

Newmark Property REIT

Product Disclosure Statement

Dated 16 November 2021

Product Disclosure Statement in relation
to the Offer of 67.7 million Stapled Securities
in Newmark Property REIT

Newmark REIT Management Limited
(ACN 644 715 382) (AFSL 526 690)
as responsible entity of:

- Newmark Hardware Trust (ARSN 161 274 111); and
- Newmark Capital (Chadstone) Property Trust
(ARSN 648 280 219)

Joint Lead Managers and Underwriters of the Offer

CREDIT SUISSE  MA Moelis Australia Morgan Stanley

Co-Lead Managers of the Offer

crestone. 

Important information

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 decision with respect to an investment in Stapled Securities in Newmark Property REIT. In particular, you should pay careful consideration to the risk factors outlined in Section 9 and the tax implications in Section 12 of this PDS 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 (**PDS**) for the purposes of Part 7.9 of the Corporations Act and has been issued by Newmark REIT Management Limited (ACN 644 715 382) (AFSL 526 690) (**Responsible Entity**) as responsible entity of each of Newmark Hardware Trust (ARSN 161 274 111) and Newmark Capital (Chadstone) Property Trust (ARSN 648 280 219) (collectively, **Newmark Property REIT**) in respect of the Offer.

The Responsible Entity takes full responsibility for this PDS.

Lodgement and listing

This PDS was prepared in accordance with section 1013A of the Corporations Act. This PDS is dated 16 November 2021 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. The Responsible Entity will apply for the admission of Newmark Property REIT to the official list of ASX and the quotation of the Stapled 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.

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 9 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 Stapled Securities.

Exposure Period

The Corporations Act prohibits the Responsible Entity from processing Applications in the seven day period after the date of lodgement of this 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 Stapled 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 Stapled Securities pursuant to the Offer.

Information for existing investors

This document includes information that relates to:

- Newmark Hardware Trust (**NHT**) and Newmark Capital (Chadstone) Property Trust (**Chadstone Trust**) prior to the Stapling of the units in NHT to the units in the Chadstone Trust to form Newmark Property REIT; and
- the transaction steps, including summaries of important documents, relating to the Stapling of the units in NHT to the units in the Chadstone Trust in order to form Newmark Property REIT.

The information has been included for the purposes of providing persons who are Existing Investors with additional detail regarding the units issued to them in NHT or Chadstone Trust (as applicable) to implement the Stapling. This PDS does not constitute an invitation, recommendation, advertisement or offer to Existing Investors to apply for securities of any type, in relation to the implementation of the Stapling. The PDS that will be made available to the Existing Investors in relation to the Stapling will not contain, or be accompanied by, an Application Form.

The information in this PDS is intended to supplement the existing disclosure provided to Existing Investors by way of unit holder correspondence, disclosure notices and the Notice of Meeting and Explanatory Memorandum for NHT and Chadstone Trust dated 16 October 2020 and 30 November 2020 respectively.

Rights and liabilities attached to the Stapled Securities

From the date the Stapled Securities are issued under the Offer, all Stapled Securities will rank equally in all respects to the Stapled Securities on issue. Details of the rights and liabilities attached to each Stapled Security are set out in Section 13.1 and in the Constitution of each Stapled Group Entity, 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.newmarkcapital.com.au/npr during the Broker Firm Offer Period. If you access this PDS electronically, please ensure that you download and read this PDS in its entirety. The Offer to which this PDS relates is available to persons receiving this PDS (electronically or otherwise) in Australia and to Institutional Investors located in certain other jurisdictions. It is not available to persons in (i) the United States or acting for the account or benefit of a person in the United States or (ii) other jurisdictions other than under the Institutional Offer.

A paper form of this PDS can be obtained, free of charge, during the Broker Firm Offer Period by contacting the Offer Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) from 8.30am to 5.30pm (Melbourne time), Monday to Friday.

Applications for Stapled Securities under the Offer will only be considered if applied for on an Application Form attached to or accompanied by a copy of this PDS (refer to Section 10 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 Retail Investors and Institutional Investors located in Australia and certain other jurisdictions. 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 securities restrictions may find you in violation of applicable securities laws. No action has been taken to register or qualify the Stapled Securities, the Offer, or to otherwise permit a public offering of Stapled Securities in any jurisdiction outside of Australia. The Stapled 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 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 or acting for the account or benefit of a person in the United States. Any person subscribing for Stapled 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 or the Co-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. Refer to Section 14 for further information.

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 Newmark Property REIT's website at www.newmarkcapital.com.au/npr. The Responsible Entity will provide a paper copy of the updated information free of charge to any eligible investor who requests a copy by contacting the Offer Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) from 8.30am to 5.30pm (Melbourne time), Monday to Friday during the Broker Firm 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 with this PDS prior to making any investment decision.

Variation of the Offer

At any time prior to the allocation of the Stapled 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 Financial Information in this PDS should be read in conjunction with, and is qualified by reference to, the information contained in Section 9. All financial amounts contained in this PDS are presented in Australian dollars and unless otherwise noted are rounded to the nearest \$0.1 million. Figures in this PDS may be subject to rounding adjustments causing discrepancies in totals, the sum of components and percentage calculations. All fees in this 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 Responsible Entity believes this non-IFRS financial information provides useful information to users in measuring the financial performance and conditions of Newmark Property REIT. 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.

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 directors, officers, employees, agents and advisers. Consequently, such factors may impact the performance of Newmark Property REIT 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 9. No assurance can be provided that actual performance will mirror the guidance provided. Other than as required by law, the Responsible Entity and its respective directors, officers, employees or advisers or any other person do not give 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 and its respective 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. Past performance is not a reliable indicator of future performance.

In particular, potential investors are strongly cautioned not to place reliance on forward-looking statements, particularly in light of the current economic uncertainties and disruption caused by the COVID-19 pandemic. A number of important factors could cause Newmark Property REIT's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements, including (but not limited to) the risks and uncertainties related to the ongoing impact of the COVID-19 pandemic.

Independent valuations

This PDS contains information regarding the independent valuations of the Properties by independent valuers as at 30 September 2021. 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 8. 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

Credit Suisse (Australia) Limited, E&P Corporate Advisory Pty Limited, MA Moelis Australia Advisory Pty Ltd and Morgan Stanley Australia Securities Limited have been appointed by the Responsible Entity as Joint Lead Managers to the Offer. 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 13.10.

Independent Limited Assurance Report on financial information and financial services guide

The provider of the Independent Limited Assurance Report on the Financial Information is required to provide Australian retail investors with a financial services guide in relation to its independent limited review under the Corporations Act. The Independent Limited Assurance Report and accompanying financial services guide are provided in Section 7 of this PDS.

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, properties not accompanied by a description should not be interpreted as being owned by Newmark Property REIT.

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 this PDS, the logos and company names are trademarks 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 this 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 Glossary (refer to Section 15 for further information). Unless otherwise stated or implied, references to times in this PDS are Melbourne, 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 Stapled Securities under the Offer, 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* (Cth) (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 Stapled Securityholder, 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 Newmark Property REIT, 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 and Co-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 Newmark Property REIT's securityholder 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 Stapled Securities and for associated actions.

The information contained in the Register must remain there even if that person ceases to be a Stapled Securityholder. Information contained in the Register is also used to facilitate distribution payments and corporate communications (including Newmark Property REIT's financial results, annual reports and other information that the Responsible Entity may wish to communicate to its Stapled Securityholders) and compliance by the Responsible Entity with legal and regulatory requirements. You have a right to gain access to the information that the Responsible Entity and the Registry hold about you, subject to certain exemptions under law. A fee may be charged for access.

Access requests must be made in writing or by telephone call to the Responsible Entity's registered office or the Registry's office, details of which are disclosed in the Corporate Directory on the inside back cover of this PDS.

You can also obtain a copy of the Responsible Entity's Privacy Policy by visiting its website at www.newmarkcapital.com.au.

Under the *Privacy Act 1988* (Cth) (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 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia). 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, none of the Responsible Entity, the Joint Lead Managers or the Co-Lead Managers nor any other person, warrants or guarantees the future performance of Newmark Property REIT or the repayment of capital, or any return on any investment made pursuant to this information.

The Joint Lead Managers and Co-Lead Managers have not authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this PDS and do 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 or the Co-Lead Managers. The Joint Lead Managers, Co-Lead Managers and their affiliates, officers, employees and advisers, to the maximum extent permitted by law, expressly disclaim all liabilities (whether in fault, negligence or otherwise and including without limitation, any liability arising out of direct, indirect, consequential or contingent loss or damage) in respect of, make no representations regarding, and take no responsibility for, any part of this PDS or the Offer and make no representation or warranty as to the currency, accuracy, reliability or completeness of this PDS or any information opinions and conclusions contained in it.

Conflict of interest disclaimer

The Joint Lead Managers, Co-Lead Managers, the Brokers and their respective affiliates and any of their respective directors, officers, employees, partners, advisers, contractors or agents (the **Lead Manager Parties**) are involved in a wide range of financial services and businesses in respect of which they may receive fees and other benefits and out of which conflicting interests or duties may arise. These services and businesses may include (without limitation) securities issuing, securities trading, brokerage activities, provision of retail, business, private, commercial and investment banking, investment management, corporate finance, credit and derivative, trading and research products and services or the provision of finance, including (without limitation) in respect of securities of, or loans to members of the Newmark Group, persons directly or indirectly involved with the Offer or interests associated with such persons. In the ordinary course of these activities, each of the Lead Manager Parties may at any time hold long or short positions and may trade or otherwise effect transactions or take or enforce security, for its own account or the accounts of investors or any other party that may be involved in the Offer.

No fiduciary and no advice disclaimer

No Lead Manager Party nor their related bodies corporate, and/or their directors, officers, employees or clients act as the adviser of or owe any fiduciary or other duties to any recipient of this (or any supplementary or replacement) PDS in connection with the Stapled Securities and/or any related transaction (including, without limitation, in respect of the preparation and due execution of the transaction documents and the power, capacity or authorisation of any other party to enter into and execute the transaction documents). No reliance may be placed on any Lead Manager Party for financial, legal, taxation, accounting or investment advice or recommendations of any sort.

Persons contemplating purchasing the Stapled Securities should make their own decision as to the sufficiency and relevance for their purpose of the information contained in this PDS and any other offering documentation in respect of the Stapled Securities, undertake their own independent investigation of the appropriateness of the Stapled Securities for them taking into account their financial and taxation circumstances, investment objectives and particular needs and take all appropriate advice from qualified professional persons as they deem necessary. Any investment decision should rely on that investigation and appraisal and not on this PDS.

The recipient acknowledges that neither it, the Responsible Entity nor the Joint Lead Managers intend that the Joint Lead Managers, nor any of the Lead Manager Parties act or be responsible as a fiduciary, or assume any other duties, to the recipient, its officers, employees, consultants, agents, security holders, creditors or any other person. Each recipient and each Joint Lead Manager (on behalf of each other Lead Manager Party), expressly disclaim any fiduciary relationship. The recipient agrees that it is responsible for making its own independent judgments with respect to the Offer, any other transaction and any other matters arising in connection with this PDS.

Preparation of PDS

Unless otherwise specified, this PDS has been prepared as if completion of the Implementation Deed (refer to Section 13.2 for a summary of the Implementation Deed) has already occurred. References to Newmark Property REIT throughout this PDS are references to Newmark Property REIT that will exist from Completion of the Offer. For example, the Investment Overview in Section 1, Overview of Newmark Property REIT in Section 2, Portfolio Overview in Section 3 and the Financial Information in Section 6 each describe Newmark Property REIT and the Stapled Securities after the completion of the Implementation Deed and the Offer.

Further questions

If you have any queries relating to aspects of this PDS, please call the Offer Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) from 8.30am to 5.30pm (Melbourne time), Monday to Friday during the Broker Firm Offer Period.

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Key Offer information

Offer details

Offer price per Stapled Security	\$1.895 per Stapled Security
Number of Stapled Securities to be issued under the Offer	67.7 million
Offer size	\$128.3 million
Total Stapled Securities on issue at Completion	\$181.7 million
Market capitalisation at the Offer Price	\$344.3 million

Investment metrics

Forecast FY22 annualised funds from operations (FFO) Yield ¹	4.6%
Forecast FY22 annualised Distribution Yield ²	5.1%
Forecast 1H23 annualised FFO Yield ³	5.3%
Forecast 1H23 annualised Distribution Yield ⁴	5.3%
Net tangible asset (NTA) per Stapled Security at Completion	\$1.77
Offer Price premium to NTA per Stapled Security at Completion	7.1%
Pro-forma Gearing of Newmark Property REIT at Completion ⁵	28.0%
Pro-forma Gearing of Newmark Property REIT (post completion of the Preston development) ⁶	38.1%

Portfolio metrics

Number of Properties ⁷	8
Independent Valuation ⁸	\$519.6 million
Weighted Average Capitalisation Rate (WACR) ⁹	5.07%
Gross Lettable Area (GLA)	153,649m²
Occupancy ¹⁰	99.0%
Weighted Average Lease Expiry (WALE) ¹¹	7.6 years
Fixed Rent Reviews ¹²	84.0%
Weighted Average Rental Review (WARR) ¹³	2.7%
Average Asset Age ¹⁴	4.5 years

1 For the period from Allotment to 30 June 2022 (annualised).

2 For the period from Allotment to 30 June 2022 (annualised). Based on 112.4% FFO payout ratio. Newmark Property REIT expects to target a normalised distribution payout ratio of between 90 and 100% of FFO thereafter.

3 For the period from 1 July 2022 to 31 December 2022 (annualised).

4 For the period from 1 July 2022 to 31 December 2022 (annualised). Based on 100% FFO payout ratio.

5 Gearing calculated as interest bearing liabilities less cash divided by total tangible assets less cash.

6 Assumes debt funding of \$69.0 million and cash funding of \$3.5 million.

7 Including Preston which is expected to settle in July 2022.

8 Valuations undertaken by Savills and CBRE as at 30 September 2021. Accounts for the Preston asset valuation on an 'as if complete' basis.

9 Weighted by gross passing income at 30 September 2021.

10 By gross passing income at 30 September 2021.

11 By gross passing income at 30 September 2021.

12 By gross passing income at 30 September 2021.

13 Weighted by gross passing income at 30 September 2021. Adopts CPI at 1.75% p.a.

14 Weighted by value accounting for the Preston asset valuation on an 'as if complete' basis. Valuations as at 30 September 2021.

Important dates

Broker firm bids and institutional bookbuild	11 to 12 November 2021
PDS Lodgement Date	16 November 2021
Broker Firm Offer opens	24 November 2021
Broker Firm Offer closes	1 December 2021
Commencement of trading on ASX on a conditional and deferred basis	6 December 2021
Settlement of IPO proceeds	7 December 2021
Implementation of Stapling	7 December 2021
Issue and Allotment of Stapled Securities under the Offer	8 December 2021
Commencement of trading on ASX on a normal settlement basis	8 December 2021
Expected dispatch of holding statements	9 December 2021

The dates above are indicative only and may change without notice.

The Responsible Entity, with the consent of the Joint Lead Managers, reserves the right to vary the times and dates of the Offer subject to the Corporations Act, ASX Listing Rules and other applicable laws, including to close the Offer early,

extend the Offer or accept late Applications, either generally or in particular cases, or to withdraw the Offer, without prior notice. The quotation and commencement of trading of the Stapled Securities is subject to confirmation from ASX. No cooling-off rights apply to the Offer.

How to invest

Applicants under the Broker Firm Offer may apply for Stapled Securities by completing and lodging a valid Application Form attached to or accompanying this PDS with the Broker who invited them to participate in the Offer. Under the Institutional Offer, Institutional Investors have been invited to commit to the Joint Lead Managers to acquire Stapled Securities.

Further instructions on how to apply for the Stapled Securities are set out on the back of the Application Form. If you require a replacement Application Form or have any questions relating to the Offer, please contact the Offer Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) from 8.30 am until 5.30 pm (Melbourne time) Monday to Friday (excluding public holidays) during the Offer Period.

If you are unclear in relation to any matter or are uncertain as to whether Newmark Property REIT is a suitable investment for you, you should seek professional advice from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest. To the extent permitted by law, an Application by an Applicant under the Offer is irrevocable.



Chairperson's letter

Dear Investor,

Introducing Newmark Property REIT

On behalf of the Board of Directors, we are delighted to offer you the opportunity to invest and become a Stapled Securityholder in Newmark Property REIT.

Newmark Property REIT will comprise a newly formed ASX-listed real estate investment trust (**REIT**) created from the stapling of two established property trusts currently managed by Newmark Property Group Pty Ltd and its subsidiaries (**Newmark Group**), being the Newmark Hardware Trust and the Newmark Capital (Chadstone) Property Trust.

Investing in Newmark Property REIT will offer exposure to a portfolio of eight well located, high-quality large format retail (**LFR**) properties (**Portfolio**) that are predominantly leased to Bunnings, a wholly owned subsidiary of Wesfarmers Limited (**Wesfarmers**). The properties within the Portfolio are situated in metropolitan, urban centre and key regional locations that are underpinned by a growing population and a diversified local economy. The Portfolio is expected to offer investors a consistent and secure income profile that benefits from structured annual rent escalations, with the existing assets having performed well since inception and proven to be resilient throughout the headwinds of the COVID-19 pandemic (**COVID-19**).

Investment highlights

Exposure to Bunnings

- Defensive portfolio with income underpinned by long-term leases to Bunnings, which comprises 75.8% of leasing by income¹⁵.
- Exposure to Australia's Household Goods Retailing sector, which grew 14.2% for the year to June 2021¹⁶.
- Proven resilience, especially during COVID-19, with 99% of rent collected in FY21¹⁷.

Attractive investment fundamentals

- A modern portfolio with the majority of properties representing new-format Bunnings stores, which features a WACR of 5.07%¹⁸, 153,649m² of GLA, 7.6 year WALE¹⁹ and a weighted average asset age of 4.5 years²⁰.
- Attractive forecast financial profile, with an estimated 5.1% forecast FY22 annualised Distribution Yield²¹ and 5.3% forecast 1H23 annualised Distribution Yield²².
- Strong prospects for portfolio growth, with structured annual rental escalations for 84.0%²³ of the Portfolio, with weighted average rent reviews of 2.7% p.a.²⁴.
- A targeted acquisition strategy and the completion of the Preston development will also support future growth.

15 By gross passing income at 30 September 2021.

16 ABS, Retail Trade, Australia. Total turnover (seasonally adjusted).

17 Based on the NHT and Chadstone Trust property portfolios pre-settlement of Preston (i.e. does not relate to the Preston asset).

18 Weighted by gross passing income at 30 September 2021.

19 By gross passing income at 30 September 2021.

20 Weighted by value accounting for the Preston asset valuation on an 'as if complete' basis. Valuations as at 30 September 2021.

21 For the period from Allotment to 30 June 2022 (annualised). Based on 112.4% FFO payout ratio. Newmark Property REIT expects to target a normalised distribution payout ratio of between 90 and 100% of FFO thereafter.

22 For the period from 1 July 2022 to 31 December 2022 (annualised). Based on 100% FFO payout ratio.

23 By gross passing income at 30 September 2021.

10 24 Weighted by gross passing income at 30 September 2021. Adopts CPI at 1.75% p.a.

Experienced investment manager

- Experienced property investment management team with a 10-year track record of delivering investors strong returns and value enhancement to increase assets under management.
- Experienced Board with an independent chairperson, majority independent Directors and an average of over 30 years of professional experience.
- Alignment of interest between the Newmark Group (and its related entities) and Newmark Property REIT via ownership of a significant co-investment stake upon listing of approximately 18.2%²⁵.
- Newmark Property REIT will benefit from Newmark Group's ability to leverage relationships with tenants and service providers and identify potential future investment opportunities.

About Newmark Group

Established in 2011, the Newmark Group is an Australian property investment manager led by respected real estate executives, Chris Langford and Simon T. Morris.

Investing exclusively in premium commercial real estate properties on behalf of investors, Newmark Group manages office and retail assets with a collective valuation in excess of \$1.3 billion.

Newmark Group has a proven track record of delivering regular income and strong, long-term returns and has achieved a total weighted average IRR of 17% for all mature and closed funds since 2011.

Newmark REIT Management Limited (**NRML**), the responsible entity of Newmark Property REIT, is an entity within the Newmark Group.

About the Offer

Newmark Property REIT is seeking to raise \$128.3 million via the offer of 67.7 million Stapled Securities at an offer price of \$1.895 per Stapled Security (**Offer**). Eligible investors are invited to participate in either the Institutional Offer or Broker Firm Offer, as relevant. An application will be made for the admission of the Stapled Securities to the official list of ASX and the quotation of Stapled Securities on ASX.

This PDS contains important information regarding an investment in the Offer of Stapled Securities in Newmark Property REIT. I encourage a thorough and whole understanding of the information provided, with particular attention drawn to Sections 9 (Investment Risks) and 11 (Fees and Other Costs). These Sections summarise the potential risks and costs, respectively, of an investor's decision to apply for Stapled Securities in Newmark Property REIT via the Offer.

We urge all readers of this PDS to consider seeking professional advice should they have any questions and/or prior to deciding whether to participate in the Offer.

On behalf of the Board of Directors, thank you for your consideration of the Offer and we look forward to welcoming you on the journey as a new investor in Newmark Property REIT.



Michael Doble
Independent Chairperson
Newmark REIT Management Limited

²⁵ See Section 10.2 for further details.



NGS
ouse

adriatic
Exclusive, Yes. Expensive, No.

Bay Leather
Republic

e&s
KITCHEN BATHROOM LAUNDRY

JB HI-FI

petstock



1.0 Investment Overview



1.0 Investment Overview

The information set out in this Section is a summary only. This PDS contains important information as it relates to an investment in the Stapled Securities and the cost and risks to investors in doing so. Investors should read the additional Sections referred to and consider the entire PDS before completing the Application Form. Investors should also consider obtaining their own relevant professional advice before investing in the Offer.

1.1 Introduction

Topic	Summary	Reference
What is Newmark Property REIT?	<p>Newmark Property REIT will be an ASX-listed REIT created from the stapling of two established unlisted property trusts managed by the Newmark Group.</p> <p>Upon listing, Newmark Property REIT will comprise a portfolio of eight well located, high-quality LFR commercial properties in metropolitan, urban centre and key regional locations along the eastern seaboard of Australia. Each of the properties are of recent construction, with one currently under construction and due for completion in mid-2022 (average building age of 4.5 years²⁶).</p> <p>The Portfolio has been independently valued at \$519.6 million²⁷, has a Portfolio occupancy rate of 99.0%²⁸ and WALE of 7.6 years²⁹.</p> <p>Bunnings Group Limited, a wholly owned subsidiary of Wesfarmers Limited, is the dominant tenant and accounts for 75.8% of gross passing income³⁰.</p> <p>Based on the Offer Price, Newmark Property REIT is expected to have a market capitalisation, upon listing, of approximately \$344.3 million.</p>	Section 2.1
What is the LFR property sector?	<p>The LFR property sector is a key sub-sector of the Australian retail property market, comprising 35% of all retail floor space in Australia³¹.</p> <p>The LFR sector comprises the retail sector servicing Household Goods that includes furniture, floor coverings, housewares, textile goods, electrical goods, hardware, building and garden supplies.</p>	Section 4.3

26 Weighted by value accounting for the Preston asset valuation on an 'as if complete' basis. Valuations as at 30 September 2021.

27 Valuations undertaken by Savills and CBRE as at 30 September 2021. Accounts for the Preston asset valuation on an 'as if complete' basis.

28 By gross passing income at 30 September 2021.

29 By gross passing income at 30 September 2021.

30 By gross passing income at 30 September 2021.

14 31 LFRA, Retailing <<https://lfra.com.au/retailing/>>, accessed 9 November 2021.

Topic	Summary	Reference
What are the key drivers of the LFR sector?	<p>Large format retailing offers a range of benefits, including:</p> <ul style="list-style-type: none"> • Convenient and easily accessible retail facilities that meet consumer demand for merchandise generally of a homemaker nature. • Typically larger tenancy sizes than traditional retailers which is commensurate with the retail goods being displayed, stored and sold. • Direct vehicular access for consumers to the retail store that allows for the immediate loading and unloading of retail goods. 	Section 4.3
How will Newmark Property REIT be structured?	<p>Newmark Property REIT is being formed by stapling two established unlisted property trusts currently managed by Newmark Group, namely NHT and Chadstone Trust. The Stapling will be implemented as a result of undertaking the steps set out in the Implementation Deed (summarised in Section 13.2).</p> <ul style="list-style-type: none"> • NHT comprises a portfolio of seven high-quality commercial properties that includes the Preston property that is currently under construction and due for completion in mid-2022. The properties are primarily leased to Bunnings and have been valued at \$439.6 million³². • Chadstone Trust is a single asset unlisted property trust that owns the Chadstone Homeplus+ Homemaker Centre in Victoria, which also has Bunnings as its major tenant and has been valued at \$80.0 million³³. 	Section 2.2
What is Newmark Property REIT's objective?	<p>Newmark Property REIT's objective is to provide Stapled Securityholders with exposure to a high-quality real estate portfolio targeting consistent and growing distributions.</p>	Section 2.3

³² Valuations undertaken by Savills and CBRE as at 30 September 2021. Accounts for the Preston asset valuation on an 'as if complete' basis.

³³ Valuation undertaken by Savills as at 30 September 2021.



1.0 Investment Overview *continued*

Topic	Summary	Reference
What are Newmark Property REIT's strategies?	<p>Newmark Property REIT intends to achieve its objective by:</p> <ul style="list-style-type: none">• Maintaining defensive tenant exposure within the portfolio that is underpinned by long-term leases to quality tenants;• Ensuring geographic diversification across metropolitan, urban centre and key regional locations underpinned by a growing population and a diversified local economy;• Focusing on strategic landholdings that benefit from main road locations and ease of access to major arterial roads;• Pro-actively managing lease-expiry profiles and tenant relationships;• Pursuing acquisition opportunities consistent with the investment strategy of Newmark Property REIT;• Continually seeking value-enhancement opportunities within the existing portfolio of assets;• Drawing on the extensive experience of the investment management team; and• Maintaining an appropriate capital structure with adequate covenant capacity. <p>Newmark Property REIT will review its strategies on an ongoing basis and focus on operating with the best interests of Stapled Securityholders at the core of its business.</p>	Section 2.3

Topic	Summary	Reference
What is Newmark Property REIT's investment policy for acquisitions?	<p>Newmark Property REIT's investment criteria places strong emphasis on real estate fundamentals and active management. Newmark Property REIT will seek acquisition opportunities that deliver attractive quantitative and/or qualitative benefits and will typically include properties that are expected to be:</p> <ul style="list-style-type: none"> • Complementary to the initial portfolio of properties; • Situated in metropolitan, urban centre and key regional locations that have a critical mass and growing population as well as a diversified local economy; • Secured by long-term leases to quality tenants that typically provide structured annual rent escalations; • Strategic landholdings that benefit from main-road exposure and ease of access to major arterial roads; • Recently constructed and/or provide a contemporary standard of accommodation; and/or • Identified to provide value-enhancement opportunities through the engagement of pro-active management provided by NRML. 	Section 2.3
What is Newmark Property REIT's investment policy for divestments?	<p>Newmark Property REIT may consider the sale of a Property when it no longer meets Newmark Property REIT's objective and strategies, or when it is considered to be in the best interests of Stapled Securityholders. Newmark Property REIT will review the merits of a divestment strategy for each asset on a regular basis.</p>	Section 2.3
Will Newmark Property REIT take on material development risk?	<p>Newmark Property REIT will not take on material development risk. It may pursue smaller add-on development projects within existing sites where tenant pre-commitments are secured. Larger developments may be pursued under fund-through arrangements (similar in structure to the Preston acquisition) where a tenant pre-commitment is secured and the development delivery is undertaken by a third party under a fixed price contract.</p>	Section 9.2.5
Will Newmark Property REIT invest in properties outside Australia?	<p>The Newmark Property REIT Portfolio will offer Stapled Securityholders exposure to an all-Australian property portfolio.</p>	Section 3



1.2 Benefits and risks

Topic	Summary	Reference
What are the main benefits of an investment in Newmark Property REIT?	<p>There are several benefits associated with investing in Newmark Property REIT. Some of the key benefits include:</p> <p>High-quality, modern portfolio</p> <ul style="list-style-type: none"> • Eight high-quality LFR properties with an independent valuation of \$519.6 million³⁴. • A modern portfolio of assets with the majority of properties representing new-format Bunnings stores, which features a WACR of 5.07%³⁵, 153,649 m² of GLA, 7.6 year WALE³⁶ and a weighted average asset age of 4.5 years³⁷. <p>Secure and defensive income profile</p> <ul style="list-style-type: none"> • Attractive forecast FY22 annualised Distribution Yield of 5.1%³⁸ and forecast 1H23 annualised Distribution Yield of 5.3%³⁹. • 99% occupancy on existing completed properties⁴⁰. • Long-term leases with 7.6 year WALE and no significant near-term lease expiries⁴¹. • Attractive net lease structures. • Strong rent collection during COVID-19 with 99% of rent collected in FY21. • Structured annual rental escalations for 84.0% of the Portfolio⁴². <p>Income underpinned by long-term leases to Bunnings</p> <ul style="list-style-type: none"> • Long-term leases to Bunnings comprise 75.8% of total income for Newmark Property REIT⁴³. • Bunnings is owned by Wesfarmers, one of Australia's largest companies with a market capitalisation of \$68 billion⁴⁴. • Bunnings has exhibited strong performance (total revenue growth of 12.5% in FY21⁴⁵) despite the trading impacts caused by COVID-19, driven by a boom in home improvement activity and working-from-home arrangements. 	Section 2.4

34 Valuations undertaken by Savills and CBRE as at 30 September 2021. Accounts for the Preston asset valuation on an 'as if complete' basis.

35 Weighted by gross passing income at 30 September 2021.

36 By gross passing income at 30 September 2021.

37 Weighted by value accounting for the Preston asset valuation on an 'as if complete' basis. Valuations as at 30 September 2021.

38 For the period from Allotment to 30 June 2022 (annualised). Based on 112.4% FFO payout ratio. Newmark Property REIT expects to target a normalised distribution payout ratio of between 90 and 100% of FFO thereafter.

39 For the period from 1 July 2022 to 31 December 2022 (annualised). Based on 100% FFO payout ratio.

40 By gross passing income at 30 September 2021.

41 By gross passing income at 30 September 2021.

42 By gross passing income at 30 September 2021.

43 By gross passing income at 30 September 2021.

44 Based on market close as at 9 November 2021.

Topic	Summary	Reference
What are the main benefits of an investment in Newmark Property REIT? <i>Continued</i>	<p>Attractive growth prospects</p> <ul style="list-style-type: none"> Fixed rental escalations for 84.0% of the Portfolio, with weighted average rent reviews of 2.7% p.a.⁴⁶ including the leases to Bunnings that provide for typical annual rental escalation of between 2.5% and 3.0% per annum. The completion of Preston fund-through development will support growth in FY23. Further acquisition opportunities consistent with the investment strategy of Newmark Property REIT, supported by access to the Newmark Group platform. <p>Experienced investment manager</p> <ul style="list-style-type: none"> Newmark Group is a respected property investment manager that places strong emphasis on real estate fundamentals and active management. Newmark Group currently has over \$1.3 billion in assets under management and a 10-year track record of delivering investors regular income and strong returns. <p>Experienced Board of Directors and strong corporate governance</p> <ul style="list-style-type: none"> Highly experienced Board of Directors from which Newmark Property REIT will draw guidance and expertise (including an independent Chairperson and a majority of independent Directors). Alignment of interest between the Newmark Group and its related entities (being entities associated with directors, shareholders or other related parties of Newmark Group members (including the Responsible Entity)) and Newmark Property REIT via ownership of a significant co-investment stake upon listing of approximately 18.2%⁴⁷. Newmark Property REIT will benefit from Newmark Group's ability to leverage relationships with tenants and service providers and identify potential future investment opportunities. 	Section 2.4

⁴⁶ Weighted by gross passing income at 30 September 2021. Adopts CPI at 1.75% p.a.

⁴⁷ See Section 10.2 for further details.



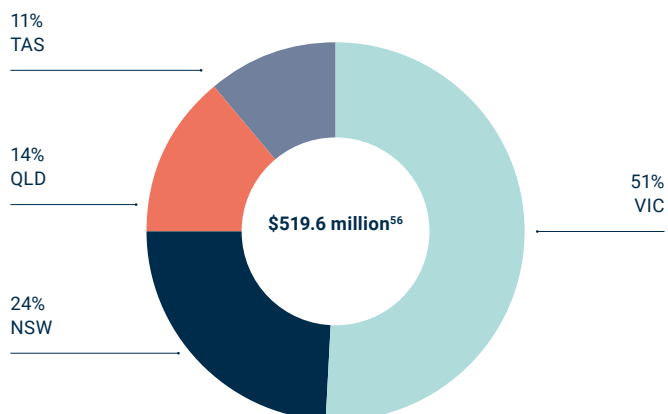
1.2 Benefits and risks *continued*

Topic	Summary	Reference
What are the main risks of an investment in Newmark Property REIT?	<p>There are a number of risks associated with an investment in Newmark Property REIT. Key risks specific to an investment in Newmark Property REIT include the following:</p> <ul style="list-style-type: none">• Reliance on key tenants for rental income and the ability to pay distributions;• The risk that suitable acquisitions and divestments cannot be sourced;• Unforeseen capital expenditure or the impacts of any significant delay in the construction of Preston;• An inability to attract funding for future acquisitions / capital intensive projects;• A breach of debt covenants, which could lead to higher interest rates and fees, forced repayment or forced asset sales;• Decreased distributions due to the impact on financial position of unhedged interest rates or tenant delinquency;• Derivatives used to hedge interest rate exposure may need to be mark to market at fair value resulting in recognition of an asset or liability on Newmark Property REIT's balance sheet;• A variation in the assumptions used to prepare forward looking statements and financial forecasts;• Any breach by the Responsible Entity of the Corporations Act or the terms of its Australian Financial Services Licence (AFSL);• Any conflicts of interest over the management of properties for different funds by the Investment Manager;• No guarantee of distributions or capital returns to Stapled Securityholders;• Concentration of the portfolio in the LFR sector; and• Ongoing uncertainty around the impacts of COVID-19 on Newmark Property REIT. <p>Refer to Section 9 for more information, including an outline of additional property risks and general risks associated with the decision to invest.</p>	Sections 2.5 and 9

1.3 Portfolio Overview

Topic	Summary	Reference
What are the key metrics of the Portfolio?	Number of properties ⁴⁸	8
	Independent Valuation ⁴⁹	\$519.6 million
	WACR ⁵⁰	5.07%
	WARR ⁵¹	2.7%
	GLA	153,649 m ²
	Occupancy ⁵²	99.0%
	WALE ⁵³	7.6 years

Where is the Portfolio located?	On Completion, Newmark Property REIT's \$519.6 million Portfolio ⁵⁴ will be diversified across Australia's eastern seaboard in well-positioned metropolitan and urban centre locations in addition to key regional locations that are underpinned by a growing population and a diversified local economy. 75% of the Portfolio will be situated across VIC and NSW with the remaining 25% across QLD and TAS ⁵⁵ .	Section 3.3
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48 Including Preston which is expected to settle in July 2022.

49 Valuations undertaken by Savills and CBRE as at 30 September 2021. Accounts for the Preston asset valuation on an 'as if complete' basis.

50 Weighted by gross passing income at 30 September 2021.

51 Weighted by gross passing income at 30 September 2021. Adopts CPI at 1.75% p.a.

52 By gross passing income at 30 September 2021.

53 By gross passing income at 30 September 2021.

54 Valuations undertaken by Savills and CBRE as at 30 September 2021. Accounts for the Preston asset valuation on an 'as if complete' basis.

55 As percentage of total Portfolio value.

56 Valuations undertaken by Savills and CBRE as at 30 September 2021. Accounts for the Preston asset valuation on an 'as if complete' basis.



1.3 Portfolio Overview *continued*
















Topic	Summary						Reference
What are Newmark Property REIT's properties?	Asset	Value (\$m) ⁵⁷	Capitalisation Rate ⁵⁸	WALE (yrs) ⁵⁹	Occupancy ⁶⁰	GLA (m ²)	Section 3.3
	Preston (VIC)	85.3	4.50%	12.0	100.0%	18,612	
	Chadstone Homemaker (VIC)	80.0	6.25%	4.9	93.0%	19,574	
	Warragul (VIC)	57.0	5.75%	7.8	100.0%	25,777	
	Melton (VIC)	43.6	4.50%	11.9	100.0%	18,134	
	Eastgardens (NSW)	77.0	4.125%	7.7	100.0%	14,920	
	Lake Haven (NSW)	50.0	4.75%	9.7	100.0%	16,341	
	Maroochydore (QLD)	71.0	5.00%	5.6	100.0%	17,963	
	Launceston (TAS)	55.8	5.66%	4.2	100.0%	22,328	
	Total	519.6	5.07%	7.6	99.0%	153,649	

⁵⁷ Valuations undertaken by Savills and CBRE as at 30 September 2021. Accounts for the Preston asset valuation on an 'as if complete' basis.

⁵⁸ Weighted by gross passing income at 30 September 2021.

⁵⁹ By gross passing income at 30 September 2021.

⁶⁰ By gross passing income at 30 September 2021.

Topic	Summary	Reference																					
Who are the top 5 tenants of the Portfolio?	<p>Newmark Property REIT's tenancy profile is largely underpinned by quality, long WALE tenant, Bunnings, in addition to other major national retailers.</p> <table> <tr> <th>Rank</th><th>Tenant</th><th>Percentage of Income⁶¹</th></tr> <tr> <td>1</td><td></td><td>75.8%</td></tr> <tr> <td>2</td><td></td><td>4.4%</td></tr> <tr> <td>3</td><td></td><td>2.3%</td></tr> <tr> <td>4</td><td></td><td>2.1%</td></tr> <tr> <td>5</td><td></td><td>2.0%</td></tr> <tr> <td colspan="2">Total</td><td>86.6%</td></tr> </table>	Rank	Tenant	Percentage of Income ⁶¹	1		75.8%	2		4.4%	3		2.3%	4		2.1%	5		2.0%	Total		86.6%	Section 3.2.1
Rank	Tenant	Percentage of Income ⁶¹																					
1		75.8%																					
2		4.4%																					
3		2.3%																					
4		2.1%																					
5		2.0%																					
Total		86.6%																					
Who is the primary Portfolio tenant?	<p>Bunnings, a wholly-owned subsidiary of Wesfarmers (WES.ASX), is a leading Australian household hardware chain offering home improvement and outdoor living products across Australia and New Zealand. Wesfarmers is an ASX-listed conglomerate with \$33.9 billion of revenue generated in FY21. Bunnings recorded total revenue growth of 12.5% in FY21⁶².</p>	Sections 3.2.2 and 3.2.3																					

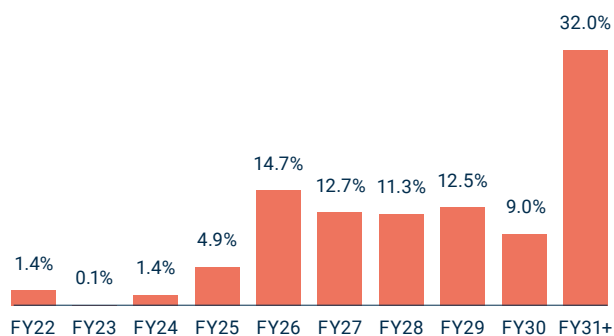
⁶¹ By gross passing income at 30 September 2021.

⁶² Wesfarmers, 2021 full year briefing presentation.



