation Report.
- The Valuation Report and this Summary Letter are strictly limited to the matters contained within those documents, and are not to be read as extending, by implication or otherwise, to any other matter in the PDS. Without limitation to the above, no liability is accepted for any loss, harm, cost or damage (including special, consequential or economic harm or loss) suffered as a consequence of fluctuations in the real estate market subsequent to the date of valuation.
- CBRE has prepared the full Valuation Report and this Summary Letter relying on and referring to information provided by third parties including financial and market information ("Information"). CBRE assumes that the Information is accurate, reliable and complete and it has not tested the information in that respect.
- References to the Property's value within this Summary Letter or the PDS have been extracted from CBRE's Valuation Report. The Valuation Report draws attention to the key issues and considerations impacting value and provides a detailed assessment and analysis as well as key critical assumptions, assumptions, disclaimers, limitations and qualifications and recommendations. As commercial investments of this nature are inherently complex and the market conditions have changed and/or have been uncertain in recent times, CBRE recommends that this Summary Letter and any references to value within the PDS must be read and considered together with the Valuation Report. This Summary Letter is to be read in conjunction with our full Valuation Report and is subject to the Assumptions, Limitations, Disclaimers and Qualifications contained therein. We refer the reader to Elanor Investors Group to arrange to view our Valuation Report.
- No responsibility is accepted for any loss or damage arising as a result of reliance upon this Summary Letter.
- Neither this Summary Letter nor the full Valuation Report may be reproduced in whole or in part without prior written approval of CBRE.
- CBRE charges a professional fee for producing valuation reports, and the fee paid by Elanor Investors Group for the Valuation Report and this Summary Letter was $22,000 inclusive of GST.
- We confirm that the valuer does not have a pecuniary interest that would conflict with a proper valuation of the interest in the properties.
- This document is for the sole use of persons directly provided with it by CBRE. Use by, or reliance upon this document by anyone other than those parties named above is not authorised by CBRE and CBRE is not liable for any loss arising from such unauthorised use or reliance.
- CBRE's liability is limited by a scheme approved under Professional Standards Legislation.
- You and the investors acknowledge and agree that the information contained in this Summary Letter, is provided for information purposes only and cannot be relied upon when making an investment decision. You and the investors acknowledge and agree that CBRE who have prepared the Summary Letter accepts no responsibility for any reliance by any party on this Summary Letter.

- The Instructing Party:

  a) acknowledges and agrees that the information contained in this Summary Letter is disclosed for information purposes only and cannot be relied on for the purpose of making investment decisions and that CBRE has no liability or responsibility whatsoever to any third party who may use or rely on the whole or any part of any valuation report or Summary Letter relating to the properties; and
  b) releases CBRE from all loss and liability suffered or incurred by the Instructing Party as a result of any third party relying on the whole or any part of the Valuation Report or Summary Letter; and
  c) indemnifies CBRE from and against any losses, liabilities, damages, costs, claims and expenses (including legal fees on a full indemnity basis) suffered or incurred by or awarded against CBRE or any of its employees, agents and officers which is related to, arises out of, or is in any way associated with use by or reliance upon the information contained in any valuation report or this Summary Letter by anyone other than the Instructing Party, disclosed to it by or through the Instructing Party or at the Instructing Party's request, and that whether arising under contract, tort including negligence, equity, statute or otherwise at all.

Yours sincerely
CBRE Valuations Pty Limited

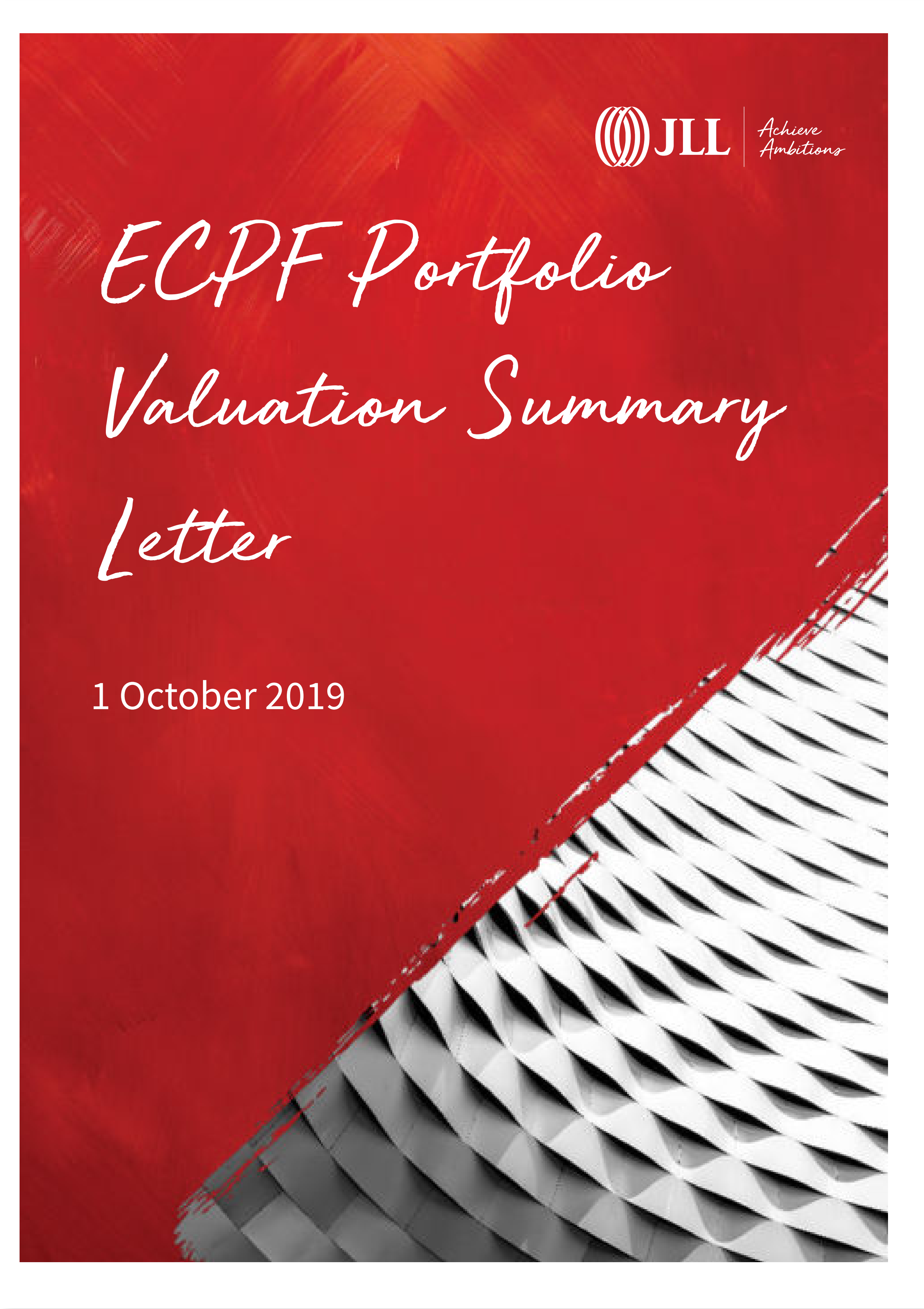
BThompson

Tristan Gasiewski
Senior Director – Valuation & Advisory Services

Britney Thompson
Senior Valuer – Valuation & Advisory Services

David Clarke
Director – Quality & Risk Management (QLD Commercial)

Liability limited by a scheme approved under Professional Standards Legislation.



JLL | Achieve Ambitions

ECPF Portfolio Valuation Summary Letter

1 October 2019

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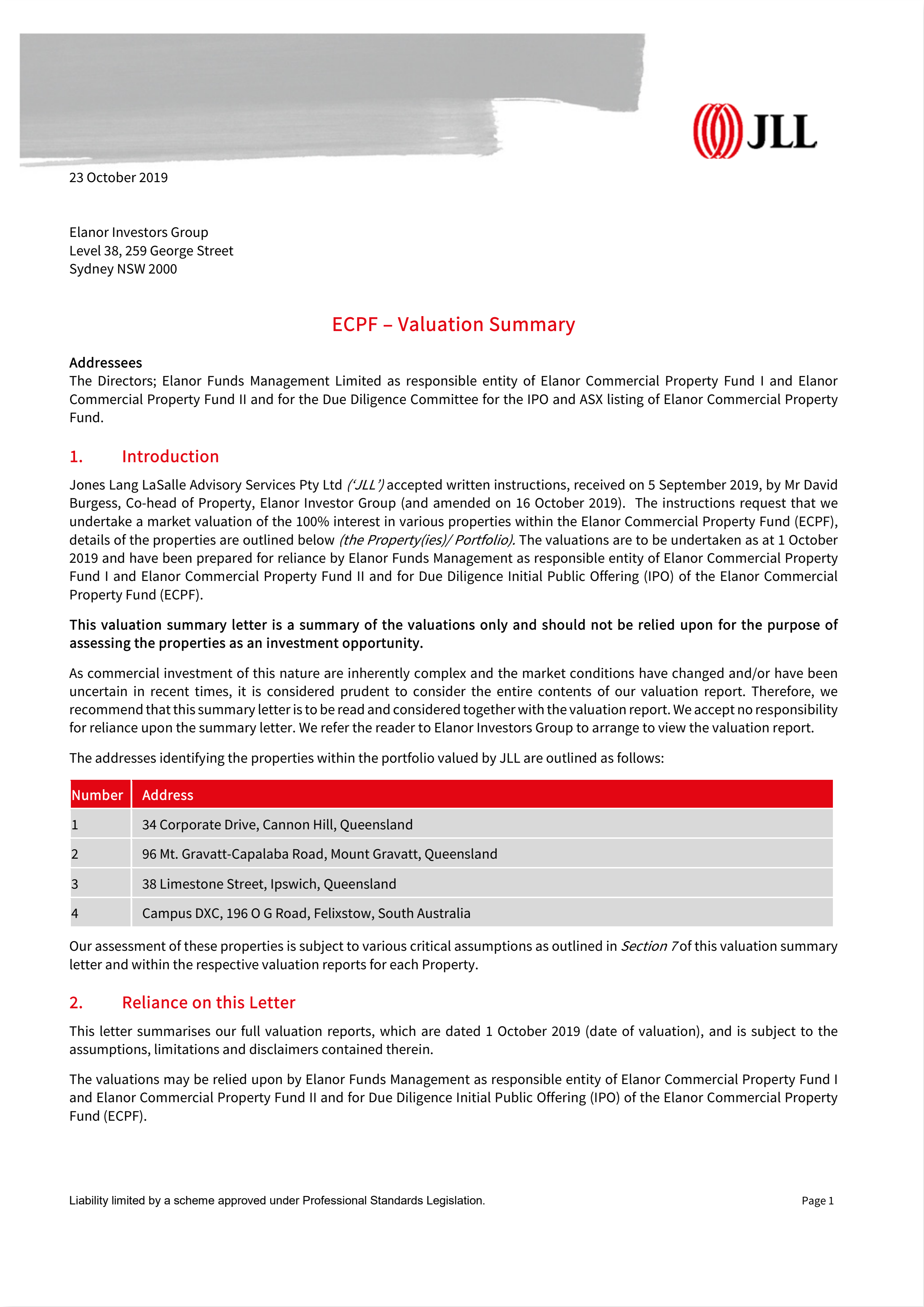


23 October 2019

Elanor Investors Group
Level 38, 259 George Street
Sydney NSW 2000

ECPF – Valuation Summary

Addressees

The Directors; Elanor Funds Management Limited as responsible entity of Elanor Commercial Property Fund I and Elanor Commercial Property Fund II and for the Due Diligence Committee for the IPO and ASX listing of Elanor Commercial Property Fund.

1. Introduction

Jones Lang LaSalle Advisory Services Pty Ltd *('JLL')* accepted written instructions, received on 5 September 2019, by Mr David Burgess, Co-head of Property, Elanor Investor Group (and amended on 16 October 2019). The instructions request that we undertake a market valuation of the 100% interest in various properties within the Elanor Commercial Property Fund (ECPF), details of the properties are outlined below *(the Property(ies)/ Portfolio).* The valuations are to be undertaken as at 1 October 2019 and have been prepared for reliance by Elanor Funds Management as responsible entity of Elanor Commercial Property Fund I and Elanor Commercial Property Fund II and for Due Diligence Initial Public Offering (IPO) of the Elanor Commercial Property Fund (ECPF).

This valuation summary letter is a summary of the valuations only and should not be relied upon for the purpose of assessing the properties as an investment opportunity.

As commercial investment of this nature are inherently complex and the market conditions have changed and/or have been uncertain in recent times, it is considered prudent to consider the entire contents of our valuation report. Therefore, we recommend that this summary letter is to be read and considered together with the valuation report. We accept no responsibility for reliance upon the summary letter. We refer the reader to Elanor Investors Group to arrange to view the valuation report.

The addresses identifying the properties within the portfolio valued by JLL are outlined as follows:

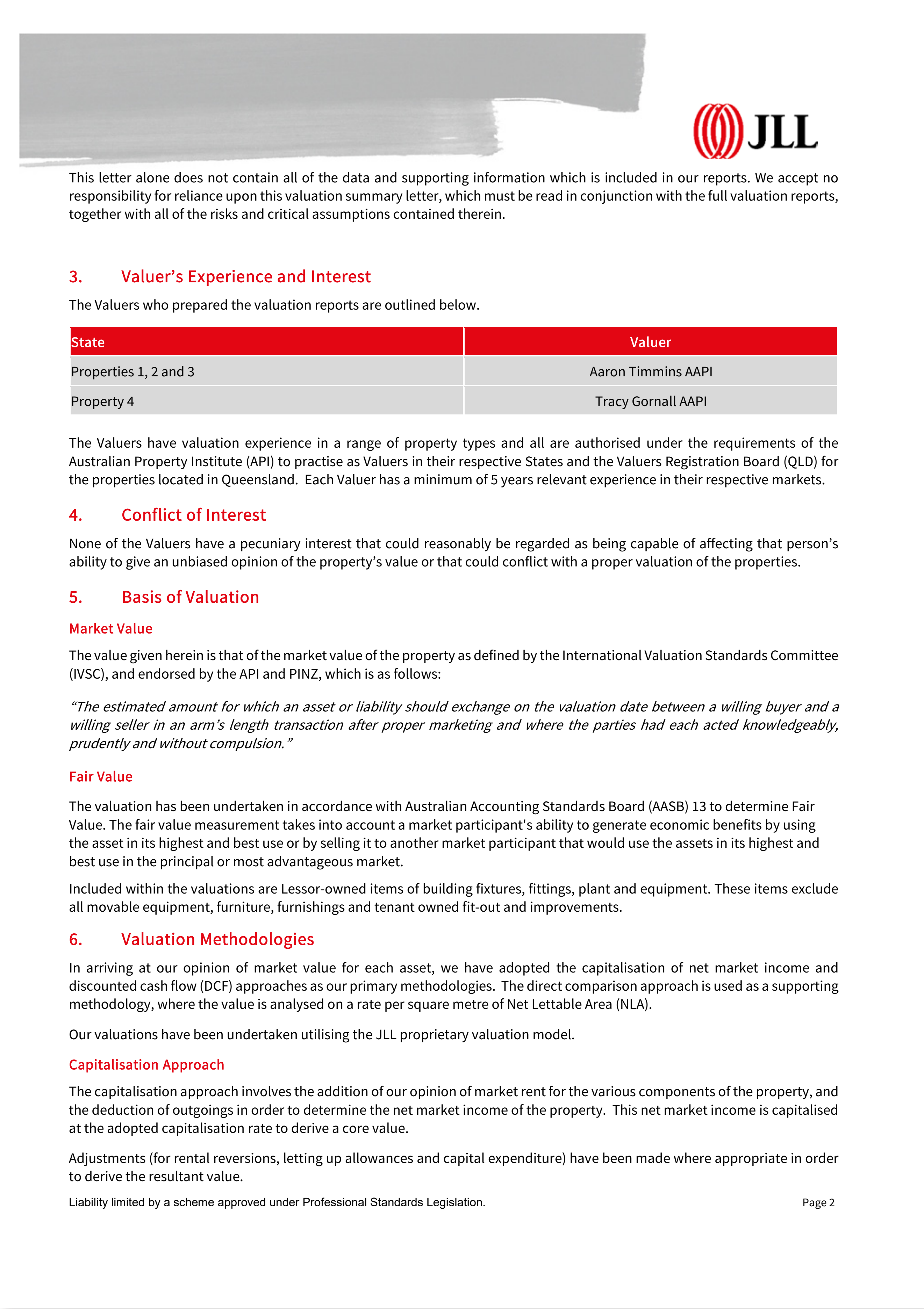
Number	Address
1	34 Corporate Drive, Cannon Hill, Queensland
2	96 Mt. Gravatt-Capalaba Road, Mount Gravatt, Queensland
3	38 Limestone Street, Ipswich, Queensland
4	Campus DXC, 196 O G Road, Felixstow, South Australia

Our assessment of these properties is subject to various critical assumptions as outlined in *Section 7* of this valuation summary letter and within the respective valuation reports for each Property.

2. Reliance on this Letter

This letter summarises our full valuation reports, which are dated 1 October 2019 (date of valuation), and is subject to the assumptions, limitations and disclaimers contained therein.

The valuations may be relied upon by Elanor Funds Management as responsible entity of Elanor Commercial Property Fund I and Elanor Commercial Property Fund II and for Due Diligence Initial Public Offering (IPO) of the Elanor Commercial Property Fund (ECPF).



This letter alone does not contain all of the data and supporting information which is included in our reports. We accept no responsibility for reliance upon this valuation summary letter, which must be read in conjunction with the full valuation reports, together with all of the risks and critical assumptions contained therein.

3. Valuer's Experience and Interest

The Valuers who prepared the valuation reports are outlined below.

State	Valuer
Properties 1, 2 and 3	Aaron Timmins AAPI
Property 4	Tracy Gornall AAPI

The Valuers have valuation experience in a range of property types and all are authorised under the requirements of the Australian Property Institute (API) to practise as Valuers in their respective States and the Valuers Registration Board (QLD) for the properties located in Queensland. Each Valuer has a minimum of 5 years relevant experience in their respective markets.

4. Conflict of Interest

None of the Valuers have a pecuniary interest that could reasonably be regarded as being capable of affecting that person's ability to give an unbiased opinion of the property's value or that could conflict with a proper valuation of the properties.

5. Basis of Valuation

Market Value

The value given herein is that of the market value of the property as defined by the International Valuation Standards Committee (IVSC), and endorsed by the API and PINZ, which is as follows:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

Fair Value

The valuation has been undertaken in accordance with Australian Accounting Standards Board (AASB) 13 to determine Fair Value. The fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the assets in its highest and best use in the principal or most advantageous market.

Included within the valuations are Lessor-owned items of building fixtures, fittings, plant and equipment. These items exclude all movable equipment, furniture, furnishings and tenant owned fit-out and improvements.