1.3 Portfolio Overview *continued*

Topic	Summary	Reference
What is Newmark Property REIT's valuation policy?	<p>Newmark Property REIT will review the market value of properties regularly and obtain independent external valuations of properties including in the following circumstances:</p> <ul style="list-style-type: none">• At least once every three years from the date of the last valuation;• When there is a material change in asset value; or• In compliance with any finance facility obligations.	Section 2.8
What is the lease expiry profile?	<p>Newmark Property REIT has a well staggered lease expiry profile, with below 2% of rental income expiring in any given year up to FY25 and approximately 92.2% expiring post FY25.</p>	Section 3.2.4



1.4 Responsible Entity, Governance and Board of Directors

Topic	Summary	Reference
What are the arrangements for the management of Newmark Property REIT?	<p>Responsible Entity</p> <p>Newmark Property REIT will be managed by NRML as Responsible Entity.</p> <p>The Responsible Entity is entitled to charge a management fee equal to 0.60% per annum of Newmark Property REIT's Gross Asset Value (GAV) (before GST). However, the Responsible Entity has determined that it will not charge a management fee in respect of Newmark Property REIT for so long as the Investment Manager charges an investment management fee equal to 0.60% per annum of GAV (before GST) under the Investment Management Agreement in respect of Newmark Property REIT.</p> <p>In addition, subject to the Corporations Act, the Responsible Entity is entitled to be paid and reimbursed for all administration costs, charges, expenses and outgoings incurred in the proper performance of its duties, as and when incurred.</p> <p>Investment Manager</p> <p>A member of the Newmark Group, Newmark Property Funds Management Pty Ltd, will be appointed to provide investment management services to Newmark Property REIT. The key terms of the Investment Management Agreement for the appointment of the Investment Manager are summarised as follows:</p> <ul style="list-style-type: none"> • Newmark Property Funds Management Pty Ltd is to be appointed for the provision of investment management services in accordance with the investment strategy of Newmark Property REIT, which includes, among other matters, providing strategic management, arranging debt and equity and managing the assets (excluding property management services) of Newmark Property REIT (Investment Management Services). • Should NRML no longer be the Responsible Entity of Newmark Property REIT (and the replacement responsible entity is not a member of the Newmark Group), then the new responsible entity of Newmark Property REIT or the Investment Manager may terminate the Investment Management Agreement by written notice, in which case the Investment Manager will be entitled to payment of a compensation amount equal to two years' of management fees (calculated as the total Investment Management fee paid by the Responsible Entity in the 12 months preceding the date of expiry or termination of the Investment Management Agreement, multiplied by two). The Investment Management Agreement may also be terminated in the circumstances described in Section 13.5.1. 	Sections 5.8, 11 and 13.5



1.4 Responsible Entity, Governance and Board of Directors

continued

Topic	Summary	Reference
What are the arrangements for the management of Newmark Property REIT? <i>continued</i>	<ul style="list-style-type: none"> The Investment Manager will be entitled to the following fees: <ul style="list-style-type: none"> (investment management fee) 0.60% of GAV per annum (before GST) for the provision of investment management services which will be payable monthly by the Responsible Entity out of the assets of Newmark Property REIT. (acquisition fee) 1.00% of the purchase price (excluding acquisition costs) of any assets acquired by Newmark Property REIT (directly or indirectly) or any controlled sub-trust following completion of such acquisition. (finance facility fee) 0.20% of the amount of debt finance arranged by the Investment Manager for NHT, which will be payable upon entering into the relevant finance facility. The Investment Manager is also entitled to such fees as agreed in writing between the Investment Manager and the Responsible Entity for services requested by the Responsible Entity that are not covered by the Investment Management Agreement, provided that such fees are permitted in accordance with the Related Party Transactions and Conflicts of Interest Policy and applicable law and are approved in advance by the Audit, Risk and Compliance Committee or the Board of the Responsible Entity. The Investment Manager will be entitled to reimbursements for all reasonable expenses incurred via the provision of Investment Management Services, including all taxes and amounts it pays to third parties, including related parties on an arm's length basis. This includes costs incurred by the Investment Manager (including associated on-costs) relating to conducting due diligence on proposed acquisitions and managing and administering the acquisition and disposal process. The Investment Manager is permitted to incur an expense in connection with the provision of the Investment Management Services of up to \$100,000 per expense without the approval of the Responsible Entity, but an expense in excess of that amount will require the approval from the Responsible Entity. <p>Property Manager</p> <p>A member of the Newmark Group, Newmark Asset Management Pty Ltd, will be appointed by the Responsible Entity to act as the property manager of Newmark Property REIT under the Property Management Agreement. The Property Manager, with the prior written consent of the Responsible Entity, may sub-contract any or all of the Property Management Services, however in doing so, will retain all rights and liabilities in respect of those services under the Property Management Agreement.</p> <p>The key terms of the Property Management Agreement for the appointment of the Property Manager are summarised as follows:</p>	Sections 5.8, 11 and 13.5

Topic	Summary	Reference
What are the arrangements for the management of Newmark Property REIT? <i>continued</i>	<ul style="list-style-type: none"> Newmark Asset Management Pty Ltd is to be appointed as the exclusive Property Manager to Newmark Property REIT, which includes, among other matters, providing property management services, property accounting services, facilities management services, leasing and lease administration services, sales agency services and project management services to Newmark Property REIT (Property Management Services). Should NRML no longer be the Responsible Entity of Newmark Property REIT (and the replacement responsible entity is not a member of the Newmark Group), then the new responsible entity of Newmark Property REIT or the Property Manager may terminate the Property Management Agreement by written notice, in which case the Property Manager will be entitled to payment of a compensation amount equal to two years' of management fees (calculated as the total Property Management fee paid by the Responsible Entity in the 12 months preceding the date of expiry or termination of the Property Management Agreement, multiplied by two), paid under the Property Management Agreement. The Property Management Agreement may also be terminated in the circumstances described in Section 13.5.2. The Property Manager will be entitled to the following fees: <ul style="list-style-type: none"> (Property Management Fee): Up to 1.5% of annual gross income for the current portfolio, and up to 3% of annual gross income for any properties acquired after the date of the Property Management Agreement, or such lesser amount as agreed under the Property Management Agreement; (New Lease Fee): 15% of the gross rental income for the first year of the lease term where the tenant is a new tenant, or if the lease term is for a period of less than a year, then that lesser period; (Lease Renewal Fee): 7.5% of gross rental income for the first year of the lease term with an existing tenant (including renewals), or if the lease term is for a period of less than a year, then that lesser period; (Market Review Fee): At market rates determined as a percentage of the increase in gross rental income payable between the year before the rent review date and the year after; (Lease Administration Fees): By reference to market rates, subject to a market review on each anniversary of the commencement of the Property Management Agreement; (Project Management Fee): Up to 5% of the value of any works (as determined by a quantity surveyor) undertaken; (Development Services Fee): 4% of project costs; and (Sales Agent Fees): At market rates if the Property Manager acts as a sale agent in respect of a property. 	Sections 5.8, 11 and 13.5



1.4 Responsible Entity, Governance and Board of Directors

continued

Topic	Summary	Reference												
Who is the Responsible Entity of Newmark Property REIT?	<p>NRML is the Responsible Entity of Newmark Property REIT. NRML is member of the Newmark Group, which was founded in 2011 to provide the opportunity for private investors to have access to quality commercial property investments.</p> <p>Newmark Group is a funds management business with a strong emphasis on real estate fundamentals. It has grown its assets under management to over \$1.3 billion and delivered a total weighted average IRR of 17% for all mature and closed funds since inception.</p> <p>Newmark Group has delivered regular returns and enhanced value for investors. It has a disciplined approach and strategic management philosophy.</p>	Section 5												
Can the Responsible Entity be removed and what would be the consequences?	<p>The Responsible Entity may be removed by an ordinary resolution of Stapled Securityholders. If the Responsible Entity is removed or retires as responsible entity of Newmark Property REIT (and the replacement responsible entity is not a member of the Newmark Group), the Property Management Agreement and the Investment Management Agreement may be terminated by the new responsible entity or the relevant manager by written notice, in which case the Property Manager or the Investment Manager (as applicable) will be entitled to payment of a compensation amount equal to two years' of fees, and Newmark Property REIT will no longer benefit from the capabilities and experience of the Responsible Entity's key management.</p>	Section 13.5												
Who are the Directors of the Responsible Entity?	<p>The Board of the Responsible Entity consists of 5 Directors, comprising:</p> <ul style="list-style-type: none">• 3 independent Directors;• 1 additional non-executive Director; and• 1 executive Director. <p>The Directors of the Responsible Entity are:</p> <table><tr><th>Name</th><th>Role</th></tr><tr><td>Michael Doble</td><td>Chairperson and Independent Non-Executive Director</td></tr><tr><td>Melinda Snowden</td><td>Independent Non-Executive Director</td></tr><tr><td>Andrew Erikson</td><td>Independent Non-Executive Director</td></tr><tr><td>Mark Allan</td><td>Non-Executive Director</td></tr><tr><td>Chris Langford</td><td>Executive Director</td></tr></table>	Name	Role	Michael Doble	Chairperson and Independent Non-Executive Director	Melinda Snowden	Independent Non-Executive Director	Andrew Erikson	Independent Non-Executive Director	Mark Allan	Non-Executive Director	Chris Langford	Executive Director	Section 5.2
Name	Role													
Michael Doble	Chairperson and Independent Non-Executive Director													
Melinda Snowden	Independent Non-Executive Director													
Andrew Erikson	Independent Non-Executive Director													
Mark Allan	Non-Executive Director													
Chris Langford	Executive Director													

Topic	Summary	Reference																
Who are the key members of management?	Ed Cruickshank will perform primary functions with respect to the management of Newmark Property REIT, in his capacity as Fund Manager.	Section 5.3																
	The management team will be able to leverage the expertise and capabilities of the Newmark Group:																	
	<table><tr><th>Name</th><th>Role</th></tr><tr><td>Chris Langford</td><td>Joint Managing Director</td></tr><tr><td>Simon T. Morris</td><td>Joint Managing Director</td></tr><tr><td>Ed Cruickshank</td><td>Fund Manager</td></tr><tr><td>Haydn Vella</td><td>Interim Chief Financial Officer</td></tr><tr><td>Peter Hulbert</td><td>Company Secretary and General Manager, Legal</td></tr><tr><td>Angus Machutichinson</td><td>General Manager, Property</td></tr><tr><td>Richard Drake</td><td>Head of Capital Transactions</td></tr></table>		Name	Role	Chris Langford	Joint Managing Director	Simon T. Morris	Joint Managing Director	Ed Cruickshank	Fund Manager	Haydn Vella	Interim Chief Financial Officer	Peter Hulbert	Company Secretary and General Manager, Legal	Angus Machutichinson	General Manager, Property	Richard Drake	Head of Capital Transactions
	Name		Role															
	Chris Langford		Joint Managing Director															
	Simon T. Morris		Joint Managing Director															
	Ed Cruickshank		Fund Manager															
	Haydn Vella		Interim Chief Financial Officer															
	Peter Hulbert		Company Secretary and General Manager, Legal															
	Angus Machutichinson		General Manager, Property															
Richard Drake	Head of Capital Transactions																	
Will the Responsible Entity hold Stapled Securities in Newmark Property REIT post listing?	Yes, the Responsible Entity together with the Newmark Group and its related entities are expected to hold a post listing co-investment stake in Newmark Property REIT of approximately 18.2% ⁶³ .	Section 10.2																
What will be the Securityholdings of the Directors of Newmark Property REIT post listing?	The Directors (and their associates) are entitled to apply for Stapled Securities under the Offer.	Section 5.4																
	Refer to Section 5.4 for details of the Directors’ interests in Stapled Securities held by the existing Stapled Securityholders following Completion.																	

⁶³ Co-investment stake is expected to be held as follows: the Responsible Entity (0.3%); the Newmark Group (other than the Responsible Entity) (9.9%); Directors of the Responsible Entity and their respective associates (0.3%) (see Section 5.4 for further details regarding Director interests); and other shareholders of Newmark Property Group Ltd and their associates (7.7%).



1.4 Responsible Entity, Governance and Board of Directors

continued

Topic	Summary	Reference
Will there be ongoing related party transactions with the Responsible Entity?	<p>Newmark Property Funds Management Pty Ltd (NPFM) will provide Investment Management Services to Newmark Property REIT pursuant to the Investment Management Agreement and will be entitled to receive fees in consideration for providing those services.</p> <p>In addition, Newmark Asset Management Pty Ltd (NAM) will provide Property Management Services to Newmark Property REIT and the Properties pursuant to the Property Management Agreement and will be entitled to receive fees in consideration for providing those services.</p> <p>Refer to Section 11 for information on fees payable to NRML as Responsible Entity, and Section 13.5 for summaries of the arrangements with NPFM as Investment Manager and with NAM as the Property Manager, and the fees payable under those arrangements.</p> <p>In addition, the Newmark Group and its related entities (being entities associated with directors, shareholders or other related parties of Newmark Group members (including the Responsible Entity)) will have a relationship with Newmark Property REIT via investments as Stapled Securityholders, which will see a co-investment stake of approximately 18.2% held post listing⁶⁴.</p>	Sections 5.8, 11 and 13.5
What will be the governance arrangements of Newmark Property REIT?	<p>The Board recognises the role and importance of good corporate governance and has established governance arrangements to ensure that Newmark Property REIT will be managed in a manner that is properly focused on its investment objectives and the interests of Stapled Securityholders. The Board is responsible for the effective operation of these governance arrangements.</p>	Section 5.9

1.5 Financial Information

Topic	Summary	Reference										
What will be Newmark Property REIT's forecast Distribution Yield?	<p>The forecast annualised Distribution Yield of Newmark Property REIT based on the Offer Price is 5.1% for FY22⁶⁵ and 5.3% for 1H23⁶⁶.</p> <p>Newmark Property REIT expects to pay quarterly Distributions to Stapled Securityholders and expects these Distributions to be between 90% and 100% of FFO on a normalised basis.</p> <p>Newmark Property REIT's forecast FFO and Distribution per Stapled Security (DPS) are reconciled in the Financial Information section set out in Section 6. FFO is based on the assumptions and accounting policies set out in Sections 6.5 and 6.10.</p> <p>Investors should note that the forecast net profit and Distribution Yield are subject to risk (including those set out in Section 9) and the assumptions and sensitivities (including those set out in Section 6). There is no guarantee that these forecasts will be achieved.</p>	Section 6										
What is Newmark Property REIT's distribution policy?	<p>Distributions are intended to be paid quarterly, with Stapled Securityholders to receive distributions within 6 weeks following the end of each distribution period, being the quarters ending 31 March, 30 June, 30 September and 31 December each year. Once listed and as required by the Constitutions, Newmark Property REIT's first Distribution is expected to be for the period from Allotment to 31 December 2021. This Distribution is expected to be 0.68 cents per Stapled Security (or approximately \$1.0 million in aggregate).</p> <p>Thereafter, Distributions will be paid quarterly. The first quarterly distribution period will commence on 31 December 2021 and end on 31 March 2022. This Distribution will be paid by 12 May 2022. Newmark Property REIT will aim to distribute between 90% and 100% of FFO each year. The table below sets out the schedule:</p> <table><tr><th>Quarter ending</th><th>Paid by</th></tr><tr><td>31 March</td><td>12 May</td></tr><tr><td>30 June</td><td>11 August</td></tr><tr><td>30 September</td><td>11 November</td></tr><tr><td>31 December</td><td>11 February</td></tr></table> <p>The Responsible Entity retains the discretion to vary the distribution policy based on the financial position of Newmark Property REIT at the time of assessment and subject to prudent business practice.</p>	Quarter ending	Paid by	31 March	12 May	30 June	11 August	30 September	11 November	31 December	11 February	Section 2.7
Quarter ending	Paid by											
31 March	12 May											
30 June	11 August											
30 September	11 November											
31 December	11 February											

⁶⁵ For the period from Allotment to 30 June 2022 (annualised). Based on 112.4% FFO payout ratio. Newmark Property REIT expects to target a normalised distribution payout ratio of between 90 and 100% of FFO thereafter.

⁶⁶ For the period from 1 July 2022 to 31 December 2022 (annualised). Based on 100% FFO payout ratio.



1.5 Financial Information *continued*

Topic	Summary	Reference
What is the Gearing policy of Newmark Property REIT?	Newmark Property REIT will have a capital structure with Gearing of 28.0% at Allotment and will adopt a target gearing range of between 30% – 40% ⁶⁷ .	Section 2.6.1
What is Newmark Property REIT's hedging policy?	Newmark Property REIT is targeting a range for fixed interest rate exposure of between 50% and 100% of drawn borrowings. The Responsible Entity will review this policy on an ongoing basis in the context of any future indebtedness and the prevailing market conditions. On Completion, Newmark Property REIT intends to hedge 67% of its interest rate exposure.	Section 2.6.2

1.6 Overview of the Offer

Topic	Summary	Reference
What is the Offer?	The Offer is an initial public offering (IPO) under which Newmark Property REIT is offering to issue 67.7 million Stapled Securities at the Offer Price of \$1.895 per Stapled Security, raising proceeds of approximately \$128.3 million. Each Stapled Security issued under this PDS will, from the time they are issued, rank equally with all other Stapled Securities on issue.	Section 10.1
Who is the issuer of this PDS?	The issuer of this PDS is NRML in its capacity as responsible entity of Newmark Property REIT.	Important Information
What is the structure of the Offer?	<p>The Offer comprises:</p> <ul style="list-style-type: none">• The Broker Firm Offer, which is open to Australian resident retail clients of Brokers who have received a firm allocation of Stapled Securities from their Broker; and• The Institutional Offer, which consists of an offer to Institutional Investors in Australia and a number of other eligible jurisdictions to apply for Stapled Securities. <p>No general public offer will be made under the Offer. Members of the public wishing to subscribe for Stapled Securities under the Offer must do so through a Broker.</p> <p>The allocation of Stapled Securities between (and within) the Broker Firm Offer and the Institutional Offer was determined by agreement between the Responsible Entity and the Joint Lead Managers, having regard to the allocation policies set out in Section 10.8.</p>	Section 10.6

⁶⁷ Gearing calculated as interest bearing liabilities less cash divided by total tangible assets less cash. Pro-forma Gearing of Newmark Property REIT (post completion of the Preston development) is 38.1%, which assumes \$69.0 million of debt funding and cash funding of \$3.5 million.

1.6 Overview of the Offer *continued*

Topic	Summary	Reference																				
Is the Offer underwritten?	The Offer is fully underwritten by the Joint Lead Managers in accordance with the terms of the Underwriting Agreement.	Section 13.10																				
Who are the Joint Lead Managers of the Offer?	The Joint Lead Managers are Credit Suisse (Australia) Limited, E&P Corporate Advisory Pty Limited, MA Moelis Australia Advisory Pty Ltd and Morgan Stanley Australia Securities Limited.	Section 13.10																				
How will proceeds of the Offer be used?	<p>An IPO of Newmark Property REIT is being offered in order to:</p> <ul style="list-style-type: none">• Reduce debt;• Repay Promissory Note⁶⁸; and• Pay for Offer Transaction Costs. <p>The Offer is expected to raise approximately \$128.3 million, with proceeds to be used as set out below.</p> <table><tr><th>Sources</th><th>A\$m</th><th>Uses</th><th>A\$m</th></tr><tr><td>Offer proceeds</td><td>128.3</td><td>Debt Repayment and Working Capital</td><td>106.1</td></tr><tr><td></td><td></td><td>Promissory Note Repayment</td><td>15.3</td></tr><tr><td></td><td></td><td>Listing Costs and Other Transaction Costs</td><td>6.9</td></tr><tr><td>Total Sources</td><td>128.3</td><td>Total Uses</td><td>128.3</td></tr></table>	Sources	A\$m	Uses	A\$m	Offer proceeds	128.3	Debt Repayment and Working Capital	106.1			Promissory Note Repayment	15.3			Listing Costs and Other Transaction Costs	6.9	Total Sources	128.3	Total Uses	128.3	Sections 10.4 and 10.5
Sources	A\$m	Uses	A\$m																			
Offer proceeds	128.3	Debt Repayment and Working Capital	106.1																			
		Promissory Note Repayment	15.3																			
		Listing Costs and Other Transaction Costs	6.9																			
Total Sources	128.3	Total Uses	128.3																			
What will Newmark Property REIT's securityholding structure be on Completion?	<p>Details of the ownership of Stapled Securities on Completion are set out below:</p> <table><tr><th></th><th>Number of Stapled Securities</th><th>Value (A\$m)</th><th>% Total</th></tr><tr><td>Newmark Group and its related entities</td><td>33,034,809</td><td>62.6</td><td>18.2%</td></tr><tr><td>Existing Investors⁶⁹</td><td>91,474,719</td><td>173.4</td><td>50.3%</td></tr><tr><td>New Stapled Securityholders⁶⁹</td><td>57,160,936</td><td>108.3</td><td>31.5%</td></tr><tr><td>Total</td><td>181,670,464</td><td>344.3</td><td>100.0%</td></tr></table>		Number of Stapled Securities	Value (A\$m)	% Total	Newmark Group and its related entities	33,034,809	62.6	18.2%	Existing Investors ⁶⁹	91,474,719	173.4	50.3%	New Stapled Securityholders ⁶⁹	57,160,936	108.3	31.5%	Total	181,670,464	344.3	100.0%	Section 10.15
	Number of Stapled Securities	Value (A\$m)	% Total																			
Newmark Group and its related entities	33,034,809	62.6	18.2%																			
Existing Investors ⁶⁹	91,474,719	173.4	50.3%																			
New Stapled Securityholders ⁶⁹	57,160,936	108.3	31.5%																			
Total	181,670,464	344.3	100.0%																			

⁶⁸ Promissory Note issued to a unitholder in NHT in satisfaction of a withdrawal request made by that unitholder during the October 2021 monthly withdrawal facility.

⁶⁹ Excluding Newmark Group and its related entities.



Topic	Summary	Reference
Will the Stapled Securities be quoted on ASX?	The Responsible Entity will apply within seven days of the date of this PDS for admission of Newmark Property REIT to the Official List and the quotation of Stapled Securities on ASX under the code 'NPR'. It is anticipated that quotation will initially be on a conditional basis. Completion is conditional on ASX approving this application and on Implementation of the Stapling. If approval is not given within three months after such an application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded as soon as practicable without interest (in accordance with the Corporations Act).	Section 10.15
Will any Stapled Securities be subject to restrictions on disposal following Completion?	There will not be any voluntary escrow arrangement in respect of the Stapled Securities.	–
How can I apply?	Applicants under the Broker Firm Offer may apply for Stapled Securities by completing and lodging a valid Application Form attached to or accompanying this PDS with the Broker who invited them to participate in the Offer. Under the Institutional Offer, Institutional Investors have been, or will be invited to commit to the Joint Lead Managers to acquire Stapled Securities. The allocation of the Stapled Securities under the Institutional Offer has been, or will be, determined by the Joint Lead Managers and Newmark Property REIT.	Sections 10.9.2 and 10.10.1
When do I apply?	Applications under the Broker Firm Offer will only be accepted during the Offer Period, which is open from 9.00am (Melbourne time) on 24 November 2021 to 5.00pm (Melbourne time) 1 December 2021 (unless a later application is expressly permitted by the Responsible Entity). All times and dates referred to in this PDS are subject to change and as such if you wish to participate in the Offer, you are encouraged to submit your Application Form as soon as possible after the Opening Date.	Sections 10.9.4 and 10.10.1
What are the minimum and maximum Application amounts?	<p>For Applicants under the Broker Firm Offer, the minimum Application amount is \$10,000 per Stapled Securityholder.</p> <p>Applicants under the Institutional Offer have been provided with information regarding the Institutional Offer from the Joint Lead Managers.</p> <p>There is no maximum Application amount, however, you may be subject to scale back.</p>	Sections 10.9.3 and 10.10.1

1.6 Overview of the Offer *continued*

Topic	Summary	Reference
What is the allocation policy?	<p>The allocation of Stapled Securities between the Broker Firm Offer and the Institutional Offer was determined by the Responsible Entity in agreement with the Joint Lead Managers having regard to the allocation policies outlined in Section 10.8.</p> <ul style="list-style-type: none"> • Broker Firm Offer: For Broker Firm Offer Applicants, it will be a matter for the Brokers how they allocate firm stock among their eligible clients. However, the Responsible Entity, in consultation with the Joint Lead Managers, reserve the right to reject or scale back Applications in the Broker Firm Offer. • Institutional Offer: The allocation of Stapled Securities among Applicants in the Institutional Offer was determined by agreement between the Joint Lead Managers and the Responsible Entity. 	Section 10.8
Can the Offer be withdrawn?	Yes. The Responsible Entity may withdraw the Offer at any time before the issue of Stapled Securities to successful Applicants under the Offer. If the Offer or any part of it does not proceed, all relevant Application Monies will be refunded in full, without interest (in accordance with the Corporations Act).	Section 10.14
Is there a cooling-off period?	Cooling-off rights do not apply to Applications. Once you lodge an Application and it is accepted by the Responsible Entity, you cannot withdraw it (other than in certain limited circumstances permitted by law).	Section 10.11
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 Thursday, 9 December 2021.	Section 10.16

1.7 Taxation

Topic	Summary	Reference
What are the taxation implications of investing in the Stapled Securities?	There may be tax implications arising from Applications for Stapled Securities. Summaries of certain Australian tax consequences of participating in the Offer and investing in Stapled Securities are set out in Section 12. These implications will differ depending on the individual circumstances of the Applicant. Applicants should obtain their own professional taxation advice about the consequences of investing.	Section 12



1.8 Transaction Costs

Topic	Summary	Reference
What are the fees and costs associated with the Offer?	Total one-off transaction costs are expected to be approximately \$6.9 million. Transaction costs will be paid by Newmark Property REIT from the proceeds of the Offer.	Section 11.3.1
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants who apply for Stapled Securities using an Application Form. Investors who buy or sell Stapled Securities on ASX may be subject to brokerage and other transaction costs. Transfers of Stapled Securities on the ASX should not attract any Australian stamp duty. Stapled Securityholders should confirm the stamp duty consequences of dealing with their Stapled Securities with their taxation adviser.	Section 10.18

1.9 Further Information

Topic	Summary	Reference
Where can I find out more information about the Offer?	If you have further enquiries or questions relating to aspects of this PDS or about the Offer, please contact the Offer Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) between 8.30am and 5.30pm (Melbourne time) Monday to Friday (excluding public holidays) during the Offer Period. If you are unclear in relation to any matter or are uncertain as to whether Newmark Property REIT is a suitable investment for you, you should seek professional guidance from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.	Sections 10.22 and 14

An aerial photograph of a city street scene, overlaid with a semi-transparent teal filter. In the foreground, there are several residential houses with gabled roofs. A wide street with cars and trees runs horizontally across the middle. Behind the street is a large, modern commercial building with a flat roof and large windows. Further back, more commercial buildings and parking lots are visible. A large white circle is centered over the commercial building, containing the text.

2.0 Overview of Newmark Property REIT



2.1 Introduction

Newmark Property REIT will be an Australian REIT listed on the ASX and created from the stapling of two established property trusts with long-term track records (refer to Section 2.2 for further information). Upon listing, Newmark Property REIT will own a portfolio of eight high-quality LFR properties

in metropolitan, urban centre and key regional locations across the eastern seaboard of Australia⁷⁰. The Portfolio has been independently valued at \$519.6 million⁷¹ and will be anchored by long-term leases to Bunnings, which comprises 75.8% of total income⁷².

Portfolio metrics

Number of Properties ⁷³	8
Independent Valuation ⁷⁴	\$519.6 million
WACR ⁷⁵	5.07%
GLA	153,649 m ²
Portfolio Occupancy ⁷⁶	99.0%
Percentage of Portfolio Leased to Bunnings ⁷⁷	75.8%
Portfolio WALE ⁷⁸	7.6 years
Bunnings' WALE ⁷⁹	8.4 years
Fixed Rent Reviews ⁸⁰	84.0%
WARR ⁸¹	2.7%
Weighted Average Asset Age ⁸²	4.5 years
Pro-forma Gearing of Newmark Property REIT at Completion ⁸³	28.0%
Pro-forma Gearing of Newmark Property REIT (post completion of the Preston development) ⁸⁴	38.1%

Newmark Property REIT will be externally managed by NRML, a 100% owned subsidiary of the Newmark Group. Founded in 2011, Newmark Group is a funds management business with an objective of providing investors with access to high quality commercial property investment opportunities.

The business focuses on office and retail properties located across the Australian eastern seaboard and has a disciplined approach to investing and strategic management philosophy that has delivered regular income, consistent returns and enhanced value for investors. Newmark Group has grown its assets under management to over \$1.3 billion and achieved a total weighted average IRR of 17% for all mature and closed funds since inception in 2011.

70 Includes Preston, which is currently under development by Bunnings and due to settle in July 2022.

71 Valuations undertaken by Savills and CBRE as at 30 September 2021. Accounts for the Preston asset valuation on an 'as if complete' basis.

72 By gross passing income at 30 September 2021.

73 Including Preston which is expected to settle in July 2022.

74 Valuations undertaken by Savills and CBRE as at 30 September 2021. Accounts for the Preston asset valuation on an 'as if complete' basis.

75 Weighted by gross passing income at 30 September 2021.

76 By gross passing income at 30 September 2021.

77 By gross passing income at 30 September 2021.

78 By gross passing income at 30 September 2021.

79 By gross passing income at 30 September 2021.

80 By gross passing income at 30 September 2021.

81 Weighted by gross passing income at 30 September 2021. Adopts CPI at 1.75% p.a.

82 Weighted by value accounting for the Preston asset valuation on an 'as if complete' basis. Valuations as at 30 September 2021.

83 Gearing calculated as interest bearing liabilities less cash divided by total tangible assets less cash.

38 84 Assumes debt funding of \$69.0 million and cash funding of \$3.5 million.

2.2 Structure of Newmark Property REIT

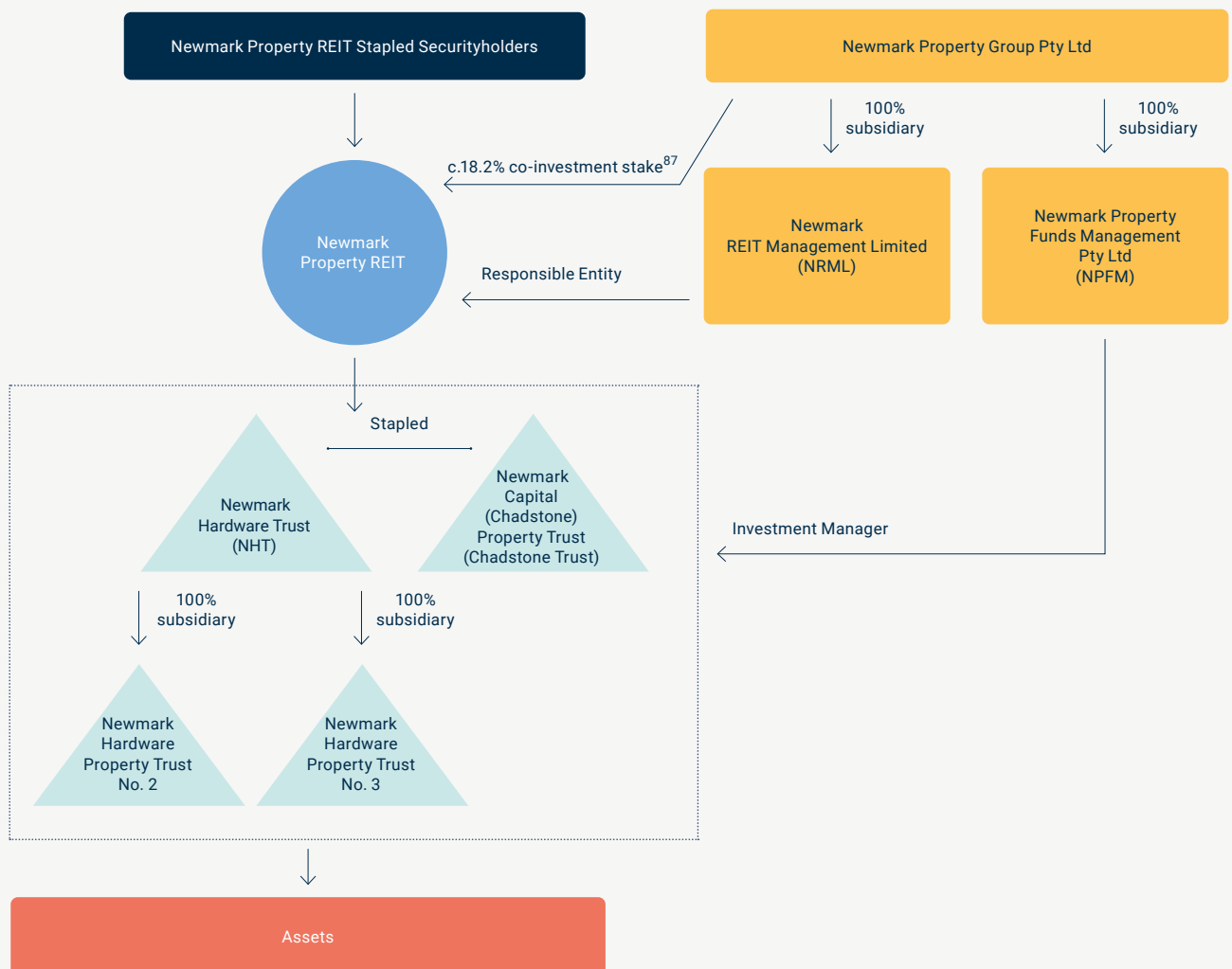
In November and December 2020, unitholders of NHT and Chadstone Trust each passed unitholder resolutions to approve amendments to the Constitutions of the respective trusts enabling the Stapling of units in NHT and Chadstone Trust and the Offer.

On Implementation, the units in NHT and Chadstone Trust will be Stapled together to create Newmark Property REIT, with combined assets of each of NHT and Chadstone Trust to form the underlying Portfolio of Newmark Property REIT. The steps relating to the Stapling are summarised in Section 13.2.2.

NHT owns a portfolio of seven high-quality commercial properties, primarily leased to Bunnings and independently valued at \$439.6 million⁸⁵. Chadstone Trust is a single asset unlisted property trust that owns the Chadstone Homeplus+ Homemaker Centre in Victoria, which also has Bunnings as its major tenant and has been valued at \$80.0 million⁸⁶.

Upon listing, Newmark Property REIT will continue to be externally managed by the Responsible Entity, NRML as set out in the ownership structure below.

Structure diagram



⁸⁵ Valuations undertaken by Savills and CBRE as at 30 September 2021. Accounts for the Preston asset valuation on an 'as if complete' basis.

⁸⁶ Valuation undertaken by Savills as at 30 September 2021.

⁸⁷ See Section 10.2 for further details.



2.3 Newmark Property REIT's objective and strategy

Key objective

Newmark Property REIT's objective is to provide Stapled Securityholders with exposure to a high-quality real estate portfolio targeting consistent and growing distributions.

Strategy

Newmark Property REIT intends to achieve its objectives by:

- Maintaining defensive tenant exposure within the portfolio that is underpinned by long-term leases to quality tenants;
- Ensuring geographic diversification across metropolitan, urban centre and key regional locations underpinned by a growing population and a diversified local economy;
- Focusing on strategic landholdings that benefit from main road locations and ease of access to major arterial roads;
- Pro-actively managing lease-expiry profiles and tenant relationships;
- Pursuing acquisition opportunities consistent with the investment strategy of Newmark Property REIT;
- Continually seeking value-enhancement opportunities within the existing portfolio of assets;
- Drawing on the extensive experience of the investment management team; and
- Maintaining an appropriate capital structure with adequate covenant capacity.

Newmark Property REIT will review its strategy on an ongoing basis and focus on operating with the best interests of Stapled Securityholders at the core of its business.

Acquisition and divestment strategy

Newmark Property REIT's investment criteria places strong emphasis on real estate fundamentals and active management. Newmark Property REIT will seek acquisition opportunities in Australia that deliver attractive quantitative and/or qualitative benefits and will typically include properties that are expected to be:

- Complementary to the initial portfolio of properties;
- Situated in metropolitan, urban centre and key regional locations that have a critical mass and growing population as well as a diversified local economy;
- Secured by long-term leases to high-quality tenants that typically provide structured annual rental escalations;
- Strategic landholdings that benefit from main-road exposure and ease of access to major arterial roads;
- Recently constructed and/or provide a contemporary standard of accommodation; and/or
- Identified to provide value-enhancement opportunities through the engagement of pro-active management provided by Newmark Group.

Newmark Property REIT may consider the sale of a property when it no longer meets Newmark Property REIT's objective and strategies, or when it is considered to be in the best interests of Stapled Securityholders. Newmark Property REIT will review the merits of a divestment strategy for each asset – or acquisition strategy for new assets – on a regular basis.

Capital management strategy

Newmark Property REIT's capital management strategy will be:

- Maintaining an appropriate capital structure with a target gearing range of 30% – 40%⁸⁸;
- Financing risk managed through hedging debt;
- Managing debt expiries; and
- Maintaining relationships with multiple lending banks to ensure diversification of funding sources.

⁸⁸ Gearing calculated as interest bearing liabilities less cash divided by total tangible assets less cash. Pro-forma Gearing of Newmark Property REIT (post completion of the Preston development) is 38.1%, which assumes \$69.0 million of debt funding and cash funding of \$3.5 million.

2.4 Benefits of an Investment in Newmark Property REIT

2.4.1 High-quality, modern portfolio

Upon listing, Newmark Property REIT will own a Portfolio of eight high-quality LFR properties with an independent valuation of \$519.6 million⁸⁹.

The Portfolio comprises modern properties with a weighted average age of 4.5 years⁹⁰, which benefits from low capital expenditure requirements. The properties are situated in metropolitan, urban centre and key regional locations across the eastern seaboard of Australia, and are strategically located in high demand growth corridors that provides the potential for redevelopment upside in the longer term.

2.4.2 Secure and defensive income profile

The Portfolio features a high occupancy rate of 99.0%⁹¹ and WALE of 7.6⁹² years with no material near term lease expiries. Tenants consist predominantly of leading national retailers, underpinned by Bunnings.

The attractive net lease structure across the portfolio means that there is minimal or limited capital expenditure obligations, with fixed escalations for 84.0% of the Portfolio⁹³ (with weighted average rent reviews across the Portfolio of 2.7% p.a.⁹⁴) providing structured growth.

The Portfolio has proven highly resilient during the trading lockdowns caused by the COVID-19 pandemic, with 99% of rent collected in FY21⁹⁵.

2.4.3 Income underpinned by long leases to Bunnings

Portfolio underpinned by long-term leases to Bunnings, which comprise 75.8% of total income for Newmark Property REIT⁹⁶ with Bunnings' WALE of 8.4 years. Bunnings trading performance has been resilient through COVID-19, generating store on store sales growth of 14.7% in FY20⁹⁷ and 11.9% in FY21⁹⁸, driven by a boom in home improvement activity and working-from-home arrangements. Bunnings is 100% owned by Wesfarmers, the 8th largest company on the ASX, with a market capitalisation of \$68 billion⁹⁹.

2.4.4 Attractive growth prospects

Newmark Property REIT offers an attractive growth profile supported by:

- **Structured lease escalations:** Fixed rental escalations for 84.0% of the Portfolio¹⁰⁰, with weighted average rent reviews of 2.7% p.a. across the Portfolio¹⁰¹, including typical annual rent escalations of between 2.5% to 3.0% per annum for Bunnings leases;
- **Completion of Preston development:** Preston fund-through development will support growth in FY23; and
- **Further accretive acquisition opportunities:** Ability to selectively source future acquisition opportunities across the target sector, consistent with the investment strategy of Newmark Property REIT, and supported by access to the Newmark Group platform.

2.4.5 Access to the funds management platform and experience of Newmark Group

Newmark Group is an experienced property investment manager that places strong emphasis on real estate fundamentals and active management, having delivered an average IRR of 17% p.a. for all mature and closed funds since 2011. Newmark Group currently has over \$1.3 billion in assets under management and a 10-year track record of delivering regular income, consistent returns and enhanced value for investors. Newmark Property REIT is expected to benefit from Newmark Group's ability to:

- Leverage relationships with tenants and service providers; and
- Identify potential future investment opportunities.

Newmark Group's interests will be aligned with Newmark Property REIT's through maintaining an investment which, following the Offer, will be approximately 18.2%¹⁰² of the total Stapled Securities on issue.

89 Valuations undertaken by Savills and CBRE as at 30 September 2021. Accounts for the Preston asset valuation on an 'as if complete' basis.

90 Weighted by value accounting for the Preston asset valuation on an 'as if complete' basis. Valuations as at 30 September 2021.

91 By gross passing income at 30 September 2021.

92 By gross passing income at 30 September 2021.

93 By gross passing income at 30 September 2021.

94 Weighted by gross passing income at 30 September 2021. Adopts CPI at 1.75% p.a.

95 Excludes Melton and Preston assets, which had not settled in FY21.

96 By gross passing income at 30 September 2021.

97 Wesfarmers, 2020 full-year results briefing presentation.

98 Wesfarmers, 2021 full-year results briefing presentation.

99 Based on market close as at 9 November 2021.

100 By gross passing income at 30 September 2021.

101 Weighted by gross passing income at 30 September 2021. Adopts CPI at 1.75% p.a.

102 See Section 10.2 for further details.



2.4 Benefits of an Investment in Newmark Property REIT *continued*

2.4.6 Experienced Board with independent Chairperson and strong corporate governance

Highly experienced Board of Directors from which Newmark Property REIT will draw guidance and expertise (including an independent Chairperson and a majority of independent directors). The Board has extensive experience that will allow Newmark Property REIT to leverage a diverse set of combined experiences to ensure its business strategy is positioned to return maximum value to Stapled Securityholders, while maintaining diligent compliance and managing risks.

2.4.7 Attractive distribution yield with conservative capital structure

Newmark Property REIT is forecasting to deliver an attractive forecast FY22 annualised Distribution Yield of 5.1%¹⁰³ and a forecast 1H23 annualised Distribution Yield of 5.3%¹⁰⁴. Newmark Property REIT expects to pay quarterly Distributions to Stapled Securityholders.

Newmark Property REIT will maintain a conservative capital structure, with initial Gearing on Completion of 28.0% and a target gearing range of 30% – 40%.

2.5 Risks of an Investment in Newmark Property REIT

Newmark Property REIT is subject to risks that are both specific to its business operations in the property industry and to those of a general nature. Many of these risks are outside the control of the Responsible Entity, the Directors and management and if they were to eventuate, may adversely affect the future operating performance of,

and the value of an investment in, Newmark Property REIT. Section 9 of this PDS describes what the Responsible Entity currently believes to be the key risks associated with an investment in Newmark Property REIT. There may be additional risks that should be considered in light of prospective investors' personal circumstances.

2.6 Financing Arrangements

2.6.1 Borrowing policy

Newmark Property REIT's primary sources of external financing will be debt and equity. It is intended that all borrowings and interest payable will be denominated in Australian dollars. Gearing at Completion is expected to be 28.0%, with target Gearing of 30% – 40% going forward¹⁰⁵. Gearing is calculated as interest bearing liabilities less cash divided by total tangible assets less cash.

2.6.2 Hedging policy

With respect to its hedging policy, Newmark Property REIT is targeting a range for fixed interest rate exposure of between 50% and 100% of drawn borrowings. Newmark Property REIT will review this policy on an ongoing basis in the context of any future indebtedness and the prevailing market conditions. On Completion, Newmark Property REIT intends to hedge 67% of its interest rate exposure.

2.6.3 Financing arrangements

The proposed financing arrangements comprise a syndicated debt facility of \$215.0 million from which \$130.5 million is anticipated to be drawn, resulting in \$84.5 million of undrawn debt. The facility will be syndicated on an equal basis by CBA and Westpac, with 50% to be drawn from each bank. Of the undrawn debt, \$69.0 million will be used towards the settlement of the Preston development in July 2022. Pro-forma gearing post completion of the Preston development is forecast to be 38.1%.

¹⁰³ For the period from Allotment to 30 June 2022 (annualised). Based on 112.4% FFO payout ratio. Newmark Property REIT expects to target a normalised distribution payout ratio of between 90 and 100% of FFO thereafter.

¹⁰⁴ For the period from 1 July 2022 to 31 December 2022 (annualised). Based on 100% FFO payout ratio.

¹⁰⁵ Pro-forma Gearing of Newmark Property REIT (post completion of the Preston development) is 38.1%, which assumes \$69.0 million of debt funding and cash funding of \$3.5 million.

2.7 Distribution Policy

FFO is a Property Council of Australia definition, which adjusts statutory Australian Accounting Standard (AAS) net profit for non-cash changes in investment properties, non-cash impairment of goodwill, non-cash fair value adjustments to financial instruments, amortisation of tenant incentives, rental straight-line adjustments and other unrealised one-off items.

Newmark Property REIT expects to pay quarterly Distributions to Securityholders and expects these Distributions to be between 90% and 100% of FFO. Securityholders will receive distributions within 6 weeks following the end of each distribution period, being the quarters ending 31 March, 30 June, 30 September and 31 December each year. Once listed and as required by the Constitutions, Newmark Property REIT's first Distribution is expected to be from Allotment to 31 December 2021. This Distribution is expected to be 0.68 cents per security (or approximately \$1.0 million in aggregate).

Thereafter, Distributions will be paid quarterly. The first quarterly distribution period will commence on 31 December 2021 and end on 31 March 2022. This Distribution is expected to be paid by 12 May 2022.

The table below sets out the intended annual distribution schedule:

Quarter ending	Paid by
31 March	12 May
30 June	11 August
30 September	11 November
31 December	11 February

The Directors will have regard to cash and other funding sources available when determining distributions. Newmark Property REIT can provide no guarantees as to the extent of future distributions and retains the discretion to vary the distribution policy based on the financial position of Newmark Property REIT at the time of assessment and subject to prudent business practice. The Responsible Entity will continue to monitor the appropriateness of this distribution policy to ensure that it meets the ongoing objectives of Newmark Property REIT and is in the best interests of Stapled Securityholders.



2.8 Valuation Policy

Newmark Property REIT will review the market value of properties regularly and obtain independent external valuations of properties in the following circumstances:

- At least once every three years from the date of the last valuation;
- When there is a material change in value; or
- In compliance with any finance facility obligations.


2.9 Reporting Policy

Newmark Property REIT will be required to report in accordance with the Corporations Act and ASX Listing Rules including the continuous disclosure regime. The Responsible Entity intends to provide regular, accurate and timely disclosures to the market through releases to the ASX in accordance with the ASX Listing Rules and posting of such material on Newmark Property REIT's website. Newmark Property REIT's website will also provide specific information on the individual properties as well as the Portfolio. These are anticipated to be updated in line with half and full-year end or at any stage that there is a material event. For taxation, accounting and financial reporting purposes, Newmark Property REIT will report on a 30 June financial year end basis. Newmark Property REIT will report to Stapled Securityholders formally in line with the half-year (31 December) and full-year (30 June) end.

This reporting will include:

- The net profit, FFO and Distributions paid;
- The NTA per Stapled Security at the half-year and full-year end dates;
- Update on the Portfolio and individual properties; and
- Any significant operational activities and performance outcomes that would affect Stapled Securityholders.

An audited annual financial report will be provided to Stapled Securityholders in accordance with the Corporations Act. An interim (half-year) auditor reviewed report will also be provided on Newmark Property REIT's website.



3.0 Portfolio Overview



3.1 Introduction

Newmark Property REIT will initially own a portfolio of eight LFR properties¹⁰⁶ located in the high demand growth corridors across the eastern seaboard of Australia. The Portfolio has been independently valued at \$519.6 million¹⁰⁷ and will focus on leading national retailers, such as Bunnings, as major occupiers. The Portfolio has a WACR of 5.07%¹⁰⁸, a WALE of 7.6 years¹⁰⁹ and is 99.0% occupied¹¹⁰. All properties are held on a freehold basis.

Portfolio summary metrics

Asset	Value (\$m) ¹¹¹	Capitalisation Rate ¹¹²	WALE (yrs) ¹¹³	Occupancy ¹¹⁴	GLA (m ²)	Bunnings' % of gross income	Bunnings' GLA (m ²)	Bunnings lease expiry	Bunnings' WARR
Preston (VIC)	85.3	4.50%	12.0	100.0%	18,612	100.0%	18,612	Jun-34 ¹¹⁵	3.0%
Chadstone Homemaker (VIC)	80.0	6.25%	4.9	93.0%	19,574	43.3%	7,662	Nov-26	3.0%
Warragul (VIC)	57.0	5.75%	7.8	100.0%	25,777	36.5%	14,467	May-30	CPI
Melton (VIC)	43.6	4.50%	11.9	100.0%	18,134	100.0%	18,134	Aug-33	2.5%
Eastgardens (NSW)	77.0	4.125%	7.7	100.0%	14,920	100.0%	14,920	Jun-29	2.5%
Lake Haven (NSW)	50.0	4.75%	9.7	100.0%	16,341	100.0%	16,313	May-31	2.5%
Maroochydore (QLD)	71.0	5.00%	5.6	100.0%	17,963	87.7%	16,629	Oct-27	3.0%
Launceston (TAS)	55.8	5.66%	4.2	100.0%	22,328	74.3%	18,231	Jun-26	3.0%
Total	519.6	5.07%	7.6	99.0%	153,649	75.8%	124,968	N.A.	2.7%¹¹⁶

106 Includes Preston, which is currently under development by Bunnings and due for completion in July 2022.

107 Valuations undertaken by Savills and CBRE as at 30 September 2021. Accounts for the Preston asset valuation on an 'as if complete' basis.

108 Weighted by gross passing income at 30 September 2021.

109 By gross passing income at 30 September 2021.

110 By gross passing income at 30 September 2021.

111 Valuations undertaken by Savills and CBRE as at 30 September 2021. Accounts for the Preston asset valuation on an 'as if complete' basis.

112 Weighted by gross passing income at 30 September 2021.

113 By gross passing income at 30 September 2021.

114 By gross passing income at 30 September 2021.

115 Assumes that the Preston asset is completed and settles in July 2022, which is when the contracted rental income will begin to be received.

46 116 Weighted average rental review that adopts CPI at 1.75% p.a.

3.2 Tenant Overview

Newmark Property REIT's tenancy profile is underpinned by a high-quality, long WALE tenant, Bunnings, whose business has proven highly defensive during COVID-19 and represents 75.8% of total income¹¹⁷. The Portfolio has approximately 90% exposure to national tenants.

3.2.1 Top 5 tenants by percent of income

Rank	Tenant	Percentage of Income ¹¹⁸
1		75.8%
2		4.4%
3		2.3%
4		2.1%
5		2.0%
Total		86.6%

¹¹⁷ By gross passing income at 30 September 2021.

¹¹⁸ By gross passing income at 30 September 2021.



3.2 Tenant Overview *continued*

3.2.2 Description of major tenants



Tenant: Bunnings

Parent: Wesfarmers

Bunnings is a leading Australian household hardware chain, primarily offering home improvement and outdoor living products across Australia and New Zealand. It is a major supplier to project builders, commercial tradespeople and the housing industry and has been a wholly-owned subsidiary of Wesfarmers (**WES.ASX**) since 1994.

Wesfarmers is a listed, S&P/ASX 20 conglomerate with a market capitalisation of over \$68 billion and represents one of Australia's largest private sector employers¹¹⁹.

Wesfarmers has a mandate to continue to support the expansion of the Bunnings store network, having invested a significant amount in its growth over the last decade. As at 30 June 2021, there were 278 warehouses, 70 smaller format stores and 30 trade centres in the Bunnings network and five Adelaide Tools stores, including a new format store

that was opened in Parafield, South Australia. Six Bunnings warehouses, three smaller format stores and two trade centres are currently under construction and are due to complete in the first half of the 2022 financial year¹²⁰.

Despite the broader retail industry impacts from COVID-19, Bunnings experienced revenue growth of 12.5% in the year to 30 June 2021, with total revenue of \$16.9 billion. Store-on-store sales growth for the financial year was 11.9%, with sales growth in outdoor living particularly strong as customers continued to spend more time at home¹²¹.

At 30 June 2021, Bunnings employed approximately 44,000 team members¹²².

119 Based on market close as at 9 November 2021.

120 Wesfarmers, 2021 full year results news release.

121 Wesfarmers, 2021 full year results news release.



Tenant: Kmart

Parent: Wesfarmers

Kmart is an Australian retail chain owned by Wesfarmers, which aims to provide affordable products to consumers across Australia and New Zealand.

It achieved revenue growth of 8.3% in FY21, driven by a continued focus on lowest price positioning and an enhanced product range. COVID-19 drove significant online growth but also higher operating costs. During the year, Kmart and Target successfully completed the planned changes to the Kmart and Target store networks, with 31 large format Target stores converted to Kmart stores and 55 Target Country stores converted to the K hub small format, in addition to opening four new Kmart stores¹²³.



Tenant: E&S

Parent: E&S Trading

E&S is engaged in the wholesale distribution of kitchen, bathroom and laundry products and was founded in 1962 by Bob Sinclair and his two brothers. In addition to retail sales, the company offers delivery and installation services, alongside consulting services for larger commercial projects. Currently, the company employs approximately 250 staff members and operates in 9 Victorian locations, alongside a Warehouse Clearance Centre in Noble Park. E&S has continued to expand into convenient state-wide locations to serve Victoria by acquiring Elite Appliances in 2014. E&S generated revenue of \$130 million for the year ending 30 June 2019, up 11.4% on the prior corresponding period.

Tenant: The Good Guys

Parent: JB Hi-Fi

The Good Guys is an Australian retail chain owned by JB Hi-Fi, which sells electrical and home appliances.

Total sales grew by 13.7% to \$2.7 billion and total EBITDA grew by 55.6% to \$0.3 billion in FY21. Sales momentum was strong through the year, with heightened customer demand for home appliance and consumer electronics products. The key growth categories were Refrigeration, Laundry, Floorcare, Portable Appliances and Visual¹²⁴.



Tenant: Petstock

Parent: Petstock

Petstock is a 100% Australian, family-owned and operated business, built on humble beginnings in regional Victoria.

¹²³ Wesfarmers, 2021 full year results news release.

¹²⁴ JB Hi-Fi, 2021 full year results company announcement.



3.2 Tenant overview *continued*

3.2.3 Bunnings in the Newmark Property REIT Portfolio¹²⁵

8

Total Bunnings sites

124,990 m²

of Bunnings GLA

8.4 years

Bunnings WALE

4

Freestanding Bunnings sites

+\$20m

of Bunnings passing rent

2.7% p.a.

Bunnings WARR

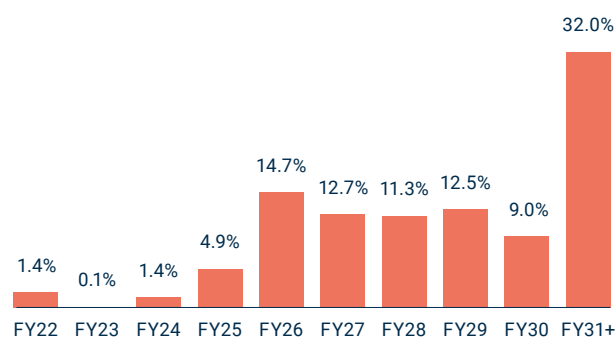
82%

of Portfolio's GLA

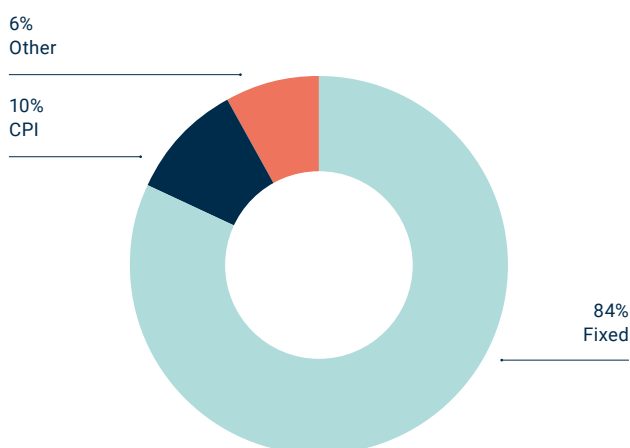
75.8%

of Portfolio's passing income

3.2.4 Lease expiry profile by percentage of income¹²⁶



3.2.5 Rent review composition¹²⁷



¹²⁵ WARR calculation assumes Preston included on an 'as if complete' basis. Portfolio passing income assumes total gross passing income as at 30 September 2021.

¹²⁶ By gross passing income at 30 September 2021.

50 ¹²⁷ By gross passing income at 30 September 2021.

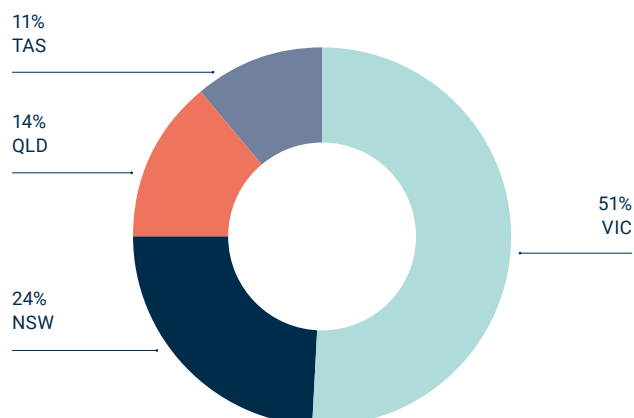
3.3 Portfolio Overview

Geographically diversified portfolio

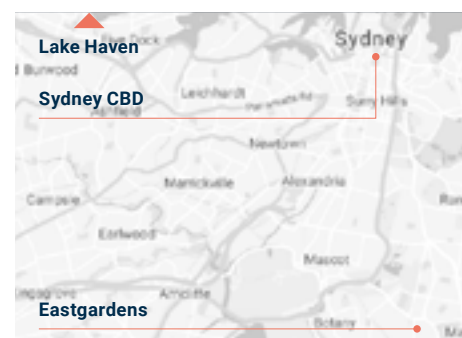
The portfolio is diversified across Australia's eastern seaboard with the assets located in strong local economies with growing populations.



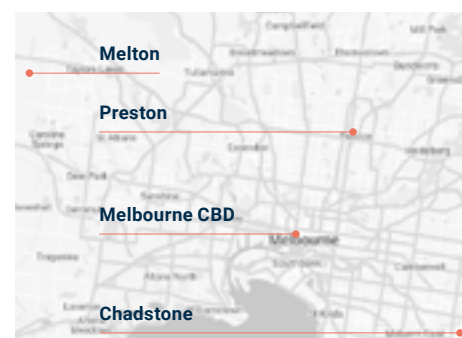
Geographic split¹²⁸



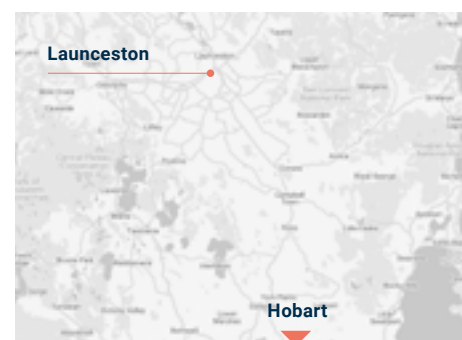
New South Wales



Victoria



Tasmania



Queensland



¹²⁸ As percentage of total Portfolio value.



3.3 Portfolio Overview *continued*

Preston, Victoria

64 – 74 Bell Street, Preston Vic 3072



Property information

State	Victoria
Property Value	\$85.3 million
Capitalisation Rate	4.50%
GLA	18,612 m ²
Total Site Area	20,528 m ²
Occupancy, by gross passing income at 30 September 2021	100.0%
WALE, by gross passing income at 30 September 2021	12.0 years
Bunnings, as percentage of gross passing income at 30 September 2021	100.0%

Major tenants



Asset overview

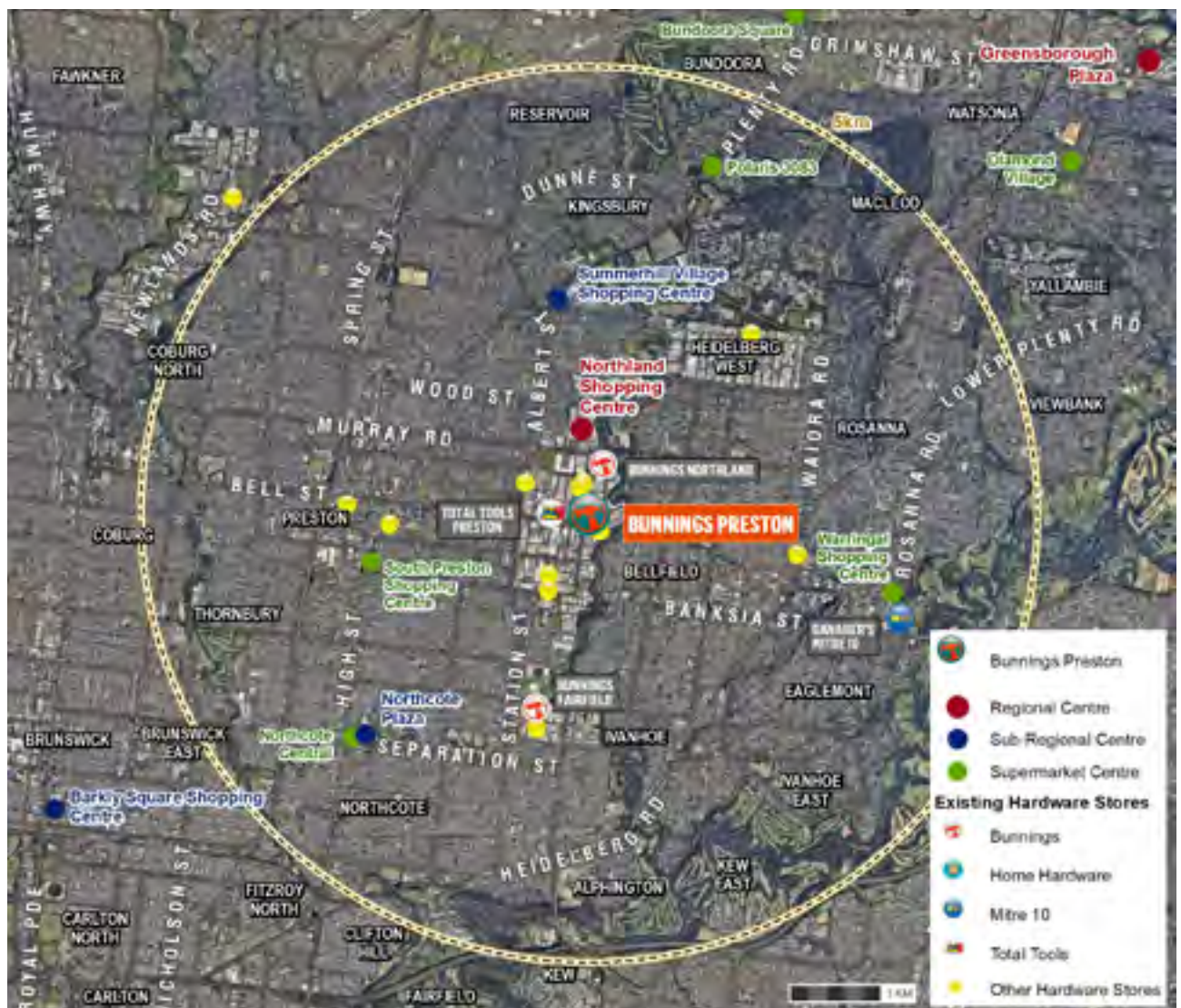
- Freestanding Bunnings Warehouse currently under construction with a scheduled completion date of July 2022.
- Land has been purchased (settled 1 February 2021) with the balance of the acquisition price to be paid at completion of construction.
- All delivery and cost risks during the construction phase are borne by Bunnings.
- Flagship store with car parking provided undercroft.
- Prominent main road frontage to Bell Street.

Location overview

The property is located in Preston, an established suburb 9 km north-east of Melbourne's CBD. Key areas of note:

- The site is situated, along and has extensive frontage to, Bell Street, a significant arterial road spanning east-west between Heidelberg and Coburg, and connects onto Tullamarine Freeway and Manningham Road.
- Immediately surrounding the site are bulky goods retail which front Bell Street as well as industrial warehouses. Stores include JB Hi-Fi Home, Repco and Nick Scali Furniture.
- Northland Shopping Centre is located some 800 m north of the Bunnings site with other nearby centres including Bell St Mall (1 km) and Summerhill Shopping Centre (2.5 km).

Asset location and catchment¹²⁹



129 Sourced from Urbis.



3.3 Portfolio Overview *continued*

Chadstone, Victoria

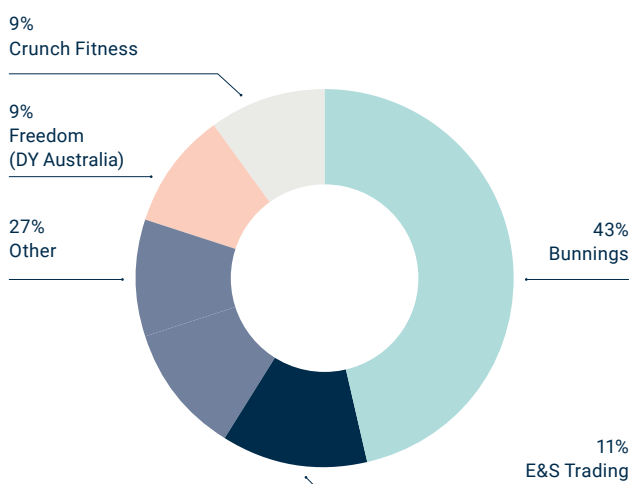
675 Warrigal Road, Chadstone Vic 3148



Property information

State	Victoria
Property Value	\$80.0 million
Capitalisation Rate	6.25%
GLA	19,574 m ²
Total Site Area	15,176 m ²
Occupancy , by gross passing income at 30 September 2021	93.0%
WALE , by gross passing income at 30 September 2021	4.9 years
Bunnings , as percentage of gross passing income at 30 September 2021	43.3%

Major tenants



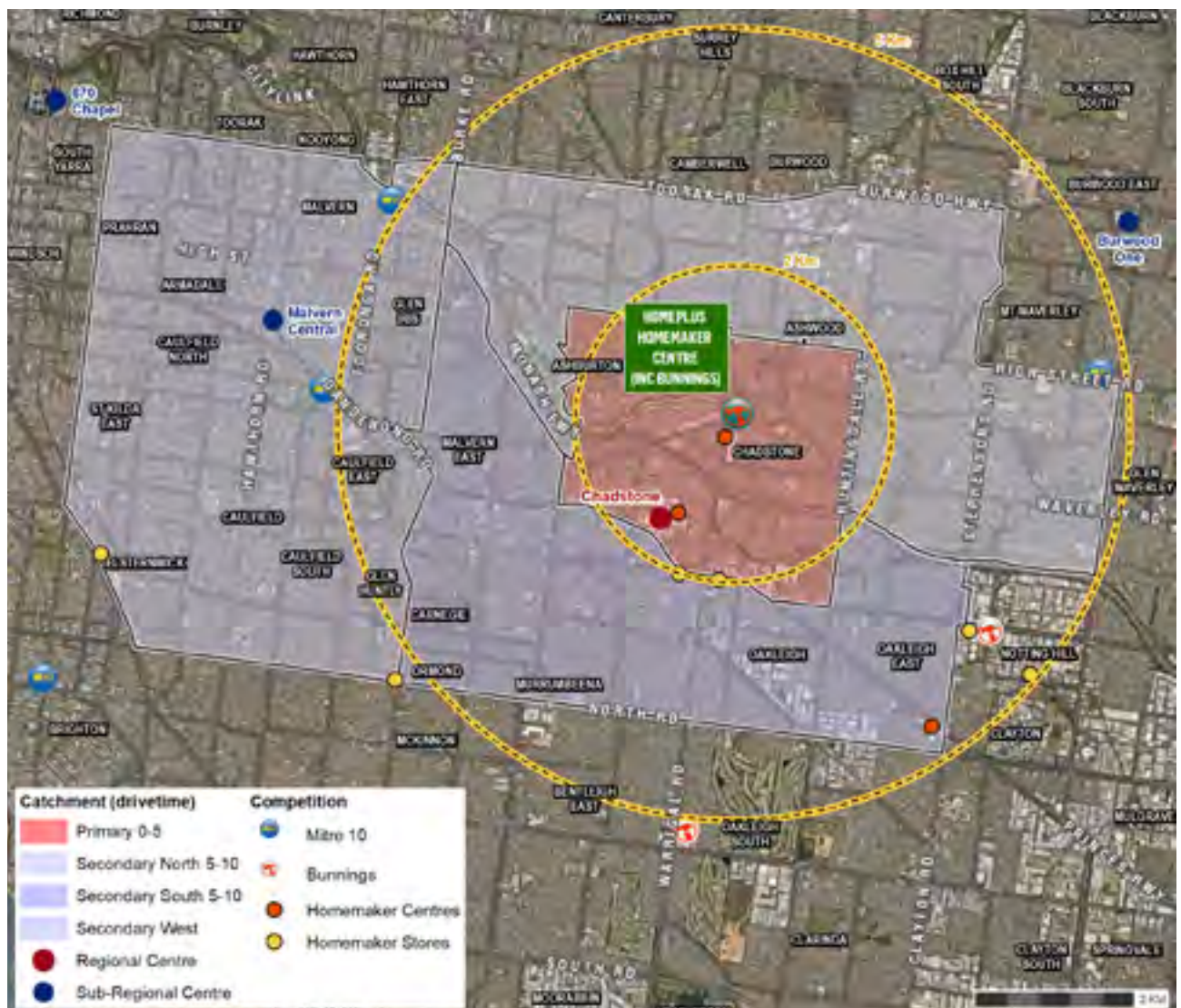
Asset overview

- Large format retail centre constructed over two levels with undercroft car parking that completed construction and commenced trading in 2011.
- Anchored by a Bunnings with 8 other LFR tenancies that include The Good Guys, Freedom Furniture and Barbeques Galore.
- New 10 year lease with Crunch Fitness.

Location overview

- Located 17km south east of the Melbourne CBD and less than 2 km from Chadstone Shopping Centre (Super Regional).
- Prominent main road exposure to Warrigal Road with immediate access to the Monash Freeway.

Asset location and catchment¹³⁰



130 Sourced from Urbis.



3.3 Portfolio Overview *continued*

Warragul, Victoria

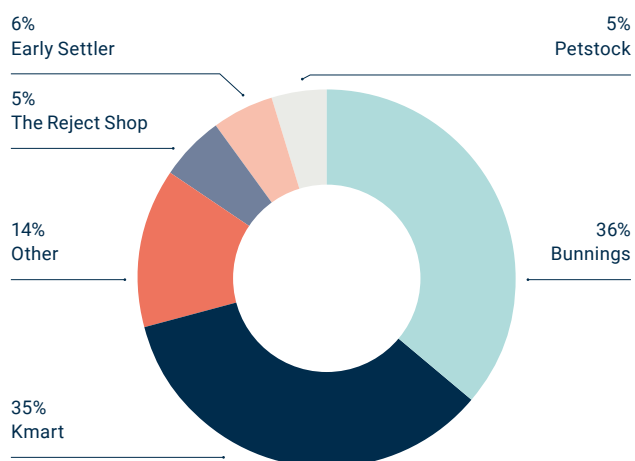
Corner Queen Street and Hazel Drive, Warragul Vic 3820



Property information

State	Victoria
Property Value	\$57.0 million
Capitalisation Rate	5.75%
GLA	25,777 m ²
Total Site Area	57,230 m ²
Occupancy , by gross passing income at 30 September 2021	100.0%
WALE , by gross passing income at 30 September 2021	7.8 years
Bunnings , as percentage of gross passing income at 30 September 2021	36.5%

Major tenants



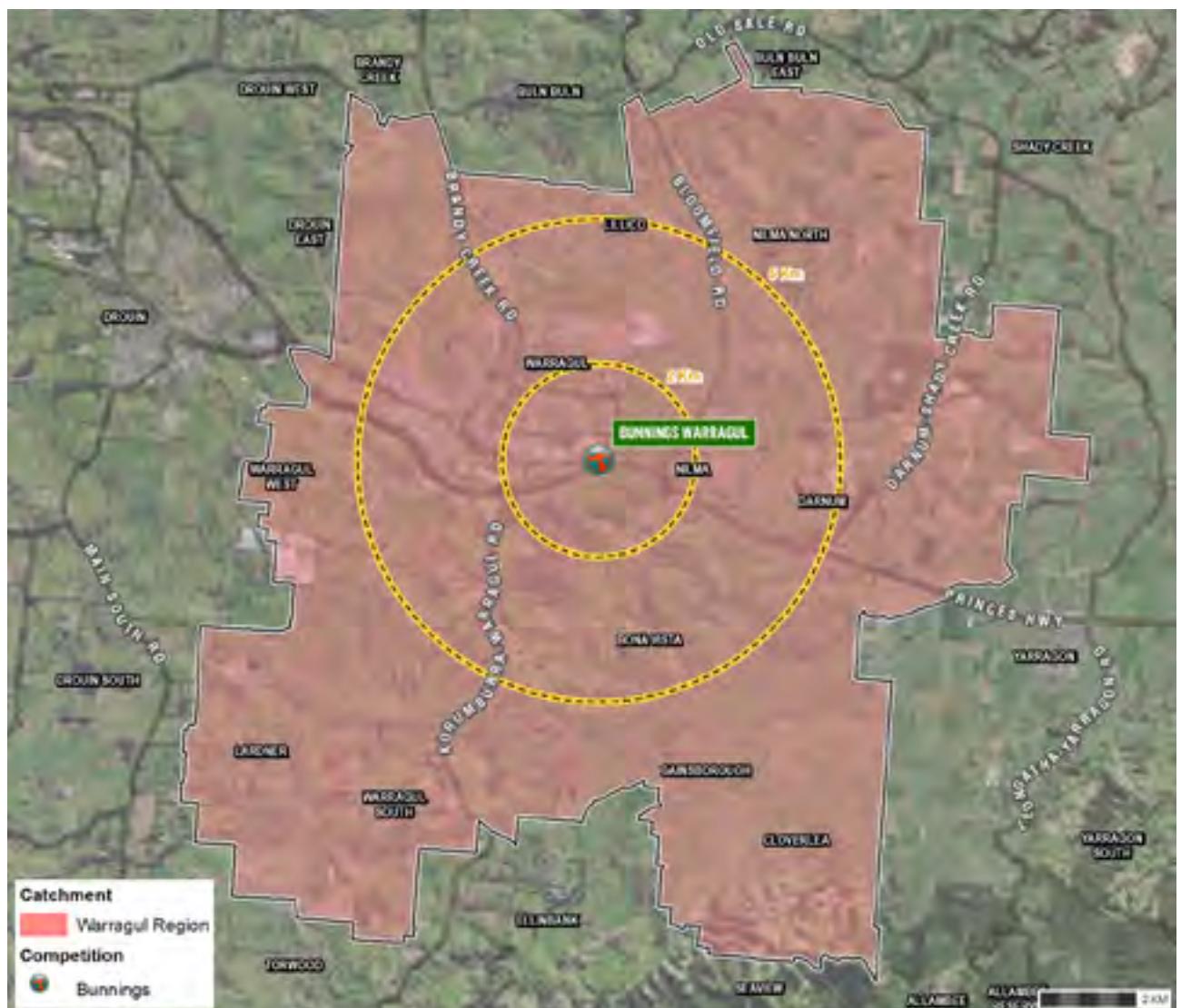
Asset overview

- LFR centre that completed construction and commenced trading in May 2020.
- The Centre comprises a freestanding Bunnings Warehouse (14,467 m²) and a freestanding Kmart DDS (6,485 m²) along with 7 other LFR tenancies that include Adairs, Repco, Early Settler, The Reject Shop and MyCar.
- All car parking is provided at grade.
- Kmart has traded above expectations and achieved percentage rent in their initial year of trade.
- Growing urban centre location with access to the Princes Highway.

Location overview

- Growing urban centre location with access to the Princes Highway.
- Located approximately 100 km south east of the Melbourne CBD.

Asset location and catchment¹³¹



131 Sourced from Urbis.



3.3 Portfolio Overview *continued*

Melton, Victoria

Corner Melton Highway & 64 High Street, Melton Vic 3337

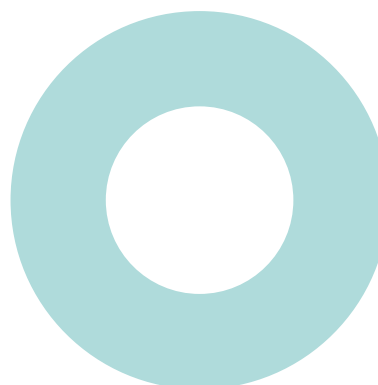


Property information

State	Victoria
Property Value	\$43.6 million
Capitalisation Rate	4.50%
GLA	18,134 m ²
Total Site Area	40,020 m ²
Occupancy, by gross passing income at 30 September 2021	100.0%
WALE, by gross passing income at 30 September 2021	11.9 years
Bunnings, as percentage of gross passing income at 30 September 2021	100.0%

Major tenants

100%
Bunnings



Asset overview

- Freestanding Bunnings that completed construction and commenced trading in February 2021.
- Settlement of the acquisition occurred on 20 August 2021.
- New format store with all car parking provided at grade.
- Surrounding development includes a proposed LFR centre development immediately north of the subject property.
- Prominent location at the junction of the Western Highway with Keilor-Melton Road.

Location overview

Melton is an urban area within metropolitan Melbourne located approximately 35 km north west from the capital's CBD. The property is located off the Western Freeway, which joins the West Gate Freeway, to connect Melbourne CBD with the western suburbs. The property adjoins a proposed large format retail project in this fast-growing corridor.

Asset location and catchment¹³²



132 Sourced from Urbis.



3.3 Portfolio Overview *continued*

Eastgardens, New South Wales

140 - 148 Denison Street, Hillsdale NSW 2036

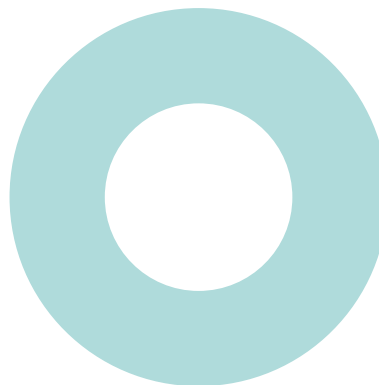


Property information

State	New South Wales
Property Value	\$77.0 million
Capitalisation Rate	4.125%
GLA	14,920 m ²
Total Site Area	22,600 m ²
Occupancy , by gross passing income at 30 September 2021	100.0%
WALE , by gross passing income at 30 September 2021	7.7 years
Bunnings , as percentage of gross passing income at 30 September 2021	100.0%

Major tenants

100%
Bunnings



Asset overview

- Freestanding Bunnings Warehouse that completed construction and commenced trading in June 2017.
- Provides a new format store with car parking provided undercroft.
- Serves a large catchment in Sydney's affluent eastern suburbs.
- The property is located less than 1 km from Westfield Eastgardens (Regional).