6. Valuation Methodologies

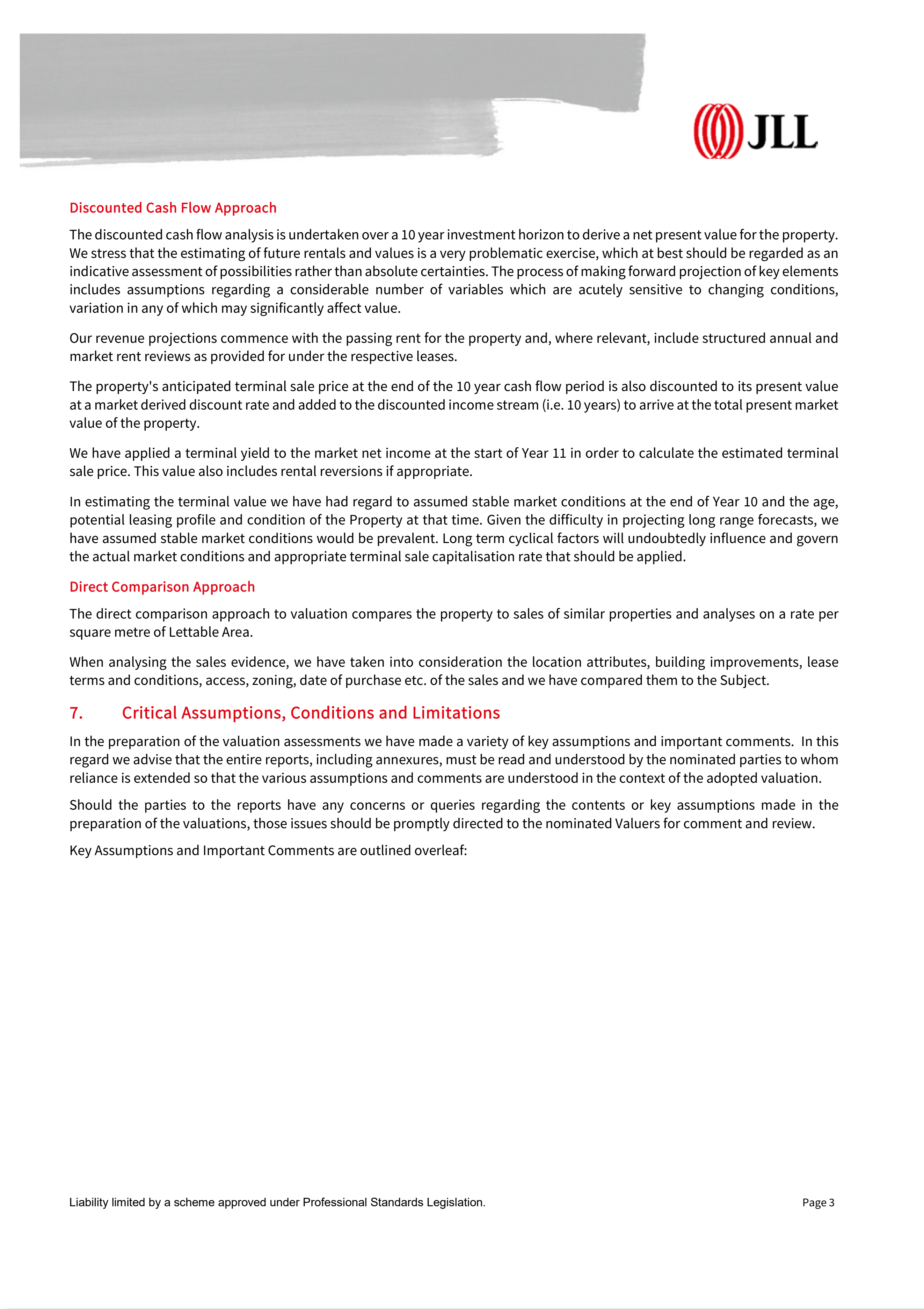
In arriving at our opinion of market value for each asset, we have adopted the capitalisation of net market income and discounted cash flow (DCF) approaches as our primary methodologies. The direct comparison approach is used as a supporting methodology, where the value is analysed on a rate per square metre of Net Lettable Area (NLA).

Our valuations have been undertaken utilising the JLL proprietary valuation model.

Capitalisation Approach

The capitalisation approach involves the addition of our opinion of market rent for the various components of the property, and the deduction of outgoings in order to determine the net market income of the property. This net market income is capitalised at the adopted capitalisation rate to derive a core value.

Adjustments (for rental reversions, letting up allowances and capital expenditure) have been made where appropriate in order to derive the resultant value.



Discounted Cash Flow Approach

The discounted cash flow analysis is undertaken over a 10 year investment horizon to derive a net present value for the property. We stress that the estimating of future rentals and values is a very problematic exercise, which at best should be regarded as an indicative assessment of possibilities rather than absolute certainties. The process of making forward projection of key elements includes assumptions regarding a considerable number of variables which are acutely sensitive to changing conditions, variation in any of which may significantly affect value.

Our revenue projections commence with the passing rent for the property and, where relevant, include structured annual and market rent reviews as provided for under the respective leases.

The property's anticipated terminal sale price at the end of the 10 year cash flow period is also discounted to its present value at a market derived discount rate and added to the discounted income stream (i.e. 10 years) to arrive at the total present market value of the property.

We have applied a terminal yield to the market net income at the start of Year 11 in order to calculate the estimated terminal sale price. This value also includes rental reversions if appropriate.

In estimating the terminal value we have had regard to assumed stable market conditions at the end of Year 10 and the age, potential leasing profile and condition of the Property at that time. Given the difficulty in projecting long range forecasts, we have assumed stable market conditions would be prevalent. Long term cyclical factors will undoubtedly influence and govern the actual market conditions and appropriate terminal sale capitalisation rate that should be applied.

Direct Comparison Approach

The direct comparison approach to valuation compares the property to sales of similar properties and analyses on a rate per square metre of Lettable Area.

When analysing the sales evidence, we have taken into consideration the location attributes, building improvements, lease terms and conditions, access, zoning, date of purchase etc. of the sales and we have compared them to the Subject.

7. Critical Assumptions, Conditions and Limitations

In the preparation of the valuation assessments we have made a variety of key assumptions and important comments. In this regard we advise that the entire reports, including annexures, must be read and understood by the nominated parties to whom reliance is extended so that the various assumptions and comments are understood in the context of the adopted valuation.

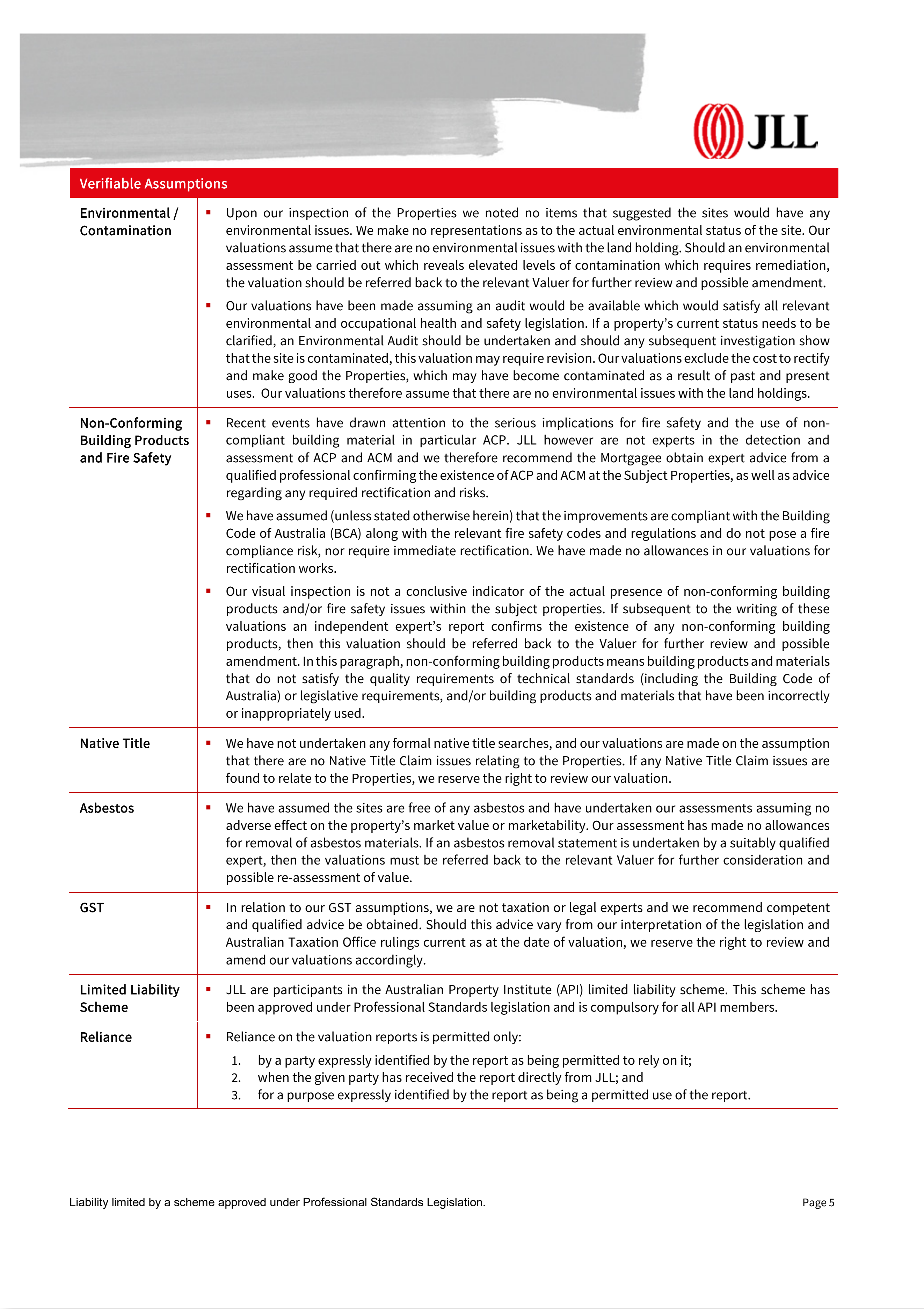
Should the parties to the reports have any concerns or queries regarding the contents or key assumptions made in the preparation of the valuations, those issues should be promptly directed to the nominated Valuers for comment and review.

Key Assumptions and Important Comments are outlined overleaf:

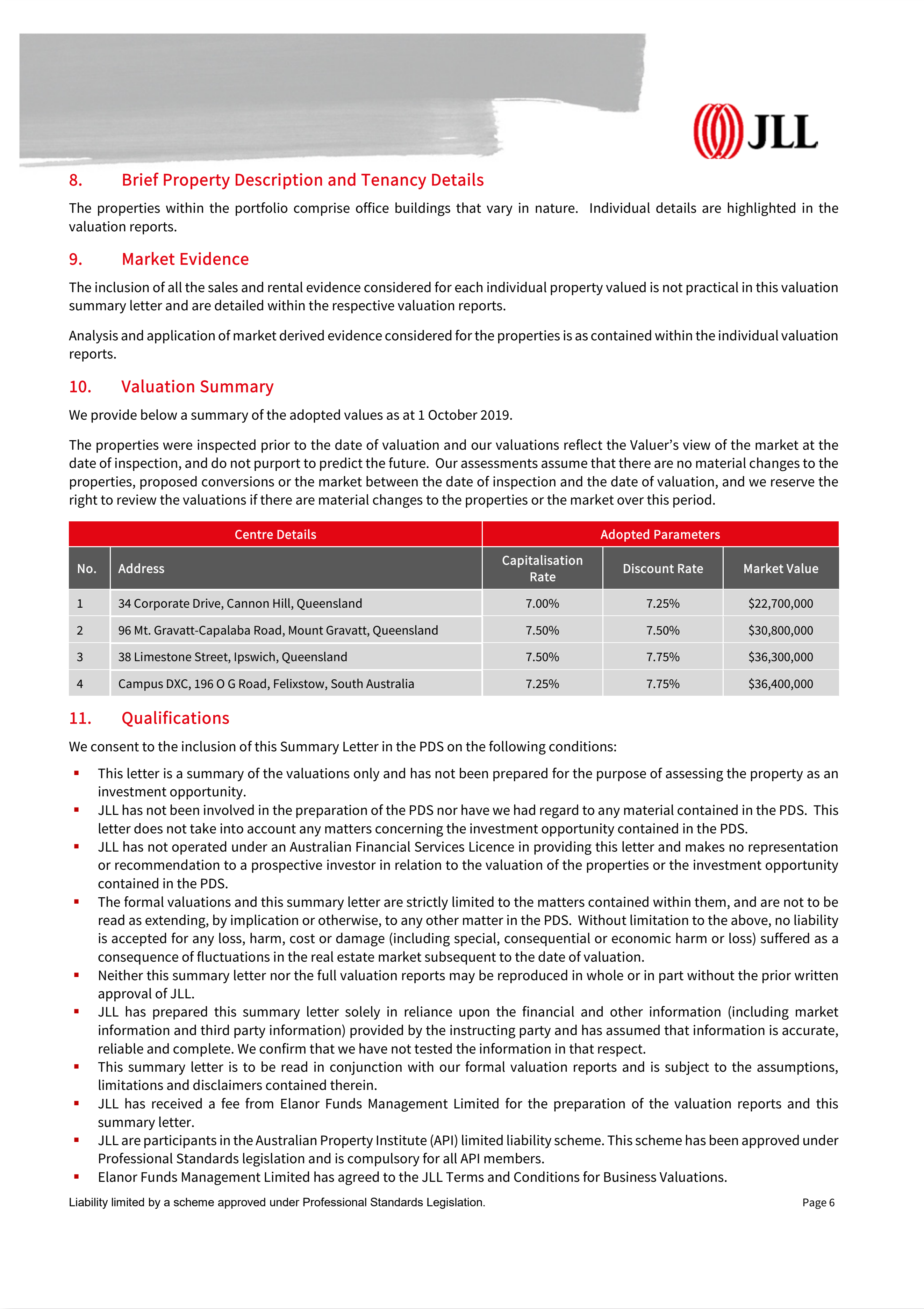
JLL

Verifiable Assumptions

Market Movement	▪ The valuations are current as at the date of valuation only. The values assessed may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements or factors specific to the particular Properties). We do not accept liability for the losses arising from such subsequent changes in value. ▪ Without limiting the generality of the above and the following statement, we do not assume any responsibility or accept any liability for losses arising from such subsequent changes in value in circumstances where the valuations are relied upon after the expiration of 90 days from the date of valuation, or such earlier date if you become aware of any factors that have any effect on the valuation(s). However, it should be recognised that the 90 day reliance period does not guarantee the value(s) for that period; each always remains a valuation at the date of valuation only. ▪ Each report is relevant at date of valuation and to the circumstances prevailing at that time. However, within a changing economic environment experiencing fluctuations in interest rates, inflation levels, rents and global economic circumstances, acceptable returns on investment may, as a consequence, be susceptible to future variation. We therefore strongly recommend that before any action is taken involving an acquisition, disposal, shareholding restructure or other transaction more than 90 days after the date of the reports, you consult the Valuers.
Information and Intellectual Property	▪ We have relied upon the accuracy, sufficiency and consistency of the information supplied to us. JLL accepts no liability for any inaccuracies contained in the information provided by Elanor Funds Management Limited or other parties, or for conclusions which are drawn either wholly or partially from that information. Should inaccuracies be subsequently discovered, we reserve the right to amend our valuation assessment. ▪ We have relied on building areas, income figures and expense figures as provided by Elanor Funds Management Limited or its agents and made specified adjustments where necessary.
Title Searches	▪ We have considered any dealings on the Current Title Searches in arriving at our opinion of value and assume good and marketable title. For a detailed Summary of the dealings noted on the Titles and each report, we refer you to the Current Title Searches annexed to each report. ▪ We have not fully searched the notifications on title and our valuations assume good and marketable title and that each property is free of encumbrances, restrictions, mortgages, charges, and other financial liens or other impediments of an onerous nature, which would affect value. ▪ We have also assumed that there are no other easements, rights of way or notations other than those referred to in the valuation(s) or on the Current Title Searches.
Site	▪ We have relied on the land dimensions and areas as provided on the Survey/Registered/Deposited Plans, as searched and annexed. In certain cases physical checking of land dimensions and areas is difficult or not practical due to proximity of adjoining buildings, steep terrain or inaccessible title boundaries. JLL accepts no responsibility if any of the land dimensions or the area shown on the relevant Plans are found to be incorrect. ▪ As the building improvements appear to lie within the title boundaries, it is unlikely that any encroachments would exist. A Licensed Surveyor would need to confirm that the building improvements lie on or within the respective title curtilages. These valuations are made on the assumption that there are no encroachments by or upon the Properties. ▪ Our valuations assume that there are no archaeological entitlements with the land holdings. ▪ Our valuations also assume that the Properties are not affected by any road alteration or resumption proposals.



Verifiable Assumptions	
Environmental / Contamination	▪ Upon our inspection of the Properties we noted no items that suggested the sites would have any environmental issues. We make no representations as to the actual environmental status of the site. Our valuations assume that there are no environmental issues with the land holding. Should an environmental assessment be carried out which reveals elevated levels of contamination which requires remediation, the valuation should be referred back to the relevant Valuer for further review and possible amendment. ▪ Our valuations have been made assuming an audit would be available which would satisfy all relevant environmental and occupational health and safety legislation. If a property's current status needs to be clarified, an Environmental Audit should be undertaken and should any subsequent investigation show that the site is contaminated, this valuation may require revision. Our valuations exclude the cost to rectify and make good the Properties, which may have become contaminated as a result of past and present uses. Our valuations therefore assume that there are no environmental issues with the land holdings.
Non-Conforming Building Products and Fire Safety	▪ Recent events have drawn attention to the serious implications for fire safety and the use of non-compliant building material in particular ACP. JLL however are not experts in the detection and assessment of ACP and ACM and we therefore recommend the Mortgagee obtain expert advice from a qualified professional confirming the existence of ACP and ACM at the Subject Properties, as well as advice regarding any required rectification and risks. ▪ We have assumed (unless stated otherwise herein) that the improvements are compliant with the Building Code of Australia (BCA) along with the relevant fire safety codes and regulations and do not pose a fire compliance risk, nor require immediate rectification. We have made no allowances in our valuations for rectification works. ▪ Our visual inspection is not a conclusive indicator of the actual presence of non-conforming building products and/or fire safety issues within the subject properties. If subsequent to the writing of these valuations an independent expert's report confirms the existence of any non-conforming building products, then this valuation should be referred back to the Valuer for further review and possible amendment. In this paragraph, non-conforming building products means building products and materials that do not satisfy the quality requirements of technical standards (including the Building Code of Australia) or legislative requirements, and/or building products and materials that have been incorrectly or inappropriately used.
Native Title	▪ We have not undertaken any formal native title searches, and our valuations are made on the assumption that there are no Native Title Claim issues relating to the Properties. If any Native Title Claim issues are found to relate to the Properties, we reserve the right to review our valuation.
Asbestos	▪ We have assumed the sites are free of any asbestos and have undertaken our assessments assuming no adverse effect on the property's market value or marketability. Our assessment has made no allowances for removal of asbestos materials. If an asbestos removal statement is undertaken by a suitably qualified expert, then the valuations must be referred back to the relevant Valuer for further consideration and possible re-assessment of value.
GST	▪ In relation to our GST assumptions, we are not taxation or legal experts and we recommend competent and qualified advice be obtained. Should this advice vary from our interpretation of the legislation and Australian Taxation Office rulings current as at the date of valuation, we reserve the right to review and amend our valuations accordingly.
Limited Liability Scheme	▪ JLL are participants in the Australian Property Institute (API) limited liability scheme. This scheme has been approved under Professional Standards legislation and is compulsory for all API members.
Reliance	▪ Reliance on the valuation reports is permitted only: 1. by a party expressly identified by the report as being permitted to rely on it; 2. when the given party has received the report directly from JLL; and 3. for a purpose expressly identified by the report as being a permitted use of the report.



8. Brief Property Description and Tenancy Details

The properties within the portfolio comprise office buildings that vary in nature. Individual details are highlighted in the valuation reports.

9. Market Evidence

The inclusion of all the sales and rental evidence considered for each individual property valued is not practical in this valuation summary letter and are detailed within the respective valuation reports.

Analysis and application of market derived evidence considered for the properties is as contained within the individual valuation reports.

10. Valuation Summary

We provide below a summary of the adopted values as at 1 October 2019.

The properties were inspected prior to the date of valuation and our valuations reflect the Valuer's view of the market at the date of inspection, and do not purport to predict the future. Our assessments assume that there are no material changes to the properties, proposed conversions or the market between the date of inspection and the date of valuation, and we reserve the right to review the valuations if there are material changes to the properties or the market over this period.

Centre Details		Adopted Parameters		
No.	Address	Capitalisation Rate	Discount Rate	Market Value
1	34 Corporate Drive, Cannon Hill, Queensland	7.00%	7.25%	$22,700,000
2	96 Mt. Gravatt-Capalaba Road, Mount Gravatt, Queensland	7.50%	7.50%	$30,800,000
3	38 Limestone Street, Ipswich, Queensland	7.50%	7.75%	$36,300,000
4	Campus DXC, 196 O G Road, Felixstow, South Australia	7.25%	7.75%	$36,400,000

11. Qualifications

We consent to the inclusion of this Summary Letter in the PDS on the following conditions:

- This letter is a summary of the valuations only and has not been prepared for the purpose of assessing the property as an investment opportunity.
- JLL has not been involved in the preparation of the PDS nor have we had regard to any material contained in the PDS. This letter does not take into account any matters concerning the investment opportunity contained in the PDS.
- JLL has not operated under an Australian Financial Services Licence in providing this letter and makes no representation or recommendation to a prospective investor in relation to the valuation of the properties or the investment opportunity contained in the PDS.
- The formal valuations and this summary letter are strictly limited to the matters contained within them, and are not to be read as extending, by implication or otherwise, to any other matter in the PDS. Without limitation to the above, no liability is accepted for any loss, harm, cost or damage (including special, consequential or economic harm or loss) suffered as a consequence of fluctuations in the real estate market subsequent to the date of valuation.
- Neither this summary letter nor the full valuation reports may be reproduced in whole or in part without the prior written approval of JLL.
- JLL has prepared this summary letter solely in reliance upon the financial and other information (including market information and third party information) provided by the instructing party and has assumed that information is accurate, reliable and complete. We confirm that we have not tested the information in that respect.
- This summary letter is to be read in conjunction with our formal valuation reports and is subject to the assumptions, limitations and disclaimers contained therein.
- JLL has received a fee from Elanor Funds Management Limited for the preparation of the valuation reports and this summary letter.
- JLL are participants in the Australian Property Institute (API) limited liability scheme. This scheme has been approved under Professional Standards legislation and is compulsory for all API members.
- Elanor Funds Management Limited has agreed to the JLL Terms and Conditions for Business Valuations.