Location overview

Bunnings Eastgardens is located 11 km south of Sydney's CBD and within 400 metres of Westfield Eastgardens. Adjoining the site to the south along Denison Road are light industrial/showroom uses and directly opposite is the Botany Industrial Park. Housing largely comprises low density established dwellings and unit buildings, with some new low-to-medium density developments occurring.

Asset location and catchment¹³³



133 Sourced from Urbis.



3.3 Portfolio Overview *continued*

Lake Haven, New South Wales

Corner Chelmsford Road & Pacific Highway, Charmhaven NSW 2263

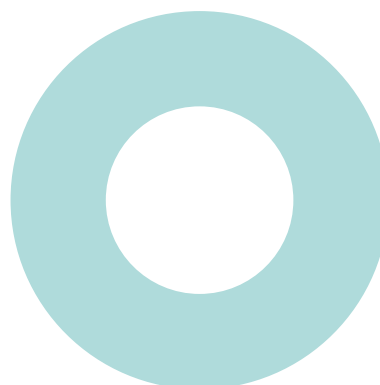


Property information

State	New South Wales
Property Value	\$50.0 million
Capitalisation Rate	4.75%
GLA	16,341 m ²
Total Site Area	23,780 m ²
Occupancy , by gross passing income at 30 September 2021	100.0%
WALE , by gross passing income at 30 September 2021	9.7 years
Bunnings , as percentage of gross passing income at 30 September 2021	100.0%

Major tenants

100%
Bunnings



Asset overview

- Freestanding Bunnings that completed construction and commenced trading in May 2019.
- Provides a new format store with car parking provided undercroft.
- Located within the immediate proximity of the Lake Haven Centre (Sub Regional).
- Serves a wide catchment area with the nearest competing Bunnings being at Tuggerah (14 km south) and Morisset (19 km north).
- Prominent main road exposure to Pacific Highway.
- Located approximately 106 km north of the Sydney CBD on the NSW Central Coast, being 53 km north of Gosford and 54 km south of Newcastle.

Location overview

It is approximately 106 km north of Sydney and 53 km south of Newcastle.

Bunnings Lake Haven was redeveloped in early 2019. The previous Bunnings site is to be repositioned with further homemaker uses as an extension of the offer already within Homemaker Lake Haven.

Immediately surrounding the site are industrial uses, with Lake Haven Shopping Centre within 800 metres.

Asset location and catchment¹³⁴



134 Sourced from Urbis.



3.3 Portfolio Overview *continued*

Maroochydore, Queensland

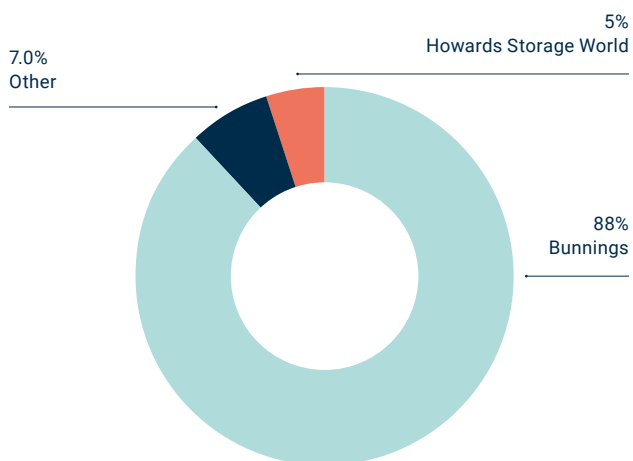
70 – 98 Dalton Drive, Maroochydore Qld 4558



Property information

State	Queensland
Property Value	\$71.0 million
Capitalisation Rate	5.00%
GLA	17,963 m ²
Total Site Area	32,580 m ²
Occupancy , by gross passing income at 30 September 2021	100.0%
WALE , by gross passing income at 30 September 2021	5.6 years
Bunnings , as percentage of gross passing income at 30 September 2021	88.0%

Major tenants



Asset overview

- Freestanding Bunnings Warehouse that completed construction and commenced trading in October 2015.
- Includes an additional 5 LFR tenancies in a freestanding building.
- Provides a new format store with car parking provided both at grade and undercroft.
- Prominent location adjoining the Maroochydore Homemaker Centre, Sunshine Plaza (Super Regional) and the proposed Maroochydore CBD development on the former Horton Park Golf Course.
- Immediate access to the Sunshine Motorway.
- Located approximately 100 km north of the Brisbane CBD.

Location overview

Situated on the Sunshine Coast, Bunnings Maroochydore is located on Dalton Drive which is home to various commercial and retail uses including Officeworks, Maroochydore Homemaker Centre and the new Spotlight Large Format Retail Development. It is also in close proximity to the 53 hectare Sun Central Maroochydore CBD subdivision which is proposed to include 30,000m² of retail, 50,000m² of office and 600 residential dwellings.

Asset location and catchment¹³⁵



135 Sourced from Urbis.



3.3 Portfolio Overview *continued*

Launceston, Tasmania

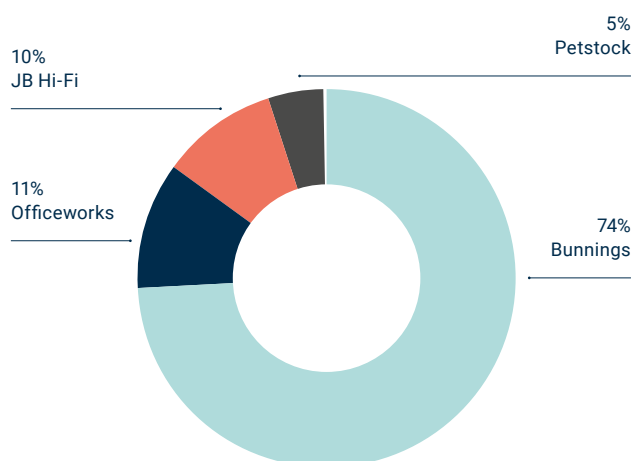
Lindsay Street & Goderich Street, Invermay Tas 7250



Property information

State	Tasmania
Property Value	\$55.8 million
Capitalisation Rate	5.66%
GLA	22,328 m ²
Total Site Area	50,749 m ²
Occupancy, by gross passing income at 30 September 2021	100.0%
WALE, by gross passing income at 30 September 2021	4.2 years
Bunnings, as percentage of gross passing income at 30 September 2021	74.3%

Major tenants



Asset overview

- Freestanding Bunnings Warehouse that completed construction and commenced trading in June 2014.
- Includes an additional 3 LFR tenancies in a freestanding building (JB Hi-Fi, Officeworks and Petstock).
- Provides a modern format store with car parking provided at grade.
- Prominent main road frontage to the East Tamar Highway.

Location overview

Bunnings North Launceston is located near the River Tamar/ North Esk River, with Launceston's CBD and retail core situated on the southern side of the river canal.

JB Hi-Fi Home, Petstock and Officeworks are also located on the site. North of the site there is a cluster of industrial uses with some low-density residential dwellings directly adjacent.

While the river location does act as a physical barrier to the west, the road network via the Tamar Freeway provides strong connectivity to the site.

Asset location and catchment¹³⁶



136 Sourced from Urbis.





4.0 Market Overview



4.0 Market Overview

4.1 Introduction

Newmark Property REIT aims to provide Stapled Securityholders with exposure to a high-quality real estate portfolio situated in key metropolitan and urban centre locations in addition to key regional locations. The Initial

Portfolio will consist of eight properties with each comprising a Bunnings as its major tenant, with Bunnings comprising 75.8% of total portfolio income.

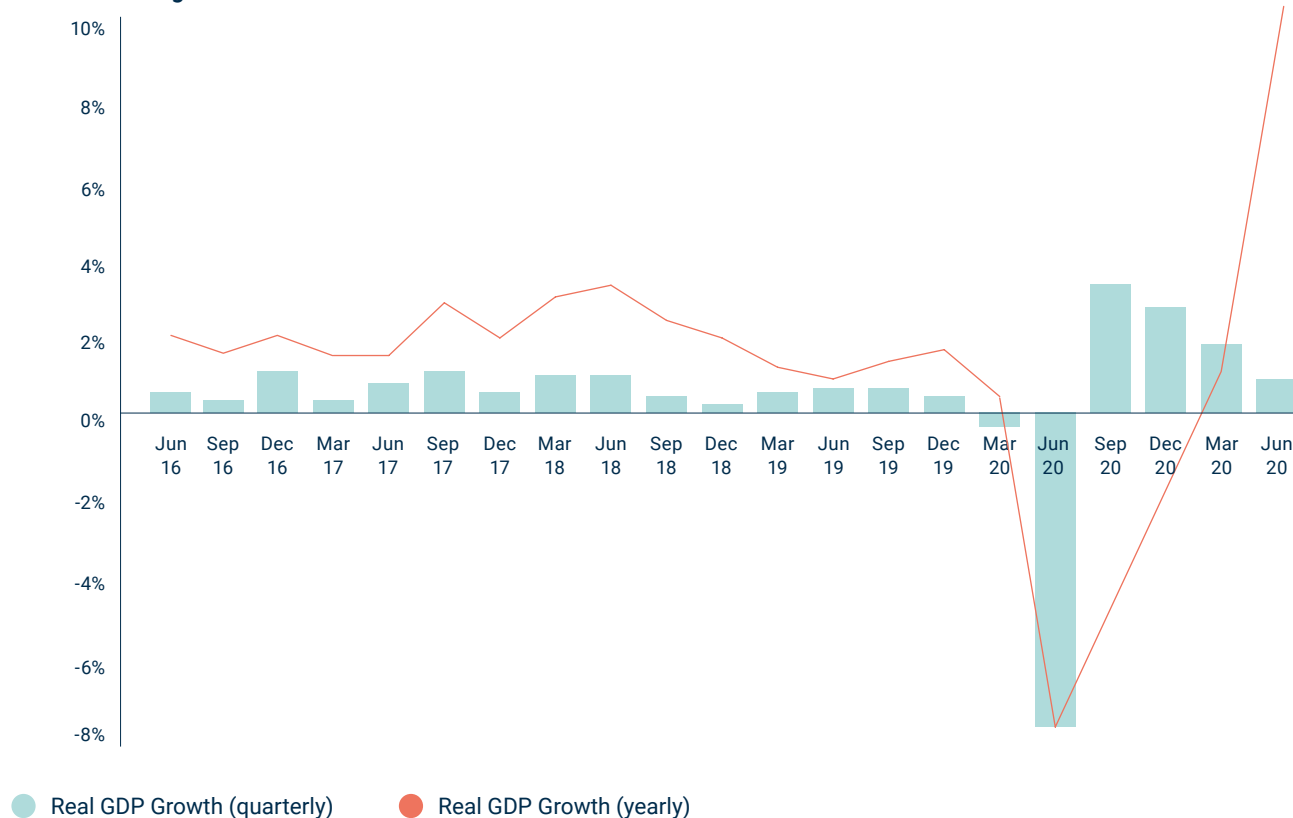
4.2 Australian economy

The Australian economy had delivered 29 years of consecutive annual Gross Domestic Production (GDP) growth until the onset of COVID-19 due to a significant contraction in household spending as households adjusted their behaviours and restrictions were imposed to contain the spread of the virus. As illustrated below, the Australian economy contracted across the March 2020 and June 2020 quarters. The economy officially recovered from a technical recession by posting a 3.6% expansion in the September 2020 quarter.

in the labour market¹³⁷. The recent lockdowns had minimal impact on domestic demand, with fewer lockdown days and the more prolonged stay-at-home orders in NSW only commencing in the last week of June. Reserve Bank of Australia's (RBA) baseline scenario is forecasting GDP to grow by over 4% over 2022 and 2.5% over 2023¹³⁸.

GDP rose by 0.7% in the June 2021 quarter, reflecting the continued easing of COVID-19 restrictions and the recovery

Australian GDP growth



Source: Real GDP growth (seasonally adjusted), RBA H1 Gross domestic product and income.

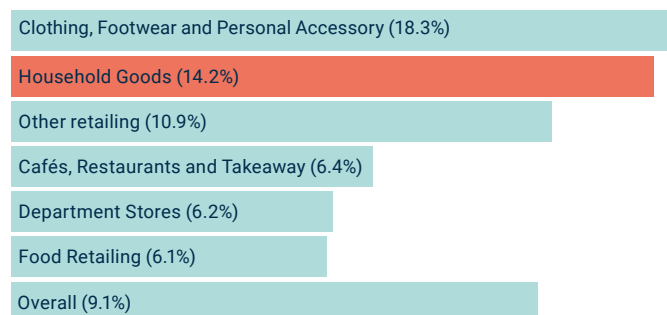
¹³⁷ Real GDP growth (seasonally adjusted), RBA H1 Gross domestic product and income. A "technical recession" is defined by RBA where there have been two consecutive quarters of negative growth in real GDP.

4.2 Australian economy *continued*

With the relaxing of social distancing measures and other restrictions, household spending rebounded in the June 2021 quarter, rising 15.4% on an annualised basis, however remained 0.3% below December quarter 2019 pre-pandemic levels¹³⁹. This improvement was reflected in the Retail Trade estimates produced by the Australian Bureau of Statistics (ABS), with Australian retail turnover for the quarter ending June 2021 rising 1.4%, seasonally adjusted. State and territory rises were led by New South Wales (+1.7%), Queensland (+0.6%) and Western Australia (+0.8%). South Australia (-0.3%) and the Northern Territory (-3.0%) were the only region falls in volume over the quarter¹⁴⁰.

On an annualised basis, Australian retail turnover rose 9.1%, seasonally adjusted, when compared to June 2020¹⁴¹. This was led by Clothing, Footwear and Personal Accessory (+18.3%) and Household Goods (+14.2%), as households adjusted to work-from-home arrangements and invested in home improvements.

Retail Turnover - Annual Change to June 2021



Source: ABS, Retail Trade, Australia. Total turnover (seasonally adjusted).

In response to COVID-19, the Federal Government announced a \$17.6 billion economic plan to keep Australians in jobs, keep businesses in business and support households and the Australian economy in March 2020¹⁴². As part of the plan up to 6.5 million individuals and 3.5 million businesses would be directly supported by the package¹⁴³. The Federal Government's 2021-22 Budget committed an additional \$41 billion in direct economic support, bringing total support since the beginning of the pandemic to \$291 billion as of May 2021¹⁴⁴.

In addition to fiscal government policy responses, RBA's monetary policy has also been considerable, with the target cash rate and April 2024 Australian Government bond being reduced to a historical low of 10 basis points. It is expected that the RBA will not increase the cash rate until actual inflation is sustainably within the 2-3% target range which is not expected to occur before 2024.

In September 2021, the RBA had completed the \$200 billion of purchases under its bond purchase and the RBA has committed to purchase approximately \$4 billion in bonds a week until at least mid-February 2022. The RBA's bond purchases – together with the low level of the cash rate, the yield target and the funding under RBA's Term Funding Facility – have been providing substantial and ongoing support to the Australian economy¹⁴⁵.

¹³⁹ ABS, Australian National Accounts: National Income, Expenditure and Product. Household final consumption expenditure (chain volume measures, seasonally adjusted).

¹⁴⁰ ABS, Retail sales volumes rose 0.8% in June quarter 2021 media release.

¹⁴¹ ABS, Retail Trade, Australia. Total turnover (seasonally adjusted).

¹⁴² Prime Minister of Australia, Economic Stimulus Package media release.

¹⁴³ Prime Minister of Australia, Economic Stimulus Package media release.

¹⁴⁴ Australian Government The Treasury, Economic Response to COVID-19.

¹⁴⁵ RBA, Minutes of the Monetary Policy Meeting of the Reserve Bank Board (7 September 2021).



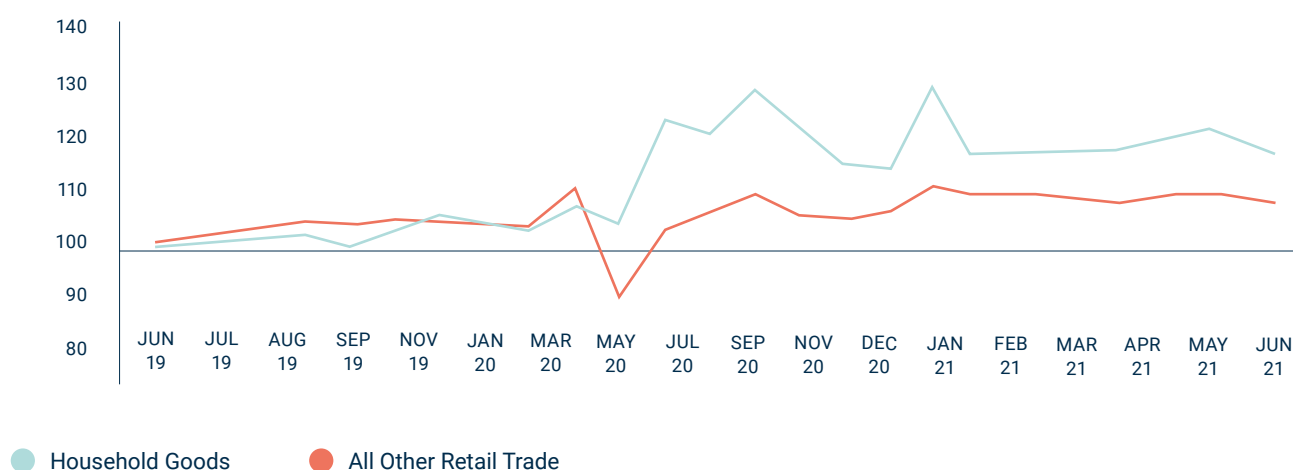
4.3 Large Format Retail Market

The LFR market comprises the retail sector servicing Household Goods, which includes furniture, floor coverings, homewares, textile goods, electrical goods, hardware, building and garden supplies. Large format retailers tend to locate together in precincts, either within homemaker centres or in out-of-centre developments, which encourages destination shopping. The tenancy sizes are larger than traditional retailers, which is commensurate with the retail goods being sold. Sales (to 30 June 2021) by Large Format Retailers are estimated to be more than \$95.6 billion or 26.4% of all retail sales in Australia, according to the Large Format Retail Association (LFRA)¹⁴⁶. LFR now comprises 35% of all retail floor space¹⁴⁷.

The Retail Trade estimates include the industry category of Household Goods Retailing, which is representative of the LFR industry. Given the prominence of Bunnings within the Portfolio, this sub-group is separately detailed in Section 4.4.

The resilience of the Household Goods industry sector to the trading impacts caused by COVID-19 restrictions is evident from monthly retail turnover figures that have shown significant growth throughout 2020-21 when compared to 2019. Government stimulus measures designed to provide income support to households and businesses are considered to have had a positive impact on the LFR industry.

Monthly Retail Turnover, indexed to 100 as at Jun-19



Source: ABS, Retail Trade, Australia. Total turnover (seasonally adjusted).

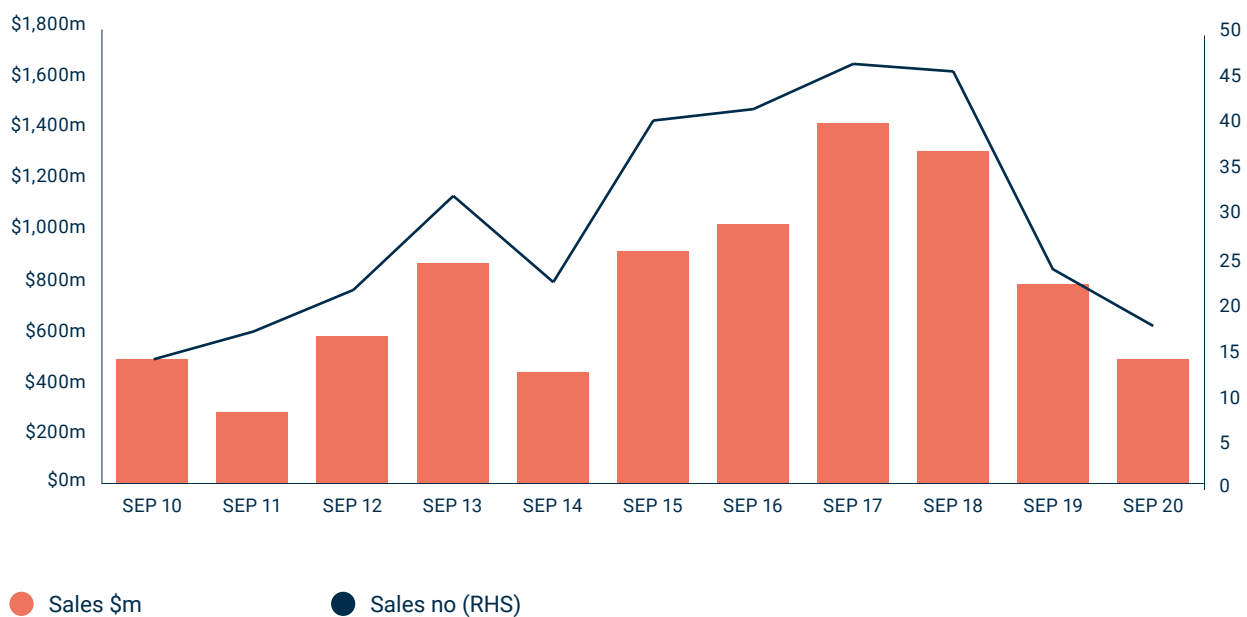
146 LFRA, About Us <<https://lfra.com.au/about-us-2/>>, accessed 9 November 2021.

72 147 LFRA, Retailing <<https://lfra.com.au/retailing/>>, accessed 9 November 2021.

4.3 Large Format Retail Market *continued*

LFR has continued to perform well in terms of both sales and leasing metrics. Retail transaction volumes over the 12 months to June 2021 were recorded at \$5.73 billion, which was down 21% on the previous year. As a result of ongoing demand there is evidence of yield compression over the last 12 months, with LFR yields along the east coast reaching lows of 5.25% (as at June 2021)¹⁴⁸.

National Large Format Retail Total Sales Volume



Source: Savills Research

A number of transactions of Bunnings sites that have occurred recently illustrated investment yields compressing and transactions remaining attractive to investors, despite COVID-19. Some examples include The Lowe Group's acquisition of NSW mid-north coast Bunnings for \$28.6 million on a yield of 4.2% (Sep-21), Charter Hall's acquisition of a \$49 million Bunnings site on a yield of 4.3% (Aug-21), De Luca Corporation's sale of a newly built Bunnings warehouse for \$22 million at a portfolio auction at a 4.2% yield (Jun-21), Home Consortium's acquisition of a \$56 million Bunnings warehouse at an acquisition yield of 5.1% (Dec-20) and EG's \$49 million acquisition of a Bunnings at a 5.4% passing yield (Dec-20) among others.

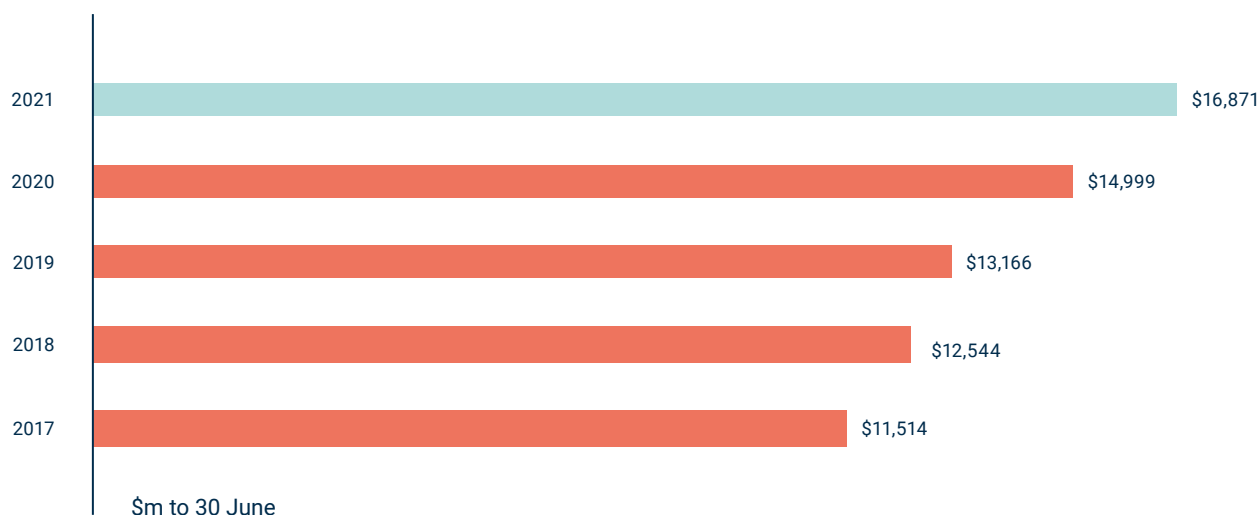


4.4 Bunnings' performance

Bunnings is a leading Australian household hardware chain, primarily offering home improvement and outdoor living products across Australia and New Zealand. It is a major supplier to project builders, commercial tradespeople and the housing industry and has been a wholly owned subsidiary of Wesfarmers (WES.ASX) since 1994. As at 30 June 2021, there were 278 warehouses, 70 smaller format stores and 30 trade centres in the Bunnings network and five Adelaide Tools stores, including a new format store that was opened in Parafield, South Australia. Six Bunnings warehouses, three smaller format stores and two trade centres are currently under construction and are due to complete in the first half of the 2022 financial year¹⁴⁹.

Despite the broader retail industry impacts from COVID-19, Bunnings experienced revenue growth of 12.5% in the year to 30 June 2021, with total revenue of \$16.9 billion. Store-on-store sales growth for the financial year was 11.9%. Bunnings recorded earnings of \$2.2 billion, an increase of 19.7% on last financial year, which was underpinned by strong growth in consumer sales as customers spent more time working and undertaking projects at home. Return on capital increased to 82.4% as a result of strong earnings growth, disciplined capital management and a temporary benefit from lower average inventory balances due to strong customer demand¹⁵⁰.

Bunnings' Revenue



Source: Wesfarmers, 2021 Annual Report

Bunnings' strong sales and earnings growth reflects the execution of its strategic agenda and the increased value and relevance of its offer for consumer and commercial customers. During FY21, Bunnings refreshed its products, introduced new showroom experiences, delivered a new retail website in Australia and New Zealand to improve the look, feel and navigation for customers, and continued to invest in enhancements to its digital offer, including improvements to click and collect and drive and collect services.

During the height of the COVID-19 restrictions, Bunnings fast tracked its digital development rolling out 'Click and Deliver' across Australia and New Zealand, launching a new contactless 'Drive and Collect' service and releasing its Product Finder application to enhance the online engagement of consumer and trade customers. By addressing barriers preventing potential sales, Bunnings capitalised on several opportunities despite the economic headwinds of COVID-19.

149 Wesfarmers, 2021 full year results news release.

4.5 Market outlook

The LFR industry saw the largest increase in turnover of any retail category during 2020, which was underpinned by people spending more time at home. Spending on Hardware Goods has remained consistent in 2021.

International travel restrictions continue to impact overseas migration, which is particularly important for population growth in Sydney and Melbourne and the resultant implications on new dwelling construction. Yet, despite ongoing border closures impacting Australians' ability to travel overseas, the domestic demand had been stronger than anticipated prior to the recent outbreak. The NSW Government removed quarantine requirements for incoming vaccinated travellers on 1 November 2021. This is expected to improve overseas migration to NSW.

Sydney's lockdown ended for fully vaccinated residents on 11 October 2021 after the 70% double dose vaccination target was reached, with removal of gathering limits and indoor mask rules from December onwards. On 18 October 2021, NSW restrictions including venue capacity restrictions and limits were further eased and from 1 November 2021, Sydney residents were allowed to travel to Regional NSW. The current plan also outlined further relaxation of the rules for unvaccinated people from no later than 15 December 2021¹⁵¹. Restrictions in Victoria have modestly eased from 29 September 2021 with the state hitting its 80% first dose vaccination target, allowing travelling up to 15 km from home, lifting of outdoor venue caps and allowance for contactless recreation¹⁵². Restrictions in Victoria were further eased on 26 October 2021 once the 70% double dose vaccination target was reached including easing of limits and restrictions on venues. The loosening of restrictions, particularly in NSW and Victoria, offers a glimpse into the Australian federal government's plan to begin unwinding most COVID-19 restrictions, including hard lockdowns and border restrictions, once over 70% of the country's population is fully vaccinated.

Dwelling and business investment are forecast to boost activity over coming years. Recent lockdowns and temporary restrictions on construction activity in some states will weigh on both residential and non-residential investment in the September quarter, but a rebound is anticipated in the December 2021 and March 2022 quarters after restrictions ease. It is expected for domestic DIY and home improvement spending to remain in focus.

Housing price growth and low interest rates are forecast to sustain a high level of construction of new houses and renovation activity over coming years. Furthermore, Government stimulus initiatives, such as the HomeBuilder Grant, have been encouraging for the construction and housing market generally and are likely to have positive implications for LFR spending going forward.


Lastly, savings ratios hit record levels in 2020, reaching 22.0% in June 2020 when the pandemic was at its peak (currently 9.7% in June 2021¹⁵³). With higher savings and therefore cash available, as the market improves it is expected this will yield positive results for spending more generally in the economy, as well as across the large format retail sector. Being one of the strongest performing retail sectors in 2021, the LFR industry is well positioned for future growth.

¹⁵¹ NSW Government, Roadmap for easing COVID-19 restrictions

¹⁵² Premier of Victoria, Victoria to hit 80% first dose vaccination target.

¹⁵³ ABS, Australian National Accounts: National Income, Expenditure and Product.





5.0 Management of Newmark Property REIT and Corporate Governance



5.1 Introduction

Newmark REIT Management Limited is the Responsible Entity of Newmark Property REIT. The Responsible Entity holds an AFSL (No. 526690), which authorises it to provide financial services to the extent required under this PDS. The Responsible Entity's powers, rights and liabilities in relation to Newmark Property REIT are governed by the Corporations Act and each of the Constitutions.

The Responsible Entity is a subsidiary of Newmark Property Group Pty Ltd, the parent company of the Newmark Group which was founded in 2011 to provide the opportunity for

private investors to have access to quality commercial property investments. Newmark Group is a funds management business with a strong emphasis on real estate fundamentals. Newmark Group has grown its assets under management to over \$1.3 billion and achieved a total weighted average IRR of 17% for all mature and closed funds since inception. Newmark Group has delivered regular returns and enhanced value for investors. Newmark Group has a disciplined approach and strategic management philosophy.



Homeplus+Homemaker Centre, VIC

2011
Newmark Capital founded by Chris Langford and Simon Morris

Dec 2011
Acquired Homplus+Homemaker Centre in Chadstone, VIC for \$55m



417 St Kilda Rd, Melbourne, VIC

Dec 2012
Acquired office building 417 St Kilda Road for \$81m and sold the asset in Jun-17, delivering a return of ~25% p.a.



Lidcombe Shopping Centre, NSW

Jun 2014
Acquired Lidcombe Shopping Centre for \$52m, transformed it into a sub-regional and sold the asset in Apr-15 for \$117m (~50%+ return)

Acquired Launceston Bunnings



Jam Factory, South Yarra, VIC

Dec 2015
Acquired the Jam Factory in South Yarra for \$165m



Como Centre South Yarra, VIC

May 2016
Acquired the Como Centre in South Yarra for \$237m



Brandon Park Shopping Centre, Wheelers Hill, VIC

Jun 2018
Acquired Brandon Park Shopping Centre for \$135m



Tooronga Village Shopping Centre, VIC

Jun 2019
Acquired Tooronga Village Shopping Centre for \$62m



David Jones Bourke Street Mall Melbourne, VIC

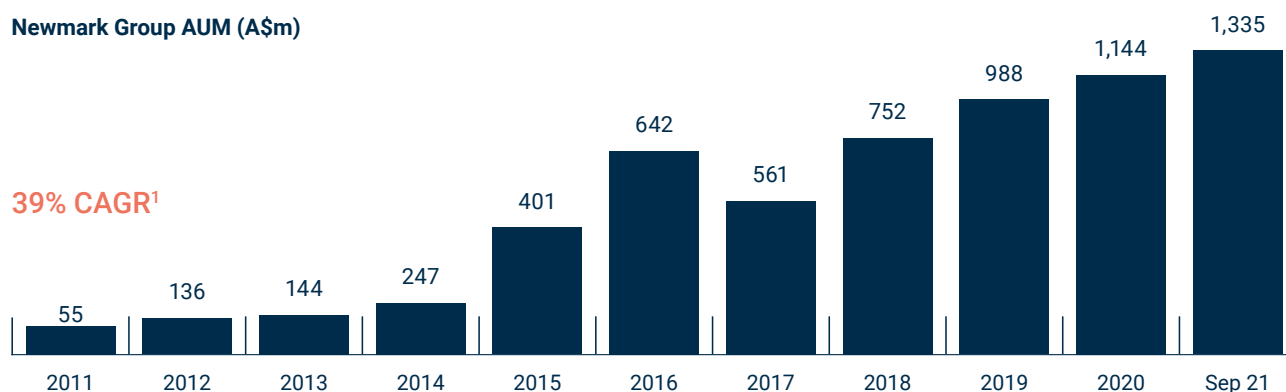
Aug 2020
Acquired David Jones Bourke Street Mall for \$121m



Bunnings Eastgardens, NSW

2021
Acquired Bunnings Eastgardens for \$75m and Bunnings Melton for \$43m

Newmark Group AUM (A\$m)



Note (1) Past performance is not necessarily an indicator of future performance. Calculated from December 2011 to December 2020.

5.2 The Board of Directors of Newmark Property REIT

The Board consists of five Directors, comprising:

- three independent Directors;
- one additional non-executive Director; and
- one executive Director.

The Directors of Newmark Property REIT are:



Michael Doble

Chairperson and Independent
Non-Executive Director

Michael has over 36 years' of experience in the property industry in Australia. He has recently retired from the Board of Think Childcare (Developments) after it was taken over and delisted and sits on the Advisory Board of real estate financier Monark Property.

Michael's executive career spans property valuation and funds management, where he held senior roles at Knight Frank, ANZ Funds Management and APN. At APN, Michael managed multi-billion dollar investment portfolios including pure AREIT, hybrid (listed and unlisted) and Asian REIT funds.

Michael holds a Graduate Diploma in Applied Finance & Investment, an Associate Diploma in Valuations and a Bachelor of Business.



Melinda Snowden

Independent Non-Executive Director

Melinda has over 27 years' experience in finance and has been a professional non-executive director since 2010 in a broad range of industries. Melinda is currently a Non-Executive Director and Chair of the Audit and Risk Committee of ASX listed companies WAM Leaders, Sandon Capital Investments, Best & Less Group Holdings and Megaport. Melinda is also currently a Non-Executive Director at Our Ark Mutual and an advisory board member of Yarno, a SaaS compliance and education provider.

Melinda has held previous non-executive director roles at MLC, Vita Group, Mercer Investments (Australia) and Kennards Self Storage. Prior to her non-executive career, she held investment banking roles with Grant Samuel, Merrill Lynch, and Goldman Sachs and was a solicitor in the corporate division of Herbert Smith Freehills.

Melinda holds a Bachelor of Economics and a Bachelor of Laws from the University of Sydney and is a graduate member of the Australian Institute of Company Directors.



5.2 The Board of Directors of Newmark Property REIT *continued*



Mark Allan

Non-Executive Director

Mark has over 25 years' experience in investment management, corporate advisory and property having held senior roles at Ernst & Young and Deloitte, where he was Executive Director and Partner, respectively. He has also held the role of Non-Executive Director at property fund manager, Placer Property, where he was also Chairman of the Compliance Committee.

He is currently CEO of private investment firm, Galabay, and Non-Executive Director and Responsible Manager of Newmark Capital Limited.

Mark is a Chartered Accountant and holds a Master of Taxation from The University of Melbourne and a Bachelor of Business (Accounting) from Monash University.



Chris Langford

Executive Director

Chris is currently Executive Director and Joint Managing Director of Newmark Group, having co-founded the firm with Simon T. Morris in 2011. During his 30-year career across commercial property investment, development and management, he has held executive leadership roles at Lend Lease and Mirvac and has managed his own property consulting business.

Chris was a member of the AFL Commission from 1999 to 2016 and has held directorships at RCL Group and Macarthur Cook Limited.

Chris holds a Bachelor of Architecture from The University of Melbourne.



Andrew Erikson

Independent Non-Executive Director

Andrew is a distinguished property lawyer with over 40 years' experience in real estate development and investment in Australia and around the world, having spent time in Europe, the UK and the US.

Most recently a partner at King & Wood Mallesons (retired 31 December 2020), he was highly sought after for his legal expertise and regularly nominated as a top lawyer in the area of real estate by Chambers Asia Pacific and Chambers Global Legal 500 Asia Pacific.

Andrew is an adviser to the Board of Springfield City Group Pty Ltd and has previously been a member of the Urban Development Institute of Australia, Property Council of Australia and Law Institute of Victoria.

Andrew holds a Bachelor of Laws (Honours) from The University of Melbourne.

5.3 Key Management Team



Chris Langford
Joint Managing Director

Refer to Section 5.2.



Simon T. Morris
Joint Managing Director

Simon is Newmark Group's Joint Managing Director, having co-founded the firm with Chris Langford in 2011. He brings over 30 years' of experience across commercial property investment, development and management, having previously held the role of CEO at Peninsula Development Group for more than 15 years.

Simon is currently a director at Virtual Communities Ltd and a past director of Luna Park Melbourne and Jewish Care Victoria.



Ed Cruickshank
Fund Manager

Ed is an experienced real estate professional skilled in due diligence, transaction advisory, project feasibility studies, lease analysis and negotiation, market research, property portfolio optimisation and financial modelling for real estate investments. Before joining Newmark, Ed was a Director within PwC's Real Estate Advisory team where he consulted to a range of real estate owners and occupiers to solve a range of complex problems.

Ed is responsible for working with the broader team to set and execute the investment strategy of Newmark's property trusts.

Ed holds a Bachelor of Commerce (Accounting and Finance) from Monash University, Graduate Diploma of Applied Finance and a Graduate Diploma of Chartered Accounting.



Haydn Vella
Interim Chief Financial Officer

Haydn has over 25 years of domestic and international finance and treasury experience in the property, telecommunications, IT and energy industries. He has held Chief Financial Officer, Company Secretary and senior management roles at companies including Metronode Group, Nextgen Group, Caterpillar and Babcock and Brown Capital.

Haydn has worked with Newmark for over three and a half years and is assisting with the proposed listing of the Trust and the transition process to handover to a new CFO.

Haydn is a member of the Institute of Chartered Accountants for ANZ and holds a Graduate Diploma in Applied Investment and Finance from FINSIA and a Bachelor of Business from Swinburne University.



5.3 Key Management Team *continued*



Peter Hulbert

Company Secretary and General Manager, Legal

Peter has over 18 years of experience in the legal, financial services and property sectors. He is the Group Company Secretary and Compliance Officer of Newmark Group and previously held the role of Head of Legal and Compliance and Company Secretary of Arena REIT and Arena Investment Management.

Peter holds a Bachelor of Laws and a Bachelor of Business from Monash University.



Angus Machutchinson

General Manager, Property

Angus has over 30 years of executive-level experience at some of Australia's largest land owners and property organisations, including McDonalds Australia, Westfield and Vicinity Centres, where he was responsible for major retail development projects. At Newmark, he oversees property development and management.

Angus holds a Bachelor of Arts from The University of Melbourne.



Richard Drake

Head of Capital Transactions

Richard's career spans over 30 years across property valuation, acquisition and management having held senior roles at Coles, Target, Officeworks and Becton. At Newmark, he is responsible for identifying, acquiring and developing commercial real estate.

Richard is a qualified property valuer and holds a Bachelor of Business (Property) from the University of South Australia.

5.4 Interest and Benefits of Directors

The Directors (and their associates) and external key management are entitled to apply for Stapled Securities under the Offer. The Stapled Securities to be acquired by Directors and external key management under the Offer may be held directly or indirectly through other holdings by companies or trusts.

A summary of Board and external key management Stapled Securityholdings, including additional Stapled Securities, which the Board and external key management personnel hold (as a result of their holdings of units in either NHT or Chadstone Trust prior to stapling) or that they are proposing to acquire under the Offer, is provided below.

Directors	Stapled Securities Held on Completion (including Stapled Securities proposed to be acquired under the Offer)
Chris Langford	48,729
Michael Doble	56,529
Andrew Erikson	50,000
Melinda Snowden	15,000
Mark Allan	27,360
Total	197,618

Key Management	Stapled Securities Held on Completion (including Stapled Securities proposed to be acquired under the Offer)
Simon T. Morris	400,494
Haydn Vella	180,655
Richard Drake	160,923
Ed Cruickshank	67,284
Total	809,356



5.5 The Investment Manager

NRML, in its capacity as Responsible Entity, has appointed NPFM, a member of the Newmark Group, as Investment Manager of Newmark Property REIT under the Investment

Management Agreement (refer to Section 13.5.1 for further information). The Board and key management of NPFM have extensive experience in real estate.

5.6 The Property Manager

NRML, in its capacity as Responsible Entity, has appointed NAM, a member of the Newmark Group, as Property Manager

to Newmark Property REIT under the Property Management Agreement (refer to Section 13.5.2 for further information).

5.7 Custodian

The Responsible Entity has appointed The Trust Company (Australia) Limited (ABN 21 000 000 993) as Custodian of Newmark Property REIT. The Custodian is a member of the Perpetual Group, a leading provider of trustee and custody services. The Custodian will be entitled to a fee, which is set out in Section 11. The Custodian may not sub-contract custody services to a sub-custodian unless it has consulted with and obtains the consent of the Responsible Entity. Under the Custody Agreement, the Responsible Entity indemnifies the Custodian out of the assets of Newmark Property REIT

from all liability (whether actual or contingent) suffered or incurred by the Custodian arising out of, among other matters, any action taken or omitted by the Custodian in accordance with a proper instruction from the Responsible Entity under the Custody Agreement, except where the liability is caused by a breach of the Custody Agreement by the Custodian or fraud, willful default or negligence of the Custodian. A summary of the Custody Agreement is set out in Section 13.6.

5.8 Related party benefits and remuneration

The Responsible Entity is entitled to charge a Management Fee equal to 0.60% p.a. of Newmark Property REIT's GAV (before GST). However, the Responsible Entity has determined that it will not charge a management fee in respect of Newmark Property REIT for so long as the Investment Manager charges an investment management fee equal to 0.60% per annum of GAV (before GST) under the Investment Management Agreement in respect of Newmark Property REIT (refer to Section 11 for further information).

The Responsible Entity is entitled to be reimbursed and indemnified for expenses and liabilities incurred in the proper performance of its duties out of the assets of Newmark Property REIT. To the extent permitted by law, the Responsible Entity will also be indemnified for any loss incurred arising out of the performance of the previous responsible entity's duties and obligations in relation to Newmark Property REIT for the period up to and including the date on which the Responsible Entity became responsible entity of Newmark Property REIT to the extent that the previous responsible entity would not

have had a right of indemnity out of the assets of Newmark Property REIT had it incurred the liability and remained responsible entity. This indemnity does not cover certain liabilities incurred by the Responsible Entity, including to the extent that, as a result of the Responsible Entity's acts or omissions, the previous responsible entity has had its right of indemnity out of the assets of Newmark Property REIT reduced or lost.

In addition to fees in relation to its role as Responsible Entity, the Responsible Entity will be entitled to Distributions from Newmark Property REIT via its investment as a Stapled Securityholder. The Newmark Group and its related entities (being entities associated with directors, shareholders or other related parties of Newmark Group members (including the Responsible Entity)) will have a co-investment stake of approximately 18.2% following Completion of the Offer¹⁵⁴.

5.8 Related party benefits and remuneration *continued*

5.8.1 Investment management fees

The Investment Manager is entitled to receive an investment management fee equal to 0.60% of GAV per annum (before GST) for the provision of investment management services which will be payable monthly by the Responsible Entity out of the assets of Newmark Property REIT (refer to Section 11).

5.8.2 Acquisition Fee

The Investment Manager is entitled to receive an acquisition fee equal to 1.00% of the purchase price (excluding acquisition costs) of any assets acquired by Newmark Property REIT (directly or indirectly) or any controlled sub-trust following Completion (refer to Section 11 for further information).

5.8.3 Finance facility fee

The Investment Manager will be entitled to a finance facility fee of 0.20% of the amount of any debt finance arranged by the Investment Manager for NHT (refer to Section 11 for further information).

5.8.4 Property management fees

The Property Manager is entitled to receive fees (on arm's length terms) for property management, facilities management, property accounting, leasing (including lease renewals and market reviews), sale agency (if the Property Manager acts as a sales agent in respect of a property), lease administration and project management in respect of the properties of Newmark Property REIT (refer to Section 11 for further information). Where a third party leasing agent is engaged to perform leasing functions, the leasing fees will be shared with the third party as appropriate.

5.9 Corporate Governance

The Board is committed to high standards of corporate governance and a high level of transparency, disclosure and interaction with the investment market. The management team is involved in the development and application of appropriate policies and procedures to maintain a high level of governance focusing on the interests of Stapled Securityholders. The Board has adopted policies recommended by the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Recommendations) to the extent that they are applicable to Newmark Property REIT (as an externally managed trust) and the Responsible Entity. This Section summarises the key policies of the Responsible Entity's and Newmark Property REIT's governance frameworks. Copies of the Charters and Policies adopted by the Responsible Entity in respect of Newmark Property REIT can be found on the website www.newmarkcapital.com.au/npr.

5.9.1 Board Charter

The primary function of the Board is to ensure that Newmark Property REIT is managed in the best interests of Stapled Securityholders. This involves monitoring the decisions and actions of the management team who are responsible for the day-to-day management of Newmark Property REIT. The Board has formalised its roles and responsibilities into the Board Charter. The key functions of the Board include:

- Deciding the strategic direction of the Group;
- Approving and monitoring the operational and financial performance of the Group;
- Monitoring the implementation of the Group's strategic objectives and performance of executive management;
- Monitoring risk management systems and controls, codes of conduct and legal compliance;
- Overseeing the Group's communications with Securityholders to ensure they are informed of all material developments;
- Appointing the Group's company secretary;
- Determining the distribution policies of the Group; and
- Monitoring the Group's governance framework and policies, including its Corporate Governance Statement.

Each Director, and the Board as a whole, may seek independent professional advice in the performance of their duties as a Director.



5.9 Corporate Governance *continued*

5.9.2 Constitution and Compliance Plan

Each Constitution sets out the rights and obligations of the Stapled Securityholders and Responsible Entity, respectively. A summary of each Constitution is set out in Section 13.1. Each of NHT and Chadstone Trust has a Compliance Plan which sets out the key processes the Responsible Entity will apply in operating Newmark Property REIT (refer to Section 13.4 for a summary of the Compliance Plan). The Compliance Plan for NHT is currently being updated so that it will be substantially identical to the Compliance Plan for Chadstone Trust, and the Responsible Entity will lodge the modified Compliance Plan for NHT with ASIC prior to the issue and allotment of Stapled Securities on 8 December 2021.

5.9.3 Audit, Risk and Compliance Committee Charter

The Board of the Responsible Entity has established an Audit, Risk and Compliance Committee to assist the Board in overseeing the integrity of Newmark Property REIT's financial reporting, internal financial controls, financial procedures and policies, risk management framework, the independence of external auditors and to monitor obligations under the Corporations Act, ASX Listing Rules, Compliance Plan and AFSL requirements. The Audit, Risk and Compliance Committee has a formal charter which sets out its responsibilities and functions. The key roles and responsibilities of the Audit, Risk and Compliance Committee include:

- Reviewing the accounting policies and practices adopted and compliance with accounting standards, ASX Listing Rules and relevant legislation;
- Reviewing and making recommendations to the Board in relation to the financial statements of Newmark Property REIT after discussing the financial statements with management and external auditors;
- Evaluating the adequacy and effectiveness of the risk management framework and risk management reporting that incorporates a program of assurance to ensure that material risks are being identified and appropriate management plans are in place, and making recommendations to the Board on any material risk management issues which arise;
- Reviewing the appointment or removal of the external auditor, and their audit plans, independence and performance; and
- Monitoring the Responsible Entity's financial obligations pursuant to its AFSL requirements, the ASX Listing Rules, Compliance Plan, ASIC and the Corporations Act.

The Audit, Risk and Compliance Committee's members will be appointed by the Board and must comprise at least three members, each of whom are non-executive Directors, the majority of whom are independent. Melinda Snowden has been appointed by the Board to chair the Audit Risk and Compliance Committee, with Michael Doble and Mark Allan to serve as members.

5.9.4 Code of Conduct

Newmark Group's Code of Conduct, which applies to Newmark Property REIT (and its officers, employees and agents) sets out the standards of ethical behaviour required of Directors, executives, senior management and employees associated with Newmark Property REIT and aims to ensure that the highest standards of honesty, integrity and ethical behaviour are observed by all. The code of conduct also sets out other legal and compliance obligations.

5.9.5 Continuous Disclosure Policy

Newmark Property REIT is committed to fair and open disclosure and its policy has been adopted to ensure Newmark meets its disclosure obligations under the Corporations Act and the ASX Listing Rules. The overriding principle of Newmark Property REIT's Continuous Disclosure Policy is to ensure that Newmark Property REIT complies with the ASX Listing Rules and provides equal access to information and promotes quality communication between Newmark Property REIT and third parties, such as Stapled Securityholders, the investment community, the media and the ASX. Newmark Property REIT's website (www.newmarkcapital.com.au/npr) will be periodically updated and will provide information accessible to all Stapled Securityholders and interested parties.

5.9.6 Communication Policy

Newmark Property REIT has adopted a Communication Policy in order to ensure that there is effective communication between Newmark Property REIT and Stapled Securityholders and to encourage Stapled Securityholders to participate at general meetings. In accordance with the Communication Policy, Newmark Property REIT's website is continually updated and contains recent announcements, annual report and results announcements, disclosure documents, and market information and is a significant component of the communications strategy.

5.9.7 Securities Trading Policy

Newmark Property REIT has adopted a Securities Trading Policy that applies to all directors and officers of the Responsible Entity and all employees of Newmark Group involved in the management or provision of services to the Responsible Entity (Relevant Persons). The policy sets out the procedures for permission and disclosure of trading in Stapled Securities by certain key personnel, including the Directors of Newmark Property REIT. It also makes it clear that dealing or trading on inside information is illegal and provides a definition of inside information and sets out what is information, which is generally available. Relevant Persons are prohibited from dealing in Stapled Securities during prescribed blackout periods subject to specific exceptions.

The policy is designed to ensure fair and transparent trading in accordance with both the law and best practice.

5.9.8 Related Party Transactions and Conflicts of Interest Policy

Newmark Property REIT 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. Newmark Property REIT has adopted a Related Party Transactions and Conflicts of Interest Policy, which seeks to ensure that:

- Newmark Property REIT 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 appointed manager of Newmark Property REIT, including the Responsible Entity, the Investment Manager and the Property Manager, is required to adhere to this policy.

5.9.9 Whistleblower Policy


The Board has adopted a Whistleblower Policy, which encourages the reporting of suspected unethical, illegal, fraudulent, corrupt or dishonest conduct and provides that those who report may do so confidentially and without fear of detriment being caused or threatened to be caused against any person who has made or who is believed to have made a report. The policy specifies the scope of disclosable matters captured by the policy.

5.9.10 Anti-Bribery and Corruption Policy

The Board has adopted an Anti-Bribery and Corruption Policy, to demonstrate its commitment to the highest standards of conduct, ethical behaviour, and full compliance with the law in all aspects of its business, complementing its Code of Conduct. The policy applies to all employees, officers, directors, contractors and agents acting on behalf of the Responsible Entity (including officers and employees of the Investment Managers), in relation to all of Newmark Property REIT's commercial dealings, operations and activities. Behaviour prohibited by the policy includes:

- Offering, promising, giving, authorising, soliciting or accepting any bribe;
- Making facilitation payments;
- Offering, promising, giving, soliciting or accepting secret commissions; or
- Engaging in money laundering.



An aerial photograph of a Bunnings Warehouse store, showing the large roof and surrounding parking lot. A large, semi-transparent circle is centered over the image, containing the section title. The text "BUNNINGS warehouse" is visible on the left side of the building, and "LOWEST PRICES ARE JUST THE BEGINNING..." is visible on the right side of the building.

6.0 Financial Information



6.1 Introduction

The Financial Information contained in this Section has been prepared by the Directors of the Responsible Entity outlining:

- The pro forma forecast consolidated income statements for the period from Allotment to 30 June 2022 and for the period from 1 July 2022 to 31 December 2022, being the first half of FY23 (**1H23**), as set out in Section 6.3.1 (the **Pro Forma Forecast Consolidated Income Statements**);
- The pro forma forecast consolidated distribution statements for the period from Allotment to 30 June 2022 and 1H23, (the **Pro Forma Forecast Consolidated Distribution Statements**) as set out in Section 6.3.2; and
- The statutory forecast consolidated income statements for the period from Allotment to 30 June 2022 and 1H23, as set out in Section 6.3.3 (the **Statutory Forecast Consolidated Income Statements**);

constituting the **Forecast Financial Information**.

Financial Information is inclusive of the Forecast Financial Information and Pro Forma Consolidated Statements of Financial Position.

In addition, Section 6 summarises:

- The basis of preparation and presentation of the Financial Information including a description of non International Financial Reporting Standards (**IFRS**) measures used in this PDS, as set out in Section 6.2;

- The Directors' best estimate assumptions underlying the Forecast Financial Information, as set out in Section 6.5;
- The key sensitivities in respect of the Forecast Financial Information, as set out in Section 6.6;
- Newmark Property REIT's valuation policy and distribution policy, as set out in Sections 6.7 and 6.8 respectively;
- A description of the significant accounting policies of Newmark Property REIT as set out in Section 6.10; and
- Information on Newmark Property REIT's working capital, as set out in Section 6.11.

The Financial Information has been reviewed by Pitcher Partners Corporate Pty Ltd in accordance with the Australian Standard on Assurance Engagements (**ASAE**) 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*, as per its Investigating Accountant's Report in Section 7. Investors should note the scope and limitations of the Investigating Accountant's Report.

Newmark Property REIT will operate on a financial year ending 30 June. All amounts disclosed in this Section are presented in Australian dollars, and unless otherwise noted are rounded to the nearest \$0.1 million. Figures in this PDS may be subject to rounding adjustments causing discrepancies in totals, sum of components and percentage calculations.

The Financial Information provided in this Section should be read in conjunction with the other information provided in this PDS.

6.2 Basis of Preparation and Presentation of Financial Information

The presentation of the Financial Information has been prepared by the Directors of the Responsible Entity and is intended to explain the Forecast Financial Information together with the Pro Forma Consolidated Statement of Financial Position.

The Financial Information is in accordance with AAS measurement principles determined by the Australian Accounting Standards Board (AASB). AAS recognises and ensures compliance with IFRS issued by the International Accounting Standards Board (IASB), and Newmark's accounting policies. The significant accounting policies adopted by Newmark Property REIT are set out in Section 6.10.

The Financial Information is presented in an abbreviated form and does not contain all of the presentation and disclosures, statements or comparative information required by AAS and the Corporations Act for annual general purpose financial reports.

NHT was established and has operated in its own right as an unlisted real estate investment trust since 2014. As NHT has been identified as the parent entity in relation to the Stapling, the consolidated financial statements of Newmark Property REIT will be prepared as a continuation of the consolidated financial statements of NHT. NHT, as the deemed acquirer, will consider all the entities as a consolidated group at Completion.

No consolidated historical financial statements or predecessors accounts of Newmark Property REIT exist as Newmark Property REIT will only be established on 8 December 2021 and did not exist in its current form given recent acquisitions. Additionally, Newmark Property REIT constituent trusts reported and operated separately prior to their Stapling. NHT and Chadstone Trust will only be Stapled to form Newmark Property REIT on the Implementation Date.

6.2.1 Preparation of the Forecast Financial Information

As Newmark Property REIT was not a legal group structure prior to 8 December 2021, the Forecast Financial Information has been forecasted on a pro forma basis.

The Forecast Financial Information has been prepared and presented by the Directors considering present economic and operating conditions to determine the best estimate assumptions as set out in Section 6.5.

The Directors at the time of preparing this PDS believe the best estimate assumptions to be reasonable, when taken as a whole. This information is not fact and investors are cautioned not to place undue reliance on the Forecast Financial Information. The best estimate assumptions serve to assist investors in determining the reasonableness and likelihood of the assumptions occurring, and the Forecast Financial Information is not intended to be a representation that the assumptions will occur.

Investors should be aware that any changes to the assumptions that form the basis of the Forecast Financial Information may materially impact the actual financial performance of Newmark Property REIT. Accordingly, none of the Directors, management of the Responsible Entity or any other person can provide investors with any certainty that the outcomes discussed in the Forecast Financial Information will arise.

Investors are advised to review the Forecast Financial Information in conjunction with the Directors' best estimate assumptions set out in Section 6.5, the sensitivity analysis set out in Section 6.6, risk factors as set out in Section 9 and other information set out in this PDS.

The forecast consolidated income statements have been prepared and presented on both a pro forma and statutory basis:

- The Pro Forma Forecast Consolidated Income Statements reflect the forecast operations of Newmark Property REIT for the period from Allotment to 30 June 2022 and 1H23;
- The Statutory Forecast Consolidated Income Statements reflect the operations of Newmark Property REIT from Allotment until 30 June 2022 and 1H23; and
- The Statutory Forecast Consolidated Income Statement for the period from Allotment to 30 June 2022 includes the one-off Transaction Costs associated with the Offer which are not reflected in the Pro Forma Forecast Consolidated Income Statement for the same period.

The Forecast Financial Information does not account for any potential fair value adjustments to investment properties, derivative financial instruments or other financial assets which may be recognised in the income statement. The inability to reliably derive the value of such adjustments in the Forecast Period is the cause of the exemption.

The Pro Forma Forecast Distribution Statements have been determined by adjusting the Pro Forma Forecast Consolidated Income Statements net profit for:

- Non-cash items: such as straight lining of rental income and the amortisation upfront debt costs; and
- Non-recurring items: such as Transaction Costs and other one-off items.

The resulting measure is termed FFO, being the Directors' measure of the periodic amount available for distribution, which differs from net profit as determined in accordance with AAS.



6.2 Basis of Preparation and Presentation of Financial Information *continued*

6.2.2 Preparation of the Pro Forma Consolidated Statements of Financial Position

The Pro Forma Consolidated Statement of Financial Position has been prepared for the sole purpose of inclusion in this PDS.

The Pro Forma Consolidated Statement of Financial Position of Newmark Property REIT as at Allotment depicts the financial information of the two Stapled Group Entities after adjusting for one-off transactions and other adjustments to reflect the impact of the Offer. The pro forma transactions and other adjustments include:

- The recognition of investment properties in Newmark Property REIT's portfolio based on the Independent Valuations described in Section 8; and
- The Offer, including the repayment of debt and payment of Transaction Costs.

6.2.3 Explanation of certain non-IRFS financial measures

Newmark Property REIT will use certain measures to manage and report on its operations that are not recognised under IFRS and AAS. These measures are referred to as "non-IFRS financial measures". These non-IFRS financial measures do not have prescribed definition under AAS or IFRS and therefore may not be directly comparable to similarly titled measures presented by other entities.

The principal non-IFRS financial measures that are referred to in this PDS are as follows:

- FFO calculated in accordance with the Property Council Guidelines, representing net profit adjusted for Transaction Costs and non-cash accounting adjustments such as straight lining of rental income, amortisation of lease incentives, amortisation of upfront debt costs and other unrealised one-off items;
- Distribution which represents the amount of FFO forecast by the Directors to be available for distribution to Stapled Securityholders in the period from Allotment to 30 June 2022 and in 1H23;
- FFO Yield which represents the rate of return derived by dividing the FFO per Stapled Security by the Offer Price; and
- Distribution Yield which represents the rate of return derived by dividing the DPS by the Offer Price.

6.3 Forecast Financial Information

This Section contains the Pro Forma Forecast Consolidated Income Statements and the Statutory Forecast Consolidated Income Statements of Newmark Property REIT. This Section should be considered in conjunction with the basis of preparation and presentation of the Financial Information set out in Section 6.2.

6.3.1 Pro Forma Forecast Consolidated Income Statements

The table below sets out the Pro Forma Forecast Consolidated Income Statements of Newmark Property REIT for Allotment to 30 June 2022 and 1H23.

(\$m)	Allotment to 30 June 2022 ¹⁵⁵	1H23
Net property income	12.7	13.4
Straight lining of rental income ¹⁵⁶	0.4	0.5
Interest income	0.4	-
Total revenue	13.5	13.9
Management fees	(1.6)	(1.6)
Corporate costs	(0.5)	(0.5)
Finance costs ¹⁵⁷	(2.3)	(2.3)
Total expenses	(4.4)	(4.4)
Net profit¹⁵⁸	9.1	9.4

6.3.2 Pro Forma Forecast Consolidated Distribution Statements

FFO represents the Director's view of cash available for distribution to Stapled Securityholders in the Forecast Period.

Distributions are intended to be paid on a quarterly basis. The first Distribution will be for the period from Allotment to 31 December 2021, and is expected to be paid within 6 weeks from 31 December 2021.

Newmark Property REIT will target distributing 90% – 100% of FFO. The Directors of the Responsible Entity retain the discretion to amend the distribution policy.

The payout ratio will be greater than 100% during the period from Allotment to 30 June 2022 as the Preston development completes (expected in July 2022) and the portfolio stabilises.

¹⁵⁵ The Pro Forma Forecast Consolidated Income Statements have been prepared on the basis that the Transaction has been implemented on the Allotment Date, being 8 December 2021.

¹⁵⁶ A straight line lease adjustment is provided in relation to future fixed rental increases to reflect rental income on a straight line basis over the term of the lease.

¹⁵⁷ Includes margin on drawn amounts, line fees and amortisation of capitalised borrowing costs. Refer to Section 2.6 for detail on Newmark Property REIT's financing arrangements.

¹⁵⁸ Net profit excludes fair value adjustments in respect of investment properties and other financial assets, such as interest rate swaps as the Directors do not believe that they can be reliably estimated. In future periods, the reported results of Newmark Property REIT will include the impact of the straight line lease adjustment within the Directors assessment of the fair value of investment properties.



6.3 Forecast Financial Information *continued*

The table below provides a reconciliation from the pro forma forecast consolidated net profit (excluding Transaction Costs) to FFO for the period from Allotment to 30 June 2022 and 1H23. As set out in the table below, Newmark Property REIT forecasts:

- FFO of 8.7 cents per Stapled Security and Distributions of 9.7 cents per Stapled Security for the period from Allotment to 30 June 2022; and

- FFO of 10.0 cents per Stapled Security and Distributions of 10.0 cents per Stapled Security for 1H23.

Stapled Securityholders are expected to benefit from tax deferred returns estimated to be at least 50% of the distribution for the period from Allotment to 30 June 2022 and at least 70% for 1H23¹⁵⁹.

(\$m)	Allotment to 30 June 2022 ¹⁶⁰	1H23
Net profit (before Transaction Costs)	9.1	9.4
Straight lining of rental income ¹⁶¹	(0.4)	(0.5)
Amortisation of upfront debt costs	0.2	0.2
FFO	8.9	9.2
Distribution	10.0	9.2
Stapled Securities on issue (millions)	181.7	181.7
FFO per Stapled Security (cents)	8.7	10.0
Distribution per Stapled Security (cents)	9.7	10.0
Annualised FFO Yield	4.6%	5.3%
Annualised Distribution Yield	5.1%	5.3%
Payout ratio (Distribution / FFO) ¹⁶²	112.4%	100.0%

¹⁵⁹ The estimated tax deferred component of the forecast Distributions has been determined in accordance with the prevailing tax legislation at the time of preparing this PDS and based on certain assumptions (including tax depreciation and tax treatment of IPO Transaction Costs). The actual tax deferred component may differ from the estimate above due to timing of revenue and expenses, the nature and timing of post-IPO acquisition activity and the assumptions underpinning the estimate differing from the actual results. The tax deferred component may also vary in the future depending on the age and composition of the properties in Newmark Property REIT.

¹⁶⁰ The Pro Forma Forecast Consolidated Distribution Statements have been prepared on the basis that the Transaction has been implemented on the Allotment Date, being 8 December 2021.

¹⁶¹ As rental revenue has been recorded in the Pro Forma Forecast Consolidated Income Statements on a straight line basis, the non-cash portion is reflected as a reconciling item from net profit to FFO.

¹⁶² The payout ratio will be greater 100% for the period from Allotment to the end of FY22 as the Preston development completes (expected in July 2022) and the Portfolio stabilises.

6.3.3 Statutory Forecast Consolidated Income Statements

The table below sets out the Statutory Forecast Consolidated Income Statements of Newmark Property REIT.

Note, the period from Allotment to 30 June 2022 and 1H23 is forecast to reflect the operations of Newmark Property REIT as set out in this PDS (i.e. consists of all properties in the Initial Portfolio and the new capital structure that is anticipated to be in place post Allotment).

(\$m)	Allotment to 30 June 2022 ¹⁶³	1H23
Net property income	12.7	13.4
Straight lining of rental income ¹⁶⁴	0.4	0.5
Interest income	0.4	-
Total revenue	13.5	13.9
Management fees	(1.6)	(1.6)
Corporate costs	(0.5)	(0.5)
Finance costs	(2.3)	(2.3)
Total expenses	(4.4)	(4.4)
Net profit (before Transaction Costs)¹⁶⁵	9.1	9.4
Transaction Costs ¹⁶⁶	(2.3)	-
Net profit	6.8	9.4

163 The Statutory Forecast Consolidated Income Statements have been prepared on the basis that the Transaction has been implemented on the Allotment Date, being 8 December 2021.

164 A straight line lease adjustment is provided in relation to future fixed rental increases to reflect rental income on a straight line basis over the term of the lease.

165 Net profit excludes fair value adjustments in respect of investment properties and other financial assets, such as interest rate swaps as the Directors do not believe that they can be reliably estimated.

166 Total Transaction Costs of \$6.9m, of which \$2.3m is recognised on the Statutory Forecast Consolidated Income Statements.



6.4 Pro Forma Consolidated Statement of Financial Position

The table below sets out the Pro Forma Consolidated statement of Financial Position of Newmark Property REIT.

(\$m)	At Allotment
Assets	
Cash and cash equivalents	4.0
Other current assets	1.9
Current assets	5.9
Investment properties ¹⁶⁷	449.3
Capitalised debt fees	0.6
Non current assets	450.0
Total assets	455.8
Liabilities	
Payables and other current liabilities	4.0
Current liabilities	4.0
Interest bearing liabilities ¹⁶⁸	130.5
Non current liabilities	130.5
Total liabilities	134.5
Net Assets	321.3
Equity	321.3
Stapled Securities on issue (m)	181.7
NTA per Stapled Security (\$)	1.77
Gearing (%) ¹⁶⁹	28.0%

The completion and settlement of the Preston asset (expected in July 2022) assumes debt funding of \$69.0 million and cash funding of \$3.5 million. Assuming no other balance sheet changes, pro forma gearing would be 38.1%, which is within the target gearing range of 30% – 40%.

¹⁶⁷ Investment property values are based on the independent property valuations described in Section 8.

¹⁶⁸ Interest bearing liabilities at Allotment represents \$130.5 million of drawn debt. Interest bearing liabilities pro forma for the acquisition of the Preston asset represents \$199.5 million of drawn debt.

¹⁶⁹ Gearing is defined as total borrowings less cash, divided by total assets less cash.

6.5 Forecast Assumptions

The Directors' key general and specific assumptions relating to the preparation of the Forecast Financial Information are set out below.

6.5.1 General assumptions

In preparing the Forecast Financial Information, the key general assumptions include:

- The Transaction is implemented on Allotment which is expected to be on 8 December 2021;
- The Transaction proceeds in accordance with the timetable set out in this PDS;
- Average CPI rate of 1.75% per annum over the Forecast Period;
- No acquisitions or disposals of investment properties other than those involved in the Transaction;
- No material litigation or contract dispute during the Forecast Period;
- No significant change in the competitive environment in which Newmark Property REIT operates;
- No significant changes to the statutory, legal or regulatory environment which would be detrimental to Newmark Property REIT in any of the jurisdictions in which it operates;
- No significant change in the economic conditions (including property market and financial market stability) in which Newmark Property REIT operates;
- No material increase in the level of Federal and State government restrictions due to COVID-19 and no additional rent relief will be available after 15 January 2022. Please refer to the summary of the risks relating to COVID-19 in Section 9.2.20;
- No material changes in credit markets;
- All leases are enforceable and perform in accordance with their terms;
- No significant amendment to any material contract relating to Newmark Property REIT's business;
- No material changes in current Australian tax legislation;

- No material changes in applicable AAS, other mandatory professional reporting requirements or the Corporations Act that would have a material impact on Newmark Property REIT's financial performance, cash flows, financial position, accounting policies, financial reporting or disclosures; and
- No underlying movement in the fair value of the investment properties or other financial assets including any mark-to-market movements in relation to interest rate swaps, as the Directors of the Responsible Entity do not believe such movements can be reliably estimated.

6.5.2 Specific assumptions

The key best estimate assumptions applied in preparing the Forecast Financial Information are described below.

Net property income

Net property income has been forecast on an individual property basis based on the terms of the existing leases subject to fixed and CPI based reviews. Given the CPI rate assumptions set out in Section 6.5.1 and the fixed escalation rates of applicable leases, the blended annual escalation rate assumed for the period from Allotment to 30 June 2022 is 2.7% per annum.

The forecast assumes that the Preston asset settles in July 2022, after which the contracted rental income will begin to be received.

In accordance with AAS, a straight line lease adjustment is provided in relation to future fixed rental increases to reflect rental income on a straight line basis over the term of the lease.

No contract early terminations have been assumed in the Forecast Period.

There are three leases, which represent approximately 1.4% of passing income, that are due to expire in FY22. All leases are assumed to roll over into new leases at the same rent.



6.5 Forecast assumptions *continued*

Non-recoverable outgoings and direct property expenses

Non-recoverable property outgoings and expenses have been forecast on an individual property basis in accordance with the lease terms.

Interest income

Newmark Property REIT is not assumed to earn interest on any cash balances during the Forecast Period. Newmark Property REIT is assumed to earn 4.4% per annum on the \$15.0 million deposit paid on Preston until completion of development (expected in July 2022).

Management fees and expenses

Under the Constitutions and the Investment Management Agreement, the Responsible Entity and the Investment Manager are entitled to a management fee. The management fees are calculated and accrued daily, and are payable out of the assets of Newmark Property REIT monthly in arrears.

The maximum management fee payable to the Responsible Entity under each Constitution is equal to 0.60% per annum of GAV (before GST), but the Responsible Entity has determined it will not charge a management fee in respect of Newmark Property REIT, for so long the Investment Manager charges an investment management fee equal to 0.60% per annum of GAV (before GST) under the Investment Management Agreement in respect of Newmark Property REIT.

Corporate costs

Corporate costs include ASX listing fees, custodian and registry fees, legal, audit, valuation and tax compliance fees, investor reporting costs and other costs. This includes costs incurred by the Investment Manager (including associated on-costs) relating to conducting due diligence on proposed acquisitions and managing and administering the acquisition and disposal process. These other expenses have been forecast based on relevant agreements and quotes from external parties.

Interest expense

Newmark Property REIT's borrowings under the Proposed Debt Facility will incur an average interest rate of 2.1% per annum for the Forecast Period. This is inclusive of margin, line fees and forecast hedging arrangements. Newmark Property REIT will target a range for fixed interest rate exposure of between 50% and 100% of drawn borrowings. Newmark Property REIT will review this policy on an ongoing basis in the context of any future indebtedness and the prevailing market conditions.

The establishment cost of the Proposed Debt Facility is expected to be approximately \$0.3 million. This cost will be capitalised against the debt balance at Allotment and amortised over the term of the Proposed Debt Facility.

Tax expense

Each Stapled Group Entity that comprises Newmark Property REIT is expected to be treated as a "flow-through" entity for Australian income tax purposes. Under current Australian income tax legislation, each Stapled Group Entity is not expected to be liable for Australian income tax, including capital gains tax. The investors are expected to be taxable on the net taxable income of each Stapled Group Entity. Accordingly, no allowance for income tax has been made for by Newmark Property REIT.

Expected goods and services tax recoveries in respect of Transaction Costs and ongoing operations which are appropriate to the activities of Newmark Property REIT have been forecast.

Transaction Costs

Transaction Costs include stamp duty, offer management fees, advisers' fees, legal fees, ASX listing fees and other expenses associated with the Transaction. At the date of this PDS, cash Transaction Costs have been estimated at \$6.9 million based on existing agreements and quotes, and applicable stamp duty rates.

Distributions

Distributions are to be made quarterly with the first Distribution for the period from Allotment to 31 December 2021, expected to be paid within 6 weeks from 31 December 2021. The Directors of the Responsible Entity will review and assess the appropriateness of Newmark Property REIT's distribution policy on a quarterly basis.

The payout ratio will be greater than 100% during the period from Allotment to 30 June 2022 as the Preston development completes (expected in July 2022) and the Portfolio stabilises. Normalised distributions will be targeted at 90% – 100% of FFO for FY23 and onwards.

Distribution reinvestment policy

Although there will be the option for Newmark Property REIT to activate a Distribution Reinvestment Plan (**DRP**), the Financial Information has been prepared on the basis that it will not be activated during the Forecast Period.

Capital expenditure

It is intended that investment capital expenditure and long term structural capital expenditure is treated as an addition to investment property, and where appropriate, funded via debt. At the date of this PDS, all identified structural capital expenditure items have been included and reflected in the Forecast Financial Information.

6.6 Sensitivity Analysis

The Forecast Financial Information is based on a number of assumptions that are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Directors, the Responsible Entity and the Investment Manager. These assumptions are subject to change and the Forecast Financial Information is also subject to a number of risks as outlined in Section 9.

Stapled Securityholders should be aware that future events cannot be predicted with certainty and as a result, deviations from the figures forecast in this PDS are to be expected.

To assist investors in assessing the impact of these assumptions on the Forecast Financial Information, the table below sets out the sensitivity of Newmark Property REIT's FFO forecasts to changes in certain assumptions.

The sensitivity analysis is intended to provide a guide only and variations in actual performance could exceed the ranges shown. The changes set out below are not intended to be indicative of the complete range of possible variations that may arise. Care should be taken in interpreting these sensitivities. The estimated impact of changes in each of the variables has been calculated in isolation in order to illustrate the impact on the FFO. In practice, changes in variables may offset each other or may be cumulative.

	Allotment to 30 June 2022		1H23	
	\$m	Cents per Stapled Security	\$m	Cents per Stapled Security
FFO	8.9	8.7	9.2	10.0
Incremental impact of change				
25 basis point change in average annual interest rate (prior to hedging) (+ / -)	0.2	0.2	0.3	0.1
25 basis point change in CPI (+ / -)	0.0	0.0	0.0	0.0
5% change in Newmark Property REIT's other operating expenses (+ / -)	0.0	0.0	0.0	0.0



6.7 Valuation Policy

Newmark REIT Management Limited maintains and complies with a written valuation policy in relation to the assets of Newmark Property REIT.

Newmark Property REIT's assets are valued in compliance with the AASB as per the Responsible Entity's policy. Independent valuations will be performed before a property is purchased or sold on an "as is" basis or within two months after the Directors form a view that there is likelihood that there has been a material change in the value of the property.

Where required, valuations of the properties will be performed on an annual basis and this will include either internal Directors' valuations or external independent valuations. External valuations will be performed by valuers who are registered under a federal or state registration scheme

and valuations will comply with relevant industry codes and standards. Properties will be externally valued by an independent valuer so that an external independent valuation occurs at least once every three years, or if in any year the internal Directors' valuation produces a valuation that varies by 5% or more from the estimated period-end book value (excluding properties under development or the last independent valuation containing market adjustments for expenditure or commitment of funds to satisfy a lease obligation).

Conflicts of interest that may arise in relation to a valuation will be referred to the Responsible Entity's compliance officer. The Responsible Entity considers such a policy will ensure the reliability of valuations and mitigate the risks that an asset will not return the valuation amount when it is sold.

6.8 Distribution Policy

Newmark Property REIT's distribution policy will be to pay out between 90% to 100% of its FFO on a normalised basis. FFO is calculated as net profit adjusted for Transaction Costs and non-cash accounting adjustments such as straight lining of rental income, amortisation of lease incentives and upfront debt costs. Normalised distributions are only to be paid from the FFO.

Newmark Property REIT's Distribution payout ratio will be formulated with regard to a range of factors including:

- General business and financial conditions;
- The certainty of Newmark Property REIT's cash flow;
- The average lease duration and the timing of significant lease expiries;
- Capital expenditure requirements of the Initial Portfolio;
- Taxation considerations;
- Working capital requirements; and
- Other factors that the Directors consider relevant.

The payout ratio will be greater than 100% during the period from Allotment to 30 June 2022 as the Preston development completes (expected in July 2022) and the Portfolio stabilises. Normalised distributions will be targeted at 90% to 100% of FFO for FY23 and onwards.

It is anticipated that Distributions will be made on a quarterly basis, with the first Distribution payable in respect of the period from Allotment to 31 December 2021. This Distribution is expected to be paid within 6 weeks from 31 December 2021.

The Responsible Entity will continually monitor the suitability of this distribution policy to ensure that it is aligned with ongoing objectives of Newmark Property REIT and represents the best interests of Stapled Securityholders. Distributions cannot be guaranteed nor promised with certainty.

The Responsible Entity anticipates that Distribution payments to Stapled Securityholders will contain some portion of tax deferred amounts. Tax deferred amounts will generally arise through the different treatment of income, expenses and depreciation allowances on buildings and plant and equipment within a building for accounting and taxation purposes. Changes in the amount of depreciation, interest rates, the level of gearing and other risk factors may influence the actual tax deferred amounts of a Distribution.

6.9 Reporting

Newmark Property REIT will operate on a 30 June financial year end basis for tax and financial reporting purposes. Formal financial reporting will be provided to Stapled Securityholders as at 31 December (interim) and as at 30 June (full year) each year. It is proposed that the first financial report will be for the period ending 30 June 2022. 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 Newmark Property REIT as at the end of the period;
- The amount of Distributions for the period;

- Significant activities undertaken for the period; and
- Portfolio updates (including valuations of the properties).

Complying with the Corporations Act, an annual report will be provided in conjunction to the investor reports. The financial statements contained in the annual report will be audited and the financial statements in the half year accounts.

Investors will be able to download the annual financial reports of Newmark Property REIT from the Responsible Entity's website (www.newmarkcapital.com.au/npr) in late September of each year.

6.10 Summary of Significant Accounting Policies

The significant accounting policies adopted in the preparation and presentation of the Financial Information are set out below. The preparation of the Financial Information requires estimates, judgments and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities. 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 below apply estimates, judgments and assumptions which could materially affect the financial results or financial position reported in future periods.

6.10.1 Consolidation and Stapled Group Entities

Newmark Property REIT is a Stapled consolidated group consisting of NHT and Chadstone Trust. NHT and Chadstone Trust collectively represent the Stapled Group Entities.

Under AAS, Newmark Property REIT is required to identify an acquirer at the date of Stapling. NHT has been deemed to be the acquirer of NHT and Chadstone Trust for accounting purposes and therefore NHT and Chadstone Trust are consolidated to form Newmark Property REIT's consolidated financial report, in accordance with AASB 3 *Business Combinations*.