12. Liability Disclaimer

This summary letter and the valuation reports has been prepared for Elanor Funds Management Limited and is subject to the conditions referred to in this summary letter. Neither JLL nor any of its Directors makes any representation in relation to the PDS nor accepts responsibility for any information or representation made in the PDS, other than this summary letter.

The valuation reports and this summary letter are strictly limited to the matters contained within those documents, and are not to be read as extending, by implication or otherwise, to any other matter in the PDS. Without limitation to the above, no liability is accepted for any loss, harm, cost or damage (including special, consequential or economic harm or loss) suffered as a consequence of fluctuations in the real estate market subsequent to the date of valuation

JLL has prepared the full valuation reports and this summary letter relying on and referring to information provided by third parties including financial and market information ("Information"). JLL assumes that the Information is accurate, reliable and complete and it has not tested the information in that respect.

JLL was involved only in the preparation of this summary letter and the valuation reports referred to herein, and specifically disclaims any liability to any person in the event of any omission from, or false or misleading statement included in, the PDS, other than in respect of the valuation reports and this summary letter.

This summary letter (which is subject to the conditions referred to above) and the valuation reports may not be relied on by any other party other than Elanor Funds Management Limited. Responsibility is disclaimed for any loss or damage suffered by any person (including but not limited to any potential investors or shareholders) for any reason.

References to the property's value within this summary letter or the PDS have been extracted from JLL's valuation reports. The valuation reports draw attention to the key issues and considerations impacting value and provides a detailed assessment and analysis as well as key critical assumptions, assumptions, disclaimers, limitations and qualifications and recommendations. As commercial investments of this nature are inherently complex and the market conditions have changed and/or have been uncertain in recent times, JLL recommends that this summary letter and any references to value within the PDS must be read and considered together with the valuation reports. This summary letter is to be read in conjunction with our full valuation reports and is subject to the assumptions, limitations, disclaimers and qualifications contained therein. We refer the reader to Elanor Funds Management Limited to obtain a copy of the full valuation reports.

No liability for negligence or otherwise is assumed by JLL for the material contained in this summary letter or the valuation reports. Any liability on the part of the JLL group, its employees, officers, servants and its agents for any claim arising out of or in connection with this summary letter or the valuation reports, other than liability which is totally excluded by this clause and summary letter, shall not (whether or not such liability results from or involves negligence) exceed $1,000.

Yours faithfully
Jones Lang LaSalle Advisory Services Pty Limited

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COMMERCIAL
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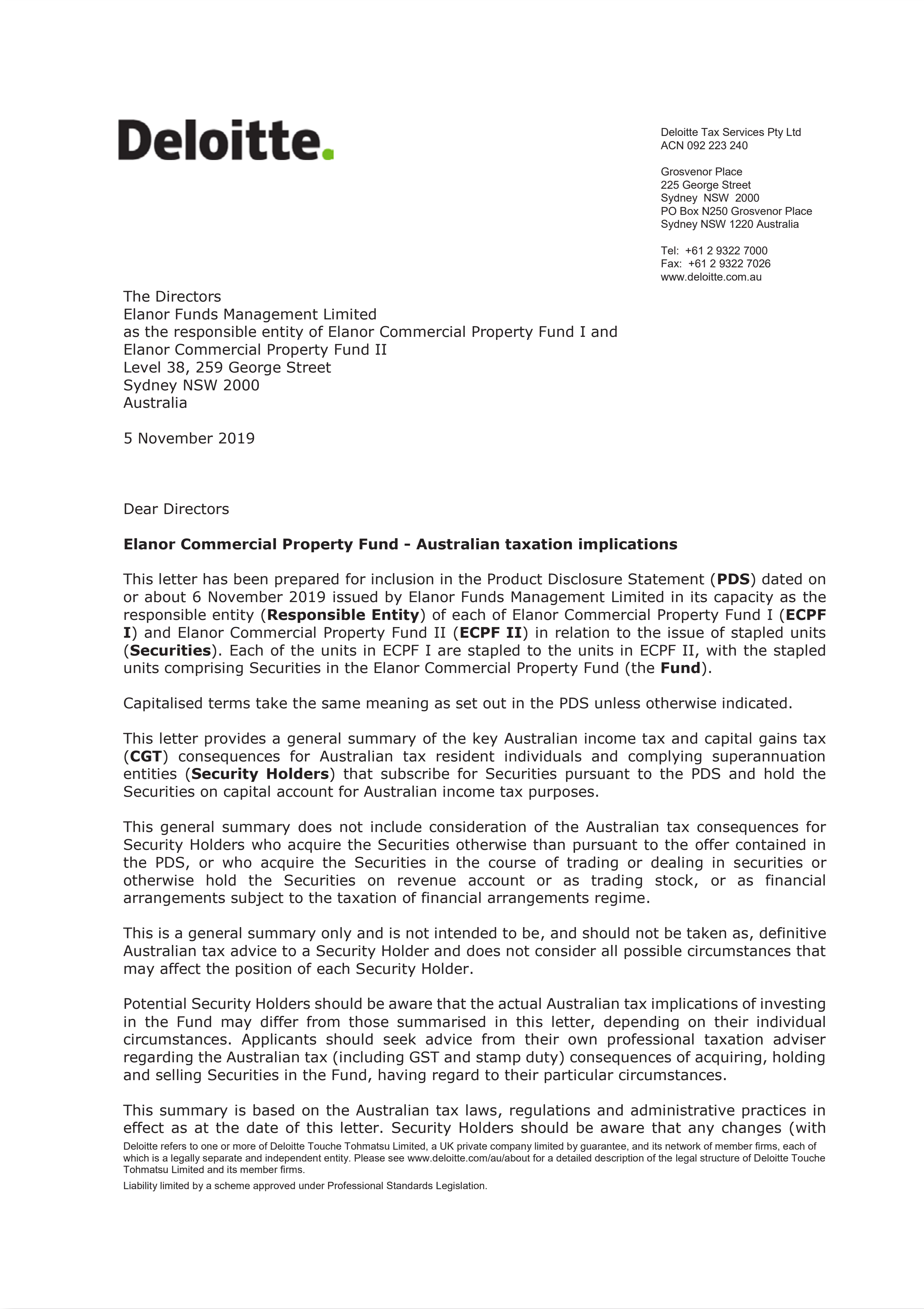
12. TAXATION IMPLICATIONS



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The Directors
Elanor Funds Management Limited
as the responsible entity of Elanor Commercial Property Fund I and
Elanor Commercial Property Fund II
Level 38, 259 George Street
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5 November 2019

Dear Directors

Elanor Commercial Property Fund - Australian taxation implications

This letter has been prepared for inclusion in the Product Disclosure Statement (**PDS**) dated on or about 6 November 2019 issued by Elanor Funds Management Limited in its capacity as the responsible entity (**Responsible Entity**) of each of Elanor Commercial Property Fund I (**ECPF I**) and Elanor Commercial Property Fund II (**ECPF II**) in relation to the issue of stapled units (**Securities**). Each of the units in ECPF I are stapled to the units in ECPF II, with the stapled units comprising Securities in the Elanor Commercial Property Fund (the **Fund**).

Capitalised terms take the same meaning as set out in the PDS unless otherwise indicated.

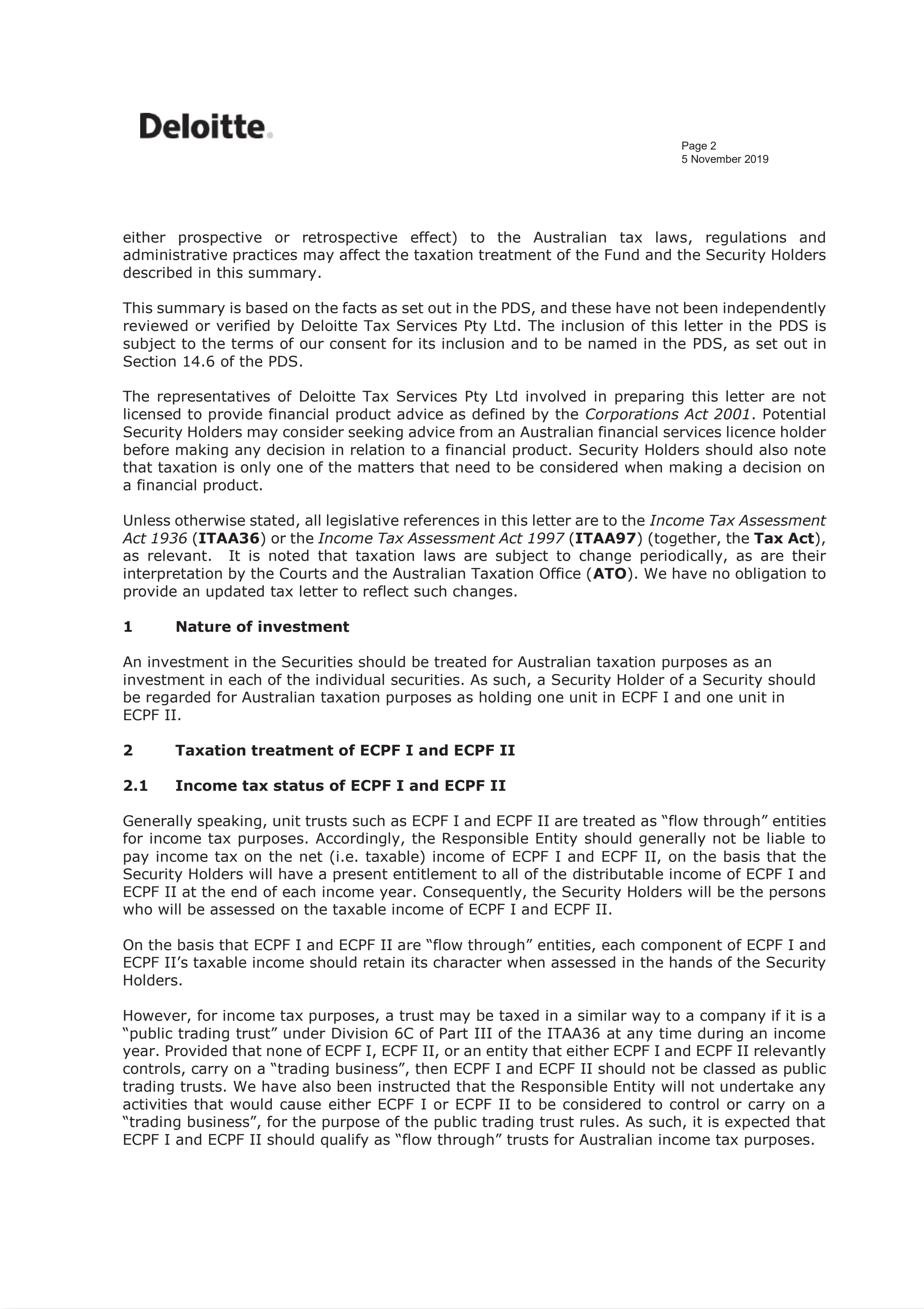
This letter provides a general summary of the key Australian income tax and capital gains tax (**CGT**) consequences for Australian tax resident individuals and complying superannuation entities (**Security Holders**) that subscribe for Securities pursuant to the PDS and hold the Securities on capital account for Australian income tax purposes.

This general summary does not include consideration of the Australian tax consequences for Security Holders who acquire the Securities otherwise than pursuant to the offer contained in the PDS, or who acquire the Securities in the course of trading or dealing in securities or otherwise hold the Securities on revenue account or as trading stock, or as financial arrangements subject to the taxation of financial arrangements regime.

This is a general summary only and is not intended to be, and should not be taken as, definitive Australian tax advice to a Security Holder and does not consider all possible circumstances that may affect the position of each Security Holder.

Potential Security Holders should be aware that the actual Australian tax implications of investing in the Fund may differ from those summarised in this letter, depending on their individual circumstances. Applicants should seek advice from their own professional taxation adviser regarding the Australian tax (including GST and stamp duty) consequences of acquiring, holding and selling Securities in the Fund, having regard to their particular circumstances.

This summary is based on the Australian tax laws, regulations and administrative practices in effect as at the date of this letter. Security Holders should be aware that any changes (with



either prospective or retrospective effect) to the Australian tax laws, regulations and administrative practices may affect the taxation treatment of the Fund and the Security Holders described in this summary.

This summary is based on the facts as set out in the PDS, and these have not been independently reviewed or verified by Deloitte Tax Services Pty Ltd. The inclusion of this letter in the PDS is subject to the terms of our consent for its inclusion and to be named in the PDS, as set out in Section 14.6 of the PDS.

The representatives of Deloitte Tax Services Pty Ltd involved in preparing this letter are not licensed to provide financial product advice as defined by the *Corporations Act 2001*. Potential Security Holders may consider seeking advice from an Australian financial services licence holder before making any decision in relation to a financial product. Security Holders should also note that taxation is only one of the matters that need to be considered when making a decision on a financial product.

Unless otherwise stated, all legislative references in this letter are to the *Income Tax Assessment Act 1936* (**ITAA36**) or the *Income Tax Assessment Act 1997* (**ITAA97**) (together, the **Tax Act**), as relevant. It is noted that taxation laws are subject to change periodically, as are their interpretation by the Courts and the Australian Taxation Office (**ATO**). We have no obligation to provide an updated tax letter to reflect such changes.

1 Nature of investment

An investment in the Securities should be treated for Australian taxation purposes as an investment in each of the individual securities. As such, a Security Holder of a Security should be regarded for Australian taxation purposes as holding one unit in ECPF I and one unit in ECPF II.

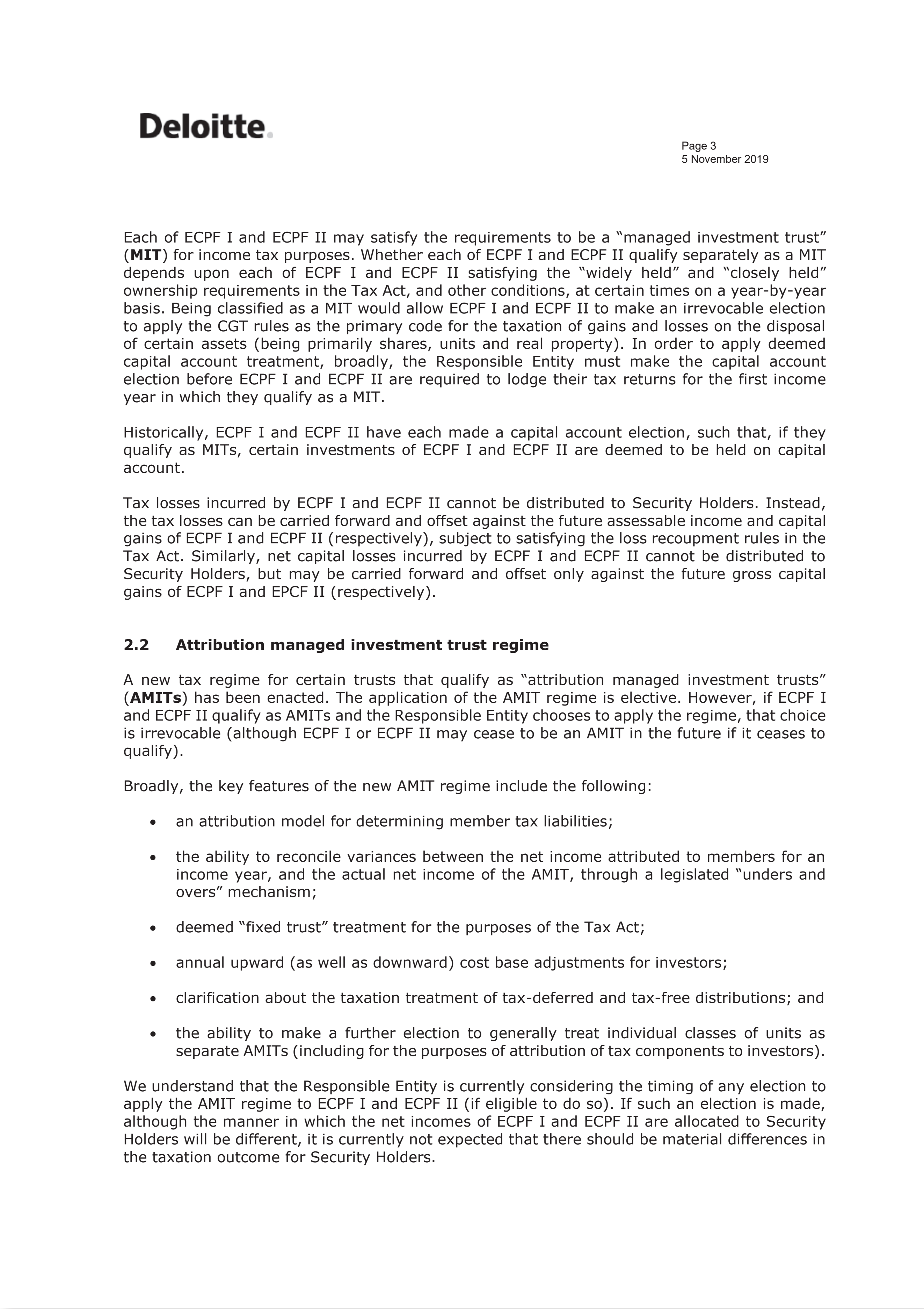
2 Taxation treatment of ECPF I and ECPF II

2.1 Income tax status of ECPF I and ECPF II

Generally speaking, unit trusts such as ECPF I and ECPF II are treated as “flow through” entities for income tax purposes. Accordingly, the Responsible Entity should generally not be liable to pay income tax on the net (i.e. taxable) income of ECPF I and ECPF II, on the basis that the Security Holders will have a present entitlement to all of the distributable income of ECPF I and ECPF II at the end of each income year. Consequently, the Security Holders will be the persons who will be assessed on the taxable income of ECPF I and ECPF II.

On the basis that ECPF I and ECPF II are “flow through” entities, each component of ECPF I and ECPF II’s taxable income should retain its character when assessed in the hands of the Security Holders.

However, for income tax purposes, a trust may be taxed in a similar way to a company if it is a “public trading trust” under Division 6C of Part III of the ITAA36 at any time during an income year. Provided that none of ECPF I, ECPF II, or an entity that either ECPF I and ECPF II relevantly controls, carry on a “trading business”, then ECPF I and ECPF II should not be classed as public trading trusts. We have also been instructed that the Responsible Entity will not undertake any activities that would cause either ECPF I or ECPF II to be considered to control or carry on a “trading business”, for the purpose of the public trading trust rules. As such, it is expected that ECPF I and ECPF II should qualify as “flow through” trusts for Australian income tax purposes.



Each of ECPF I and ECPF II may satisfy the requirements to be a "managed investment trust" (**MIT**) for income tax purposes. Whether each of ECPF I and ECPF II qualify separately as a MIT depends upon each of ECPF I and ECPF II satisfying the "widely held" and "closely held" ownership requirements in the Tax Act, and other conditions, at certain times on a year-by-year basis. Being classified as a MIT would allow ECPF I and ECPF II to make an irrevocable election to apply the CGT rules as the primary code for the taxation of gains and losses on the disposal of certain assets (being primarily shares, units and real property). In order to apply deemed capital account treatment, broadly, the Responsible Entity must make the capital account election before ECPF I and ECPF II are required to lodge their tax returns for the first income year in which they qualify as a MIT.

Historically, ECPF I and ECPF II have each made a capital account election, such that, if they qualify as MITs, certain investments of ECPF I and ECPF II are deemed to be held on capital account.

Tax losses incurred by ECPF I and ECPF II cannot be distributed to Security Holders. Instead, the tax losses can be carried forward and offset against the future assessable income and capital gains of ECPF I and ECPF II (respectively), subject to satisfying the loss recoupment rules in the Tax Act. Similarly, net capital losses incurred by ECPF I and ECPF II cannot be distributed to Security Holders, but may be carried forward and offset only against the future gross capital gains of ECPF I and EPCF II (respectively).