The Stapled Group Entities remain separate legal entities in accordance with the Corporations Act, and currently each are required to comply with the reporting and disclosure requirements of AAS and the Corporations Act.

6.10.2 Revenue Recognition

Net property income is recognised on a straight line basis over the lease term. Where the terms of a lease contain fixed rate rent escalations, net property income is forecast for the contracted term of the lease and recognised in the income statement evenly (i.e. on a straight line basis) over the term of the lease.

The income statement presents rental income as "Net property income" or "Straight line rental income". "Net property income" comprises the contracted income earned from the rental of properties, inclusive of tenant recoverable and non-recoverable outgoings, representing the contracted payments receivable from a tenant and does not reflect any variable rent elements. "Straight line rental income" represents the difference between the rental income required to be recognised evenly over the term of the lease and the "Net property income" receivable from the tenant.



6.10 Summary of Significant Accounting Policies *continued*

6.10.3 Expenses

Leasing costs are costs that are directly associated with negotiating and arranging an operating lease (including commissions, fees and costs of preparing and processing documentation for new leases). These costs are capitalised and amortised on a 'straight line' basis over the term of the lease.

Incentives such as cash, rent-free periods, lessee or lessor owned fit outs may be provided to lessees to enter into a lease. These incentives are capitalised and are amortised on a straight-line basis over the term of the lease as a reduction of rental income or an increase in property outgoings. The carrying amount of the tenant incentives is reflected in the fair value of investment properties.

6.10.4 Management fees

Management fees are recognised on an accruals basis as the services are rendered. The Responsible Entity and the Investment Manager provide management services in accordance with the Constitutions and the Investment Management Agreement with Newmark Property REIT. The Investment Manager will earn cash fees.

6.10.5 Borrowings

Borrowings are initially recognised at fair value, less any directly attributable Transaction Costs. After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest rate method. Under the effective interest rate method, any Transaction Costs, discounts or premiums directly related to a borrowing are recognised systematically in the income statement over the expected term of that borrowing.

Borrowings are classified as current liabilities unless Newmark Property REIT has an unconditional right to defer settlement of the liability to at least 12 months after the balance sheet date.

6.10.6 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation and are initially measured at cost, including Transaction Costs. Subsequent to initial recognition, investment properties are measured at fair value. The fair value of investment property includes the balance of unamortised lease incentives and the portion of rental income relating to fixed increases in operating lease rentals in future years. Gains and losses arising from changes in the fair value of investment properties are included in the income statement in the period in which they arise.

6.10.7 Derivative financial instruments

Newmark Property REIT may enter into derivative financial instruments to hedge its exposure to interest rate risk arising from operational, financing and investment activities.

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance date. Changes to the fair value of derivative financial instruments are recognised in the income statement in the year in which they arise.

Newmark Property REIT does not apply hedge accounting therefore changes are recorded in the profit and loss statement. Newmark Property REIT may choose to adopt hedge accounting in the future which may see changes being recorded to the balance sheet, rather than the profit and loss statement.

6.10.8 Income taxes

It is intended that each Stapled Group Entity that comprises Newmark Property REIT will be treated as a "flow-through" entity for Australian income tax purposes, such that Newmark Property REIT's net income will be taxable in the hands of Stapled Securityholders. Accordingly, no current or deferred tax expense has been recognised by Newmark Property REIT.

6.11 Working capital

The Directors believe Newmark Property REIT will have the working capital to achieve its stated objectives. Newmark Property REIT is expected to have \$4.0 million in cash at bank at Allotment. In addition, Newmark Property REIT is expected to have \$84.5 million in undrawn debt available under the Proposed Debt Facility.



7.0 Independent Limited Assurance Report



Pitcher Partners Corporate Pty. Ltd.

ABN 29 000 700 000

AFSL Licence No. 201841

Level 15, 644 Chapel Street
Melbourne, VIC 3000

Level 1, 80 Alameda Drive
Dandenong South, VIC 3175

Perth offices:

800 Bay Street

Melbourne VIC 3000

ph: +61 8 1 610 1000

Ref: SDW:nrb:ep

15 November 2021

The Board of Directors
Newmark REIT Management Limited
Level 17, 644 Chapel Street
SOUTH YARRA VIC 3141

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT ON NEWMARK PROPERTY REIT FORECAST FINANCIAL INFORMATION

We have been engaged by Newmark REIT Management Limited as responsible entity for Newmark Hardware Trust and trustee for Newmark Capital (Chadstone) Property Trust, (collectively "**Newmark Property REIT**" or the "**REIT**"), to report on:

- the Pro Forma Forecast Consolidated Income Statements for the period from Allotment to 30 June 2022 and for the period from 1 July 2022 to 31 December 2022, being the first half of FY23 (**1H23**);
- the Pro Forma Forecast Consolidated Distribution Statements for the period from Allotment to 30 June 2022 and for 1H23;
- the Statutory Forecast Consolidated Income Statements for the period from Allotment to 30 June 2022 and for 1H23; and
- the Pro Forma Consolidated Statement of Financial Position as at Allotment;

of the Newmark Property REIT for inclusion in the product disclosure statement (the "**PDS**") dated on or about 15 November 2021.

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

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Services License ("**AFSL**") under the *Corporations Act 2001*. Pitcher Partners Corporate Pty Ltd ("**Pitcher Partners Corporate**") holds the appropriate AFSL under the *Corporations Act 2001*.

Scope

You have requested Pitcher Partners Corporate review the following financial information of Newmark Property REIT included in the PDS (collectively the "**Forecast**"):

- the Pro Forma Forecast Consolidated Income Statements for the period from Allotment to 30 June 2022 and for 1H23;

Adelaide Brisbane Melbourne Newcastle Perth Sydney

Yours faithfully, an authorised representative of the company

Company limited by guarantee, incorporated in Australia, Newmark Property REIT

For and on behalf of the company, a company limited by guarantee, incorporated in Australia, Newmark Property REIT

bakertilly
advisors limited

pitcher.com.au



- the Pro Forma Forecast Consolidated Distribution Statements for the period from Allotment to 30 June 2022 and for 1H23;
- the Statutory Forecast Consolidated Income Statements for the period from Allotment to 30 June 2022 and for 1H23; and
- the Pro Forma Consolidated Statement of Financial Position as at Allotment;

as described in section 6 of the PDS. The directors' best-estimate assumptions underlying the Forecast are described in section 6.5 of the PDS.

The Pro Forma Forecast Consolidated Income Statements, the Statutory Forecast Consolidated Income Statements and the Pro Forma Consolidated Statement of Financial Position are presented in the PDS in an abbreviated form, insofar as they do not include all of 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*.

The stated basis of preparation used in the preparation of the Forecast is the recognition and measurement principles contained in Australian Accounting Standards and the entity's accounting policies as described in section 6.10 of the PDS.

Directors' Responsibility

The directors of Newmark REIT Management Limited as responsible entity and trustee are responsible for the preparation of the Forecast, including the best estimate assumptions underlying the Forecasts. This includes responsibility for such internal control as the directors determine are necessary to enable the preparation of the Forecast that is free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express limited assurance conclusions on the Forecast, the best estimate assumptions underlying the Forecast, and the reasonableness of the Forecast itself, based on our review. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance engagement consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement 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 do not express an audit opinion.

Conclusion

Based on our limited assurance engagement, which is not a reasonable assurance engagement, nothing has come to our attention which causes us to believe that:

- the directors' best estimate assumptions used in the preparation of the Pro Forma Forecast Consolidated Income Statements for the period from Allotment to 30 June 2022 and for the six month period ending 31 December 2022, Pro Forma Forecast Consolidated Distribution Statements for the period from Allotment to 30 June 2022 and for the six month period ending 31 December 2022, Statutory Forecast Consolidated Income Statements for the period from Allotment to 30 June 2022 and for the six month period ending 31 December 2022, and Pro Forma Consolidated Statement of Financial Position at Allotment, do not provide reasonable grounds for the Forecast; and



- in all material respects, the Forecast:
 - is not prepared on the basis of the directors' best estimate assumptions as described in section 6.5 of the PDS; and
 - is not presented fairly in accordance with the stated basis of preparation being in accordance with the recognition and measurement principles contained in Australian Accounting Standards and the entity's adopted accounting policies; and
- the Forecast itself is unreasonable.

The Forecast has been prepared by management and adopted by the directors of Newmark REIT Management Limited in order to provide investors with a guide to the potential financial performance and position of Newmark Property REIT for the period ended 30 June 2022 and six month period ended 31 December 2022. 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 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 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 Newmark REIT Management Limited. Evidence may be available to support the directors' best estimate assumptions on which the Forecast is based; however such evidence is generally future oriented 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. The limited assurance conclusion expressed in this report has been formed on the above basis.

Investors should be aware of the material risks and uncertainties in relation to an investment in Newmark Property REIT, which are detailed in the PDS and the inherent uncertainty relating to the Forecast. Accordingly, investors should have regard to the investment risks as described in section 9 of the PDS. We express no opinion as to whether the Forecast will be achieved.

The Forecast has been prepared by the directors of Newmark REIT Management Limited for the purpose of exploring an ASX listing of Newmark Property REIT. We disclaim any assumption of responsibility for any reliance on this report, or on the Forecast to which it relates, for any purpose other than that for which it was prepared. We have assumed, and relied on representations from certain members of management of Newmark REIT Management Limited that all material information concerning the prospects and proposed operations of Newmark Property REIT has been disclosed to us and that the information provided to use 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.

Restriction of Use

Without modifying our conclusions, we draw attention to the purpose of the Forecast, being for inclusion in the PDS to provide investors with a guide to the financial performance, distributions and financial position of the Newmark Property REIT at allotment, or for the period ending 30 June 2022 and six month period ending 31 December 2022 (as applicable). As a result, the Forecast may not be suitable for use for another purpose.

Consent

Pitcher Partners Corporate Pty Ltd has consented to the inclusion of this assurance report in the PDS in the form and context in which it is included.

**Liability**

The liability of Pitcher Partners Corporate Pty Ltd is limited to the inclusion of this report in the PDS. Pitcher Partners Corporate Pty Ltd makes no representation regarding, and has no liability for, any other statement or other material in, or any omissions from, the PDS.

Declaration of Interest

Pitcher Partners Corporate Pty Ltd does not have any interest in the outcome of the PDS other than in the preparation of this report for which normal professional fees will be received.

Financial Services Guide

Our Financial Services Guide has been included at the end of this report to assist retail investors in their use of any general financial product advice that may be in our report.

Yours faithfully
PITCHER PARTNERS CORPORATE PTY LTD

A handwritten signature in black ink, appearing to be "S D Whitchurch".

S D WHITCHURCH
Executive Director and Representative



Pitcher Partners Corporate Pty Ltd
ACN: 082 323 868
AFSL: 229841

Level 13
664 Collins Street
DOCKLANDS VIC 3008
Tel: +61 3 8610 5000

Financial Services Guide

Version dated: 17 August 2021

What is a Financial Services Guide?

This Financial Services Guide ("FSG") is an important document that is designed to assist you in deciding whether to use any of the general financial product advice provided by Pitcher Partners Corporate Pty Ltd. The use of "we", "us" or "our" is a reference to Pitcher Partners Corporate Pty Ltd as the holder of Australian Financial Services Licence ("AFSL") No. 229841. The contents of this FSG include:

- who we are and how we can be contacted
- what services we are authorised to provide under our AFSL
- how we (and any other relevant parties) are remunerated in relation to any general financial product advice we may provide.
- details of any potential conflicts of interest
- details of our internal and external dispute resolution procedures and how you can access them.

Information about us

Pitcher Partners Corporate Pty Ltd has been engaged by Newmark REIT Management Limited (ACN 644 715 382; AFSL 526 690) as responsible entity for the Newmark Hardware Trust (ARSN 161 274 111) and Newmark Capital (Chadstone Property Trust) (ARSN 648 280 219)(together, the "Newmark Property REIT") to provide general financial product advice in the form of a report to be given to you in connection with a financial product to be issued by another party. You are not the party or parties who engaged us to prepare this report. We are not acting for any person other than the party or parties who engaged us. We are only responsible for the financial product advice provided in our report and for the contents of this FSG.

You may contact us by writing to GPO Box 5193, MELBOURNE VIC 3001, or by telephone on +613 8610 5000.

Pitcher Partners Corporate Pty Ltd is ultimately owned by the Victorian partnership of Pitcher Partners, a provider of audit and assurance, accounting, tax, corporate advisory, insolvency, superannuation, investment advisory and consulting services. Directors of Pitcher Partners Corporate Pty Ltd are partners of Pitcher Partners.

The Victorian partnership of Pitcher Partners is an independent partnership of Pitcher Partners. As such, neither it nor any of the other independent partnerships has any liability for each other's acts or omissions. Each of the member firms is a separate and independent legal entity operating under the name "Pitcher Partners", or other related names.

The financial product advice in our report is provided by Pitcher Partners Corporate Pty Ltd and not by the Victorian partnership of Pitcher Partners or its related entities.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, we and the Victorian partnership of Pitcher Partners (and its related bodies corporate) may from time to time provide professional services to financial product issuers in the ordinary course of business.

We hold professional indemnity insurance as required by the Corporations Act 2001 (Cth).

What financial services are we licensed to provide?

Our AFSL authorises us to provide general financial product advice and deal in the following classes of financial products to both retail and wholesale clients:

- Deposit products (including basic deposit products and deposit products other than basic deposit products)
- Derivatives
- Government debentures, stocks or bonds
- Interests in managed investment schemes including investor directed portfolio services
- Securities

Information about the general financial product advice we provide

Pitcher Partners Corporate Pty Ltd provides various corporate advisory services to privately owned businesses and small to medium sized public and ASX listed companies. These services may include mergers and acquisitions, valuations of businesses and intangible assets and equity (including employee incentive schemes), financial due diligence, loss of profit and compulsory acquisition matters, independent expert reports (IER) and independent limited assurance reports (IAR) which are included in prospectuses of companies looking to list (predominantly on the Australian Stock Exchange).

The financial product advice provided in our report is known as "general advice" because it does not take into account your personal objectives, financial situation or needs. You should consider whether the general advice contained in our report is appropriate for you, having regard to your own personal objectives, financial situation or needs. If our advice is being provided to you in connection with the acquisition or potential acquisition of a financial product issued by another party, we recommend you obtain and read carefully the relevant Product Disclosure Statement ("PDS") or offer document provided by the issuer of the financial product. The purpose of the PDS or offer document is to help you make an informed decision about the acquisition of a financial product. The contents of the PDS or offer document will include details such as the risks, benefits and costs of acquiring the particular financial product.

How are we and our employees remunerated?

The fees we charge for preparing reports are usually determined on an hourly basis, however they may be a fixed amount or derived using another basis. We may also seek reimbursement of any out-of-pocket expenses incurred in providing the services.

Fee arrangements are agreed and confirmed in a letter of engagement with the party or parties who engage us.

Neither Pitcher Partners Corporate Pty Ltd nor its directors and officers, nor any related bodies corporate or associates and their directors and officers, receives any other fees, commissions or other benefits in connection with preparing and providing this report.

All of our employees receive a salary with partners also having an equity interest in the partnership. We do not receive any commissions or other benefits arising directly from services provided to you. The remuneration paid to our directors reflects their individual contribution to the company and covers all aspects of performance.

We do not pay commissions or provide other benefits to other parties for referring prospective clients to us.

What should you do if you have a complaint?

If you have any concerns regarding our report, you may wish to advise us. We are committed to responding to any complaints promptly, fairly and effectively. We have developed an internal complaint resolution policy and complaint handling procedures that are designed to respond to your concerns promptly and equitably. The Pitcher Partners Corporate Pty Ltd (PPC) Public Complaints Management Policy is published on the Pitcher Partners website and can be accessed using the below link: <https://www.pitcher.com.au/melbourne/>. The policy provides details on how you may lodge a complaint with us, options available to assist you with complaints (if you need additional assistance) and PPC's key steps for dealing with complaints including dealing with assessment, investigation and complaint resolution.

Alternatively, mail your complaint to:

The Complaints Officer
Pitcher Partners
GPO Box 5193
MELBOURNE VIC 3001

Pitcher Partners Corporate Pty Ltd is a member of the Australian Financial Complaints Authority (AFCA), a not-for-profit, approved external complaints resolution scheme which provides a free consumer service.

Pitcher Partners Corporate Pty Ltd
ACN: 082 323 868
AFSL: 229841

Level 13
664 Collins Street
DOCKLANDS VIC 3008
Tel: +61 3 8610 5000

If you have any complaints about our services, the following steps should be taken:

- Contact a PPC Staff member directly and tell them the nature of your complaint, giving them the opportunity to resolve the complaint immediately. The staff member may refer your complaint to your relationship partner or the divisional partner-in-charge for their input in finding a resolution.
- We will issue a formal response within 10 business days of the complaint being made. If you are not satisfied with the response, we will include the offer of an independent internal review conducted by a designated partner of Pitcher Partners. The details of the designated partner will be provided at the time of our response.
- If we are unable to resolve your complaint to your satisfaction within 30 calendar days of the first notification of your complaint to us, you have the right to lodge a complaint with AFCA at GPO Box 3, Melbourne, Victoria, 3001. Their phone number is 1800 931 678. This service is provided to you free of charge. Complaints may also be submitted to AFCA online at www.afca.org.au.

The Australian Securities and Investments Commission ("ASIC") website contains information on lodging complaints about companies and individual persons and sets out the types of complaints handled by ASIC. You may contact ASIC as follows:

Info line: 1 300 300 630

Email: info@asic.gov.au

Internet: <http://www.asic.gov.au/asic/asic.nsf>

If your complaint relates to a breach of our Privacy Policy or the Australian Privacy Principles, the matter should be referred to The Privacy Officer, GPO Box 5193, Melbourne VIC 3001.



An aerial photograph of a city, likely San Francisco, showing a dense urban landscape with various buildings, streets, and a large body of water in the foreground. A large, thin-lined circle is superimposed over the center of the image, framing the section header text.

8.0 Summary of Valuation Reports



28 October 2021

Savills Valuations Pty Ltd
ABN 73 151 048 056
E: jphegan@savills.com.au
DL: (03) 8686 8064

The Directors
Newmark REIT Management Limited
Level 17
644 Chapel Street
South Yarra VIC 3141

Level 29, South Tower
80 Collins Street
Melbourne VIC 3000
T: (03) 8686 8000
F: (03) 8686 8088
savills.com.au

Our Ref: GW21038201

Re: Newmark REIT Management Limited - Valuation Summary Letter

Instructions

We refer to your instructions requesting Savills Valuations Pty Ltd to prepare a valuation of the freehold interest, subject to existing tenancies of the below assets ("subject properties"). We have been instructed to provide this summary report on the subject properties for inclusion in a product disclosure statement (PDS) issued by Newmark REIT Management Limited (ACN 644 715 382) (NRML) in its capacity as responsible entity of Newmark Capital (Chadstone) Property Trust (ARSN 648 280 219) and Newmark Hardware Trust (ARSN 161 274 111).

The subject properties are tabled below:

	Property Name	Address	Suburb	State
1	Warragul Homemaker Centre	57 Hazel Drive	Warragul	VIC
2	Bunnings Launceston	Cnr Lindsay & Goderich Street & Lot 8 Lindsay Street	Launceston	TAS
3	Homeplus Homemaker Centre	675-685 Warrigal Road	Chadstone	VIC
4	Proposed Bunnings Preston	64-74 Bell Street	Preston	VIC
5	Bunnings Melton	56 Keilor-Melton Road	Melton	VIC

These valuations have been prepared in accordance with API guidelines, RICS Valuation – Global Standards 2020 together with the Australian National Supplement effective August 2019 and International Valuation Standards (IVS). We further confirm that the Valuer who has undertaken this valuation:

- a) is suitably qualified to carry out such valuations and has at least five years appropriate experience;
- b) is authorised under the law of the state or territory where the valuation takes place to practice as a Valuer;
- c) is a member of the Australian Property Institute and a Certified Practising Valuer;
- d) has no pecuniary interest that could reasonably be regarded as being capable of affecting that person's ability to give an unbiased opinion of the value or that could conflict with a proper valuation of the property; and
- e) accepts instructions to value the property only from the Trustee / Responsible Entity.

Date of Valuation

30 September 2021.



Valuation Methodology and Rationale

Our primary method of valuation has been the capitalisation approach, with consideration also having been given to the Discounted Cash Flow and Direct Comparison approaches to value. A summary of these adopted valuation approaches is provided below.

Capitalisation Approach

The capitalisation approach to value involves the assessment of the current annual market rental value of the property. Our assessment of current annual market rental value has been based on an analysis of comparable rental evidence. The current market rental has then been capitalised at a rate derived from establishing a relationship between rental returns and the sale prices of comparable investment properties.

Discounted Cash Flow Analysis

The discounted cash flow analysis takes into account the ability of the property to generate income over a 10 year period based on certain assumptions. Provision is made for leasing up periods upon the expiry of the various leases throughout the 10 year time horizon. Each year's net operating income during the period is discounted to arrive at the present value of expected future cash flows. The property's anticipated sale value at the end of the period (i.e. its terminal or reversionary value) is also discounted to its present value and added to the discounted income stream to arrive at the total present Market Value of the property.

Direct Comparison Approach

Under the direct comparison approach we have compared the subject property to the analysis of the identified comparable sales evidence on a \$/m² of gross lettable area basis.

Valuation Summary

We have arrived at our individual Market Value assessments after considering recent sales of comparable properties and having regard to the subject property's investment attributes. We have used both the capitalisation and discounted cash flow methods in arriving at our assessment of Market Value with the adopted analysis and valuation of the property being outlined as follows:

	Property Name	Adopted Capitalisation Rate	Adopted Discount Rate	IRR (10 Yr)	Equated Market Yield	Adopted Value	\$/m ² GLA
1	Warragul Homemaker Centre	5.75%	6.50%	6.49%	5.74%	\$57,000,000	\$2,211
2	Bunnings Launceston	5.50%	6.50%	6.64%	5.51%	\$43,500,000	\$2,386
	Launceston Showrooms	6.25%	NA	NA	6.26%	\$12,250,000	\$2,990
3	Homeplus Homemaker Centre	6.25%	7.25%	7.27%	6.31%	\$80,000,000	\$4,087
4	Proposed Bunnings Preston	4.50%	5.50%	5.65%	4.39%	\$85,270,000	\$4,581
5	Bunnings Melton	4.50%	5.75%	6.17%	4.60%	\$43,587,000	\$2,404



Company Qualifications

Savills Valuations Pty Ltd (“**Savills**”) has prepared this summary letter for inclusion in the PDS on the following conditions:

1. This letter is a summary of the valuation reports only. Any reliance should therefore be based upon the actual possession or sighting of the original valuation reports duly signed and countersigned by Savills. Such reliance is subject to the assumptions, limitations and disclaimers contained therein. Savills disclaim liability to any party using this summary letter without reference to the actual valuation reports.
2. Savills has prepared the valuations and this letter based on information provided by the instructing party. Savills believes that this information is accurate and complete, however Savills has not independently verified such information.
3. 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 neither are operating under such a licence in providing their opinion as to the value of the properties detailed in this letter and the valuation reports.
4. Savills has prepared this summary for inclusion in the PDS and has only been involved in the preparation of this summary 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, that were not prepared by Savills.
5. The valuation reports are current at the date of valuation only. The value assessed therein 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). 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.
6. Neither this letter nor the valuation reports may be reproduced in whole or in part without the prior written consent of Savills.
7. Savills's liability is limited by a scheme approved under Professional Standards Legislation.

Valuers Interest

We confirm that Savills Valuations Pty Ltd and the appointed Valuers nominated with the full valuation report, do not have any pecuniary interest that would conflict with the proper valuation of the subject properties and the valuation being made independently of Newmark REIT Management Limited (ACN 644 715 382) (NRML) in its capacity as responsible entity of Newmark Capital (Chadstone) Property Trust (ARSN 648 280 219) and Newmark Hardware Trust (ARSN 161 274 111).

Neither the Valuers nor Savills Valuations Pty Ltd are licensed to provide financial services and the information detailed herein (and the full valuation report) is not intended to provide advice on your investment decision.

Yours sincerely,

Joe Phegan AAPI
Certified Practising Valuer
National Head – Valuation & Advisory
Savills Valuations Pty Ltd



Our Ref: F21 201 1852

CBRE Valuations Pty Limited
ABN 15 008 912 641
Level 21
363 George Street
Sydney NSW 2000
T 61 2 9333 3333
F 61 2 9333 3333

paul.satara@cbre.com.au
www.cbre.com.au

25 October 2021

The Directors
Newmark REIT Management Limited
Level 17, 644 Chapel Street
South Yarra VIC 3141

Dear Sir/Madam,

Summary of Valuation Report: Bunnings Eastgardens, 140 Denison Street, Hillsdale NSW 2036

CBRE Valuations Pty Limited ("CBRE") accepted instructions dated 30 August 2021 to prepare a Valuation of the freehold interest in the property listed above. The Valuation report is addressed to Newmark REIT Management Limited in its capacity as responsible entity of Newmark Hardware Trust (ARSN 161 274 111) and Newmark Capital (Chadstone) Property Trust (ARSN 648 280 219) (together, "Newmark Property REIT"). The Valuation is prepared in accordance with the Australian Property Institute Australia and New Zealand Valuation and Property Standards January 2012, 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"). 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 Newmark REIT Management Limited to arrange to view our Valuation Report.

Brief Description of the Property

Bunnings Eastgardens comprises a purpose-built Bunnings Warehouse which was completed in 2017. The property comprises undercroft parking, with the main warehouse, timber trade area and nursery located on the level above.

Tenancy Details

Bunnings Warehouse are in occupation on a 12-year initial lease term due to expire in June 2029, with 8 additional 6-year option periods available.



Valuation & Advisory Services

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:

Capital Expenditure

- The property appears to be in reasonable condition and we have adopted general capital expenditure totalling \$1,383,631 over the cash flow horizon within the valuation.

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 3-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, 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:

Centre Name	Sale Price	Sale Date	GLAR	Initial Yield	Equiv Yield	IRR	Analysed \$psm
Bunnings Munno Para Munno Para, SA	\$48,800,000	Aug 2021	12,188	4.19%	4.19%	5.61%	\$4,004
Bunnings Plainland Plainland, Qld	\$22,200,000	Jun 2021	5,798	4.21%	4.21%	5.08%	\$3,829
Bunnings Baldivis Baldivis, WA	\$49,000,000	Jun 2021	14,338	4.52%	4.52%	5.50%	\$3,417
Bunnings Young Young, NSW	\$11,000,000	May 2021	5,530	4.95%	4.94%	5.65%	\$1,989
Bunnings Tamworth Taminda, NSW	\$40,500,000	Apr 2021	16,846	4.91%	4.90%	6.74%	\$2,404
Bunnings Eastgardens Hillsdale, NSW	\$75,000,000	Mar 2021	14,920	4.15%	4.14%	5.56%	\$5,027
Bunnings Seven Hills Seven Hills, NSW	\$56,000,000	Dec 2020	10,980	5.13%	5.12%	7.06%	\$5,100
Bunnings Rockdale Rockdale, NSW	\$48,750,000	Dec 2020	11,617	5.35%	5.33%	6.16%	\$4,197
Bunnings Pymble Pymble, NSW	\$76,520,000	Apr 2020	15,860	4.60%	4.60%	5.78%	\$4,825
Bunnings Clyde North Clyde North, Vic	\$42,300,000	Nov 2019	16,635	4.48%	4.48%	5.75%	\$2,543
Bunnings East Albury East Albury, NSW	\$30,400,000	May 2019	19,108	5.35%	5.35%	6.65%	\$1,591
Bunnings Gladesville Gladesville, NSW	\$65,600,000	Apr 2019	16,316	5.00%	5.00%	6.43%	\$4,021

The sales analysis indicates:

- Equivalent yields of 4.14% to 5.35% and initial yields of 4.14% to 5.35%.
- Internal Rates of Return on a 10-year cash flow basis of 5.08% to 7.06%.
- A capital value rate comparison of \$1,591 to \$5,100 psm of lettable area.



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, 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 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 30 September 2021, as follows:

Bunnings Eastgardens - Market Value - As Is - Subject to existing occupancy arrangements
\$77,000,000 (Seventy-Seven Million Dollars) GST exclusive.

The table below outlines our valuation conclusion for the subject property and provides a summary of the tenancy profile and key investment parameters as at 30 September 2021.

Valuation Summary			
Gross Lettable Area	14,920.0 sqm		
Valuation Approach	Capitalisation & DCF		
Date of Valuation	30-Sep-2021		
Market Value	77,000,000		
Net Passing Income	3,186,708		
Net Income, Fully Leased	3,186,708		
Net Market Income, Fully Leased	3,186,708		
Outstanding Tenant Incentives	Nil		
Passing Initial Yield	4.14%		
Reversionary Yield	4.14%		
Capitalisation Rate	4.125%		
Equivalent (Market) Yield	4.14%		
Terminal Yield	4.38%		
10 Year IRR (Target / Indicated)	5.50%	5.45%	
DCF Apportionment (Cash Flow / Terminal Value)	33.60%	66.40%	
Capital Value \$psm	\$5,161		
	By Area	By Income	
Vacancy Allowance - Specialties		1.50%	
Current Vacancy - Specialties	0.00%	0.00%	
Current Vacancy - Whole Centre	Nil	Nil	
Note: Net income figures above are before deduction of vacancy/bad debts allow.			

Rental Analysis				
Item	Passing Rent		Market Rent	
	\$pa	\$psm	\$pa	\$psm
Tenant/Component				
Majors	3,600,745	241	3,600,745	241
Mini Majors	-	-	-	-
Specialties (incl Non-Retail)	-	-	-	-
Office	-	-	-	-
Pad Sites	-	-	-	-
Gross Rent (as occupied)	3,600,745	241	3,600,745	241
Other Income	-	-	-	-
Electricity Profit	-	-	-	-
Gross Income	3,600,745	241	3,600,745	241
Statutory Expenses	(414,037)	(28)	(414,037)	(28)
Operating Expenses	-	-	-	-
Non Recoverable Expenses	-	-	-	-
Net Income	3,186,708	214	3,186,708	214
Future Income from Vacancies	-	-	-	-
Net Income (Fully Leased)	3,186,708	214	3,186,708	214
Vacancy/Bad Debts Allowance	-	-	-	-
NET INCOME	3,186,708	214	3,186,708	214

Tenancy Profile			
Tenant/Category	Area (sqm)	Gross Rent	Expiry / % G.Rent
Bunnings	14,920.0	3,600,745	Jun-29
TOTAL (Fully Leased)	14,920.0	3,600,745	100.0%

Consent

CBRE provides its consent for the inclusion of this Summary Letter within the PDS, subject to Newmark REIT Management Limited making recipients of the PDS aware of the following liability disclaimers.

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 Newmark Property REIT.
- 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 Newmark REIT Management Limited 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 Newmark REIT Management Limited for the Valuation Report and this Summary Letter was \$4,000 exclusive 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.

Yours sincerely
CBRE Valuations Pty Limited



Paul Satara
Senior Director – Valuation & Advisory Services

Liability limited by a scheme approved under Professional Standards Legislation.



Our Ref: F21 201 1851

CBRE Valuations Pty Limited
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Level 21
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T 61 2 9333 3333
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www.cbre.com.au

25 October 2021

The Directors
Newmark REIT Management Limited
Level 17, 644 Chapel Street
South Yarra VIC 3141

Dear Sir/Madam,

Summary of Valuation Report: Bunnings Lake Haven, 80 Pacific Highway, Lake Haven NSW 2263

CBRE Valuations Pty Limited ("CBRE") accepted instructions dated 30 August 2021 to prepare a Valuation of the freehold interest in the property listed above. The Valuation report is addressed to Newmark REIT Management Limited in its capacity as responsible entity of Newmark Hardware Trust (ARSN 161 274 111) and Newmark Capital (Chadstone) Property Trust (ARSN 648 280 219) (together, "Newmark Property REIT"). The Valuation is prepared in accordance with the Australian Property Institute Australia and New Zealand Valuation and Property Standards January 2012, 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"). 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 Newmark REIT Management Limited to arrange to view our Valuation Report.

Brief Description of the Property

Bunnings Lake Haven comprises a purpose-built Bunnings Warehouse which was completed in 2018. The property comprises undercroft parking, with the main warehouse, timber trade area and nursery located on the level above.

Tenancy Details

Bunnings Warehouse are in occupation on a 12-year initial lease term due to expire in May 2031, with 8 additional 6-year option periods available.

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:

Capital Expenditure

- The property appears to be in reasonable condition and we have adopted general capital expenditure totalling \$1,328,540 over the cash flow horizon within the valuation.

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 3-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, 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:

SALES EVIDENCE - RETAIL							
Centre Name	Sale Price	Sale Date	GLAR	Initial Yield	Equiv Yield	IRR	Analysed Spsm
Bunnings Munno Para Munno Para, SA	\$48,800,000	Aug 2021	12,188	4.19%	4.19%	5.61%	\$4,004
Bunnings Plainland Plainland, Qld	\$22,200,000	Jun 2021	5,798	4.21%	4.21%	5.08%	\$3,829
Bunnings Baldivis Baldivis, WA	\$49,000,000	Jun 2021	14,338	4.52%	4.52%	5.50%	\$3,417
Bunnings Young Young, NSW	\$11,000,000	May 2021	5,530	4.95%	4.94%	5.65%	\$1,989
Bunnings Tamworth Taminda, NSW	\$40,500,000	Apr 2021	16,846	4.91%	4.90%	6.74%	\$2,404
Bunnings Eastgardens Hillsdale, NSW	\$75,000,000	Mar 2021	14,920	4.15%	4.14%	5.56%	\$5,027
Bunnings Seven Hills Seven Hills, NSW	\$56,000,000	Dec 2020	10,980	5.13%	5.12%	7.06%	\$5,100
Bunnings Rockdale Rockdale, NSW	\$48,750,000	Dec 2020	11,617	5.35%	5.33%	6.16%	\$4,197
Bunnings Pymble Pymble, NSW	\$76,520,000	Apr 2020	15,860	4.60%	4.60%	5.78%	\$4,825
Bunnings Clyde North Clyde North, Vic	\$42,300,000	Nov 2019	16,635	4.48%	4.48%	5.75%	\$2,543
Bunnings East Albury East Albury, NSW	\$30,400,000	May 2019	19,108	5.35%	5.35%	6.65%	\$1,591
Bunnings Gladesville Gladesville, NSW	\$65,600,000	Apr 2019	16,316	5.00%	5.00%	6.43%	\$4,021

The sales analysis indicates:

- Equivalent yields of 4.14% to 5.35% and initial yields of 4.14% to 5.35%.
- Internal Rates of Return on a 10-year cash flow basis of 5.08% to 7.06%.
- A capital value rate comparison of \$1,591 to \$5,100 psm of lettable area.

In assessing the market value of the subject, 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 investment credentials and the application of the capitalisation approach and DCF methodology is provided in the full Valuation Report.

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 30 September 2021, as follows:

The table below outlines our valuation conclusion for the subject property and provides a summary of the tenancy profile and key investment parameters as at 30 September 2021.

Note: Net income figures above are before deduction of vacancy/bad debts allow.

Tenancy Profile			
Tenant/ Category	Area (sqm)	Gross Rent	Expiry / % G.Rent
Bunnings	16,335.3	2,451,647	May-31
Major (1)	16,335.3	2,451,647	100.0%
TOTAL (Fully Leased)	16,335.3	2,451,647	100.0%



Valuation & Advisory Services

Consent

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- 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.

Yours sincerely
CBRE Valuations Pty Limited

Paul Satara
Senior Director – Valuation & Advisory Services

Liability limited by a scheme approved under Professional Standards Legislation.



Our Ref: 2141040102054

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28 October 2021

The Directors
Newmark REIT Management Limited
Level 17, 644 Chapel Street
South Yarra VIC 3141

Dear Sir/Madam,

Summary of Valuation Report: Bunnings Maroochydore, 70-98 Dalton Drive, Maroochydore QLD 4558

CBRE Valuations Pty Limited ("CBRE") accepted instructions dated 30 August 2021 to prepare a Valuation of the freehold interest in the property listed above. The Valuation report is addressed to Newmark REIT Management Limited in its capacity as responsible entity of Newmark Hardware Trust (ARSN 161 274 111) and Newmark Capital (Chadstone) Property Trust (ARSN 648 280 219) (together, "Newmark Property REIT"). The Valuation is prepared in accordance with the Australian Property Institute Australia and New Zealand Valuation and Property Standards January 2012, 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"). 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 Newmark REIT Management Limited to arrange to view our Valuation Report.

Brief Description of the Property

Bunnings Maroochydore is improved with two detached buildings, with Bunnings occupying a purpose built building including a ground level Autobarn tenancy and a separate multi-tenanted large format retail building fully occupied by five tenants situated on the north eastern corner of the allotment with frontage to Dalton Drive. The Bunnings tenancy comprises a total lettable area of 16,629 square metres which is configured to provide air-conditioned main retail area (including cafe, timber trade sales, landscaping, building supplies) of 12,148 square metres, sub-leased Autobarn tenancy of 797 square metres, mezzanine office of 268 square metres, main entry of 334 square metres, garden centre entry of 86 square metres, ground floor of 38 square metres and partially covered garden centre of 2,958 square metres. The freestanding large format building is occupied by five tenants ranging in size from 103 to 503 square metres, with this building having a total lettable area of 1,334 square metres. On site car parking is provided for approximately 509 vehicles of which 349 are undercroft with access to the complex available from Dalton Drive.

Tenancy Details

The property is currently fully leased to Bunnings (including Autobarn sub-lease) and five specialty tenancies with a total Weighted Average Lease Expiry (WALE) by income of 5.77 years at the date of valuation.



Valuation & Advisory Services

Market Movement

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Critical Assumptions and Reliance on Information Provided

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

Capital Expenditure

- The property appears to be in excellent condition and we have adopted general capital expenditure totalling \$2,181,859 over the cash flow horizon within the valuation.