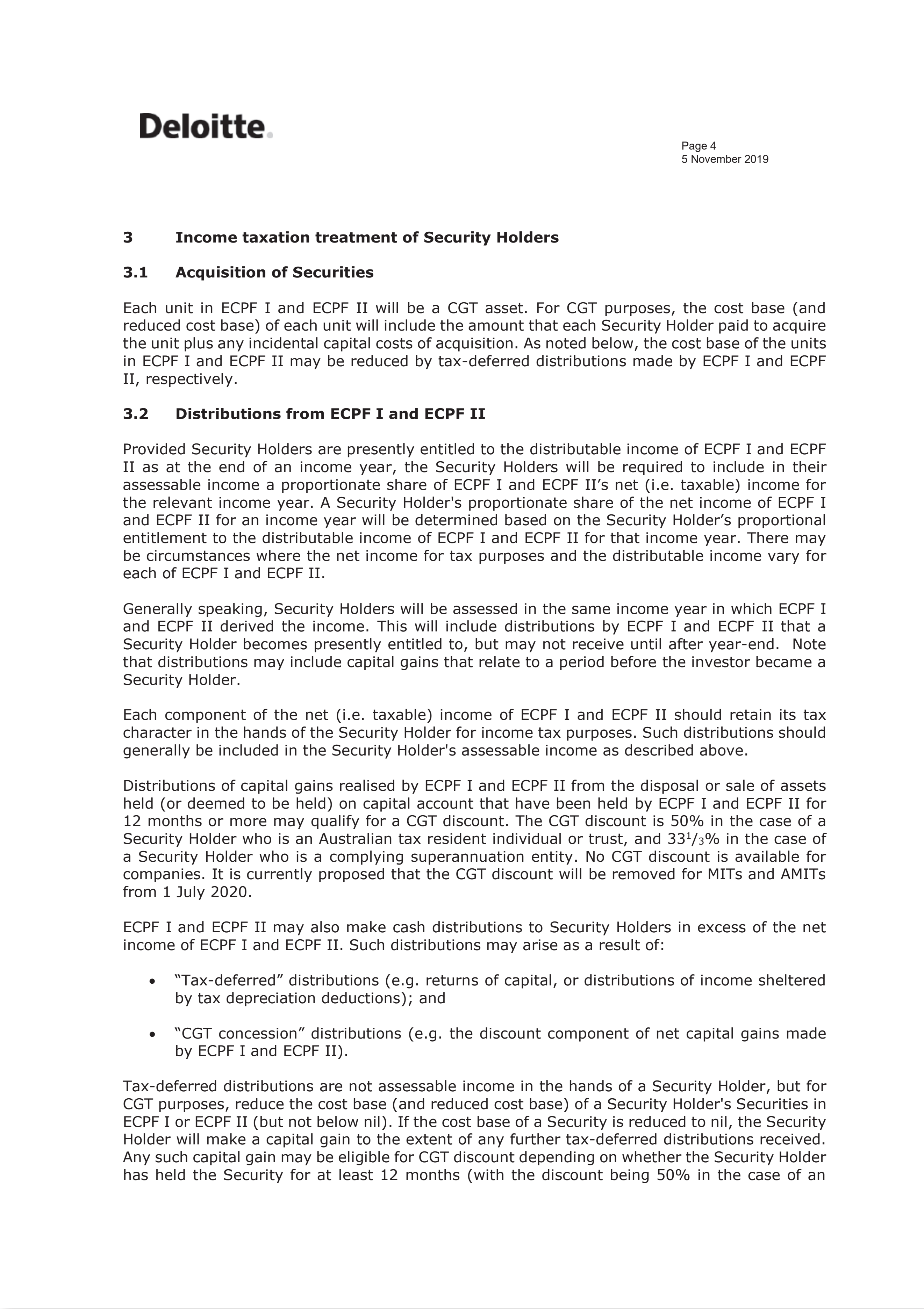
2.2 Attribution managed investment trust regime

A new tax regime for certain trusts that qualify as "attribution managed investment trusts" (**AMITs**) has been enacted. The application of the AMIT regime is elective. However, if ECPF I and ECPF II qualify as AMITs and the Responsible Entity chooses to apply the regime, that choice is irrevocable (although ECPF I or ECPF II may cease to be an AMIT in the future if it ceases to qualify).

Broadly, the key features of the new AMIT regime include the following:

- an attribution model for determining member tax liabilities;
- the ability to reconcile variances between the net income attributed to members for an income year, and the actual net income of the AMIT, through a legislated "unders and overs" mechanism;
- deemed "fixed trust" treatment for the purposes of the Tax Act;
- annual upward (as well as downward) cost base adjustments for investors;
- clarification about the taxation treatment of tax-deferred and tax-free distributions; and
- the ability to make a further election to generally treat individual classes of units as separate AMITs (including for the purposes of attribution of tax components to investors).

We understand that the Responsible Entity is currently considering the timing of any election to apply the AMIT regime to ECPF I and ECPF II (if eligible to do so). If such an election is made, although the manner in which the net incomes of ECPF I and ECPF II are allocated to Security Holders will be different, it is currently not expected that there should be material differences in the taxation outcome for Security Holders.



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3 Income taxation treatment of Security Holders

3.1 Acquisition of Securities

Each unit in ECPF I and ECPF II will be a CGT asset. For CGT purposes, the cost base (and reduced cost base) of each unit will include the amount that each Security Holder paid to acquire the unit plus any incidental capital costs of acquisition. As noted below, the cost base of the units in ECPF I and ECPF II may be reduced by tax-deferred distributions made by ECPF I and ECPF II, respectively.

3.2 Distributions from ECPF I and ECPF II

Provided Security Holders are presently entitled to the distributable income of ECPF I and ECPF II as at the end of an income year, the Security Holders will be required to include in their assessable income a proportionate share of ECPF I and ECPF II's net (i.e. taxable) income for the relevant income year. A Security Holder's proportionate share of the net income of ECPF I and ECPF II for an income year will be determined based on the Security Holder's proportional entitlement to the distributable income of ECPF I and ECPF II for that income year. There may be circumstances where the net income for tax purposes and the distributable income vary for each of ECPF I and ECPF II.

Generally speaking, Security Holders will be assessed in the same income year in which ECPF I and ECPF II derived the income. This will include distributions by ECPF I and ECPF II that a Security Holder becomes presently entitled to, but may not receive until after year-end. Note that distributions may include capital gains that relate to a period before the investor became a Security Holder.

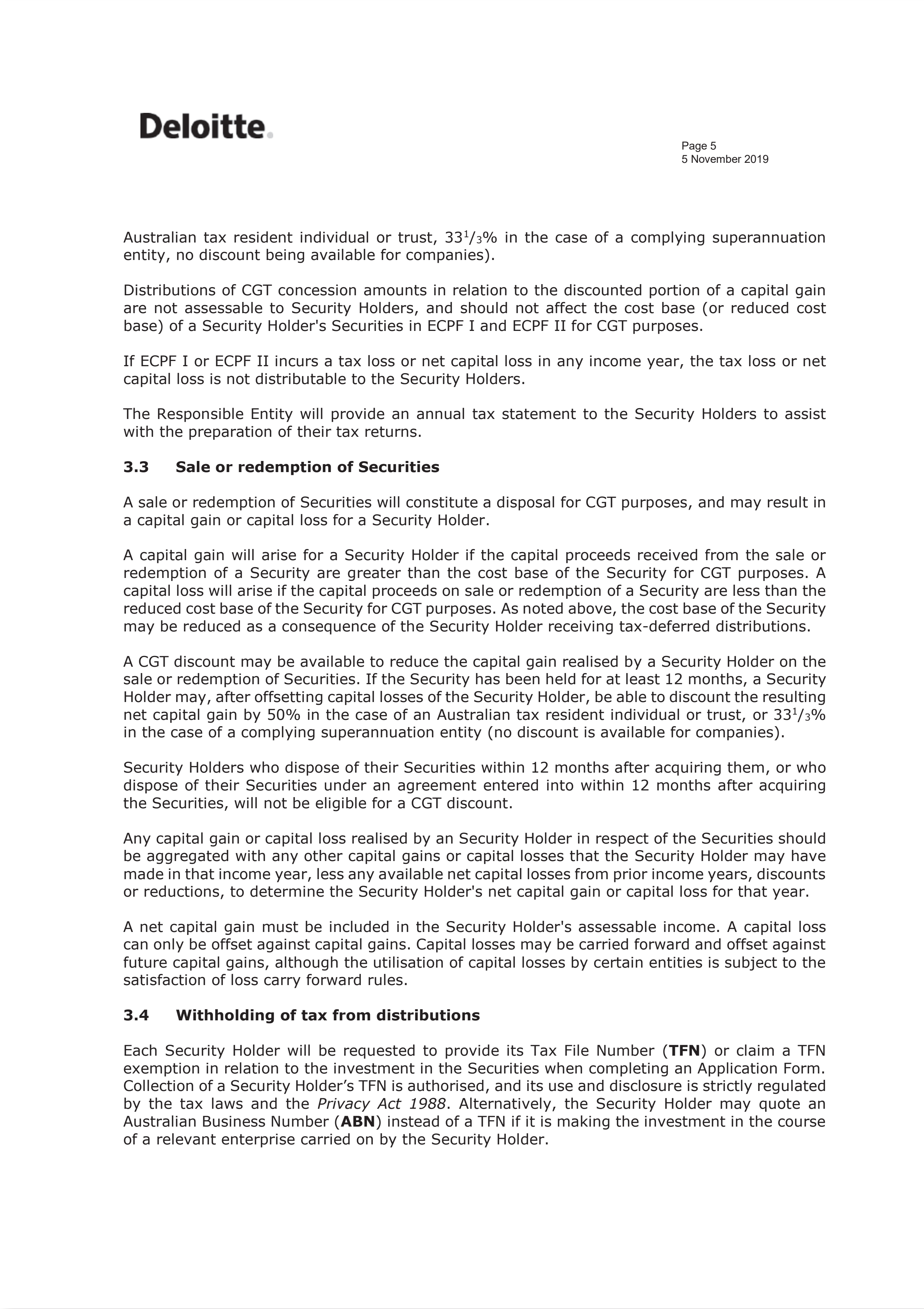
Each component of the net (i.e. taxable) income of ECPF I and ECPF II should retain its tax character in the hands of the Security Holder for income tax purposes. Such distributions should generally be included in the Security Holder's assessable income as described above.

Distributions of capital gains realised by ECPF I and ECPF II from the disposal or sale of assets held (or deemed to be held) on capital account that have been held by ECPF I and ECPF II for 12 months or more may qualify for a CGT discount. The CGT discount is 50% in the case of a Security Holder who is an Australian tax resident individual or trust, and $33^{1}/_{3}$% in the case of a Security Holder who is a complying superannuation entity. No CGT discount is available for companies. It is currently proposed that the CGT discount will be removed for MITs and AMITs from 1 July 2020.

ECPF I and ECPF II may also make cash distributions to Security Holders in excess of the net income of ECPF I and ECPF II. Such distributions may arise as a result of:

- "Tax-deferred" distributions (e.g. returns of capital, or distributions of income sheltered by tax depreciation deductions); and
- "CGT concession" distributions (e.g. the discount component of net capital gains made by ECPF I and ECPF II).

Tax-deferred distributions are not assessable income in the hands of a Security Holder, but for CGT purposes, reduce the cost base (and reduced cost base) of a Security Holder's Securities in ECPF I or ECPF II (but not below nil). If the cost base of a Security is reduced to nil, the Security Holder will make a capital gain to the extent of any further tax-deferred distributions received. Any such capital gain may be eligible for CGT discount depending on whether the Security Holder has held the Security for at least 12 months (with the discount being 50% in the case of an



Australian tax resident individual or trust, $33^{1}/_{3}\%$ in the case of a complying superannuation entity, no discount being available for companies).

Distributions of CGT concession amounts in relation to the discounted portion of a capital gain are not assessable to Security Holders, and should not affect the cost base (or reduced cost base) of a Security Holder's Securities in ECPF I and ECPF II for CGT purposes.

If ECPF I or ECPF II incurs a tax loss or net capital loss in any income year, the tax loss or net capital loss is not distributable to the Security Holders.

The Responsible Entity will provide an annual tax statement to the Security Holders to assist with the preparation of their tax returns.

3.3 Sale or redemption of Securities

A sale or redemption of Securities will constitute a disposal for CGT purposes, and may result in a capital gain or capital loss for a Security Holder.

A capital gain will arise for a Security Holder if the capital proceeds received from the sale or redemption of a Security are greater than the cost base of the Security for CGT purposes. A capital loss will arise if the capital proceeds on sale or redemption of a Security are less than the reduced cost base of the Security for CGT purposes. As noted above, the cost base of the Security may be reduced as a consequence of the Security Holder receiving tax-deferred distributions.

A CGT discount may be available to reduce the capital gain realised by a Security Holder on the sale or redemption of Securities. If the Security has been held for at least 12 months, a Security Holder may, after offsetting capital losses of the Security Holder, be able to discount the resulting net capital gain by 50% in the case of an Australian tax resident individual or trust, or $33^{1}/_{3}\%$ in the case of a complying superannuation entity (no discount is available for companies).

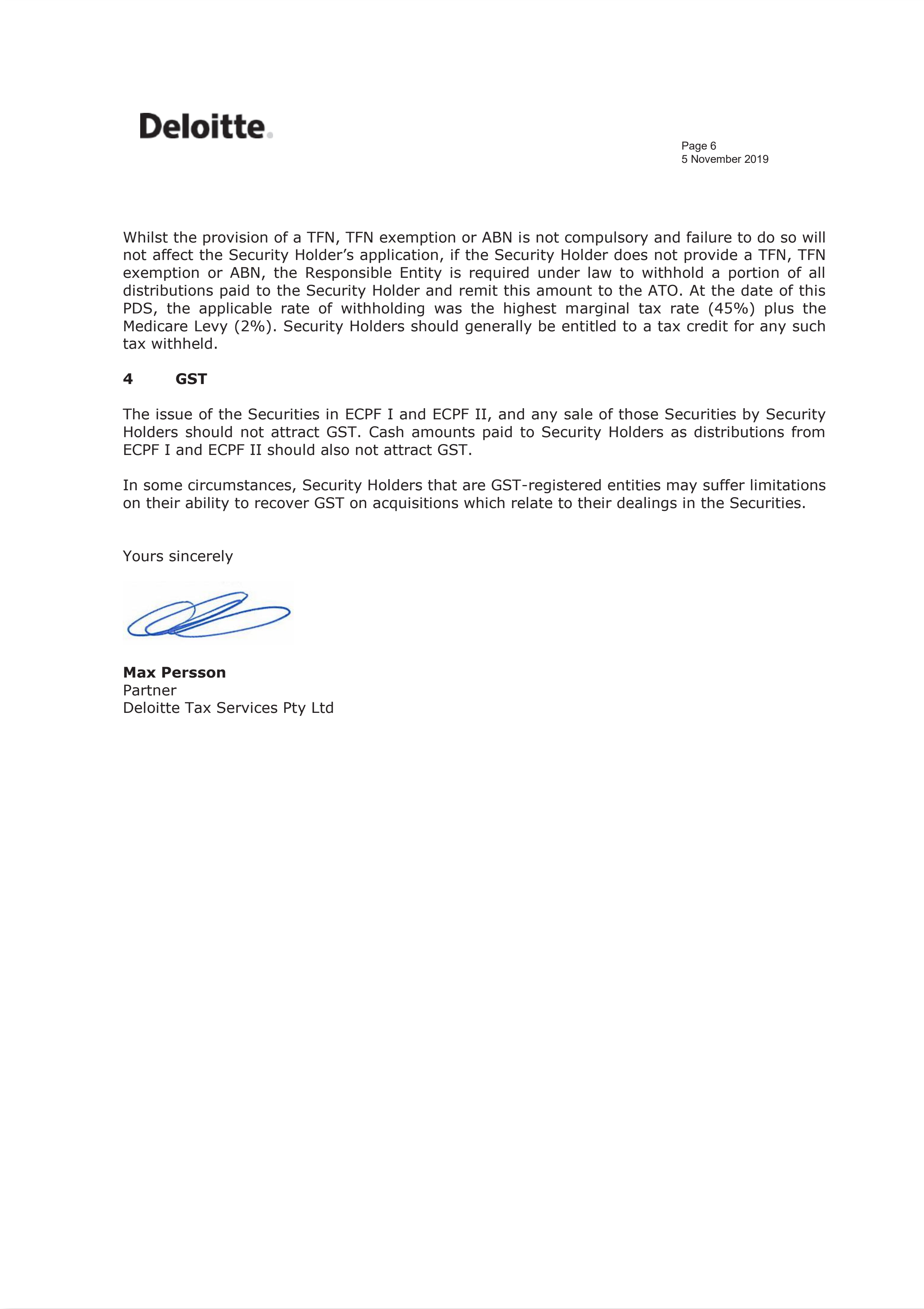
Security Holders who dispose of their Securities within 12 months after acquiring them, or who dispose of their Securities under an agreement entered into within 12 months after acquiring the Securities, will not be eligible for a CGT discount.

Any capital gain or capital loss realised by an Security Holder in respect of the Securities should be aggregated with any other capital gains or capital losses that the Security Holder may have made in that income year, less any available net capital losses from prior income years, discounts or reductions, to determine the Security Holder's net capital gain or capital loss for that year.

A net capital gain must be included in the Security Holder's assessable income. A capital loss can only be offset against capital gains. Capital losses may be carried forward and offset against future capital gains, although the utilisation of capital losses by certain entities is subject to the satisfaction of loss carry forward rules.

3.4 Withholding of tax from distributions

Each Security Holder will be requested to provide its Tax File Number (**TFN**) or claim a TFN exemption in relation to the investment in the Securities when completing an Application Form. Collection of a Security Holder’s TFN is authorised, and its use and disclosure is strictly regulated by the tax laws and the *Privacy Act 1988*. Alternatively, the Security Holder may quote an Australian Business Number (**ABN**) instead of a TFN if it is making the investment in the course of a relevant enterprise carried on by the Security Holder.



Whilst the provision of a TFN, TFN exemption or ABN is not compulsory and failure to do so will not affect the Security Holder's application, if the Security Holder does not provide a TFN, TFN exemption or ABN, the Responsible Entity is required under law to withhold a portion of all distributions paid to the Security Holder and remit this amount to the ATO. At the date of this PDS, the applicable rate of withholding was the highest marginal tax rate (45%) plus the Medicare Levy (2%). Security Holders should generally be entitled to a tax credit for any such tax withheld.

4 GST

The issue of the Securities in ECPF I and ECPF II, and any sale of those Securities by Security Holders should not attract GST. Cash amounts paid to Security Holders as distributions from ECPF I and ECPF II should also not attract GST.

In some circumstances, Security Holders that are GST-registered entities may suffer limitations on their ability to recover GST on acquisitions which relate to their dealings in the Securities.

Yours sincerely

Max Persson
Partner
Deloitte Tax Services Pty Ltd

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Elanor COMMERCIAL PROPERTY FUND

13. SUMMARY OF IMPORTANT DOCUMENTS

Set out below are summaries of the key aspects of certain material contracts relating to the Fund in connection with the Proposed Transaction and arrangements with Elanor Investors Group, together with a summary of the Debt Facilities, the Constitutions and the Underwriting Agreement.

13.1 SUMMARY OF CONSTITUTIONS

The Constitutions of the Trusts are designed to provide for the operation of the Stapled Entities. A general summary of the rights attaching to the Securities and other key provisions of the Constitutions are set out below. This summary is not intended to be exhaustive and its qualified by the Constitutions, Corporations Act, exemptions and declarations by ASIC, Listing Rules, waivers by ASX and the general law.

13.1.1 UNITS

The beneficial interest in the Trust is divided into Units. Each fully paid Unit confers an equal undivided interest and a partly paid Unit confers an interest of the same nature which is proportionate according to the amount of the application price that has been paid on the Unit. A Unit confers an interest in the assets of the Trust as a whole, subject to the liabilities. It does not confer an interest in a particular asset of the Trust. The Responsible Entity may issue options and financial instruments in accordance with the Constitution.