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 3-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, 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:

SALES EVIDENCE - RETAIL								
Centre Name	Sale Price	Sale Date	GLAR	Initial Yield	Equiv Yield	IRR	Analysed \$psm	WALE
Bunnings Munro Para West Angle Vale, SA	\$48,800,000	Aug 2021	16,936	4.25%	4.19%	5.61%	\$4,004	6.96
Bunnings Plainland Plainland, QLD	\$22,200,000	Jun 2021	9,174	4.21%	4.21%	4.90%	\$3,829	9.96
Bunnings Baldivis Baldivis, WA	\$49,000,000	Jun 2021	14,338	4.52%	4.52%	5.50%	\$3,417	8.47
Bunnings Young Young, NSW	\$11,000,000	May 2021	5,530	4.95%	4.94%	5.65%	\$1,989	9.58
Bunnings Tamworth Taminda, NSW	\$40,500,000	Apr 2021	16,846	4.91%	4.90%	6.74%	\$2,404	3.62
Bunnings Eastgardens Hillsdale, NSW	\$75,000,000	Mar 2021	14,920	4.15%	4.14%	5.56%	\$5,027	8.21
Watergardens Homespace Taylors Lakes, VIC	\$97,000,000	Feb 2021	25,931	4.88%	4.73%	5.49%	\$3,741	4.06
Proposed Bunnings Caboolture Caboolture, QLD	\$28,100,000	Dec 2020	13,712	4.75%	4.67%	5.42%	\$2,950	12
Bunnings Robina Robina, QLD	\$28,050,000	Dec 2020	10,925	5.55%	5.55%	6.38%	\$2,568	8
Proposed Bunnings Preston Preston, VIC	\$85,270,000	Dec 2020	18,335	4.39%	4.39%	5.68%	\$4,651	12
Bunnings Rockdale Rockdale, NSW	\$48,750,000	Dec 2020	11,617	5.35%	5.33%	6.16%	\$4,197	3.56
Bunnings Underwood Underwood, QLD	\$62,150,000	Oct 2020	18,633	4.75%	4.75%	6.14%	\$4,129	9.81
Bunnings Virginia Virginia, QLD	\$63,250,000	Oct 2020	16,408	4.81%	4.81%	6.11%	\$3,855	10.44
Bunnings West Footscray West Footscray, VIC	\$49,000,000	Oct 2020	15,409	4.50%	4.50%	5.88%	\$3,180	9.52
Bunnings Bonnyrigg Bonnyrigg, NSW	\$57,500,000	Oct 2020	15,630	4.50%	4.50%	5.77%	\$3,679	8.94
Bunnings Caringbah Caringbah, NSW	\$73,200,000	Oct 2020	15,965	4.50%	4.50%	5.78%	\$4,585	10.03
Bunnings Windsor Gardens Windsor Gardens, SA	\$48,050,000	Oct 2020	13,660	4.75%	4.75%	6.53%	\$3,518	9.05
Bunnings Pymble Pymble, NSW	\$76,520,000	Apr 2020	15,860	4.60%	4.60%	5.78%	\$4,825	12

The sales analysis indicates:

- Equivalent yields of 4.14% to 5.55% and initial yields of 4.15% to 5.55%.
- Internal Rates of Return on a 10 year cash flow basis of 4.90% to 6.74%.
- A capital value rate comparison of \$1,989 to \$5,027 psm of lettable area.



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.

Valuation Summary

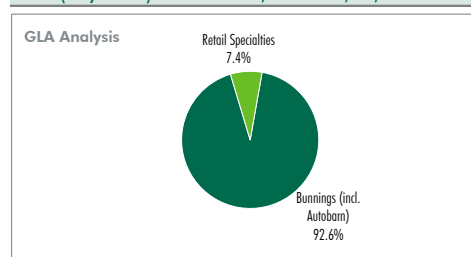
Bunnings Maroochydore - Market Value - As Is - Subject to existing occupancy arrangements
\$71,000,000 (Seventy One Million Dollars) GST exclusive.

Valuation Summary		
Gross Lettable Area	17,963.0 sqm	
Valuation Approach	Capitalisation, DCF	
Date of Valuation	30-Sep-2021	
Market Value	71,000,000	
Net Passing Income	3,586,273	
Net Income, Fully Leased	3,586,273	
Net Market Income, Fully Leased	3,586,273	
Outstanding Tenant Incentives	Nil	
Passing Initial Yield	5.05%	
Reversionary Yield	5.05%	
Capitalisation Rate	5.00%	
Equivalent (Market) Yield	5.03%	
Terminal Yield	5.25%	
10 Year IRR (Target / Indicated)	6.00%	5.94%
DCF Apportionment (Cash Flow / Terminal Value)	39.48%	60.52%
Capital Value \$psm	\$3,953	
	By Area	By Income
Vacancy Allowance - Specialties	1.50%	
Current Vacancy - Specialties	0.00%	0.00%
Current Vacancy - Whole Centre	Nil	Nil

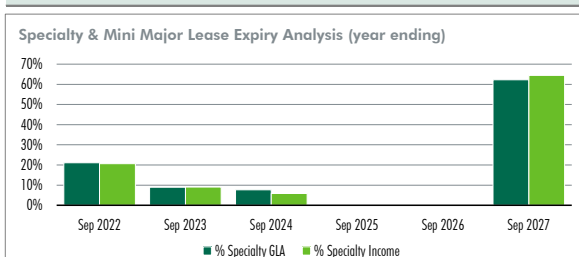
Rental Analysis				
	Passing Rent		Market Rent	
Item	Spa	Spasm	Spa	Spasm
Tenant/Component				
Majors	3,499,868	210	3,499,868	210
Mini Majors	-	-	-	-
Specialties (incl Non-Retail)	471,956	354	471,956	354
Office	-	-	-	-
Pod Sites	-	-	-	-
Gross Rent (as occupied)	3,971,824	221	3,971,824	221
Other Income	-	-	-	-
Electricity Profit	-	-	-	-
Gross Income	3,971,824	221	3,971,824	221
Statutory Expenses	(328,013)	(18)	(328,013)	(18)
Operating Expenses	(55,038)	(3)	(55,038)	(3)
Non Recoverable Expenses	(2,500)	(0)	(2,500)	(0)
Net Income	3,586,273	200	3,586,273	200
Future Income from Vacancies	-	-	-	-
Net Income (Fully Leased)	3,586,273	200	3,586,273	200
Vacancy/Bad Debts Allowance	(7,079)	(0)	(7,079)	(0)
NET INCOME	3,579,194	199	3,579,194	199

Note: Net income figures above are before deduction of vacancy/bad debts allow.

Tenancy Profile			
Tenant/ Category	Area (sqm)	Gross Rent	Expiry / % G.Rent
Bunnings (incl. Autobarn)	16,629.0	3,499,868	Oct-27
Major (1)	16,629.0	3,499,868	88.1%
Specialties - Leased (5)	1,334.0	471,956	11.9%
TOTAL (Fully Leased)	17,963.0	3,971,824	100.0%



Moving Annual Turnover			(GST inclusive as at Jan-2021)		
Tenant/ Category	Last Year	This Year	% Var	Current % GOC	Rev % GOC
Bunnings (incl. Auto	-	-	0.0%	0.0%	0.0%
Total Majors	-	-	0.0%		
Specialties	-	-	0.0%	0.0%	0.0%
TOTAL	0	0	-		



Consent

CBRE provides its consent for the inclusion of this Summary Letter within the PDS, subject to Newmark REIT Management Limited making recipients of the PDS aware of the following liability disclaimers.

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 Newmark Property REIT.
- 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 Newmark REIT Management Limited 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 Newmark REIT Management Limited for the Valuation Report and this Summary Letter was \$9,250 exclusive 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.
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Yours sincerely
CBRE Valuations Pty Limited



Tom Irving
Senior Director – Valuation & Advisory Services



Jared Armstrong
Director – Valuation & Advisory Services

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9.0 Investment Risks



9.1 Investment Risks

Newmark Property REIT is subject to various risk factors. Some of these are specific to its business activities, while others are of a general nature. Individually, or in combination, these risk factors could have a material adverse impact on Newmark Property REIT's assets and liabilities, financial position and performance, profits and losses and prospects, and the value of the Stapled Securities. The principal risk factors are described below. The risks set out in this Section are not an exhaustive list of the risks associated with Newmark Property REIT or the industry in which it operates, or an investment in the Stapled Securities either now or in the future, and this information should be used as guidance only and read in conjunction with all other information presented in this PDS. There can be no guarantee that Newmark

Property REIT will achieve its stated objectives or that any forward looking statement or forecasts will eventuate.

Before deciding whether to invest in Newmark Property REIT, you should read the entire PDS and satisfy yourself that you have a sufficient understanding of these potential risks and should consider whether an investment in Newmark Property REIT is suitable for you after taking into account your own investment objectives, financial circumstances and tax position. If you do not understand any part of this PDS or are in any doubt as to whether to invest in Newmark Property REIT, you should seek professional advice from your accountant, stockbroker, lawyer or other professional adviser.

9.2 Specific risks of an investment in Newmark Property REIT

9.2.1 Tenant concentration risk

Distributions made by Newmark Property REIT are largely dependent on the rents received from tenants across the Portfolio. Most of Newmark Property REIT's properties have significant or key tenants with the largest tenant (by income) being Bunnings. Bunnings comprises approximately 75.8% of the Gross Passing Income of Newmark Property REIT. The second largest tenant (by income) is Kmart. Kmart comprises approximately 4.4% of the Gross Passing Income of Newmark Property REIT. If any tenant defaults in performing its obligations under the lease, or vacates, particularly if that tenancy cannot be re-let on equivalent terms within the estimated timeframes or at all, then Distributions and the Stapled Security price of Newmark Property REIT may be negatively affected. This risk is heightened where it is a key tenant whose rent represents a significant proportion of Newmark Property REIT's Net Operating Income (NOI). Further, if a Property remains wholly or materially vacant for any significant period of time, this may impact adjoining tenancies, may impact Newmark Property REIT's ability to achieve market rents or may require higher incentives to be paid to secured tenants. Any negative impact on Net Operating Income (or consequential impacts on asset valuations) has the potential to impact on Distributions and the Stapled Security price.

9.2.2 Limited access to opportunities

There is a risk that Newmark Property REIT is unable to access properties occupied by Bunnings, or tenants of a similar nature, reducing the portfolios weighting towards this sector and ability to maintain or improve upon overall portfolio metrics.

9.2.3 Acquisitions and divestments

Newmark Property REIT has a strategy to provide further diversification of properties and NOI through new acquisitions. This strategy would be undertaken to increase and preserve forecast returns and, as a result, new acquisitions may affect forecast Distributions and any tax deferred portion of income Distributions. For new acquisitions, Newmark Property REIT will rely upon, among other things, the advice of independent property valuation experts. In relying on this advice, there is the risk that the fair value for a Property is less than the purchase price, which may cause write-downs and capital losses in the future. Conversely, Newmark Property REIT may undertake to dispose of a Property to preserve forecast returns or to satisfy covenants in the Proposed Debt Facility, which carries the risk that the realised value of a Property might be less than the purchase price or its current book value.

It is possible that suitable new acquisitions cannot be identified, or that Newmark Property REIT may not be able to secure their purchase or otherwise complete. It is also possible that due diligence undertaken in connection with new acquisitions does not disclose any material negative issues for a given property transaction that could later have a materially adverse impact on Distributions and the Stapled Security price, and that these risks cannot be fully mitigated by the warranties and indemnities in the sale and purchase agreements for those acquisitions. For example, if due diligence has failed to reveal latent defects in the construction of a Property or necessary capital expenditure, the additional requirements could reduce the value of or future returns on that Property.

Newmark Property REIT may be unable to identify suitable investment opportunities, thereby restricting Newmark Property REIT's ability to add properties to its existing Portfolio. This may adversely impact the ability to secure additional investment or funding, and also the returns to Stapled Securityholders. There can be no assurance that any future acquisitions will enhance the return of Stapled Securityholders.

9.2.4 Capital expenditure and development risks

Newmark Property REIT is responsible for capital repairs and reinvestment at its properties. Newmark Property REIT may incur capital expenditure costs for unforeseen structural problems arising from a defect in a Property or alterations required due to changes in statutory and compliance requirements (such as changes to environmental, building or safety regulations and standards) or when required under the terms of a lease. This additional capital expenditure arising from unforeseen circumstances is not covered by Newmark Property REIT's insurance policy. Over time, capital expenditure will be required to maintain the properties, and also to improve the properties or to install market-standard equipment, technologies and systems to retain and attract tenants. The risk that capital expenditure could exceed forecast spend may result in increased funding costs, lower Distributions and Property valuation write-downs. All Bunnings leases including a requirement on the landlord to undertake (or fund) upgrade works on request by the tenant (noting that following completion of the upgrade works, the tenant pays an upgrade rent over the remainder of the term of the lease).

9.2.5 Development risks

Newmark Property REIT will not undertake any speculative development without significant income certainty. Development, redevelopment or refurbishment of properties may be undertaken with Board approval and with a requirement to adopt appropriate risk management strategies which may include substantial tenant pre-commitments, rental guarantees or fixed-price fund-through structures. Even though appropriate risk management strategies will be adopted, there will be risks involved with development as outlined below.

9.2.6 Preston

The Preston asset requires development and construction works to be undertaken by Bunnings. There is a risk that should the construction period be significantly delayed, Newmark Property REIT's financial forecasts (in respect of FY22 and FY23) might be impacted. Bunnings has certain rights to terminate the Preston Bunnings AFL:

- if NHT:
 - does not pay Bunnings development costs when due;
 - does not give access to Bunnings to the Preston asset for development;
 - transfers the Preston asset without the consent of Bunnings; or
 - fails to provide Bunnings vacant possession;
- if an insolvency event occurs in respect of NHT; or
- if mortgagee enters into possession of the Preston asset.

9.2.7 Future projects

The risks faced by Newmark Property REIT in relation to a future project will depend on the terms of the transaction at the time. There is a risk that a developer 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, government health orders, delays in authority inspections or approvals or a builder experiencing financial difficulties. Even where a development is under a fixed price contract, a developer may default where there is an increase in costs to a level materially greater than the expected development costs which may not be able to be funded by the developer and the development may not complete (or Newmark Property REIT may agree to bear the excess costs in order to complete the development). Under these circumstances, Newmark Property REIT may not be able to replace the developer with another of similar experience and/or on terms as advantageous to it. In addition, Newmark Property REIT may suffer loss of rent in respect of a delay in completion.

Standards applied to properties when an issue becomes apparent may not be standards, which applied when the property was constructed. Newmark Property REIT may need to make claims under warranties, and defective construction may not be covered under statutory or contractual warranties, and may not be insured or may involve litigation and delays.



9.2 Specific risks of an investment in Newmark Property REIT

continued

9.2.8 Gearing

Newmark Property REIT's expected gearing and gearing policy is provided in Section 2.6.1.

The level of gearing exposes Newmark Property REIT to any changes in interest rates and increases Newmark Property REIT's exposure to movements in the value of the Portfolio or performance measures. Higher gearing will increase the effect. If the level of gearing increases over the term of Newmark Property REIT's debt financing, this may create refinancing risk on Newmark Property REIT's debts as it approaches expiry. Should Newmark Property REIT's gearing differ from that assumed in the Forecast Financial Information provided in this PDS, then future distributions may vary.

9.2.9 Funding and refinancing risk

To fund new acquisitions, capital expenditure and other material capital events, Newmark Property REIT intends to rely on a combination of funding options including equity and debt. Gearing magnifies gains and losses in Newmark Property REIT.

An inability to attract funding may adversely affect Newmark Property REIT's ability to make future acquisitions or to meet future capital expenditure needs, which in turn could adversely affect the growth prospects of Newmark Property REIT, the Stapled Security price or even Newmark Property REIT'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). An inability to refinance any debt (either on acceptable terms or at all) or any increase in the cost of such funding, may also adversely impact the performance and the financial position of Newmark Property REIT.

9.2.10 Breach of debt covenants

The Proposed Debt Facility will contain financial covenants as described in Section 13.7 above which are based on the principal amount of debt outstanding, the properties' valuations and net income tests. A breach of these covenants may be caused by many factors including a material and adverse event relating to a Property (such as the loss of a key tenant), reduced valuations, by market conditions including interest rate increases, or other unforeseen circumstances. A covenant breach may result in Newmark Property REIT paying higher interest rates or the lenders choosing to enforce their security over one or a number of properties and/or requiring Newmark Property REIT to pay down the Proposed Debt Facility immediately or on short notice. Alternative financing may not be available, or may only be available on less favourable terms. Newmark Property REIT may be required to raise additional equity, sell properties or reduce or suspend Distributions in order to repay debt. If a forced sale occurs, it could result in a less than optimal price or a capital loss, dilution through further equity raising, or suspension of Distributions to repay the Proposed Debt Facility.

9.2.11 Interest rates

Interest payable on the Proposed Debt Facility will depend on the interest rate (which is comprised of a fixed and variable base interest rate plus a margin) and the principal amount of debt outstanding. Fluctuations in interest rates will affect the financial performance of Newmark Property REIT.

To the extent that interest rates are not hedged or fixed, the financial position including the cost of debt will be affected, and could result in decreased Distributions. If the interest rate is hedged through fixed rates or interest rate swaps and interest rates subsequently increase from current levels, similar interest rates may not be available upon extension/ refinancing of the loan or the implementation of new hedging strategies. At the date of this PDS, interest rates are generally at historic lows, and therefore upward movements in interest rates may have a comparatively high impact on net income to the extent that interest rates are not hedged (refer to Section 2.6.2 for further information).

9.2.12 Derivatives

Newmark Property REIT may use derivative instruments to hedge its exposure to interest rates (refer to Section 2.6.2 for further information). A change in variable interest rates over time may require Newmark Property REIT to mark to market the fair value of its interest rate swaps and this may result in an asset or liability being recognised on Newmark Property REIT's balance sheet, thereby changing the NTA per Stapled Security and potentially having an adverse effect on the financial performance and financial position of Newmark Property REIT.

In entering into derivative contracts, Newmark Property REIT will be exposed to the risk that a party to the contract become insolvent or otherwise default on its contractual obligations. The Responsible Entity will seek to manage this risk by only entering into hedging arrangements with reputable counterparties.

9.2.13 Forward looking statements (including financial forecasts)

The forward-looking statements, opinions and estimates provided in this PDS, including the financial forecasts, are based on assumptions, some of which are described in Section 6.5. There can be no guarantee that the assumptions and contingencies on which the forward looking statements, opinions and estimates are based will ultimately prove to be valid or accurate. This includes but is not limited to such forward looking statements, opinions or estimates relating to rents, direct property expenses or outgoing and operating expenses incurred for the day to day running of Newmark Property REIT. The forward looking statements, opinions and estimates depend on various factors, many of which are outside the control of Newmark Property REIT. Various factors, both known and unknown, may impact Newmark Property REIT's performance and cause actual performance to vary significantly from what was expected. There can be no guarantee Newmark Property REIT will achieve its stated objectives or that any forward looking statement or forecast is indicative of Newmark Property REIT's future performance or that actual results will not materially differ from those presented in the forecast information.

9.2.14 Responsible Entity and management performance

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

Accordingly, Newmark Property REIT is reliant on the management expertise, support, experience and strategies of the key executives of the Responsible Entity and other third parties, which cannot be assured. As a result, the loss or unavailability of key personnel could have an adverse impact on the management and financial performance of Newmark Property REIT and its return to Stapled Securityholders. If members of the Newmark Group and other third parties do not perform as service providers this could have an adverse impact on the management and performance of Newmark Property REIT and therefore Distributions and the Stapled Security price. Replacement of Newmark as the Responsible Entity of Newmark Property REIT is also an event of default under the Proposed Debt Facility (unless the lenders otherwise consent to the change).

9.2.15 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 Newmark Property REIT. 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 of NHT and Chadstone Trust which sets out the key processes the Responsible Entity will apply in complying with its compliance obligations.

9.2.16 Management conflict

In addition to managing the assets of Newmark Property REIT, the Investment Manager is also the manager of 6 other commercial property funds with assets under management of over \$1.3 billion including Newmark Property REIT. The management of properties for different funds may lead to actual or perceived conflicts of interest, including with regards to the acquisition of properties, leasing and the allocation of the Investment Manager's resources to each different fund. The Responsible Entity has sought to mitigate this risk by requiring the Investment Manager to consider investment opportunities, which are relevant to Newmark Property REIT and other clients of the Investment Manager, in accordance with Newmark Group's Related Party Transactions and Conflicts of Interest Policy (refer to Section 5.9.8 for further information).

9.2.17 Existing Investors will retain a stake in Newmark Property REIT post-listing

The Existing Investors may not be long-term holders of the Stapled Securities. A significant sale of Stapled Securities by some or all of the Existing Investors, or the perception that such sales have occurred or might occur, could adversely affect the price of Stapled Securities.



9.2 Specific risks of an investment in Newmark Property REIT *continued*

9.2.18 No guarantee of distributions or capital returns to Stapled Securityholders

No guarantee can be given as to the amount of any income or capital return from the Stapled Securities or the performance of Newmark Property REIT, nor can the repayment of capital from Newmark Property REIT be guaranteed.

9.2.19 Concentration by sectors

The Portfolio currently comprises of, and Newmark Property REIT intends to continue to invest in, LFR and Hardware properties located along the Australian eastern seaboard. The performance of Newmark Property REIT will largely depend on the performance of this specific, retail property sector, in the specific geographies where its Portfolio is located.

9.2.20 COVID-19 impact

COVID-19 has had a significant impact on the global and Australian economy and the ability of businesses, individuals and governments to operate. Emergency powers and restrictions have been enacted on an international, Federal and State level in Australia which, amongst other things, have restricted travel and the ability of individuals to leave their homes, travel to places of work and has disrupted the ordinary patterns of consumption of goods and services.

There are also other changes in the domestic and global macroeconomic environment associated with the events relating to COVID-19 that are beyond the control of Newmark Property REIT and may be exacerbated in an economic recession or downturn. These include but are not limited to: (i) changes in inflation, interest rates and foreign currency exchange rates; (ii) changes in employment levels and labour costs; (iii) changes in aggregate investment and economic output; and (iv) other changes in economic conditions which may affect the income and expenses of Newmark Property REIT.

Furthermore, the National Cabinet's Code of Conduct setting out leasing principles for small to medium enterprises (SME) in Australia has been given effect through state and territory legislation or regulation. The Code applies to SME tenants whose turnover is under \$50 million and who are also eligible for the Australian Government's JobKeeper program. While there is some variation amongst the states and territories, in general landlords are required to grant rent relief to eligible tenants on a proportionate basis, in line with their reduction in trade due to COVID-19. A number of states and territories have extended their regulatory regime until 15 January 2022 and have indicated further extensions and variations to the categories of tenants covered by mandatory relief, and the scope and nature of that relief, are possible. Newmark Property REIT has granted less than \$200,000 of rent relief or rent abatements to SMEs due to the retail trading impacts of COVID-19, representing less than 1% of the gross passing income of the portfolio.

Given the high degree of uncertainty surrounding the extent and duration of COVID-19, it is not currently possible to assess the full impact of COVID-19 on Newmark Property REIT. Further, a number of aspects of Newmark Property REIT's tenants may be directly or indirectly affected by government, regulatory or health authority actions, work stoppages, lockdowns, quarantines and travel restrictions associated with COVID-19, including disruption to supply chain and workforce, particularly the availability of products and logistics (including shipping of products) and government-imposed shut downs of manufacturing and distribution centres affecting the supply of products to customers. There is a risk that if the duration of events surrounding COVID-19 are protracted, Newmark Property REIT may need to take additional measures in order to respond appropriately. Additionally, tenants who have benefited from the tailwinds of COVID-19 (i.e. rising work-from-home trends resulting in an increase in home improvement spending) may experience an unwinding of benefits should trends begin to normalise.

9.3 General risks relating to an investment in REITs

All REIT investments carry their own unique set of risk characteristics, and an investment into a direct property fund also carries these inherent underlying risks. The risks set out in this Section relate to risks generally experienced by investments into the commercial property sector and which all Stapled Securityholders will be exposed to as a consequence of acquiring Stapled Securities in Newmark Property REIT.

9.3.1 Revenue and lease default risk

Distributions made by Newmark Property REIT are largely dependent on the amount of rent received from tenants of Newmark Property REIT's properties, and those tenants paying rent in accordance with their lease terms (as well as on the expenses incurred conducting the operations of Newmark Property REIT).

The Responsible Entity has made a number of assumptions in relation to the level of rental income that Newmark Property REIT will receive during the Forecast Period (refer to Section 6.5.2 for further information). However, rental income may differ from those assumptions and may be affected by a number of factors, including:

- Overall economic conditions;
- The financial condition of tenants (which may increase the risk of default);
- Newmark Property REIT's ability to extend leases or to replace outgoing tenants with new tenants;
- Increases in rental arrears and vacancy periods;
- An increase in non-recoverable outgoings;
- Supply and demand in the property market; and
- Regulated relief schemes in favour of tenants.

In particular, tenants may default on their lease obligations, resulting in potential capital losses and/or a reduction in income to Newmark Property REIT. The amount of any capital loss or loss of income may not be covered in full or at all by bank or personal guarantees.

9.3.2 The risk of non-renewal and vacancy

Any negative impact on rental income has the potential to adversely impact on Distributions and the Stapled Security price of Newmark Property REIT.

The Portfolio's leases come up for renewal on a periodic basis and there is a risk that if Newmark Property REIT is unable to negotiate a lease extension with an existing tenant at the end of their lease, or replace a tenant on expiry with leases to new tenants on at least equivalent rental rates and other key terms, in either case, within the estimated timeframes or at all, there may be an impact on Distributions and a negative impact on the valuation for that Property. It may also reduce WALE, which may affect marketability of the Property and the Stapled Securities, and will affect the forecasts of Newmark Property REIT. Newmark Property REIT could also incur additional costs associated with re-leasing any properties. The ability to lease or re-lease tenancies upon expiry of the current lease, and the rent achievable, will depend on the prevailing market conditions at the relevant time and these may be affected by economic, competitive or other factors.

9.3.3 Incentives

The ability of Newmark Property REIT to secure lease renewals or to obtain replacement tenants may be influenced by any tenant incentives granted. The Responsible Entity has made a number of assumptions in relation to the level of incentives that Newmark Property REIT may grant during the Forecast Period (refer to Section 6.5.2 for further information). Newmark Property REIT may not be able to secure actual rental income at or near the 'market' rental rates, which are usually expressed without incentives. Incentives may result in a material outlay or reduced actual income initially or over the term of the lease, which may have significant impacts on both the cash flow generated from that Property and the valuation of that Property. The availability and extent of incentives are a market-driven issue and arise due to intense competition for the same tenants within a local market. They are inherent in the property sector and largely outside the control of Newmark Property REIT. Furthermore, any unwillingness of Newmark Property REIT to provide incentives required (due to market competition) to secure lease renewals or replacement tenants, or to some tenants on a different basis to others, may result in extended periods of vacancy for a Property. Such vacancies may have an adverse impact on existing tenant sentiment, Distributions and the Stapled Security price of Newmark Property REIT.



9.3 General risks relating to an investment in REITs *continued*

9.3.4 Property valuation risk

The ongoing valuation and revaluation of a Property (or a new acquisition) is largely influenced by changes in the factors which affect overall property market performance including supply, demand, Capitalisation Rates, market rental rates, occupancy levels, lease expiries, tenants defaulting, incentives, capital expenditures, nearby amenities, a downturn in the property market generally, pricing or competition policies of any competing properties or tenants and general economic conditions, including interest rates.

There is no guarantee that a Property will achieve a market or sale price equal to the current valuation, or that the valuation upon which Newmark Property REIT purchases a Property can be achieved in a subsequent sale. There is no guarantee that a Property's valuation will increase, or that it will not decrease, as a result of the assumptions in the valuation proving to be incorrect.

Different independent valuers may value the same property differently, depending on their own internal criteria, research and experience. The same property may have a different valuation amount when a new independent valuer is appointed to a property. The properties will generally have different valuations depending on the stage of the broader economic cycle, and valuations may change depending on the risks outlined in this Section.

A reduction in the value of any Property may adversely affect the value of Stapled Securities in Newmark Property REIT. It may also impact on Newmark Property REIT's financing arrangements (refer to Section 2.6 for further information). As changes of valuations of investment properties are recorded in the income statement, any decreases in value will have a negative impact on Newmark Property REIT's financial performance.

9.3.5 Property liquidity

Real property is, by its nature, an illiquid form of investment, and the properties may not be able to be sold within a short period of time. In the event that Newmark Property REIT needs to divest a Property (for example to achieve a debt reduction to lower Gearing), time constraints may mean Newmark Property REIT is not able to realise the book value of the Property or achieve an optimal sale price. There is no guarantee that the time a Property is put onto the market coincides with an optimal time to sell, particularly when the sale is driven by a factor other than receipt of a favourable third party offer. This may adversely affect the Stapled Security price of Newmark Property REIT.

9.3.6 Competition

Newmark Property REIT faces competition from new and existing property investors. Some of these competitors have significantly greater scale, and may have an advantage in acquiring properties relative to Newmark Property REIT due to more readily available sources of capital and a lower return threshold. Competition for new acquisitions in the sector in which Newmark Property REIT operates may make it difficult for Newmark Property REIT to acquire properties and to increase its scale or its level of diversification.

Additionally, the existence of competition for tenants may have a materially adverse impact on the ability of Newmark Property REIT to secure new tenants or retain existing tenants on satisfactory rates over an acceptable period. This may impact Newmark Property REIT's rental revenue and possibly capital values which may adversely affect Distributions and the Stapled Security price of Newmark Property REIT.

9.3.7 Litigation and disputes

In the ordinary course of operations, Newmark Property REIT may be involved in disputes and possible litigation. The Responsible Entity is subject to a duty to act in the best interests of Stapled Securityholders, and may be compelled to enter into dispute or litigation processes in circumstances where another entity without that duty might not, or might otherwise settle for a different commercial result. The Responsible Entity also has a duty to protect the value of the properties and may necessarily have to be involved in disputes in respect of the properties such as for warranty or defect claims against developers and their subcontractors or against tenants in the event of any default of a tenant's obligations under their lease. The results of dispute processes and litigation are often uncertain, and are subject to appeal. There is always a possibility that general business operations may be affected both financially and through the diversion of significant management time in running those proceedings. Disputes may adversely affect Distributions and the Stapled Security price of Newmark Property REIT.

9.3.8 Insurance

The Responsible Entity intends to maintain appropriate insurance coverage in respect of each Property in line with industry practice. However, no assurance can be given that a particular risk or combination of risks is insurable or, even if insured, the insurance policy will respond in full or at all. Insurance may only cover direct causation events and no other indirect effects such as loss of rent while a Property is being repaired. Any losses due to uninsured risks, or loss in excess of the insured amounts, may adversely affect the performance of Newmark Property REIT. Increases in insurance premiums may also adversely affect Newmark

Property REIT's performance. Any failure by the company or companies providing insurance (or any reinsurance) may adversely affect Newmark Property REIT's right of recovery under its insurance.

9.3.9 Environmental risks

Property income, Distributions or property valuations could be adversely affected by discovery of an environmental contaminant and the costs of Property preservation associated with environmental contamination. This risk may occur whether or not the contamination was accidental, caused by Newmark Property REIT, or by prior owners or third parties. It 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 Stapled Security price of Newmark Property REIT. In addition, if Newmark Property REIT is not able to remediate the Property properly, this may also potentially hinder the ability to dispose of the Property.

In addition, new or more stringent environmental laws or regulations introduced in the future, for example, in order to combat climate change, may require Newmark Property REIT to undertake material expenditure to ensure that the required compliance is maintained.

Exposure to a hazardous substance at a Property within the Portfolio could result in personal injury claims. Such a claim could prove greater than the value of the contaminated Property. An environmental issue may also result in interruptions to the operations of a Property, including the closure or re-lease of the Property.

The following properties may have potentially material contamination.

- Preston: there is known or suspected land or groundwater contamination at Preston. A number of environmental reports confirm the presence of asbestos and soil and groundwater contamination at Preston. These environmental reports note that there is a moderate to high exposure risk if these items are disturbed and all removal of hazardous materials should be removed by a WorkSafe licensed class A or B asbestos removalist. There is also potential for off-site sources of contamination at Preston, particularly in relation to the adjoining petrol station.
- Under the Preston Bunnings AFL, if the tenant discovers the land contains contamination, the tenant may (at the landlord's cost) undertake the prompt execution and completion of all works necessary to clean up the land so that it does not contain any contamination, subject to the landlord's right to elect to do such works itself and at its cost.

- Under the Preston Bunnings Lease, if any contamination is subsequently discovered in, on or under the land, the landlord must at its own expense complete all works necessary to clean up the land so that it does not contain any contamination unless the contamination has been brought onto the premises by the tenant or the tenant's agents.

- Under the Contract of Sale under which NHT acquired Preston, the vendor is responsible for contamination on the Preston property that exists or arises on and from the Preston property prior to practical completion under the Preston Bunnings AFL (but only to the extent required to enable the construction works under the Preston Bunnings AFL) (the **Construction Contamination**) and indemnifies the purchaser from claims and losses arising from the Construction Contamination.

- Eastgardens: there is known or suspected land or groundwater contamination at Eastgardens. An audit report states that there are contaminants in the soil and groundwater, which must be managed in accordance with the relevant Environmental Management Plan (**EMP**). The EMP notes that further review of the EMP may be required to manage contamination risks associated with any redeveloped for a different land use.

- Under the Eastgardens Bunnings Lease, the landlord must clean up any contamination discovered in, on or under the land, at its own expense, except to the extent the contamination is caused or contributed to by the tenant. The landlord also indemnifies the tenant against all actions, claims, demands, proceedings, judgments, orders, decrees, damages, costs, losses and expenses the tenant may suffer in relation to contamination or dangerous, harmful or unsafe materials at the premises.

- Newmark assumed responsibility for contamination under the Contract of Sale for the Eastgardens Property.

9.3.10 Occupational health and safety

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



9.4 General risks

The risks set out in this Section relate to general investment risks, generally experienced by investors who invest in Securities such as the Stapled Securities, and matters which are relevant to holding Stapled Securities, and general market risks that are beyond the control of Newmark Property REIT but may have a material effect on it and the return on or value of Stapled Securities.

9.4.1 Dilution effects

Future capital raisings and equity funded acquisitions by Newmark Property REIT may dilute the holdings of Stapled Securityholders. There may be a need to raise equity in the future to fully or partly fund new acquisitions, reduce debt or recapitalise Newmark Property REIT. Should Newmark Property REIT need to complete any form of equity raising through Stapled Security issues which may occur at a discount to NTA per Stapled Security, any Stapled Securityholders that do not participate may have the net value of the NTA per Stapled Security affected due to the dilution effect which may result in a capital loss or reduction in Distributions. Even if Stapled Securities are issued at NTA per Stapled Security, Stapled Securityholders that do not participate in the equity raising will have their voting percentage decreased due to the dilution effect of additional Stapled Securities being issued.

9.4.2 Trading price and volatility of Stapled Securities

The trading price of any listed security may change, depending on matters inherent to Newmark Property REIT itself (such as its Portfolio and any material litigation it might become involved in), but also due to external factors such as property prices generally, market sentiment or takeover offers. Stapled Securities on the ASX may be thinly or heavily traded, and can be very volatile, irrespective of any change in the underlying value of the properties in Newmark Property REIT. Stapled Securities may trade at a discount to NTA per Stapled Security. There can be no guarantee that the number of buyers at any point in time in the market will match or exceed the number of sellers, or that Stapled Securityholders will be able to sell for a price which they or the Responsible Entity believe fairly reflects the value of their Stapled Securities. Some classes of Stapled Securities or segments such as property are countercyclical, and may not demonstrate market price increases when other Stapled Securities in other classes are performing well.

9.4.3 No previous trading history

No guarantee can be provided as to the performance of Newmark Property REIT as a publicly-listed vehicle, given the securities have no trading history to observe or help guide in ascertaining the likely effects of the public market, industry-wide, economic and security-specific factors related to the securities, on its trading performance.

9.4.4 Liquidity risk

The Stapled Securities available under the Offer are intended to be listed on the ASX. Although liquidity generally exists in this secondary market, there are no guarantees that an active trading market with sufficient liquidity will develop, or should it develop after the Offer, that such a secondary market will sustain a price level at or around the Offer Price or representative of the NTA per Stapled Security.

9.4.5 Ranking on an insolvency

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

9.4.6 Natural phenomena (force majeure)

Some natural events are unable to be foreseen and are beyond the control of Newmark Property REIT. Acts of God such as cyclones and storms, flooding and water ingress, fires, earthquakes and acts of terrorism, wars and strikes and outbreaks of infectious disease (including epidemics and pandemics) may affect one or more properties. Some force majeure events are effectively non-insurable or are commercially too expensive to insure, and some events may not be covered by a relevant fund insurance policy. If a Property was to be affected by an event that has no insurance coverage for a significant event, this would affect the value of the Property and have a materially adverse impact on Newmark Property REIT resulting in capital losses, a reduction in the NTA per Stapled Security, and reduce Stapled Securityholder returns. It is also likely that there would be indirect consequences, such as damage to services and potential loss of rent. Such events would likely lead to increased premiums.

9.4.7 Economic and market conditions

There is the risk that changes in economic and market conditions may affect asset returns and values and may decrease the Stapled Security price of Newmark Property REIT. The overall performance of Stapled Securities may be affected by changing economic or property market conditions. These may include movements in interest rates, exchange rates, Stapled Securities markets, inflation, economic cycles, investor sentiment, consumer spending, employment, political events, levels of economic growth and the performance of individual local, state, national and international economies, as well as government, tax and other policy changes. A general economic downturn may have a significant negative impact on the Stapled Security price of Newmark Property REIT.

9.4.8 Taxation

Changes in general taxation law and, in particular, income tax, GST or stamp duty legislation, case law in Australia, rulings and determinations issued by the Australian Commissioner of Taxation or other practices of tax authorities, particularly in regards to property investment, may adversely affect Newmark Property REIT's returns. Any changes to the tax regime applicable to Newmark Property REIT, or the Responsible Entity's ability to make tax deferred Distributions, may adversely affect the tax treatment of Distribution in the hands of investors. Tax considerations may differ between investors. Therefore, prospective investors are encouraged to seek professional tax advice in connection with any investments in Stapled Securities.

There are particular taxation rules that apply to offshore investors in managed investment schemes. Offshore investors should obtain their own taxation advice in relation to those rules.

9.4.9 Accounting standards

Changes in accounting standards may affect the reported earnings and the financial position of Newmark Property REIT in future financial periods.


9.4.10 Legal, regulatory and policy changes

Changes in law, government legislation, regulation and policy in jurisdictions in which Newmark Property REIT operates may adversely affect the value of the Portfolio and/or Newmark Property REIT's future earnings and performance, as well as the value of Stapled Securities quoted on the ASX.

9.4.11 Sector concentration

Newmark Property REIT is currently weighted towards the hardware and LFR sub-sector within the Australian commercial property sector. Accordingly, the Newmark Property REIT's performance will be partially effected by the performance of the Australian LFR property sector, which is in turn highly correlated with the performance of the Australian residential housing market. Factors within this market, which are expected to impact upon both the residential and LFR sub-sectors, include the construction of new housing, sale of existing housing and the level of residential renovations. Any changes to the residential housing market, including by those aforementioned factors, could affect developers', contractors' and consumers' decisions in relation to housing, which could materially adversely affect the performance of Newmark Property REIT's key tenants and the LFR property sector, more broadly.





10.0 Details of the Offer



10.1 Overview of the Offer

This PDS relates to an initial public offering of Stapled Securities by Newmark Property REIT. Newmark Property REIT will issue approximately 67.7 million Stapled Securities, raising proceeds of approximately \$128.3 million at the Offer Price of \$1.895 per Stapled Security.

The Stapled Securities being offered under this PDS will represent approximately 37.3% of the total number of Stapled Securities on issue following Completion, being approximately 181.7 million Stapled Securities. All Stapled Securities offered under this PDS will rank equally with the existing Stapled Securities on issue. Refer to Section 13.1.1 for further information of the rights attaching to Stapled Securities. The Offer is made on the terms, and is subject to the conditions, set out in this PDS.

10.2 Capital and Stapled Securityholding structure

The details of the ownership of Stapled Securities immediately following Completion are as follows:

	On Completion		
	Number of Stapled Securities	Value (A\$m)	% Total
Newmark Group and related entities	33,034,809	62.6	18.2%
Existing Investors ¹⁷⁰	91,474,719	173.4	50.3%
New Stapled Securityholders ¹⁷⁰	57,160,936	108.3	31.5%
Total	181,670,464	344.3	100%

The Newmark Group and its related entities (being entities associated with directors, shareholders or other related parties of Newmark Group members (including the Responsible Entity)) are expected to hold a post listing co-investment stake in Newmark Property REIT of approximately 18.2% of Stapled Securities on issue at Completion¹⁷¹.

Allocation of Stapled Securities to the Newmark Group or its related entities under the Offer are subject to the Responsible Entity's absolute discretion regarding the allocation of Stapled Securities to Applicants in the Offer having regard to the allocation policies set out in Section 10.8.

¹⁷⁰ Excluding the Newmark Group and related entities.