13.1.2 INCOME AND DISTRIBUTIONS

The Responsible Entity must determine the distributable income of the Trust for each distribution period. Unless the Responsible Entity determines otherwise, distributable income is the amount equal to the greater of:

- the amount calculated in accordance with generally accepted accounting principles as the income of the Trusts for the Financial Year excluding any notional amounts and non-cash amounts such as unrealised asset revaluation amounts; or
- the amount equal to the net income of the Trust (as defined in section 95 of the Income Tax Assessment Act 1936 (Cth)) for the distribution period excluding any notional amounts and non-cash amounts such as franking credits and the amount of $1.

Unless expressly determined otherwise by the Responsible Entity before the end of a Financial Year, the distributable income for that Financial Year shall not in any event be less than the amount that the Responsible Entity must distribute if it is not to be assessable (or liable to pay more Tax than the minimum amount of Tax properly assessable) on any portion of the net income of the Trust (as defined in section 95 of the Income Tax Assessment Act 1936 (Cth)).

13.1.3 TRANSFER OF UNITS

If the Units are not officially quoted, transfer may be effected by instruments of transfer that are in accordance with the Constitution and in a manner prescribed by the Responsible Entity. While the Units are officially quoted, Units may be transferred in any manner prescribed by the Responsible Entity subject to the Constitution and the Operating Rules.

13.1.4 REDEMPTIONS

While Units are not officially quoted, a Securityholder may make a redemption request in respect of some or all of their Units by giving the Responsible Entity notice in writing of the request, or in any manner approved by the Responsible Entity. While the Trust is listed and the Units are not Stapled, the Responsible Entity may, subject to and in accordance with the Corporations Act (including any ASIC relief) and any requirements under the Operating Rules, purchase Units and cause the Units to be cancelled. While the Trust is listed on ASX and the Units are Stapled, the Responsible Entity may, subject to the Corporations Act and the Listing Rules, purchase Securities on the ASX or any other financial market on which the trading of Securities is permitted, and also off-market.

13.1.5 POWERS OF THE RESPONSIBLE ENTITY

The Responsible Entity in its capacity as trustee of the Trust has power to:

- invest in, dispose of or otherwise deal with property and rights in its absolute discretion, including the power to invest in a controlled entity and derivatives;
- borrow or raise money whether or not on security of the assets of the Trust;
- incur all types of obligations and liabilities including guarantees;
- enter into an arrangement with a person to underwrite the subscription or purchase of Units, options or financial instruments on such terms as the Responsible Entity determines;
- apply for quotation of any Units, options or financial instruments on any exchange where similar instruments are listed and traded; and
- enter into management agreements in respect of the Portfolio.

The Responsible Entity may authorise any person to act as its agent or delegate (in the case of a joint appointment, jointly and severally) to hold title to any asset of the Trust, perform any act or exercise any discretion within the Responsible Entity's power, including the power to appoint in turn its own agent or delegate.

13.1.6 MEETINGS

The Responsible Entity may at any time convene a meeting of Securityholders and must do so if the Corporations Act or the ASX Operating Rules require.

13.1.7 LIMITATION OF LIABILITY AND INDEMNITY IN FAVOUR OF RESPONSIBLE ENTITY

Subject to the Corporations Act, whilst the Responsible Entity acts in good faith and in the proper performance of its duties, the Responsible Entity is not liable in contract, tort or otherwise to Securityholders for any loss suffered in any way relating to the Trust.

Subject to the Corporations Act, the liability of the Responsible Entity to any person other than a Securityholder in respect of the Trusts is limited to the amount the Responsible Entity actually receives under its right to be indemnified from the assets of the Trust.

The Responsible Entity is entitled to be indemnified out of the assets of the Trust for any liability incurred by it in properly performing any of its duties in relation to the Trust, or by, to the extent permitted by the Corporations Act, any liability incurred as a result of any act or omission of a delegate or agent appointed by the Responsible Entity.

13.1.8 LIABILITY OF SECURITYHOLDERS

In the absence of a separate agreement with a Securityholder or creditor, the recourse of the Responsible Entity and any creditor of the Trust against a Securityholder in connection with the Trust is limited to the assets of the Trust. The liability of a Securityholder is limited to the amount, if any, which remains unpaid in relation to the Securityholder's subscription for their Units. However, the Responsible Entity is entitled to be indemnified by a Securityholder or former Securityholder to the extent that the Responsible Entity incurs any liability for tax or user pays fees as a result of the Securityholder's action or inaction, or as a result of an act or omission requested by the Securityholder or former Securityholder.

The Responsible Entity is also entitled to be indemnified by a Securityholder or former Securityholder for any tax payable by the Responsible Entity and any related costs as a result of the operation of the Attribution Managed Investment Trust (AMIT) regime to the extent that the tax reasonably related to the Securities held by the Securityholder.

The Responsible Entity may satisfy the amount indemnified in relation to tax or user pay fees by way of a reduction of payments otherwise due from the Responsible Entity to the Securityholder or former Securityholder or by way of a redemption of a number of Securities held by the Securityholder as results in a satisfaction of the amount indemnified. A Securityholder need not indemnify the Responsible Entity if there is a deficiency in the assets of the Trust or meet the claim of any creditor of the Responsible Entity in respect of the Trust. However, the effectiveness of these provisions has not been tested in superior courts.

13.1.9 FEES AND EXPENSES

The Responsible Entity is entitled to receive a management fee in connection with the provision of the services to the Trust. Details of these fees are set out in Section 9.3.3. The Responsible Entity is also entitled to receive certain fees on Completion of the Proposed Transaction. All expenses incurred by the Responsible Entity including, those in connection with the establishment, promotion and operation of the Trust, in properly performing its duties are payable or can be reimbursed out of the assets of the Trust.

WINDING UP

On the winding up of the Trust, each Securityholder is entitled to receive an amount of the net proceeds of realisation, after making allowance for all liabilities and expenses of the Trust, proportionate to the number of Units held.

The Responsible Entity may commence winding up of the Trust in accordance with the termination procedure set out in the Trust Constitution on the earliest of:

- the day before 80 years after the Trust is established;
- the date specified by the Responsible Entity as the date of termination of the Trust in a notice given to Securityholders; and
- the date on which the Responsible Entity commences termination or winding up of the Trust in accordance with the Trust Constitution or by law.

AMENDMENT TO CONSTITUTION

If the Corporations Act allows, the Trust Constitution may be amended by a resolution passed at a meeting of Securityholders of the Trust or by deed executed by the Responsible Entity. The Responsible Entity has power to amend the Stapling Provisions or any other part of the Trust Constitution to allow for the Stapling of a new Attached Security to the Securities already in existence. The Responsible Entity also has the power to amend the Trust Constitution as the Responsible Entity considers necessary or desirable to facilitate compliance with and the effective operation of the Trust as an AMIT for the purposes of the AMIT regime, and may do so without seeking approval from Securityholders, subject to the Corporations Act as modified by any applicable ASIC relief.

13.2 STAPLING PROVISIONS UNDER THE CONSTITUTIONS

13.2.1 GENERAL

The Stapling provisions in the Constitutions prevail over all other provisions of the Constitutions (except to the extent provided in the Constitutions or where it would result in a breach of the Corporations Act, the Listing Rules or any other law).

13.2.2 INTENTION

The intention of the Stapling Provisions is to ensure that to the extent permitted by law, each Security will be treated as one security.

13.2.3 STAPLING ARRANGEMENTS

Under the Stapling Provisions:

- **(Stapling)** each component of a Security must be Stapled to each other component of the Security;
- **(No issue)** a Stapled Entity must not offer or issue a component of a Security, or any option or rights to such a component without a corresponding and simultaneous offer or issue being made in respect of each other component of the Security;
- **(No transfer)** a Stapled Entity must not register any transfer of a component of a Security without a corresponding and simultaneous transfer of each other component of the Security;
- **(Corporate action)** a Stapled Entity must not cancel, buy-back or redeem a component of a Security without a corresponding and simultaneous corporate action being made in respect of each other component of the Security;
- **(New Attached Securities)** a Stapled Entity may cause a security to be Stapled to a Security (**a New Attached Security**) provided certain conditions are satisfied including:
  - the New Attached Security is (or will be) quoted on the Official List;
  - ASX has indicated that it will approve the Stapling of the New Attached Security to the Securities;

  - each Stapled Entity (excluding the issuer of the New Attached Security) has agreed to the Stapling of the New Attached Security and that the Stapling of the New Attached Security is in the best interests of Securityholders as a whole and is consistent with the then investment objectives of the Stapled Entities and any subsidiary of the Stapled entities;
  - the constituent documents for the New Attached Security have provisions giving effect to the Stapling;
  - the issuer of the New Attached Security has agreed to enter into a deed with the other Stapled entities acceding to the Stapling Deed;
  - where the New Attached Security is partly paid, or approval from Securityholders is required to give effect to the transaction, approval of the Securityholders has been obtained; and
  - the number of New Attached Securities is identical to the number of Securities on issue.
- **(Unstapling by Stapled Entities)** a component of the Securities may be unstapled if:
  - ASX has indicated that it will approve such unstapling and the remaining components remain quoted on the Official List as a Security;
  - each Stapled Entity has agreed to the unstapling and such unstapling is not contrary to the interests of Securityholders as a whole and is consistent with the then investment objectives of the Stapled Entities and any subsidiary of the Stapled entities; and
  - the Stapling Provisions will terminate in respect of the component of the Security that has been unstapled;
- **(Restapling)** if a component of the Security becomes unstapled, the Stapled Entity of the unstapled component may subsequently determine that the Stapling Provisions should recommence in respect of that unstapled component;
- **(Unstapling in the event of an unstapling event)** where a special resolution of the members of each Stapled Entity is passed to unstaple the Securities, stapling becomes unlawful or prohibited under the Listing Rules, or a winding up is commenced in respect of a Stapled Entity, the Securities will be unstapled, provided that:
  - ASX has indicated in writing that it will grant permission for the unstapling of the Security; and
  - each Stapled Entity has agreed to the unstapling and that the unstapling is not contrary to the interests of Securityholders as a whole;
- **(Capital reallocation)** Subject to the Corporations Act and the Listing Rules a Stapled Entity may make a capital payment to another Stapled Entity as part of a Capital Reallocation. If a stapled entity makes a capital payment to another Stapled Entity as a capital reallocation amount:
  - each Securityholder is taken to have directed the Stapled Entity to accept that capital reallocation amount;
  - the Stapled Entity must apply that amount as an additional capital payment in respect of each Unit which is Stapled to a Security of the Stapled Entity making the capital payment equally in respect of each Unit; and
  - after the unstapling, the Stapling Provisions cease to have effect in respect of that component of the Security;
- **(Meetings)** meetings of each Stapled Entity may be held in conjunction with the meetings of each other Stapled Entity; and
- **(Interests of Securityholders)** each Stapled Entity may, subject to the Corporations Act and the terms of any applicable ASIC relief, have regard to the interests of Securityholders as a whole and not only to the interests of holders of each component of the Security.

13.2.4 STAPLING MATTERS

The Stapling Provisions also provide that by acquiring a Security, each Securityholder will be taken to have consented to each provision in the constituent documents, including without limitation:

- the stapling of the Securities;
- any reorganisation proposal of the Securities (subject to an ordinary resolution if required by the constituent document of the relevant Stapled Entity);

- the disposal of any partly paid Security on which an instalment is due and payable but unpaid, or in respect of which a call has been validly made but remains unpaid by the due date for payment;
- the disposal of any small holding of Securities that is less than a marketable parcel;
- the restrictions on Securities that are "restricted securities", as that term is defined in the Listing Rules;
- the stapling of New Attached Securities to the Securities;
- the Securityholder becoming a member of any new stapled entity and being bound by the constituent documents for any New Attached Security;
- the unstapling of one or more Securities;
- the restapling of a Security; and
- the reallocation of capital between the Stapled Entities,

(each a **Stapling Matter**).

13.2.5 POWERS OF ATTORNEY

In respect of each Stapling Matter, each Securityholder irrevocably appoints the Stapled Entity as the Securityholder's agent and attorney in the Securityholder's name and on the Securityholder's behalf to do all acts and things and execute all documents which the Stapled Entity, in consultation with each other Stapled Entity, considers necessary, desirable or reasonably incidental to effect any Stapling Matter, and proxy to vote at any meeting in favour of a resolution to effect a Stapling Matter.

13.2.6 NEW ATTACHED SECURITIES

A Stapled Entity has the power to do all things considered necessary, desirable or reasonably incidental to give effect to the Stapling of New Attached Securities to the Security. A New Attached Security may be transferred to a Securityholder by any means and in any manner, including but not limited to any combination of issue, sale, reduction of capital, distribution in kind or transfer.

13.2.7 PARTLY PAID SECURITIES

A Security may be offered on terms that the offer price is payable by one or more instalments. If a call has been validly made on a Security but is unpaid by the due date for payment, the Security may be sold (Defaulted Security). Interest accrues on the unpaid amount of the call and subject to the Listing Rules, the Corporations Act and constituent documents all voting rights, entitlements to Distributions and any other rights in respect of the Defaulted Security are suspended.

13.2.8 APPLICATION PRICE

The Stapled Entities may agree how the application price for a Security will be allocated between the application price of each component of the Security, and in the absence of agreement will allocate in accordance with certain mechanisms set out in the Constitutions.

13.3 STAPLING DEED

13.3.1 CO-OPERATION

Each Stapled Entity is a party to the Stapling Deed. The Stapling Deed provides that the Stapled Entities must cooperate in respect of all matters necessary to ensure that the Units of each Stapled Entity are Stapled and in respect of all matters relating to the Securities.

Under the Stapling Deed, each Stapled Entity must:

- agree from time to time what part of the amount payable for the issue of a Security is to represent the issue price of each component security of the Security;
- consult prior to making any calls in respect of any partly paid securities it issues to Securityholders;
- notify each other Stapled Entity if it proposes to take action under its constitution to forfeit and offer for sale any of its securities;
- obtain the consent of each other Stapled Entity prior to announcing or paying a distribution or dividend, in relation to the operation of any dividend or distribution reinvestment policy or plan or bonus security plan or undertaking a placement or rights issue, buying-back, repurchasing, cancelling or redeeming any component securities of a Security;
- not, and must procure that its controlled entities do not, acquire or dispose of an asset the value of which is 5% or greater of the net tangible assets of that Stapled Entity without first giving 10 days prior written notice to, and consulting with, each other Stapled Entity;
- obtain the consent of each other Stapled Entity before Stapling another entity's securities to its securities, effecting any reorganisation or restructure of its capital or effecting any changes to the stapling arrangements contemplated by the Stapling Deed in order to comply with or overcome the adverse effect of any law, regulation or rule;
- maintain, or procure the maintenance of, a register of Securityholders and ensure that it is entirely consistent with the register of holders of its securities;
- make available to each other Stapled Entity all information and provide all assistance in relation to the preparation of financial accounts relating to the Stapled Group; and
- not, and must procure that its controlled entities do not, borrow or raise money without consulting with each other Stapled Entity.

Each Stapled Entity agrees to:

- act with a view to enhancing the value of the Securities;
- share information with each other Stapled Entity;
- adopt the valuation policies and methods of ECF II; and
- co-ordinate Securityholder meetings.

13.3.2 FINANCIAL OBLIGATIONS

If any loans or other financial accommodation are undertaken jointly by the Stapled Entities, or if any guarantee or security is given in respect of the loans or other financial accommodation of another Stapled Entity, whichever Stapled Entity receives the proceeds of the loan or financial accommodation must repay the loan or financial accommodation, pay all fees, interest, expenses and other amounts in respect of the loan or financial accommodation and indemnify the other Stapled Entities for such amounts.

13.3.3 FINANCIAL BENEFITS

Each Stapled Entity agrees with each other Stapled Entity that, to the maximum extent permitted by law, if called upon by the other, it must, if it or its controlled entities are reasonably capable of doing so on the terms and conditions proposed by the other party, enter into any agreement, document or arrangement and consider doing any act, matter or thing at the request or direction of the other in respect of lending money, guaranteeing or providing security for any loan, issuing redeemable preference securities or any other form or securities, entering into any joint borrowing with the other and guaranteeing the obligations of or providing an indemnity or undertaking to a third party in respect of the obligations of the other or any of its controlled entities or any other person.

13.3.4 CONSTITUTIONS TO PREVAIL

If there is any inconsistency between the Stapling Deed and the Constitutions, the provisions of the Constitutions apply to the extent of the inconsistency.

13.3.5 DISPUTES

A Stapled Entity claiming that a dispute has arisen out of the Stapling Deed must notify each other Stapled Entity in writing. Each party to the dispute must use its best endeavours to resolve the dispute within 10 Business Days of all parties receiving notice of the dispute. If the parties do not resolve the dispute, the chief executive officer or other senior employee must negotiate in good faith to resolve the dispute for a period of 10 Business Days. A Stapled Entity must not commence court proceedings about a dispute arising out of the Stapling Deed unless it first complies with the above steps, except where it seeks urgent injunctive relief or the dispute relates to compliance with these steps.

13.3.6 LIMITATION OF LIABILITY OF TRUSTEE

The Stapled Entities other than the Responsible Entity may enforce their rights against the Responsible Entity arising from non-performance of its obligations under the Stapling Deed only to the extent that the Responsible Entity is indemnified out of the assets of the Trust.

13.4 IMPLEMENTATION DEED

Under the Implementation Deed, and subject to certain conditions precedent, the Responsible Entity on behalf Elanor Commercial Property Fund and related parties of the Elanor Investors Group have agreed to a reorganisation of part of the structure of the Elanor Commercial Property Fund for the purposes of the Offer. The reorganisation relates to the consolidation of existing units in the Fund, and the acquisition of the 48.5% minority interest in the WorkZone West Asset and is dependent upon all of the existing minority investors accepting the terms of the reorganisation and the success of this Offer. Under the Implementation Deed, the parties agree to execute and deliver to the Responsible Entity (or, in the case of the Responsible Entity, retain) certain specified documents (Implementation Documents) and to take certain actions which will, upon becoming effective on the terms of the Implementation Deed, effect that reorganisation. Under the reorganisation, to acquire the minority interest in the WorkZone West Asset not already owned, the Fund is proposing to acquire and hold 100% of the units in the trust which currently holds the minority interest. Elanor Investment Nominees Pty Limited (ACN 602 165 971), a wholly owned subsidiary of Elanor, will be appointed as trustee of the trust under a Deed of Retirement and Appointment which takes effect at Completion under the Implementation Deed. At that time, the minority interests will be redeemed and the Fund will hold 100% of the interests in, and control the operation of, the trust and the WorkZone West Asset. The costs for the Fund of acquiring the minority interest will be $33 million.

13.4.1 CONDITIONS PRECEDENT

On execution and delivery of the Implementation Documents, the Responsible Entity will hold the Implementation Documents in escrow in accordance with the terms of the Implementation Deed. No Implementation Documents will be effective, binding or enforceable, and may not be released from escrow, until customary conditions precedent are satisfied or waived, including:

- all consents have been obtained from third parties which are necessary for the purposes of the Proposed Transaction or any transaction in connection with the Proposed Transaction (as determined by the Responsible Entity in its absolute discretion); and
- the chairperson of the due diligence committee formed in respect of the Offer has given notice to the Responsible Entity consenting to the release of the Implementation Documents from escrow.

13.4.2 LIMITATION OF LIABILITY

Any liability arising under or in connection with the Implementation Deed, in respect of a party which entered into the Implementation Deed in a trustee capacity, is limited and can only be enforced against the trustee to the extent that it can be satisfied out of the assets of the relevant trust of which the trustee is actually indemnified for the liability. However, such a party will be liable to the extent that the liability arises out of its own fraud, wilful default, negligence or breach of trust.

13.4.3 TERMINATION EVENTS

No party may terminate the Implementation Deed or the escrow arrangements, and no party may require the Responsible Entity to return to it any Implementation Document, except where any condition precedent has not been satisfied or waived by the sunset date, being 31 December 2019. In this event, each Implementation Document will fail to become effective and binding and must be destroyed or returned (as required under the terms of the Implementation Deed) to the party that delivered it. Immediately following the destruction or return of all Implementation Documents, the Implementation Deed will terminate.

13.5 COMPLIANCE PLAN

The Compliance Plan of the Trust describes the processes and procedures that the Responsible Entity will use to ensure compliance with its AFSL, the Constitutions, the Corporations Act, and relevant industry and internal standards.

Under the Compliance Plan, the Responsible Entity must have, in addition to the Audit and Risk Committee, a compliance manager who reviews compliance on an ongoing basis, reports on compliance matters to the Responsible Entity and acts on the recommendations of the Board.

You can inspect a copy of the Compliance Plan and Security Pricing Policy regarding the exercise of discretion under the Trust Constitutions which affect Security price calculations, valuation policy and other matters, free of charge at the offices of the Fund during business hours.

13.6 INVESTMENT MANAGEMENT AGREEMENT

The Responsible Entity has entered into an Investment Management Agreement with the Manager

13.6.1 MANAGEMENT SERVICES

Under the Investment Management Agreement, the Manager has been delegated the day-to-day control over the Fund and its controlled entities (the "Group") and the Group's Portfolio of assets, subject to the supervision and control of the Responsible Entity and the terms of the agreement.

Services to be provided by the Manager to the Fund and its controlled entities (the "Services") include investment management services with respect to dealings in the Group's assets, management of the equity and debt financing of the Group, day-to-day management of the Group's secretarial, accounting, administrative and reporting, management of auditors, advisers and other consultants, Securityholder relations and meetings, management of all compliance and contractual requirements, including with respect to ASX listing obligations, and other services agreed by the Manager and the Responsible Entity. The Manager is not required to provide any Services to the extent to that they would comprise services or activities that would require the Manager to hold an Australian Financial Services Licence or that the Responsible Entity cannot delegate to the Manager under law. The Manager will separately provide property management services to the Responsible Entity and the Group under the Property Management Agreement.

The Manager must act in accordance with the requirements of the Fund's investment policy and any applicable legal and other requirements. The Responsible Entity may at any time overrule the Manager to the extent that the Responsible Entity believes doing so is necessary or advisable to comply with any applicable requirement or in the best interests of the Securityholders. The Manager must also seek the approval of the Responsible Entity before incurring any expenditure in excess of $300,000 (excluding expenditure which has been agreed to by the Responsible Entity in the annual operating plan) and entering into any contract in the name of the Responsible Entity or any Group member to acquire or dispose of any asset for a consideration in excess of $7,000,000 (whereby both thresholds are increased annually by 5%).

13.6.2 EXCLUSIVITY

During the term of the Investment Management Agreement, the Responsible Entity must not appoint any other party to perform the Services except where it is necessary to comply with applicable law or regulation, the terms of the Fund's financing arrangements or other applicable requirements, or as otherwise permitted by the Manager.

The Manager and its associates may from time to time perform services for itself and other parties the same as or similar to the services provided under the Investment Management Agreement.

13.6.3 RIGHT OF FIRST OFFER

The Manager intends to first offer to the Fund any opportunity to acquire an investment in a stabilised metropolitan or prime regional commercial office building that the Manager identifies and which falls within the Fund's Investment strategy (subject to certain exceptions, including where the opportunity is subject to third party rights or the Manager or the Elanor Investors Group would be in breach of any law or document to do so).

13.6.4 TERM AND TERMINATION

The Investment Management Agreement commences on Allotment.

The initial term of the agreement is 10 years and is automatically extended for successive five year terms unless terminated by either the Manager or the Responsible Entity at least 12 months prior to the end of the initial term or any successive five year term. This means that the initial term of the agreement is at least 10 years unless otherwise terminated in one of the circumstances referred to below.

Where the Responsible Entity gives the required notice that it does not wish to extend the agreement at the end of a term, termination in this circumstance will give rise to the payment of a compensation amount to the Manager equal to 24 months' management fees under the agreement.

13.6.5 MANAGER'S TERMINATION RIGHTS

The Manager can terminate the Investment Management Agreement:

- at any time on 90 days' notice to the Responsible Entity, if there is a bona fide sale of all or substantially all of the assets of the Group to a third party on an arm's length basis; or
- immediately if:
  - there is a material default of the agreement by the Responsible Entity which is not rectified (including by way of payment of reasonable compensation) within 90 days of written notice from the Manager;
  - the Responsible Entity is insolvent (and is not replaced by another trustee within 60 days of becoming insolvent);
  - a Group entity is insolvent; or
  - without prior written approval of the Manager, there is a change of control of the Responsible Entity or the Fund, the Responsible Entity is replaced by a responsible entity that is not a member of the Elanor Investors Group or a winding-up of the Fund commences.

In addition, the Manager can terminate the agreement on 20 business days' notice where there is a variation to the investment policy of the Fund, and the Manager considers the variation will have a material effect on the Manager's obligations, liability or risk under the agreement.

Termination by the Manager in these circumstances will give rise to the payment of a compensation amount to the Manager equal to 24 months' management fees under the agreement.

13.6.6 RESPONSIBLE ENTITY'S TERMINATION RIGHTS

The Responsible Entity can terminate the Investment Management Agreement:

- on 90 days' notice to the Manager, if there is:
  - a bona fide sale of all or substantially all of the assets of the Group to a third party on an arm's length basis; or
  - a change of control of the Responsible Entity or the Fund, the Responsible Entity is replaced by a responsible entity that is not a member of the Elanor Investors Group or a winding-up of the Fund commences,

and in these circumstances, a compensation amount equal to 24 months' management fees under the agreement will be payable to the Manager; or

- immediately if:
  - there is a material default of the agreement by the Manager which is not rectified (including by way of payment of reasonable compensation) within 90 days of written notice from the Responsible Entity; or
  - the Manager is insolvent and is not replaced by the Elanor Investors Group with another manager within 60 days of becoming insolvent,

and in these circumstances, no compensation amount will be payable to the Manager.

13.6.7 MANAGEMENT FEE

The Manager is entitled to receive a Mangement Fee of 0.65% per annum of the GAV at thhe end of each calendar month payable monthly calculated based on the GAV at the end of each calendar month.

13.6.8 PERFORMANCE FEE

The Manager is also entitled to receive a Performance Fee calculated as:

$$PF=15\% \times (A - B) - C$$

where:

PF = Performance Fee (plus GST).

A = the Adjusted Net Asset Value of the Fund at the end of the Performance Fee Period;

B = the "hurdle" net asset value of the Fund (being the Adjusted NAV of the Fund, required at the end of the Performance Fee Period, that when discounted together with the NAV of the Fund at the Allotment Date and all Distributions, capital distributions and returns and other distributions (before the deduction of any taxes) paid or made after the Allotment Date during the relevant Performance Fee Period (or that have been declared or accrued and remain unpaid on the last day of the relevant Performance Fee Period) and new equity contributions (net of equity raising costs) made by Securityholders after the Allotment Date during the relevant Performance Fee Period, would result in an internal rate of return of 10% per annum being achieved.

C = is the aggregate of all paid Performance Fees from the Allotment Date to the last day of the relevant Performance Fee Period (but for the avoidance of doubt excluding any Performance Fees accrued or payable at the last day of the relevant Performance Fee Period).

The first Performance Fee amount (if any) will be payable in respect of the Performance Fee Period from the Allotment Date to 30 June 2021, with Performance Fees calculated and payable annually thereafter for each subsequent Performance Fee Period.

The aggregate of the Management Fee plus any Performance Fee in that may be payable for any financial year is capped at 1.0% of the GAV of the Fund. Any excess Performance Fee that has been paid must be repaid by the Manager within 30 days after the end of the relevant financial year. Any excess amount will be carried over and paid in subsequent financial years (subject to the application of the cap in those financial years). On the date a Trigger Event occurs, the Manager becomes entitled to immediate payment of all deferred Performance Fees (and the cap does not apply).

The Performance Fee is also subject to TSR Hurdle being achieved. The TSR Hurdle requires that the Securities must achieve an IRR of in excess of 10% per annum from the Allotment Date to the end of the performance period when taking to account the performance of Securities on the ASX plus any distributions paid . Where this return is not met no Performance Fee is payable for that financial year. Any Performance Fee will be carried over and paid in subsequent years financial years, subject to meeting the required hurdles.

The Management Fee and Performance Fee may be paid to the Manager in cash or Securities or a combination (at the election of the Manager). If the Manager elects to receive Securities, it may require some or all of the Securities to be issued to a nominee of the Manager. The issue of Securities is subject to the requirements of the Corporations Act and the Listing Rules.

If the Manager elects to receive Securities with respect to some or all of a Management Fee or Performance Fee amount (plus any GST payable in respect of that amount), the number of Securities to be issued to the Manager (or its nominee) will be calculated by reference to the volume weighted average price of the Securities during the period of 5 trading days up to the end of the relevant month to which the Management Fee relates or the relevant Performance Fee Period to which the Performance Fee relates.

13.6.9 SECURITIES IN LIEU OF MANAGEMENT OR PERFORMANCE FEES

The Manager may require from time to time that, in lieu of making cash payments, some or all of the Management Fees or Performance Fees described in Section 13.6.7 and 13.6.8 (including any GST) be satisfied by the issue of Securities.

The number of Securities to be issued to the Manager will be based on the amount of Management Fee or Performance Fee to be satisfied through the subscription of Securities, divided by the volume weighted average price of Securities during the 5 trading days up to the end of the relevant month to which the Management Fee relates or the performance period to which the Performance Fee relates.

13.6.10 COSTS AND EXPENSES

The Manager is entitled to be reimbursed for all costs and expenses it reasonably and properly incurs as Manager other than its own overhead, administrative or salary expenses incurred in the ordinary conduct of its business or expenses that arise as a result of the gross negligence, fraud, wilful misconduct or dishonesty of the Manager or any officer, employee, delegate, agent or contractor of the Investment Manager. The Manager must seek the approval of the Responsible Entity where expenditure would exceed the thresholds described above.

13.6.11 CONFLICTS AND USE OF ASSOCIATES

The Manager must establish protocols for the prevention and management of conflicts.

The Manager may, in connection with the Investment Management Agreement, invest in, deal with or engage the services of the Manager's associates engaged in separate business activities which are entitled to charge fees, brokerage and commissions provided that they are in the ordinary course of business, on an arm's length commercial basis and approved by the Responsible Entity.

13.6.12 INDEMNITIES

The Manager indemnifies the Responsible Entity against any direct expenses incurred by the Responsible Entity that arise from the gross negligence, fraud, wilful misconduct or dishonesty of the Manager.

The Responsible Entity indemnifies the Manager against any direct expenses reasonably incurred by the Manager in connection with the provision of the Services, except to the extent any expense is caused by the gross negligence, fraud, wilful misconduct or dishonesty of the Manager.

13.7 PROPERTY MANAGEMENT AGREEMENT

The Responsible Entity will appoint Elanor Asset Services Pty Limited (the "Manager") to act as the property manager of the Group's properties under the Property Management Agreement.

13.7.1 PROPERTY MANAGEMENT SERVICES

The Manager has been delegated all powers necessary to carry out its obligations under the Property Management Agreement to manage each Group's properties, including each Property in the Portfolio, by providing:

- Property management services, which include day-to-day management, maintenance and operational decision making in connection with the properties, preparation of property business plans, budgets and reports, billing and collection of rental and other amounts and managing disbursements, management of leases and other property-related contracts and tenant and regulatory compliance, management of service, repair and maintenance works and tenant improvements, property marketing, leasing and tenant liaison and other services generally performed by a property manager whilst using commercially reasonable efforts to maximise revenues and minimise operating costs.
- Development management services, which include evaluation of the capital potential of properties, preparation of development proposals, management of building and works approvals, management capital expenditure, implementation and management of capital works, and other services generally performed by a development manager.

The Manager will provide the services subject to the supervision and control of the Responsible Entity and the terms of the agreement.

13.7.2 EXCLUSIVITY

During the term of the Property Management Agreement, the Responsible Entity must not appoint any other party to perform the services except where it is necessary to comply with applicable law or regulation or other applicable requirements, as set out in Section 13.7.7 or as otherwise permitted by the Manager if the Responsible Entity approves of the appointment.

The Manager may appoint other parties to assist with the delivery of all or part of the services under the agreement.

The Manager and its associates may from time to time perform services for itself and other parties the same as or similar to the services provided under the agreement.

13.7.3 TERM AND TERMINATION

The Property Management Agreement commences on the day on which Securities are allotted and issued to investors pursuant to this PDS.

The initial term of the agreement is 10 years and is automatically extended for successive five year terms unless terminated by either the Manager or the Responsible Entity at least 12 months prior to the end of the initial term or any successive five year term. This means that the initial term of the agreement is at least 10 years unless otherwise terminated in one of the circumstances referred to below.

Where the Responsible Entity gives the required notice that it does not wish to extend the agreement at the end of a term, termination in this circumstance will give rise to the payment of a compensation amount to the Manager equal to two times the fees paid under the agreement in the 12 months up to expiry of the term.

The agreement will not automatically apply to a new property in which the Fund holds, directly or indirectly, less than a 50% interest. The agreement may also be terminated by the Manager or the Responsible Entity on the sale of an individual property or the securities in any entity which directly or indirectly owns a property. The agreement may also be terminated with respect to a property in circumstances where a property is destroyed, or a property is damaged so that the property is unfit or substantially unfit for the Manager to perform its obligations under the agreement.

13.7.4 MANAGER'S TERMINATION RIGHTS

The Manager can terminate the Property Management Agreement:

- at any time on 90 day's notice to the Responsible Entity; or
- immediately if:
  - there is a material default of the agreement by the Responsible Entity which is not rectified (including by way of payment of reasonable compensation) within 90 days of written notice from the Manager;
  - the Responsible Entity is insolvent (and is not replaced by another trustee within 60 days of becoming insolvent);
  - a Group entity is insolvent; or
  - without prior written approval of the Manager, there is a change of control of the Responsible Entity or the Fund, the Responsible Entity is replaced by a responsible entity that is not a member of the Elanor Investors Group or a winding-up of the Fund commences.

Note that in the case of default or the insolvency of a Group entity, the Manager's termination right can be exercised in relation to the individual property in respect of which the default or insolvency has occurred or in respect of the whole agreement (at the election of the Manager).

Termination of the agreement by the Manager in these circumstances (other than where the Manager has terminated without cause by giving 90 day's notice) gives rise to the payment of a compensation amount to the Manager equal to two times the fees paid under the agreement in the 12 months up to termination.

13.7.5 RESPONSIBLE ENTITY'S TERMINATION RIGHTS

The Responsible Entity can terminate the Property Management Agreement:

- on 90 days' notice to the Manager, if there is:
  - a bona fide sale of all or substantially all of the assets of the Group to a third party on an arm's length basis; or
  - a change of control of the Responsible Entity or the Fund, the Responsible Entity is replaced by a responsible entity that is not a member of the Elanor Investors Group or a winding-up of the Fund commences,
- and in these circumstances, a compensation amount equal to two times the fees paid under the agreement in the 12 months up to termination will be payable to the Manager; or
- subject to a termination right arising as described below, immediately if:
  - there is a material default of the agreement by the Manager which is not rectified (including by way of payment of reasonable compensation) within 90 days of written notice from the Responsible Entity; or
  - the Manager is insolvent and is not replaced by the Elanor Investors Group with another manager within 60 days of becoming insolvent.

13.7.6 TERMINATION IN RESPECT OF DEVELOPMENT MANAGEMENT SERVICES

Where a relevant material default giving rise to a termination right for the Responsible Entity is in respect of development management services for particular development works only (in circumstances where the Manager is otherwise performing its obligations in relation to other services), the Responsible Entity may only terminate the agreement as it applies to development management services for those development works. However, in those circumstances, the exclusive engagement of the Manager to provide development management services would also cease (and the Responsible Entity could engage other parties to provide development management services).

In addition, if the agreement is terminated by either the Manager or the Responsible Entity at the end of its initial term or any subsequent term or in circumstances of a change of control of the Responsible Entity or the Fund or the Responsible Entity being replaced by a responsible entity that is not a member of the Elanor Investors Group, the Manager will continue to perform and be paid for development management services in respect of any approved development works that are ongoing at the time of termination, until completion of those works.

13.7.7 FEES, COSTS AND EXPENSES

Fees

Unless the Manager has appointed other parties to assist with the delivery of all or part of its services, the Property Management fees payable to the Manager will be as follows:

Property Management Fee:

- 3% of gross income for each property for each month.

Leasing administration fees:

- The Manager is entitled to a leasing administration fee based on the following:

Lease Term	Fee
Up to 3 years	11% of the first year of gross rental (plus GST)
3 to 4 years	12% of the first year of gross rental (plus GST)
4 to 5 years	13% of the first year of gross rental (plus GST)
5 years or more	13% plus 1% for every year over 5 years (capped at 15%) of the first year of gross rental (plus GST)

Capital Works Fee:

- The Manager is entitled to 5% of total capital work costs (being the total cost of any capital works undertaken in respect of a property).

Development Management Fee:

- 5% of total development costs (being the total cost of any development works undertaken in respect of a property). The Manager will only be able to recover an amount equal to 25% of the total development costs from the time that the development proposal is approved to the commencement of construction, with the balance to be paid in instalments from the time that construction commences to completion of the project delivery; and
- Where the Manager has appointed other parties to assist with the delivery of substantially all of a particular service in relation to any particular property, the Manager will be entitled to recover the cost of the fees paid to the service providers, in addition to the fees for management, supervision and approval of activities and proposals recommended by these service providers in relation to the particular service provided.

Review:

- The Manager's fees will be benchmarked and independently reviewed against market fees at the five year anniversary from commencement of the Property Management Agreement in the initial term and on commencement of any successive term. If the Manager's fees are considered to be outside of market ranges, the parties will either agree to a revision to market based fees or refer the review of fees to expert determination (if they cannot agree).

13.7.8 COSTS AND EXPENSES

The Manager is entitled to be reimbursed for all costs and expenses it reasonably and properly incurs as Manager other than expenses that arise as a result of the gross negligence, fraud, wilful misconduct or dishonesty of the Manager or any officer, employee, delegate, agent or contractor of the Manager. The Manager must seek the approval of the Responsible Entity where expenditure is not within budget and the would exceed any relevant specified thresholds.

The Manager is also entitled to recover staff salary, salary on-costs, travel and office operating expenses associated with on-site management, operations, marketing and administration of any property and any off-site accounting, management, IT and operational costs directly related to any property.

The Manager is also entitled to recover the costs of advisers and consultants (including town planners, urban designers, architects, surveyors, engineers, traffic consultants, quantity surveyors, economic impact assessment, legal advisers, etc) to assist with the development services and activities, including evaluation of the development potential of properties, preparation of development proposals and approvals, and implementation and management of development works.

13.7.9 USE OF ASSOCIATES

The Manager may, in connection with the Agreement, invest in, deal with or engage the services of the Manager's associates engaged in separate business activities which are entitled to charge fees, brokerage and commissions provided that they are in the ordinary course of business, on an arm's length commercial basis and approved by the Responsible Entity.

13.7.10 INDEMNITIES

The Manager indemnifies the Responsible Entity against any direct expenses incurred by the Responsible Entity that arise from the gross negligence, fraud, wilful misconduct or dishonesty of the Manager.

The Responsible Entity indemnifies the Manager against any direct expenses reasonably incurred by the Manager in connection with the provision of the services, except to the extent any expense is caused by the gross negligence, fraud, wilful misconduct or dishonesty of the Manager.

13.8 CUSTODY DEED

The Custody Deed was entered into between the Responsible Entity and The Trust Company (Australia) Limited ("**Custodian**") on 23 May 2012, as amended most recently on 24 September 2019, for a number of its managed investment schemes, including for the Fund.

Under the Custody Deed, the Custodian will:

- provide custody for assets of the Fund;
- hold assets in its own name, but still for the Fund;
- act in accordance with the directions of the Responsible Entity;
- have in place disaster recovery and internal systems and controls;
- keep all appropriate records and reports as required;
- maintain all appropriate records and report as required;
- maintain adequate insurance covering professional indemnity and fraud; and
- not subcontract its responsibilities (without the written consent of the Responsible Entity).

The Custodian is authorised to provide custodial services.

The Custodian is entitled to be indemnified from the Fund for all actions taken, or omitted to be taken, in accordance with a proper instruction given by the Responsible Entity.

Either party may terminate the Custody Deed on 90 days' written notice to the other. In addition, either party may terminate the Custody Deed immediately in certain circumstances, including where the other party has materially breached the Custody Deed and has not remedied that beach within 10 Business Days.

The Custodian is entitled to 0.02% of the GAV of each Trust per year payable quarterly in arrears. The minimum annual fee payable to the Custodian is $15,000 plus GST (adjusted by CPI).

13.9 200 ADELAIDE STREET ACQUISITION

13.9.1 ANZAC SQUARE CONTRACT

Elanor Investment Nominees Pty Ltd as trustee of the Adelaide Street Property Trust (**Anzac Square Buyer**) has entered into a contract for sale for Anzac Square commercial lots at 200 Adelaide Street, Brisbane Qld 4000 dated 2 August 2019 (**Anzac Square Contract**) with the Trust Company as agent and custodian of Charter Hall Direct Property Management Limited as trustee of the Metropolitan Collection - Brisbane Syndicate (**Anzac Square Seller**). The Anzac Square Buyer and the Anzac Square Seller subsequently entered into a deed of variation of contract dated 10 October 2019 to vary certain terms of the Anzac Square Contract (**Anzac Square Deed of Variation**).

Settlement of the Anzac Square Contract is due on the last business day of the settlement period from 26 November 2019 to 10 December 2019 according to the Anzac Square Deed of Variation. The Anzac Square Anzac Square Buyer can bring forward settlement to an earlier date on at least 5 business days' notice. The Anzac Square Contract is conditional on the Anzac Square Buyer obtaining satisfactory finance facility. In the event that the settlement does not occur on the agreed date and time, the non-defaulting party may affirm or terminate the Anzac Square Contract.

The purchase price payable under the Anzac Square Contract is $47,344,350.00. Adjustments to the purchase price reflect vendor funded incentives which result in a net purchase price of approximately $44.2 million.

The Anzac Square Contract contains certain representations and warranties by the Anzac Square Seller for the benefit of the Anzac Square Buyer, including, in relation to the accuracy of the information provided and that certain fundamental matters (eg that the Anzac Square Seller is not under any legal disability) are true at the date of the Anzac Square Contract. In addition, the Anzac Square Seller also warrants as to specific matters in relation to the property, including but not limited to, no current or threatened claims, notices or proceedings that may lead to a judgment, order or writ affecting the property, and the proper registration of the lease, easement or other right in the property.

The Anzac Square Seller's liability under the Anzac Square Contract for a breach of warranty is limited to $3,550,826.25.

On and from settlement, the Anzac Square Seller assigns to the Anzac Square Buyer the benefit of all covenants and other obligations in favour of the Anzac Square Seller under the effective leases in respect of the Anzac Square property (**Leases**) and the benefit of all guarantees in relation to the Leases (**Guarantees**) as far as possible. If the assignment of the leases or the guarantees is in any event not permissible, the Anzac Square Seller must exercise any power, right or privilege in a relevant Lease or Guarantee to enable the Anzac Square Buyer to enjoy that benefit but only for a period up to 1 year after the settlement.

On settlement , the Anzac Square Seller will reimburse the Anzac Square Buyer for all tenancy incentives incurred prior to the settlement date.

13.9.2 ATRIUM LICENCE NOVATION DEED

On and from Settlement the Anzac Square Seller novates to the Anzac Square Buyer the Anzac Square Seller's rights, title and interest in the licence granted by the body corporates for the relevant community titles schemes for using, occupying and licensing the atrium area (**Atrium Licence**) current at settlement by entering into an Atrium Licence novation deed.

13.9.3 DEED OF COVENANT

As soon as reasonably practicable after the Anzac Square Contract date, the Anzac Square Seller must procure the tenants of the Anzac Square (Anzac Square Tenants) to execute deeds of covenant (Deeds of Covenant). Under the Deeds of Covenant, the Anzac Square Buyer and the Anzac Square Tenants covenant with each other that at all time after the settlement it will perform and observe all obligations under the lease and any agreements ancillary to or in connection with the lease for the benefit of each other.

13.10 DEBT FACILITY

13.10.1 SUMMARY OF THE DEBT FACILITY

The Fund has an existing Debt Facility from a major Australian bank. The Fund intends for the Debt Facility to remain in place post-Completion of the Transaction.

13.10.2 DEBT FACILITY EXPIRY AND LIMIT

The Debt Facility comprises an $64.7 million ($64.7 million drawn) facility, maturing on 1 August 2022.

13.10.3 UNDERTAKINGS AND FINANCIAL COVENANTS

The Debt Facility contains undertakings from the Fund that provide security for the Debt Facility that the Responsible Entity considers appropriate or customary for a facility of this nature, including but not limited to:

- not creating or allowing any encumbrance or security interest over the WorkZone West property or other assets of that Sub-Trust (other than certain agreed permitted encumbrances) without prior consent; and
- not permitting further financial indebtedness to be incurred by the WorkZone West Syndicate (other than certain agreed permitted indebtedness) without prior consent.

The Debt Facility also contains certain restrictions on:

- declaring, making or paying any dividend, charge, fee or other distribution or subordinated debt;
- repaying or distributing any dividend;
- paying or allowing any member of the WorkZone West Syndicate to pay management, advisory or other fee to or to the order of any of the Securityholders of the WorkZone West Syndicate or to any related parties of those securityholders;
- redeeming, repurchasing, defeasing, retiring or repaying any of the WorkZone West Syndicate's share or equity capital, membership interetes or subordinated debt or resolving to do so; or
- entering into any merger, reconstruction, amalgamation or acquire any property or business or make any investment if the property, business or investment would likely have a material adverse affect;

at a time when the financial covenants in the Debt Facility are not satisfied or if an event of default is continuing or would occur as a result of making any payment.

In addition, the proposed Debt Facility documentation includes all usual or appropriate financial covenants that the Responsible Entity considers appropriate for a facility of this nature, including but not limited to:

- LVR of no more than 63%, defined as the amount outstanding under the Debt Facility divided by the (GST-exclusive) market value of WorkZone West, based on the most recent valuation accepted by the Lenders; and
- Interest cover ratio of at least 2.0 times, calculated over a 12 month period, defined as net rental income from WorkZone West divided by interest expense (in accordance with the methodology set out in the proposed Debt Facility).

13.10.4 SECURITY

The Debt Facility will be secured by the following security:

- first ranking registered mortgages over the WorkZone West property;
- general security agreement over all the assets and undertakings of the WorkZone West Syndicate; and
- an account control deed between the security trustee (as holder of the securities on behalf of lenders) and the Fund's transactional bank.

13.10.5 EVENTS OF DEFAULT

The Debt Facility contains certain events of default (subject, in certain cases, to materiality thresholds and cure periods) which the Responsible Entity considers customary and usual for a financing of this nature. These events include, but are not limited to:

- failure to pay;
- breach of any covenants, financial covenants and undertakings;
- breach of any of the representation or warranties;
- certain events in respect of the WorkZone West property (for example, an encumbrance is enforced or becomes enforceable against the property, failure to maintain the property or pay outgoings, or an environmental event occurs which may have a "Material Adverse Effect" (see below);
- termination of certain material documents;
- a material adverse effect on: any security interests securing amounts owing by the WorkZone West Syndicate under the Debt Facility or any material rights or remedies of any party to the Debt Facility; the ability of the Responsible Entity to perform its material obligations under the Debt Facility; or the business, operation, property, condition (financial or otherwise) or prospects of the WorkZone West Syndicate (defined as a "Material Adverse Effect");
- insolvency, or administration of the WorkZone West Syndicate, or enforcement of an encumbrance against any of the WorkZone West property; and
- change of Responsible Entity without the Bank's prior written consent.

An enforcement of security by the Bank due to an event of default will have a significant impact on the Securities and the Fund.

13.10.6 REVOLVING DEBT FACILITY

The Fund is in advanced discussions with a major Australian bank to put in place a, 3 year $7 million revolving facility. The purpose of the revolving facility will be to fund lease incentives, maintenance capital expenditure, deposits on acquisitions and working capital. The Manager expects that the facility will be secured by 38 Limestone St, Ipswich. Undertaking, financial covenants and events of default are anticipated to be customary for a facility of this nature.

13.11 UNDERWRITING AGREEMENT

The Responsible Entity, in its capacity as responsible entity of the Fund, and the Joint Lead Managers have entered into an Underwriting Agreement dated on or about the date of this PDS in respect of the Offer. Under the Underwriting Agreement, the Joint Lead Managers have agreed to lead manage and underwrite the Offer.

Key terms include:

13.11.1 FEES AND EXPENSES

The Responsible Entity will pay the Lead Manager:

- an offer management fee equal to 1.0% of the proceeds of the Offer; and
- an underwriting fee equal to 1.5% of the proceeds of the Offer.

The Responsible Entity must pay, or reimburse, the reasonable costs of the Offer incurred by the Lead Manager, including its reasonable legal fees.

13.11.2 REPRESENTATIONS AND WARRANTIES

Customary representations and warranties are given by the Responsible Entity in relation to matters such as the power to enter into the Underwriting Agreement, corporate authority and approvals, and the status of the Responsible Entity. The Responsible Entity also gives a number of further representations and warranties, including that this PDS complies with the Corporations Act and the Listing Rules, and will not contain any misleading or deceptive statements or omissions. Representations and warranties are also given in relation to the assets, liabilities, financial position and business conduct of the Fund.

13.11.3 TERMINATION EVENTS

The Lead Manager may terminate the Underwriting Agreement by notice to the Responsible Entity on the occurrence of certain termination events (subject to, in the case of some termination events only, satisfaction of specified materiality thresholds). These termination events include:

- the Responsible Entity seeks to retire or is removed as responsible entity of the Fund;
- the S&P/ASX 300 Index published by ASX falls to a level that is 90% or less of the level as at the close of trading on the date of the Underwriting Agreement, and remains at or below that level for a period of three consecutive Trading Days;
- the Responsible Entity lodges a Supplementary PDS or the Lead Manager forms the view (acting reasonably) that a Supplementary PDS must be lodged with ASIC to comply with section 1016E of the Corporations Act;
- a material adverse change occurs in the assets, liabilities, financial position or performance or, prospects or the nature of the business conducted by a member of Group;
- certain ASIC orders are issued or applied for, or certain investigations commenced by ASIC or other government agencies in relation to this PDS or certain other documents issued in connection with the Offer or the PDS;
- a Director or any member of senior management is charged with a criminal offence relating to any financial or corporate matter, dies or becomes permanently incapacitated, has an action commenced (or threatened to be commenced) against them by any regulatory body or is disqualified from managing a corporation under the Corporations Act;
- the Responsible Entity withdraws this PDS or the Offer after lodgement of this PDS with ASIC;
- approval is not given for the listing or quotation of the Securities;
- a statement in this PDS is or becomes misleading or deceptive or likely to mislead or deceive, or required information is omitted, the Responsible Entity fails in any material respect to comply with any of its obligations under the Underwriting Agreement, or a representation or warranty by the Responsible Entity under the Underwriting Agreement is or becomes incorrect in any material respect;
- the Responsible Entity is prevented from allotting or issuing the Securities;
- any material contract is breached, terminated, repudiated, rescinded, altered or amended without the prior written consent of the Joint Lead Managers (acting reasonably) or found to be void or voidable, in any material respect; or
- any ASIC modification or ASX waiver obtained in connection with the Offer is withdrawn or revoked (without immediate replacement or renewal).

The Underwriting Agreement also contains a number of other customary termination events (e.g. insolvency of a member of the Group, certain changes in law, specified disruptions in financial markets and hostilities).

13.11.4 INDEMNITY

Subject to certain exclusions relating to, among other things, fraud, wilful misconduct, negligence or breach of contract by a Joint Lead Manager, the Responsible Entity indemnifies each Joint Lead Manager and certain affiliated parties against all losses suffered or incurred directly or indirectly, or claims made against the Joint Lead Manager or certain affiliated parties, in connection with the Offer and this PDS or certain other documents issued in connection with the Offer.

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Elanor COMMERCIAL PROPERTY FUND

14. ADDITIONAL INFORMATION

14.1 COMPLAINTS

If you have a complaint about the Fund or the Responsible Entity in connection with your investment in the Fund you can write to the Compliance Officer at:

Elanor Funds Management Limited
Level 38, 259 George Street
Sydney NSW 2000
Australia

The Compliance Officer will acknowledge your complaint, investigate it and report back to you as soon as practicable, and in any event, within 45 days.

If you are dissatisfied with the response or the complaint is not resolved within 45 days, you may raise the matter directly with the Australian Financial Compaints Authority (AFCA). The AFCA's contact details are:

Australian Financial Compaints Authority
GPO Box 3
Melbourne VIC 3001
Website: www.afca.org.au
Telephone: 1800 931 678
Email: info@afca.org.au

If you are after investment advice you should contact your financial adviser.

14.2 ASX WAIVERS AND CONFIRMATIONS

In order to conduct the Offer, the Responsible Entity has sought, and been granted, certain in principle waivers and confirmations to the Listing Rules by ASX, including:

- customary stapling relief in relation to ASX Listing Rule(s) 1.1 conditions 8 and 9, 2.1 condition 2, 3.1, 6.24, 8.10 and 10.1;
- a waiver from Listing Rule 6.24 in respect of clause 1 of Appendix 6A to the extent necessary that the rate of a distribution need not be advised to ASX when the distribution record date attaching to that distribution is announced, on condition that an estimated distribution rate is advised to ASX at the time of the announcement and the actual rate is advised to ASX as soon as it becomes known;
- a waiver from Listing Rules 7.1 and 10.11 to the extent necessary to permit the Fund to issue Securities to the Responsible Entity and the Manager in satisfaction of payment of any management or performance or expenses fees payable under the Constitutions and the Investment Management Agreement, without obtaining securityholder approval, subject to the following conditions:
  - the Fund makes full disclosure to any person who may subscribe for Securities under the PDS of the provisions which provide for the periodic issue of Securities in lieu of payment of any management and/or performance fees or expenses payable to the Responsible Entity or the Manager (the "Provisions");
  - a completed Appendix 3B is lodged for release to the market for each issue of Securities pursuant to the Provisions;
  - the Securities are issued in accordance with the Provisions;
  - details of the Securities issued in lieu of management or performance fees or expenses are disclosed in the Fund's annual report each year in which Securities are issued; and
  - securityholder approval is sought every third year for the issue of Securities in lieu of any management or performance or expenses fees payable under the Constitutions and the Investment Management Agreement;
- confirmation that ASX does not consider the acquisition of the minority interest in the WorkZone West Asset already majority owned by the Fund and the New Property to be business acquisitions for the purposes of Listing Rule 1.3.5(c);
- confirmation that the redemption right of the Responsible Entity to redeem Units of the Trusts under the Restructure will not attract the application of Listing Rule 6.12;
- confirmation that the issue of Securities under the Offer will not reduce the Fund's placement capacity under Listing Rule 7.1;

- confirmation that there will be no mandatory escrow of the Securities pursuant to Listing Rule 9.1.3 (clauses 1-4 and 7-8 of Appendix 9B);
- confirmation that Listing Rule 10.11 will not apply to the issue of Securities under the Offer to entities associated with the Elanor Investors Group to allow the issue of Securities to the Responsible Entity or the Manager to satisfy payment of the management and performance fees under the Constitutions and the Investment Management Agreement; and
- confirmation that the proposed timetable is acceptable to ASX.

14.3 ASIC RELIEF

The Responsible Entity has also sought, and been granted the following relief and modifications from ASIC:

- customary stapling relief modifying Part 5C.7 of the Corporations Act to allow the Fund to be treated as a single stapled economic entity;
- modification of sections 601FC(1)(c), 601FC(1)(e), 601FD(1)(c) – 601FD(1)(e), 601FE(1)(a), 601FE(1)(b), 601JD(1)(c) and 601JD(1)(d) to allow the Responsible Entity and its officers to consider the interests of Securityholders as holders of Securities, not just in their capacity as holders of Units in each Trust;
- modification of section 601LC to allow the Responsible Entity to give financial benefits out of property of the Trust to the Responsible Entity;
- modification of section 1012D(3) to allow the Responsible Entity to apply dividends and distributions made to their respective members who are participants in a distribution reinvestment plan to acquire Securities; and
- modification of Part 5C.6 of the Corporations Act to allow the Responsible Entity to undertake a redemption of Units in each Trust.

14.4 INTERESTS OF THE RESPONSIBLE ENTITY DIRECTORS

Except as set out in this PDS, no Director or proposed Director of the Responsible Entity holds, or held at any time during the last two years any interest in:

- the formation or promotion of the Fund; or
- property acquired or proposed to be acquired by the Fund in connection with either of their formation or promotion with the Offer and no person had paid or agreed to pay, or given or agreed to give, any benefit to a director or proposed director of the Responsible Entity to induce them to become, or to qualify as, a director of the Responsible Entity; or
- for services provided by a Director or proposed Director of the Responsible Entity in connection with either the formation or promotion of the Fund or with the Offer.

14.5 INTERESTS OF EXPERTS AND ADVISERS

Other than as set out in this PDS, no person named in this PDS as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this PDS and no promoter of the Fund or Joint Lead Managers of the Offer or financial services licensee named in this PDS as a financial services licensee involved in the Offer, holds at the date of this PDS, or has held in the two years prior to that date, an interest in the formation or promotion of the Fund, any property acquired or proposed to be acquired by the Fund in connection with its formation or promotion or the Offer, nor has anyone paid or agreed to pay any amount, or given or agreed to give any benefit, to such persons for services provided in connection with the formation or promotion of the Fund or the Offer.

Moelis Australia Advisory Pty Limited, Ord Minnett Limited and Shaw and Partners Limited are acting as Joint Lead Managers and Underwriters to the Offer. The Responsible Entity has paid, or agreed to pay, the Joint Lead Managers the fees described in Section 13.11 for these services in respect of the Offer.

Moelis Australia Advisory Pty Limited is acting as sole financial adviser to the Offer. The Responsible Entity has paid, or agreed to pay, Moelis Australia Advisory Pty Limited approximately $1,500,000 (excluding GST and disbursements) for these services in respect of the Offer.

Jones Lang LaSalle Advisory Services Pty Ltd has prepared the Independent Office Market Report in Section 4 of this PDS. The Responsible Entity has paid, or agreed to pay, approximately $8,000 (excluding disbursements and GST) for these services in respect of the Offer.

Deloitte Corporate Finance Pty Limited has acted as the Investigating Accountant and has prepared the Investigating Accountant's Report in Section 10 of this PDS. Deloitte Corporate Finance Pty Limited has also performed certain due diligence investigations in respect of the Offer. The Responsible Entity has paid, or agreed to pay, approximately $150,000 (excluding disbursements and GST) for these services in respect of the Offer. For further details of the fees the Responsible Entity has paid, or agreed to pay, refer to the Financial Services Guide attached to the Independent Limited Assurance Report. Further amounts may be paid to Deloitte Corporate Finance Pty Limited in accordance with its time-based charge-out rates.

Deloitte Tax Services Pty Limited has also prepared Section 12 of this PDS in its capacity as taxation adviser to the Responsible Entity. The Responsible Entity has paid, or agreed to pay, approximately $50,000 (excluding disbursements and GST) for these services in respect of the Offer.

Baker & McKenzie is the Australian legal adviser to the Responsible Entity in relation to the Offer. The Responsible Entity has paid, or agreed to pay, approximately $350,000 (excluding disbursements and GST) for the above services in respect of the Offer.

Savills Valuations Pty Ltd, CBRE Valuations Pty Limited and Jones Lang LaSalle Advisory Services Pty Ltd have acted as property valuers in respect of the Offer, and have prepared independent valuation reports (the summaries of which appears in Section 11). The Responsible Entity has paid, or agreed to pay, Savills $8,000 (excluding GST), CBRE $22,000 (excluding GST) and Jones Lang LaSalle $37,000 (excluding GST) for these services in respect of the Offer.

These are included in the fees and expenses set out in Section 9. Further amounts may be paid to one or more of the parties above based for services providing following the date of this PDS. Any amounts incurred have not been taken into account in setting the Offer Price, but may be payable from the Fund following Allotment.

14.6 CONSENTS TO BE NAMED AND LODGEMENT OF PDS

The persons listed in the table below have given and have not, before the lodgement of this PDS with ASIC, withdrawn their written consent to:

(a) be named in this PDS in the form and context in which they are named;

(b) the inclusion of their respective reports or statements noted next to their names and the references to those reports or statements in the form and context in which they are included in this PDS; and

(c) the inclusion of other statements in this PDS which are based on or referable to statements made in those reports or statements, or which are based on or referable to other statements made by those persons in the form and context in which they are included:

Name of party	Named as	Reports or statements
Moelis Australia Advisory Pty Limited	Financial Adviser and Joint Lead Manager	Not applicable
Ord Minnett Limited	Joint Lead Manager	Not applicable
Shaw and Partners Limited	Joint Lead Manager	Not applicable
Deloitte Touche Tohmatsu	Auditor	Not applicable
Deloitte Tax Services Pty Limited	Taxation Adviser	Taxation Implications in Section 12
Deloitte Corporate Finance Pty Limited	Investigating Accountant	Investigating Accountant's Report in Section 10
Baker & McKenzie	Legal Adviser	Not applicable
Boardroom Pty Limited	Registry	Not applicable
Jones Lang LaSalle Advisory Services Pty Ltd	Author of Independent Office Market Report	Independent Office Market Report in Section 4
Jones Lang LaSalle Advisory Services Pty Ltd	Valuer	Valuation Report of Cannon Hill, Mount Gravatt, Limestone Street and Felixstow in Section 11
CBRE Valuations Pty Limited	Valuer	Valuation Report of 200 Adelaide Street, Brisbane in Section 11
Savills Valuations Pty Ltd	Valuer	Valuation Report of WorkZone West in Section 11
The Trust Company (Australia) Limited	Custodian	Not applicable

Each Director has given and has not, before lodgement of this PDS with ASIC, withdrawn his or her consent to be named in this PDS as a director in the form and context in which they are named and for the statements made by and on behalf of him or her to be included in this PDS.

None of the persons referred to above has made any statement that is included in this PDS or any statement on which this PDS is based, other than any statement or report included in this PDS with the consent of that person as specified above.

Each of the persons referred to above:

(a) has not authorised or caused the issue of this PDS, and makes no representation or warranty, express or implied, as to the fairness, accuracy or completeness of the information contained in this PDS; and

(b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in or omissions from this PDS other than references to its name or a statement or report included in this PDS with the consent of that person as specified above.

14.7 DIRECTORS' CONSENT TO LODGEMENT

Each Director of the Responsible Entity as at the date of this PDS has consented to the lodgement of this PDS with ASIC.

14.8 LITIGATION

Neither the Responsible Entity nor the Fund is a party to any current litigation material to the financial standing of the Responsible Entity or the Fund and the Directors have no such knowledge of any such potential litigation.

14.9 ENVIRONMENT, ETHICAL AND SOCIAL CONSIDERATIONS

The Responsible Entity does take into account labour standards or environmental, social or ethical considerations when making investment decisions.

14.10 EXERCISE OF PRICING DISCRETIONS

The Responsible Entity has elected that ASIC Class Order CO 13/655 will apply to pricing of Securities in the Fund. The Offer Price has been calculated in accordance with the Constitution of the Fund as a fixed price equal to the Issue Price in the PDS. Details of any discretion which will be applied to the pricing of Securities following listing is accessible on the Fund's website www.elanorinvestors.com/ecf free of charge.

14.11 PRIVACY AND PERSONAL INFORMATION

The Application Form requires you to provide information that may be personal information for the purposes of the Privacy Act 1988 (Cth) (as amended) (Privacy Act). The Responsible Entity as the responsible entity of the Fund (and the Registry on its behalf) collects, holds and uses that personal information in order to assess your Application, service your needs as an investor, provide facilities and services that you request and to administer the Fund. The Corporations Act requires certain particulars of Securityholders to be collected and maintained in a public register.

Access to information may also be provided to other Fund entities and to the Responsible Entity's agents and service providers, in circumstances including:

- the Joint Lead Managers, in order to assess your Application and for ongoing administration;
- the Registry, to deal with your holding and organise mail-outs and other essential services;
- printers and mail companies, to prepare and distribute statements and reports to you;
- professional advisers, in relation to specific or general questions of the Responsible Entity, the Fund, or in response to enquiries or disputes;
- market research and support companies of the Fund, for product development and planning, as well as analysing the Securityholder base of the Fund; and
- service companies (such as those which may provide the services of management or a Director, or the Compliance Officer), in respect of any relevant matter relating to the Responsible Entity or the Fund, may process your information, provide services that you request, and inform you about products and services (including future offers of securities) for the Fund or other subsidiaries of the Fund,

on the basis that they deal with such information in accordance with the Fund's privacy policy and otherwise as required by law. If you do not provide the information requested of you in the Application Form, the Responsible Entity, the Joint Lead Managers, and Registry may not be able to process, deal with, or otherwise accept your Application for Securities appropriately. Those entities may not be able to administer your Securityholding going forward and/or send information about the Fund or other managed investment schemes or services of Group, including any future offers of securities.

Under the Privacy Act, you may request access to your personal information held by (or on behalf of) the Responsible Entity. You can request access to your personal information by telephoning or writing to the Registry.

14.12 APPLICATION FORM

Returning a completed Application Form will be taken to constitute a representation by the Applicant that they:

- have received a printed or electronic copy of the PDS (and any supplementary or replacement document) accompanying the Application Form and have read them all in full;
- agree that their Application is completed and lodged in accordance with this PDS and subject to the declarations and statements on the Application Form;
- declare and confirm that all details and statements in the Application Form are complete and accurate;
- declare and confirm that their signature (particularly where a corporate or trust/trustee) is valid and binding on them;
- acknowledge that once the Application Form is returned it may not be withdrawn;
- agree to being issued the number of Securities referable to the value they apply for (or a lower number issued in accordance with this PDS);
- if natural persons, are at least 18 years old and do not suffer from any legal disability preventing them from applying for Securities; and
- authorise the Responsible Entity and the Joint Lead Managers and their respective officers or agents, to do anything on their behalf necessary for Securities to be issued to them, including to act on instructions received by the Registry using the contact details in the Application Form.

14.13 COOLING-OFF PERIOD

Cooling-off rights do not apply to an investment in Securities pursuant to this Offer. This means that, in most circumstances, Applicants cannot withdraw their Application once it has been accepted.

14.14 ACCESS TO INFORMATION

The Responsible Entity will provide regular communication to Securityholders, including publication of:

- the Fund's half yearly reports which provides an update on the investments held, operation of the Fund and performance for the period;
- the Fund's annual report including audited financial statements for each financial year ending 30 June;
- half yearly distribution statements;
- annual taxation statements; and
- any continuous disclosure notices given by the Fund.

This information will be accessible on the Fund's website www.elanorinvestors.com/ecf.

The Responsible Entity, as a disclosing entity, will be subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to the Fund Trusts may be obtained from, or inspected at, an ASIC office (or may be available through the Fund's website), and will also be lodged with ASX as required, and available through the ASX website.

You also have the right to obtain a copy of each annual report, half yearly report and any continuous disclosure notice from the Fund free of charge.

As at the date of this PDS, the Fund has not lodged with ASIC any annual report or half year report and has not given any continuous disclosure notices to ASX.

14.15 FOREIGN JURISDICTIONS

As at the date of this PDS, no action has been taken to register or qualify the Securities or the Offer or to otherwise permit a public offering of the Securities outside Australia.

The distribution of this PDS (including an electronic copy) outside Australia may be restricted by law. If you come into possession of this PDS outside Australia, then you should seek advice on, and observe, any such restrictions. Any failure to comply with such restrictions may violate securities laws. This PDS does not constitute an Offer or invitation in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an Offer or invitation.

The Securities may be offered in a jurisdiction outside Australia where such offer is made in accordance with the laws of that jurisdiction.

Each person submitting an Application Form will be deemed to have acknowledged that it is aware of the restrictions referred to in this Section 14.15 and to have represented and warranted that it is able to apply for and acquire the Securities in compliance with those restrictions.

14.16 ANTI-MONEY LAUNDERING/COUNTER-TERRORISM FINANCING ACT 2006

The Responsible Entity may be required to collect certain customer identification information and verify that information in compliance with the Anti-Money Laundering/Counter-Terrorism Financing Act 2006 (Cth) (**the AML/CTF Act**) and AML/CTF Rules before it can issue Securities to Applicants.

Customer identification information may include detailed know your customer (**KYC**) information in relation to the Applicant such as, for an individual Applicant, name, address, and date of birth and for an Applicant that is a business entity, details of directors and beneficial owners, and where the Applicant is a trustee, details of the trust and beneficiaries. The Responsible Entity may require further KYC information such as information concerning business activities, structure and source of funds of Applicants and from time to time may require an Applicant to provide updated or additional information.

The Responsible Entity may refuse to accept an application or decline to issue Securities to an Applicant until it has satisfactorily concluded a customer identification procedure in relation to the Applicant.

The Responsible Entity may delay or refuse any request or transaction, including by suspending the issue or redemption of Securities in the Fund if the Responsible Entity is concerned that the request or transaction may cause the Responsible Entity to contravene the AML/CTF Act. The Responsible Entity will incur no liability to the Applicant if it does so.

14.17 COPIES OF DOCUMENTS

The following documents are available for inspection at the offices of the Responsible Entity between 9.00 am and 5.00 pm (Sydney time) on Business Days in Sydney NSW. Alternatively, a copy of the following documents may be requested (to be provided free of charge) by contacting the Responsible Entity on +61 2 9239 8400:

- the Constitutions;
- Compliance Plans; and
- the Fund's policy regarding the exercise of discretions under the Constitutions which affect Security price calculations, valuation policy, and other matters.

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15. GLOSSARY

15. GLOSSARY

Term	Definition
$ or A$	Australian dollars.
AAS	Australian Auditing Standards.
AASB	Australian Accountings Standards Board.
Acquisition	the proposed acquisition of the New Property by the Fund, pursuant to the Acquisition Agreement.
Acquisition Agreements	the Acquisition Agreements between the Responsible Entity (or its Controlled Entities) and the vendors of the New Property, as described in Section 13.9.
Adjusted NAV	of the Fund means for a Performance Fee Period, the NAV of the Fund at the last day of the Performance Fee Period excluding any Performance Fees accrued or payable at that date.
AFSL	an Australian Financial Services Licence issued under the Corporations Act.
Allotment	the allotment of Securities following acceptance of an Application.
Allotment Date	the date on which Securities are allotted under the Offer, expected to be 6 December 2019.
Applicant	a person who submits a valid Application Form pursuant to this PDS.
Application	an application for Securities under the Offer described in this PDS.
Application Form	each of the paper and electronic application forms attached to, or accompanying this PDS upon which an Application may be made.
Application Monies	monies received from Applicants in respect of their Application(s).
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited (ACN 008 624 691), the Australian Securities Exchange, or the market operated by it, as the context requires.
ASX Recommendations	the ASX Corporate Governance Principles and Recommendations (Third Edition).
ASX Operating Rules	the Settlement Operating Rules made by ASX Settlement ASX Settlement Pty Limited (ACN 008 504 532).
ATO	Australian Taxation Office.
Auditor	the auditor of the Fund, Deloitte Touche Tohmatsu.
Bank	an Australian authorised deposit taking institution which has offered to provide finance to the Fund as part of the Debt Facility.
Board	the board of Directors of the Responsible Entity.
Broker	a broker appointed by the Joint Lead Managers to act as a participating broker to the Offer.
Broker Firm Applicant	a person who submits a valid Application under the Broker Firm Offer.
Broker Firm Offer	the offer under this PDS available to all investors who have received a firm allocation from their Broker.
Business Day	a day on which ASX is open for trading in securities and banks are open for general business in Sydney, NSW.

Term	Definition
Capitalisation Rate or Cap Rate	capitalisation rate, which represents a widely used measurement for comparing real estate investment opportunities, but should not be the sole factor in any real estate investment decision. The capitalisation rate for a real property or Portfolio of properties is calculated by dividing the projected NOI of the property or Portfolio of properties by the assessed valuation of the property, excluding costs of acquisition and fees.
CHESS	ASX's Clearing House Electronic Subregister System.
Completion	The completion of the issue of Securities pursuant to the Offer and the implementation of the Proposed Transaction.
Compliance Plans	the Compliance Plan of Elanor Commercial Property Fund I dated 4 October 2019 (as amended from time to time) or the Compliance Plan of Elanor Commercial Property Fund II dated 4 October 2019 (as amended from time to time), and Compliance Plans means both of them, in each case, as the context requires.
Constitution(s)	the Constitution of Elanor Commercial Property Fund I dated 17 October 2019 (as amended from time to time) or the Constitution of Elanor Commercial Property Fund II dated 17 October 2019 (as amended from time to time), and Constitutions means both of them, in each case, as the context requires.
Corporations Act	Corporations Act 2001 (Cth).
CPI	Consumer Price Index.
CPS	Cents Per Security.
Custodian	The Trust Company (Australia) Limited.
Custody Deed	the Custody deed between the Responsible Entity and the Custodian summarised in Section 13.8.
CY	calendar year.
Debt Facility	the borrowing of money by, and other financial accommodation provided to, the Fund from the Bank(s), summarised in Section 13.10.
Director(s)	the directors of the Responsible Entity.
Distribution	the amount payable to Securityholders by the Fund at the discretion of the Directors in accordance with the Constitutions.
Distribution Yield	the rate of return derived by dividing the Distribution per Security by the Offer Price.
DRP	distribution reinvestment plan.
Elanor or ENN	Elanor Investors Group.
Elanor Investors Group	the ASX listed stapled group (ASX:ENN) comprised of Elanor Investors Limited (ABN 33 169 308 187) and the Elanor Investment Fund (ARSN 169 450 926) and their respective controlled entities.
Elanor Offer	the offer of Securities as described in Section 8.5.
Elanor Offer Applicant	a person who submits a valid Application under the Elanor Offer.
Eligible Elanor Securityholders	those persons who hold a stapled security in Elanor Investors Group as at 6 November 2019 and who have a registered address on the Elanor register in Australia.

Term	Definition
Eligible Existing Investors	those persons who hold a Unit in either or both of the Trusts as at 6 November 2019 and who have a registered address on the Trusts register in Australia.
Existing Investors	those persons who hold a Unit in either or both trusts as at 14 October 2019.
Existing Properties	the properties in the Portfolio owned by the Fund prior to Completion including WorkZone West, Perth, as described in Section 2.
Exposure Period	the seven day period after the date of lodgement of the PDS with ASIC, which may be extended by ASIC by up to another seven days.
FFO	Funds From Operations.
Financial Information	the financial information of the Fund as described in Section 6.
Forecast Financial Information	has the meaning given in Section 6.1.
Forecast Period	the period from Completion until 30 June 2021.
Fully Leased Gross Income	with respect to a Property, the projected Gross Income on a fully leased basis for the first full year.
Fully Leased Net Operating Income	with respect to a Property, the projected NOI on a fully leased basis for the first full year after Completion.
Fund	the Elanor Commercial Property Fund.
FY	the financial year ended in any respective year.
GAV	means the consolidated gross asset value of the Group calculated in accordance with the Constitutions, and with the effects of all transactions between the Group members being eliminated in full.
Gearing	Drawn debt less cash divided by total assets less cash.
GLA or Gross Lettable Area	total lettable floor area in square metres.
Gross Income	income before any adjustment for operating expenses or non recoverable outgoings.
Group	means the Fund and its controlled entities.
Implementation Deed	The Implementation Deed described in Section 13.4.
Institutional Investor	a person to whom offers and issues of Securities may lawfully be made without the need for disclosure under Part 7.9 of the Corporations Act or without any other lodgement, registration or approval with or by a government agency (other than one with which the Responsible Entity, in its absolute discretion, is willing to comply), provided that such person is not in the United States.
Institutional Offer	the offer under this PDS to certain Institutional Investors to apply for Securities.
Investigating Accountant	Deloitte Corporate Finance Pty Limited.
Investigating Accountant's Report	the Investigating Accountant's Report prepared by the Investigating Accountant as set out in Section 10.
Joint Lead Managers	Moelis Australia, Ord Minnett, Shaw and Partners.
Investment Management Agreement	the Investment Management Agreement between the Responsible Entity and the Manager in respect of the Fund, as described in Section 13.6.

Term	Definition
Listing Rules	the official listing rules of the ASX from time to time as modified by any express written confirmation, waiver or exemption given by ASX.
Management Agreements	comprises the Investment Management Agreement and the Property Management Agreement as described in Sections 13.6 and 13.7.
Manager	Elanor Asset Services Pty Limited, a wholly-owned subsidiary of Elanor Investors Group.
NAV	means the consolidated net asset value of the Group calculated in accordance with the Constitutions, and with the effects of all transactions between the Group members being eliminated in full.
New Property	the property to be acquired by the Fund on Completion, being 200 Adelaide St, Brisbane
New Security	Securities to be issued under the Offer,
NOI	net operating income, which is Gross Income less non-recoverable outgoings and maintenance capital expenditure.
NTA	net tangible assets.
NTM	next twelve months.
Offer	the offer under this PDS to issue Securities under the Elanor Offer, the Broker Firm Offer and the Institutional Offer.
Offer Price	$1.25 per Security.
Official List	has the meaning given in the ASX Listing Rules.
Passing Yield	the net passing income for a property divided by the adopted value.
PDS	this document, the Product Disclosure Statement, dated 6 November 2019.
Portfolio	the property portfolio of the Fund as described in Section 2.
Properties	the Existing Properties and the New Property, each as described in the Section 2.
Property Management Agreement	the Property Management Agreement between the Responsible Entity and the Manager in respect of the Fund, as described in Section 13.6.
Proposed Transaction	the establishment and listing of the Fund, the Acquisition and the Offer as described in this PDS.
Responsible Entity	Elanor Funds Management Limited (ABN 39 125 903 031), as Responsible Entity of the Elanor Commercial Property Fund.
Register	the Securities register of the Fund.
Registry	Boardroom Pty Limited.
REIT	real estate investment trust.
Retail Investor	a person who is a resident of Australia and who is not in the United States, and is not otherwise treated as an Institutional Investor.
Retail Offer Period	the period commencing on the Retail Offer Opening Date and ending on the Retail Offer Closing Date.
Retail Offer Closing Date	the closing date for the Elanor Offer and Broker Firm Offer being 28 November 2019.
Retail Offer Opening Date	the opening date for the Elanor Offer and Broker Firm Offer being 14 November 2019.

Term	Definition
Security	A Security in the Fund comprising a Unit in Elanor Commercial Property Fund I stapled to Unit in Elanor Commercial Property Fund II.
Securityholder	A registered holder of Securities.
Stapled or Stapling	the linking together of Securities so that one Unit may not be issued, transferred or otherwise dealt with without a corresponding and simultaneous issue, transfer or dealing of the other Unit and which securities are quoted on ASX jointly as a "stapled security" or such other term as ASX permits.
Stapled Entities	the entities whose securities are Stapled together in accordance with the Stapling Deed and the Constitutions. As at the Allotment Date, the Stapled Entities are the Trusts.
Stapling Deed	the stapling deed entered into between the Elanor Commercial Property Fund I and the Elanor Commercial Property Fund II and dated 19 September 2018.
Statutory Historical Financial Information	as defined in Section 6.1.
Sub-Trusts	each of the trusts owned by the Fund, being the Mount Gravatt Property Trust, Cannon Hill Property Trust, 196 OG Road Property Trust, WorkZone West Equity Trust and Adelaide Street Property Trust.
Trigger Event	means when the Investment Agreement terminates or expires, there is a change of control of the Responsible Entity or the Fund, the Responsible Entity is replaced by a responsible entity that is not a member of the Elanor Investors Group or a winding-up of the Fund commences, or the management of the Fund is internalised.
Trusts	Elanor Commercial Property Fund I and Elanor Commercial Property Fund II.
TSR	total securityholder return.
TTA	total tangible assets.
Unit	means a fully paid ordinary unit in Elanor Commercial Property Fund I or Elanor Commercial Property Fund II (as applicable).
US Securities Act	U.S. Securities Act of 1933, as amended.
WACR	Weighted Average Capitalisation Rate adopted in the independent valuation of the Properties.
WALE	weighted average lease expiry for a property or Portfolio by gross lettable area excluding vacancies and including Rental Guarantees

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16. DIRECTORY

ELANOR COMMERCIAL PROPERTY FUND

Level 38, 259 George Street
Sydney NSW 2000

ASX Code: ECF

FINANCIAL ADVISER

Moelis Australia Advisory Pty Limited
Level 27, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

JOINT LEAD MANAGERS

Moelis Australia Advisory Pty Limited
Level 27, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

Ord Minnett Limited
Level 8, NAB House
255 George Street
Sydney NSW 2000

Shaw and Partners Limited
Level 7, Chifley Tower
2 Chifley Square
Sydney NSW 2000

LEGAL ADVISER

Baker & McKenzie
Level 46, 100 Barangaroo Avenue
Barangaroo NSW 2000

INVESTIGATING ACCOUNTANT

Deloitte Corporate Finance Pty Limited
Level 9, Grosvenor Place
225 George Street
Sydney NSW 2000

TAXATION ADVISER

Deloitte Tax Services Pty Limited
Level 9, Grosvenor Place
225 George Street
Sydney NSW 2000

AUDITOR

Deloitte Touche Tohmatsu
Level 9, Grosvenor Place
225 George Street
Sydney NSW 2000

REGISTRY

Boardroom Pty Limited
Level 12, Grosvenor Place
225 George Street
Sydney NSW 2000

CUSTODIAN

The Trust Company (Australia) Limited
Level 18, 123 Pitt Street
Sydney NSW 2000

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17. APPLICATION FORM

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