¹⁷¹ Co-investment stake is expected to be held as follows: the Responsible Entity (0.3%); the Newmark Group (other than the Responsible Entity) (9.9%); Directors of the Responsible Entity and their respective associates (0.3%) (see Section 5.4 for further details regarding Director interests); and other shareholders of Newmark Property Group Ltd and their associates (7.7%).

10.3 Offer Price and free float

The Offer Price at which new Stapled Securities are being offered is \$1.895 per Stapled Security. Newmark Property REIT's free float at the time of Completion is expected to be approximately 81.8%¹⁷².

10.4 Purpose of the Offer

An IPO of Newmark Property REIT is being offered in order to:

- Reduce debt;
- Repay Promissory Note¹⁷³; and
- Pay for Offer Transaction Costs.

The offer is expected to raise approximately \$128.3 million, with proceeds to be used as set out below.

10.5 Sources and uses of funds

Sources	A\$m	Uses	A\$m
Offer proceeds	128.3	Debt Repayment and Working Capital	106.1
		Note Repayment	15.3
		Listing Costs and Other Transaction Costs	6.9
Total sources	128.3	Total uses	128.3

¹⁷² Based on the exclusion of approximately 18.2% stake held by the Newmark Group and its related entities (see Section 10.2 for further details) from the free float calculation.

¹⁷³ Promissory Note issued to a unitholder in NHT in satisfaction of a withdrawal request made by that unitholder during the October 2021 monthly withdrawal facility.



10.6 Structure of the Offer

The Offer comprises:

- **The Broker Firm Offer:** which is open to Australian resident retail clients of Brokers who have received a firm allocation of Stapled Securities from their Broker; and
- **The Institutional Offer:** which consists of an offer to Institutional Investors in Australia and a number of other eligible jurisdictions to apply for Stapled Securities.

No general public offer is being made under the Offer. Members of the public wishing to subscribe for Stapled Securities under the Offer must do so through a Broker.

The allocation of Stapled Securities between (and within) the Broker Firm Offer and the Institutional Offer was determined by agreement between the Responsible Entity and the Joint Lead Managers, having regard to the allocation policies set out in Section 10.8.

10.7 Underwriting

The Offer is fully underwritten. The Responsible Entity 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, Credit Suisse (Australia) Limited, E&P Corporate Advisory Pty Limited, MA Moelis Australia Advisory Pty Ltd and Morgan Stanley Australia Securities Limited have agreed to act as

joint lead managers and underwriters of the Offer, and, with respect to Credit Suisse (Australia) Limited, MA Moelis Australia Advisory Pty Ltd and Morgan Stanley Australia Securities Limited only, as financial advisers, of the Offer. A summary of certain terms of the Underwriting Agreement and underwriting arrangements, including the termination provisions, is provided in Section 13.10.

10.8 Allocation policy

The allocation of Stapled Securities between the Broker Firm Offer and the Institutional Offer was determined by the Responsible Entity in agreement with the Joint Lead Managers as is outlined below:

- **Broker Firm Offer:** For Broker Firm Offer Applicants, it will be a matter for the Brokers how they allocate firm stock among their eligible clients. However, the Responsible Entity, in consultation with the Joint Lead Managers, reserve the right to reject or scale back Applications in the Broker Firm Offer.
- **Institutional Offer:** The allocation of Stapled Securities among Applicants in the Institutional Offer was determined by agreement between the Joint Lead Managers and the Responsible Entity.

10.9 Broker Firm Offer

10.9.1 Who can apply?

The Broker Firm Offer is open to Applicants who have received a firm allocation from their Broker to apply for Stapled Securities under this PDS and who are Australian resident retail clients of participating Brokers. 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 are a participating Broker and may allocate Stapled Securities to you under the Broker Firm Offer.

10.9.2 How to apply

Applications for Stapled Securities may only be made on an 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 this 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.

10.9.3 Minimum and maximum Application amounts

The minimum Application under the Broker Firm Offer is \$10,000 worth of Stapled Securities. There is no maximum number or value of Stapled 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 Joint Lead Managers and 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 their discretion, in compliance with applicable laws.

10.9.4 Broker Firm Offer opening date and Broker Firm Offer closing date

The Broker Firm Offer opens at 9.00am (Melbourne time) on Wednesday, 24 November 2021 and is expected to close at 5.00pm (Melbourne time) on Wednesday, 1 December 2021. The Responsible Entity with the consent of the Joint Lead Managers, may elect to close the Broker Firm Offer or any part of it early, extend the Broker Firm Offer or any part of it, or accept late Applications either generally or in particular cases. The Broker Firm 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.

10.9.5 How to pay

Applicants under the Broker Firm Offer must lodge their Application Form and pay their Application Monies to their Broker in accordance with instructions provided by that Broker. Applicants under the Broker Firm Offer must not send their Application Forms to the Registry.

10.9.6 Allocation policy under the Broker Firm Offer

Stapled Securities, which will be 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 Joint Lead Managers and the Responsible Entity to reject or scale back Applications). It will be a matter for the Brokers how they allocate stock among their eligible Australian retail clients, and they will hold sole responsibility for ensuring that clients who have been provided a firm allocation receive their Stapled Securities.

10.9.7 Announcement of final allocation 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. They may also call the Offer Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) from 8.30am until 5.30pm (Melbourne time) Monday to Friday to confirm their allocations during the Offer Period. If you sell Stapled 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 Offer Information Line.



10.10 Institutional Offer

10.10.1 Invitations to bid

The Responsible Entity and the Joint Lead Managers will invite certain Institutional Investors to apply for Stapled Securities via the Institutional Offer. The Institutional Offer will comprise an Offer provided to Australian resident Institutional Investors and other eligible Institutional Investors in eligible jurisdictions outside the United States to bid for Stapled Securities in Newmark Property REIT, as outlined in this PDS. The Joint Lead Managers will provide direct guidance to select Institutional Investors regarding the Application procedure for the Institutional Offer.

10.10.2 Allocation policy under the Institutional Offer

The allocation of Stapled Securities among Applicants in the Institutional Offer will be determined by the Joint Lead Managers in consultation with the Responsible Entity. The Joint Lead Managers, in consultation with the Responsible Entity, have absolute discretion regarding the basis of allocation of Stapled Securities among Institutional Investors, and there is no assurance that any Institutional Investor will be allocated any Stapled Securities, or the number of Stapled Securities for which it bids. The allocation policy will also be influenced by a number of factors, including:

- Number of Stapled Securities bid for and commitments made by particular Applicants;
- The timeliness of the bid by particular Applicants;
- The Responsible Entity's desire for an informed and active trading market following the commencement of trading on ASX;
- The Responsible Entity's desire to establish a broad register of Institutional Investors;
- Overall level of demand under the Broker Firm Offer and Institutional Offer;
- The size and type of funds under management of particular Applicants;
- The likelihood that particular Applicants will be long-term Stapled Securityholders; and
- Other factors that the Responsible Entity and Joint Lead Managers consider appropriate.

10.11 No Cooling-off

Applicants should note that there will not be any applicable cooling off period in relation to Applications. Once an Application has been lodged, it cannot be withdrawn. Should quotation of Stapled Securities be granted by the ASX, Stapled Securityholders will have the opportunity to sell their Stapled Securities at the prevailing market price, which may be different to the Offer Price.

10.12 Acknowledgements of Applicants

By submitting an Application, each Applicant under the Offer acknowledges, confirms and agrees:

- That the Applicant has reviewed and read in full a printed or electronic copy of this PDS (and any supplementary PDS);
- That the Applicant has submitted a complete and accurate Application Form per the instructions laid out in this PDS;
- That all information provided by an Applicant in any filings related to the application process is complete, accurate and not misleading (including by any omission of relevant information);
- That, where applicable (i.e., the Applicant is a natural person) the Applicant(s) is/are over 18 years of age and do/does not suffer from any legal disability preventing them from applying for Stapled Securities;
- That the signature (particularly where a corporate or trust/trustee) is valid and binding;
- That, once the Responsible Entity or a Broker receives an Application Form, it may not be withdrawn;
- That it has applied for the number of Stapled Securities (or equivalent dollar amount) shown on the front of the Application Form;
- To being allocated and issued the number of Stapled Securities applied for (or a lower number allocated in a way described in this PDS), or no Stapled Securities at all;
- To become a Stapled Securityholder of Newmark Property REIT and to be bound by the terms of the Constitutions and the terms and conditions of the Offer;
- That the Responsible Entity and the Joint Lead Managers and their respective officers or agents, are authorised to do anything on behalf of the Applicant(s) necessary for Stapled Securities to be allocated to the Applicant(s), including to act on instructions received by the Registry upon using the contact details in the Application Form;
- That, in some circumstances, the Responsible Entity may not pay distributions;
- That the information contained in this PDS (or any supplementary PDS) is not financial product advice or a recommendation that Stapled Securities are suitable for the Applicant(s), given the investment objectives, financial situation or particular needs (including financial and taxation issues) of the Applicant(s);
- That the Applicant(s) is/are a resident of Australia (except as applicable to the Institutional Offer);
- That the Offer may be withdrawn by the Responsible Entity and/or may otherwise not proceed in the circumstances described in this PDS; and
- That if listing does not occur for any reason, the Offer will not proceed.

By submitting an Application, each Applicant in the Offer will be taken to have represented, warranted and agreed as follows:

- It understands that the Stapled Securities have not been, and will not be, registered under the US Securities Act or the securities laws in accordance with the US Securities Act registration requirements or of any state of the United States and may not be offered, sold or resold, pledged or transferred in the United States or to US Persons, except in accordance with the US Securities Act regulation requirements or in a transaction exempt from, or not subject to, registration under the US Securities Act and any other applicable state securities laws;
- It is not in the United States;
- It has not sent and will not send this PDS or any other material relating to the Offer to any person in the United States;
- It is purchasing the Stapled Securities in an offshore transaction meeting the requirements of Regulation S; and
- It will not offer or sell the Stapled Securities in the United States or in any other jurisdiction outside Australia except in transactions exempt from, or not subject to, registration requirements of the US Securities Act and in compliance with all applicable laws in the jurisdiction in which Securities are offered and sold.



10.13 Restrictions on Distribution

No action has been taken to register or qualify this PDS, the Stapled Securities or the Offer or otherwise to permit a public offering of the Stapled Securities in any jurisdiction outside of Australia. This PDS does not constitute an offer or invitation to apply for Stapled Securities in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation or issue under this PDS. This PDS may not be released or distributed in the United States, and may only be distributed to persons outside the United States to whom the Offer may lawfully be made in accordance with the laws of any applicable Offer jurisdiction as set out

in this PDS. This PDS does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Stapled Securities have not been, and will not be, registered under the US Securities Act or the securities law of any state or other jurisdiction of the United States and may not be offered or sold, in the United States or to US Persons except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable US state securities law. Refer to Section 14.3 for further information regarding foreign selling restrictions.

10.14 Discretion regarding the Offer

The Responsible Entity may withdraw the Offer at any time before the issue of Stapled Securities to successful Applicants. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest). The Responsible Entity and the Joint Lead

Managers also reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant or bidder fewer Stapled Securities than applied or bid for.

10.15 Application to ASX for Listing of Newmark Property REIT and Quotation of Stapled Securities

The Responsible Entity will apply within seven days of this PDS Date for admission of Newmark Property REIT to the Official List and quotation of the Stapled Securities on ASX. Newmark Property REIT's expected ASX code will be 'NPR'.

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

If permission is not permitted for the official quotation of the Stapled Securities on ASX, all Application Monies received by the Responsible Entity will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.

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

10.16 CHESS and Issuer Sponsored Holdings

The Responsible Entity has applied (or will apply) to participate in the ASX's Clearing House Electronic Sub-register System (**CHESS**) and will comply with the ASX 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 affected in an electronic form.

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

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

Stapled Securityholders will receive subsequent statements shortly after the end of the month in which there has been a change to their holding and as otherwise required under the ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Stapled Securityholders 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. Newmark Property REIT and the Registry may charge a fee for these additional issuer sponsored statements.

10.17 Conditional Selling of Stapled Securities On-Market

It is expected that trading of the Stapled Securities on ASX on a conditional basis will commence on Monday, 6 December 2021.

Trades occurring on ASX before the date on which the Stapled Securities are issued will be conditional on Implementation of the Stapling, settlement of the Offer and settlement of the Underwriting Agreement (the '**Conditions**').

Conditional trading will continue until Newmark Property REIT has advised ASX that the Conditions have been satisfied, which is expected to be on Wednesday, 8 December 2021.

If the Conditions have not been satisfied by the end of the conditional settlement trading period or the Offer is withdrawn, the Offer will not complete and all trades conducted during the conditional settlement trading period will be invalid and will not settle. All Application Monies received will be refunded to Applicants. No interest will be paid on any Application Monies refunded as a result of the Offer not completing.

Following satisfaction of the Conditions, trading on ASX will begin on an unconditional and normal settlement basis on Wednesday, 8 December 2021. Following the issue of Stapled Securities, successful Applicants will receive a holding statement setting out the number of Stapled Securities

issued to them under the Offer. It is expected that holding statements will be dispatched by standard post on Thursday, 9 December 2021.

It is the responsibility of each person who trades in Stapled Securities to confirm their own holding before trading in Stapled Securities. Investors will be able to confirm their holdings by telephoning the Offer Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) from 8.30am to 5.30pm (Melbourne time), Monday to Friday. If you sell Stapled Securities before receiving a holding statement, you do so at your own risk. Newmark Property REIT, the Registry, the Joint Lead Managers and the Co-Lead Managers disclaim all liability, whether in negligence or otherwise, if you sell Stapled 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.



10.18 Brokerage, Commission and Stamp Duty

No brokerage, commission or stamp duty is payable by Applicants who apply for Stapled Securities under the Offer. Various fees in relation to the Offer may be payable by Newmark Property REIT to the Joint Lead Managers (refer to Section 11.3.1 for further information). Investors who buy or sell Stapled Securities on the ASX may be subject to

brokerage and other transaction costs. No stamp duty will be payable by an investor on any subsequent trading of Stapled Securities in Newmark Property REIT on the ASX, provided the investor does not acquire (whether alone or together with related associates) 90% or more of the Stapled Securities in Newmark Property REIT.

10.19 Foreign Selling Restrictions

This PDS has been prepared to comply with the requirements of the laws of Australia. The distribution of this PDS in jurisdictions outside of Australia may be restricted by law and persons who come into possession of this PDS should seek their own advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This document does not constitute an offer of Stapled Securities in any jurisdiction

in which it would be unlawful. In particular, this document may not be distributed to any person, and the Stapled Securities may not be offered or sold, in any country outside Australia except to the extent permitted below.

Refer to Section 14.3 for further information regarding foreign selling restrictions.

10.20 Taxation issues

Some tax implications of investing in Newmark Property REIT are explained in Section 12. It is intended to be a brief guide only and does not purport to be a complete statement of the relevant tax law, nor does it take into account your individual circumstances.

Accordingly, we strongly recommend that you seek independent professional taxation advice on the tax implications of investing in Newmark Property REIT relevant to your specific circumstances.

10.21 Return of Application Monies

Application Monies for the Stapled Securities may be held for up to one month, starting on the day on which the money was received, before the Stapled Securities are issued or the Application Monies are returned.

Application Monies will be refunded (in full or in part) in Australian dollars where an Application is rejected, an

Application is subject to scale-back or the Offer is withdrawn (either partially or completely) or cancelled.


No interest will be paid on any refunded amounts. Refund cheques will be sent following Completion of the Offer or as otherwise applicable in the circumstances outlined above.

10.22 Further Enquiries

This PDS provides information for potential investors in Newmark Property REIT, and should be read in its entirety. If, after reading this PDS, you have any questions about any aspect of an investment in Newmark Property REIT, please contact your stockbroker, accountant or independent financial adviser.

Enquiries from Australian resident investors relating to this PDS, or requests for additional copies of this PDS should be directed to the Offer Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia).





11.0 Fees and Other Costs



11 Fees and Other costs

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 investment 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 and Investment Commission (ASIC) Moneysmart website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

11.1 Fees and Other costs

This Section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from Newmark Property REIT's assets 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.

Newmark Property REIT Fees and Costs

Type of fee or cost	Amount*	How and when paid
Fees when your money moves in or out of Newmark Property REIT		
Establishment fee The fee to open your investment	Not applicable.	Not applicable.
Contribution fee The fee on each amount contributed to your investment	Not applicable.	Not applicable.
Withdrawal fee The fee on each amount you take out of your investment	Not applicable.	Not applicable.
Exit fee The fee to close your investment	Not applicable.	Not applicable.
Management costs – the fees and costs for managing your investment^{#A}		
One-off Transaction Costs associated with the Transaction	<p>An estimated one-off Transaction Cost of approximately \$6.9 million is expected to be incurred in connection with the Offer, comprising the following:</p> <ul style="list-style-type: none"> • Stamp duty of approximately \$0.5 million; • Underwriting and financial advisory Fees of approximately \$4.8 million; • Advisers' and consultants' fees of approximately \$0.9 million; and • Other Transaction Costs including printing, marketing and listing fees of \$0.7 million. 	<p>The Transaction Costs will be payable after the close of the Offer out of the Application Monies received in respect of the Offer.</p> <p>These Transaction Costs are one-off in nature and will not be included in the management costs of Newmark Property REIT in subsequent years.</p>
Management fee	A Management Fee equal to 0.60% per annum of GAV (before GST) payable to the Investment Manager.	The Management Fee is accrued daily and paid monthly in arrears from the assets of Newmark Property REIT.

Note: The amounts in the table above are inclusive of GST less any reduced input tax credits (unless otherwise specified).

* 'Not applicable' means the fee is not allowable under the Constitutions. 'Nil' means the fee is permitted under the Constitution(s) but currently the fee is not charged.

The amount of this cost is negotiable for certain investors. Refer to Section 11.3.11 for further information.

^A The fees and costs in the table above are the fees and costs that will apply once Newmark Property REIT is admitted to the Official List. In the previous 12 months, different fees and costs applied as the Transaction had not been implemented.



11.1 Fees and Other Costs *continued*

Newmark Property REIT fees and costs *continued*

Type of fee or cost	Amount*	How and when paid
Management costs – the fees and costs for managing your investment^{#^}		
Performance Fee	Nil	-
Administration costs[~]	Estimated to be up to 0.20% of Newmark Property REIT's GAV.	Payable out of the assets of Newmark Property REIT when incurred.
Acquisition Fee	1.00% of the purchase price (excluding acquisition costs) of any asset.	Payable out of the assets of Newmark Property REIT when incurred.
Finance Facility Fee – NHT	A Finance Facility Fee of 0.20% of the amount of any debt finance arranged by the Investment Manager for NHT.	Payable from the finance facility upon entering the relevant facility.
Finance Facility Fee – Chadstone Trust	Nil	-
Project Management Fee – Chadstone Trust	A project management fee of up to 5% of the value of any works (as determined by a quantity surveyor) undertaken in respect of any property held by the Chadstone Trust.	Payable monthly in arrears out of the assets of the Chadstone Trust.
Service fees		
Switching fee	Not applicable.	Not applicable.
The fee for changing investment options		

Note: The amounts in the table above are inclusive of GST less any reduced input tax credits (unless otherwise specified).

* 'Not applicable' means the fee is not allowable under the Constitutions. 'Nil' means the fee is permitted under the Constitution(s) but currently the fee is not charged.

The amount of this cost is negotiable for certain investors. Refer to Section 11.3.11 for further information.

[^] The fees and costs in the table above are the fees and costs that will apply once Newmark Property REIT is admitted to the Official List. In the previous 12 months, different fees and costs applied as the Transaction had not been implemented.

[~] The estimated administration costs are an estimate only. The actual administration costs can be higher or lower than the estimate. It does not include transactional and operational costs described in Section 11.3.8.

The table does not include any additional fees that your financial adviser or IDPS operator may charge you. Please refer to Section 11.3.10 for further information.

11.2 Example of annual fees and costs

The following table gives an example of how the fees and costs for Newmark Property REIT can affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

Example	Balance of \$50,000 with total contributions of \$5,000 during year	
Contribution Fees	Not applicable	For every additional \$5,000 you put in, you will be charged \$0.
Plus Management Costs comprising:	0.80%	And , for every \$50,000 you have in Newmark Property REIT, you will be charged the following amounts each year.
• Management fee	0.60% per annum of GAV (before GST)	For every \$50,000 you have in Newmark Property REIT you will be charged \$426.
• Administration costs	0.20% per annum of GAV* (before GST)	For every \$50,000 you have in Newmark Property REIT you will be charged \$142.
Equals cost of Newmark Property REIT		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 at the end of that year, you would be charged fees of \$568 ^{#^~} .

Note:

* It is assumed that the administration costs for the year were 0.20% p.a. of the GAV of Newmark Property REIT at Allotment.

It is assumed that the contribution of \$5,000 is made on the last Business Day of the year and a constant investment balance and management costs.

^ This amount is only an estimate based on the expected annual cost of managing and administering Newmark Property REIT of \$3.6 million and the GAV of \$455.8 million set out in the Pro Forma Consolidated Statement of Financial Position in Section 6.4. This is an estimate only and it is likely that both the expenses and Newmark Property REIT's GAV will change over time. Refer to Section 11.3 for further details.

~ Additional fees may apply in a given year including acquisition fees. See Section 11.3 for further information. Acquisition fees have been excluded from this calculation, in addition to fees and costs associated with the Offer (refer to Section 11.3 for further information).

11.3 Additional explanation of fees and costs

These fees are costs are paid by the Responsible Entity and therefore indirectly by you in proportion to your investment in Newmark Property REIT. If the Responsible Entity or a related party is liable to pay GST on any fees charged to Newmark Property REIT, the Responsible Entity is entitled to be reimbursed by Newmark Property REIT for the GST liability.

11.3.1 One-off Transaction Costs associated with the Transaction

The description and table below sets out the one-off fees and costs expected to be incurred in connection with the Transaction. These amounts are factored into the one-off Transaction Costs in Section 11.1.



11.3 Additional explanation of fees and costs *continued*

The estimated total one-off Transaction Costs in connection with the Transaction are expected to be approximately \$6.9 million and will be paid by the Responsible Entity from the proceeds of the Offer.

These costs are one-off in nature and have not been included in the management costs of Newmark Property REIT in subsequent years.

Type of fee or cost	Expected total	% of total
Stamp Duty	\$0.5 million	7%
Underwriting and Financial Advisory Fees	\$4.8 million	69%
Advisers' and Consultants' Fees	\$0.9 million	13%
Other Transaction Costs	\$0.7 million	11%
Transaction Costs	\$6.9 million	100%

11.3.2 Management Fees

Under the Constitutions and the Investment Management Agreement, the Responsible Entity and the Investment Manager are entitled to a management fee. The management fees are calculated and accrued daily, and are payable out of the assets of Newmark Property REIT monthly in arrears.

The maximum management fee payable to the Responsible Entity under each Constitution is equal to 0.60% per annum of GAV (before GST), but the Responsible Entity has determined it will not charge a management fee in respect of Newmark Property REIT, for so long as the Investment Manager charges an investment management fee equal to 0.60% per annum of GAV (before GST) under the Investment Management Agreement in respect of Newmark Property REIT.

The Investment Manager will also be entitled to a compensation amount equal to two years of management fees (calculated as the total Investment Management fee paid by the Responsible Entity in the 12 months preceding the date of expiry or termination of the Investment Management Agreement, multiplied by two), in the following circumstances:

- if the Responsible Entity provides written notice to the Investment Manager that it does not wish to extend the term of the Investment Management Agreement at the end of the initial ten-year term or any successive five-year term of the Investment Management Agreement;
- if the Responsible Entity or the Investment Manager terminates the Investment Management Agreement by written notice to the other party as a result of:
 - the winding-up of Newmark Property REIT being commenced;
 - a change in a person having, or a person gaining, control of the ability to remove the Responsible Entity (where the Investment Manager may only exercise such termination right if this occurs without the prior written approval of the Investment Manager);
 - a change in a person having, or a person gaining, control of more than half of, or more than one half of the voting rights attached to, the Stapled Securities of Newmark Property REIT;
 - the Responsible Entity ceases to be responsible entity of the Chadstone Trust and NHT, unless the replacement responsible entity is a member of the Newmark Group; or
 - there is a bona fide sale of all or substantially all of the assets of Newmark Property REIT to a third party on an arm's length basis;
- if the Responsible Entity terminates the Investment Management Agreement as a result of the Investment Manager ceasing to be a member of the Newmark Group; or
- if the Investment Manager terminates the Investment Management Agreement as a result of:
 - the Responsible Entity committing a material breach of the Investment Management Agreement and failing to rectify such breach within 30 business days of receiving notice in writing by the Investment Manager of such breach;

11.3.2 Management Fees *continued*

- the Responsible Entity committing five or more breaches of the Investment Management Agreement within a consecutive 12-month period, and the Investment Manager having provided written notice of each individual breach within 30 days of becoming aware of the breach;
- the Responsible Entity becoming insolvent, and not being replaced as responsible entity of Newmark Property REIT with a member of the Newmark Group within 30 days of becoming insolvent; or
- Newmark Property REIT suffers an insolvency event.

The Property Manager is also entitled to a compensation amount equal to two years of fees paid under the Property Management Agreement in similar circumstances, which is set out in further detail at Section 13.5.2.

11.3.3 Administration Costs

To the extent permitted by law, the Responsible Entity is entitled to recover out of the assets of Newmark Property REIT all costs and expenses incurred in the proper performance of its duties, as and when incurred, including (but not limited to):

- Costs of the Responsible Entity's external advisers, including auditors and managers;
- The fees and costs of the independent Directors;
- Fees payable to the Custodian;
- Fees payable to lawyers and other professional advisers;
- Fees associated with taxes, government levies and bank charges;
- Fees payable to the Registry;
- Expenses connected with the operation of the Audit, Risk and Compliance Committee and compliance with the Compliance Plan;
- Insurance premiums, including directors and officers insurance; and
- Ongoing fees payable to ASX, ASIC or other regulatory or government authority.

The above list is not exhaustive and the costs and expenses that the Responsible Entity is entitled to recover out of the assets of Newmark Property REIT are set out in the Constitutions.

The Responsible Entity estimates that, in its future capacity, it will incur costs and expenses of managing and administering Newmark Property REIT (including fees and costs payable to non-executive Directors of the Responsible Entity) of approximately \$0.9 million per annum which is equal to 0.20% of Newmark Property REIT's expected \$455.8 million GAV (before GST) after the close of the Offer. This is an estimate only and the actual expenses incurred by the Responsible Entity and GAV may differ.

The Responsible Entity is entitled to recover all such expenses as they are incurred from the assets or income of Newmark Property REIT, including any amounts payable to a member of the Newmark Group.

11.3.4 Performance Fee

While a performance fee may be charged by the Responsible Entity under each of the Constitutions (described below), as noted in Section 11.1, the Responsible Entity has determined it will not charge a performance fee in respect of Newmark Property REIT.

Under the Constitution for NHT, for each Calculation Period (as defined in the NHT Constitution), the Responsible Entity is entitled to an annual performance fee of 15% of the amount (if any) by which NHT's total performance (comprising income and any capital growth during that Calculation Period) exceeds a total return threshold of 10% per annum (or the prorated equivalent). If that amount is positive, the performance fee will be payable to the Responsible Entity within 10 days of the last day of the relevant Calculation Period or such later time at the Responsible Entity's discretion. If that amount is negative, the Responsible Entity will not be entitled to receive a performance fee in respect of the Calculation Period and therefore, no payment will be made to the Responsible Entity in respect of that year.

Under the constitution for the Chadstone Trust, the Responsible Entity is entitled to a performance fee equal to the amount that is 15% of the amount by which the Internal Rate of Return (as defined in the constitution for the Chadstone Trust) to the unitholders of the Chadstone Trust exceeds 11% per annum as determined by the Responsible Entity. The performance fee is payable within, among other trigger events, 1 month of the sale of a property held by the Chadstone Trust. A performance fee will not be payable to the Responsible Entity in respect of the Chadstone Trust in connection with the Offer.

11.3.5 Acquisition Fee

The Responsible Entity has determined it will charge an acquisition fee of 1.00% of the purchase price (excluding acquisition costs) of any assets acquired by Newmark Property REIT (directly or indirectly) or any controlled sub-trust following Completion. The purchase price is based on 'as if complete' valuations if a property is under construction at the time of valuation. This differs from the acquisition fee currently charged by the Responsible Entity under each of the Constitutions.

Under the NHT Constitution, the Responsible Entity is entitled to an acquisition fee of up to 1.5% of the purchase price (excluding acquisition costs) of each property acquired by NHT (directly or indirectly) or any controlled sub-trust of NHT. Similarly, under the Chadstone Trust Constitution, the Responsible Entity is entitled to an acquisition fee of up to 2.5% of the purchase price of each property acquired by the Chadstone Trust (directly or indirectly) or any controlled sub-trust of the Chadstone Trust. In each case, the acquisition fee would be payable on completion of the acquisition of the relevant property out of the assets of Newmark Property REIT.



11.3 Additional explanation of fees and costs *continued*

11.3.6 Finance Facility Fee

Under the NHT Constitution, the Responsible Entity is entitled to be paid a finance facility fee of 0.20% of the amount of debt finance arranged by the Responsible Entity or its associates for NHT.

Under the Chadstone Trust Constitution, the Responsible Entity is entitled to a finance facility fee of \$50,000 in respect of debt finance arranged for the Chadstone Trust by the Responsible Entity or its associates, but has determined that this fee will not be charged.

The Responsible Entity has also determined not to charge finance facility fees in respect of NHT, for so long as a finance facility fee is charged by the Investment Manager under the Investment Management Agreement.

Under the Investment Management Agreement, the Investment Manager is entitled to a finance facility fee equal to 0.20% of the amount of debt finance arranged by the Investment Manager for NHT, which will be payable upon entering into the relevant finance facility by the Investment Manager.

11.3.7 Project Management Fee

Under the Chadstone Trust Constitution, the Responsible Entity is entitled to a project management fee of up to 5% of the value of any works (as determined by a quantity surveyor) undertaken in respect of any property held by the Chadstone Trust. This fee is payable monthly in arrears and is payable out of the assets of the Chadstone Trust.

The Responsible Entity has determined not to charge the project management fee in respect of the Chadstone Trust, for so long as this fee is charged by the Property Manager under the Property Management Agreement.

Under the Property Management Agreement, the Property Manager is entitled to a project management fee at market rates, up to 5% of the value of any works (as determined by a quantity surveyor) undertaken in respect of Newmark Property REIT's Properties, which is payable monthly in arrears and is payable out of the assets of Newmark Property REIT. In certain circumstances, as detailed at Section 13.5.2, the termination of the Property Management Agreement entitles the Property Manager to a compensation amount equal to two years of fees paid under the Property Management Agreement.

11.3.8 Transactional and operational costs

In addition to the fees and costs detailed in the table in Section 11.1, the Responsible Entity may incur transactional and operational costs which are an additional cost to the investor. Transactional and operational costs include brokerage, clearing costs, stamp duty, settlement costs and property operating

costs (being the amounts that are paid or payable in relation to the holding of real property or an interest in real property). These costs, as they apply to Newmark Property REIT, are summarised below:

- Stamp duty and other Government charges: Newmark Property REIT incurs stamp duty and settlement costs in acquiring the Properties and will incur settlement costs when it sells a Property. The stamp duty is dependent on the state or territory in which the property is located but is typically between 0.65% to 6.50% of the property's acquisition price depending on the jurisdiction. These costs will be deducted from the assets of Newmark Property REIT as and when incurred.
- Land Tax: Newmark Property REIT incurs multiple holding land tax charges which are not recoverable from tenants under the relevant retail lease acts. The rate of land tax is dependent on the state or territory in which the property is located but is typically charged at rates of up to 2.75% of the unimproved land value as determined by the relevant Valuer General. These costs will be deducted from the assets of Newmark Property REIT as and when incurred.
- Leasing and lease renewal fees: These fees may be payable to a third party service provider or a Newmark related entity (on arm's length terms, under the Property Management Agreement) (as applicable) out of Newmark Property REIT's assets for arranging a new lease or renewal of an existing lease for a Property. The new lease fee will be 15% of the gross rental income for the first year of the lease term where the tenant is a new tenant, or if the lease term is for a period of less than a year, then that lesser period. The lease renewal fee will be 7.5% of gross rental income for the first year of the lease term with an existing tenant (including renewals), or if the lease term is for a period of less than a year, then that lesser period.
- Market review fee: This fee may be payable to a third party service provider or a Newmark related entity (on arm's length terms) (as applicable, under the Property Management Agreement) out of Newmark Property REIT's assets for negotiating market rent reviews in relation to existing leases of a property. This fee will be charged at market rates, and payable from the date that the tenant is required to pay the reviewed rent.
- Leasing administration fees: These fees may be payable to a third party service provider or a Newmark related entity (on arm's length terms, under the Property Management Agreement) (as applicable) out of Newmark Property REIT's assets for lease administration services. These fees will be charged at market rates ordinarily on a fixed fee basis and payable upon completion of the relevant work, including execution of documentation such as heads of agreement, agreements for lease, leases, licences, lease extensions and variations, incentive deeds, dispute resolution and various other related services.

- **Property management fee:** This fee includes property and facilities management and property accounting and may be payable to a third party service provider or a Newmark related entity (on arm's length terms, under the Property Management Agreement) (as applicable) out of Newmark Property REIT's assets and recoverable from the property's tenants where possible, paid monthly in arrears. These fees will be up to 1.5% of annual gross income for the current portfolio, and up to 3% of annual gross income for any properties acquired after the date of the Property Management Agreement, or such lesser amount as agreed under the Property Management Agreement.
- **Operating expenses:** These expenses include, but are not limited to, council and water rates, utilities, cleaning, repairs and maintenance, security and fire services. These costs are paid to third parties and will be deducted from the assets of Newmark Property REIT as and when incurred.
- **Sales agent fee:** A fee may be payable to a third party agent or a Newmark related entity (on arm's length terms) (as applicable, under the Property Management Agreement) out of the proceeds from the sale of a property at settlement of the sale. This fee will be charged at market rates.
- **Development Services Fee:** A development services fee of 4% of the project costs will be payable to a third party agent or a Newmark related entity (on arm's length terms) under the Property Management Agreement.
- **Due diligence costs:** due diligence costs will be reimbursed to the Investment Manager for all reasonable expenses incurred by the Investment Manager (including associated on-costs) relating to conducting due diligence on proposed acquisitions and managing and administering the acquisition and disposal process.

For the fees set out above in the Property Management Agreement, in certain circumstances, as detailed at Section 13.5.2, the termination of the Property Management Agreement entitles the Property Manager to a compensation amount equal to two years of fees paid under the Property Management Agreement.

Some of the property operating costs set out above may be recoverable from the tenants of the Properties under the terms of their leases. To the extent that such costs are recovered from the tenants, that portion of the cost will not be borne by Newmark Property REIT. Where the cost can be recovered from the tenants in full, there will be no net cost to Newmark Property REIT.

11.3.9 Fees to related parties under other arrangements

There may be additional fees in relation to services which related parties provide to Newmark Property REIT on an arm's length basis. Currently, there is an Investment Management Agreement in place for the Chadstone Trust and NHT, pursuant to which a related entity of the Responsible Entity receives fees for the provision of investment management services. There is also currently a Property Management Agreement between the Responsible Entity and the Property Manager, pursuant to which

a related entity of the Responsible Entity receives fees for the provision of property management, leasing and other services to Newmark Property REIT. Refer to Section 13.5 for further information on those agreements.

11.3.10 Adviser remuneration

Newmark Property REIT does not pay any service fees, upfront or trail commissions to financial advisers or advisory firms. You may, however, agree to pay your adviser a fee for financial advice or advice services they may provide you in relation to your investment. This advice fee is in addition to the fees shown in Section 11.1 and is paid to the Australia financial services licensee responsible for your financial adviser (or your financial adviser directly if they are the licensee). It is not paid to the Responsible Entity. You and your financial adviser determine the amount of any advice fee.

11.3.11 Differential fees

The Responsible Entity may rebate fees on an individual basis as permitted by the Corporations Act and ASIC relief with wholesale investors only (as defined in the Corporations Act). We do not have a specific policy in respect of the manner or method of how fees may be negotiated.

You can obtain further information on how to negotiate fees by calling the Responsible Entity on 03 9066 3966.

11.3.12 Taxes

Information relating to the taxation implications associated with an investment in Newmark Property REIT has been outlined in Section 12. Unless otherwise stated, all fees in this Section are inclusive of GST less a full input tax credit or reduced input tax credit, as applicable.


11.3.13 Waiver of fees

The Responsible Entity or any related entities of the Responsible Entity may accept a lower fee than it is entitled to receive under the Constitutions or relevant agreement, or may defer payment for a period on such terms as the Responsible Entity or related entity (as the case may be) determines at its sole discretion. Upon retirement or removal of the Responsible Entity or termination of the relevant agreement, all fees and other amounts owing to the Responsible Entity or the related entity (as the case may be) and all amounts deferred by the Responsible Entity or the related entity (as the case may be) become due and payable to the Responsible Entity or the related entity (as the case may be) out of the assets of Newmark Property REIT.

11.3.14 Fee changes

The Responsible Entity may not increase the fees payable to it as set out in the Constitutions without a special resolution of the Stapled Securityholders first having approved the amendments to the relevant fee in the Constitutions. A special resolution requires at least 75% of the votes cast by those Stapled Securityholders entitled to vote on the resolution.





12.0 Taxation



12 Taxation

The comments in this Section provide a general outline of certain Australian taxation implications for Australian tax resident Stapled Securityholders and non-resident Stapled Securityholders who acquire and hold their Stapled Securities on capital account for income tax purposes.

This summary does not consider:

- the Australian income tax implications for Stapled Securityholders that either hold their Stapled Securities on revenue account or as trading stock, are exempt from Australian income tax, or are subject to the Taxation of Financial Arrangements rules in Division 230 of the Income Tax Assessment Act 1997 (Cth).
- the Australian income tax implications for non-resident Stapled Securityholders that acquire their Stapled Securities through a 'Permanent Establishment' in Australia or through an Australian interposed entity (or entities);
- the Australian income tax implications for existing investors in NHT and/or Chadstone Trust that acquire Stapled Securities under the Implementation Deed; and
- the tax consequences for Stapled Securityholders under any foreign law, including foreign tax law.

This summary is based on Australian taxation laws contained in the Income Tax Assessment Act 1997 (Cth), Income Tax Assessment Act 1936 (Cth), Income Tax Rates Act 1986 (Cth), Income Tax (Transitional Provisions) Act 1997 (Cth),

A New Tax System (Goods & Services Tax) Act 1999 (Cth), Tax Administration Act 1953 (Cth) and the applicable stamp duty legislation as at the date of this PDS.

Taxation laws are subject to ongoing change. Accordingly, this Section does not consider any changes in administrative practice or interpretation by the relevant tax authorities, or any changes (or anticipated changes) in law by judicial decision or legislation following the date of the PDS. To the extent that there are any changes in law after the date of this PDS, including those having retrospective effect, Stapled Securityholders should consider the taxation implications, taking into account their own individual circumstances.

This taxation summary is general in nature and does not cover all tax consequences that could apply in all circumstances to any Stapled Securityholders. It is recommended that each Stapled Securityholder obtain their own professional and independent taxation advice before acquiring or disposing of Stapled Securities.

This summary does not constitute financial product advice in the ordinary sense or as defined in the Corporations Act.

This summary is confined to Australian taxation implications and is only one aspect to be considered before making an investment decision. Prospective Stapled Securityholders should seek independent financial product advice from a licensed provider under the Corporations Act before making a decision about an investment in the Stapled Group Entities.

12.1 Taxation Treatment of Newmark Property REIT

Each Stapled Group Entity will ensure it elects into the Attribution Management Investment Trust (**AMIT**) regime. Accordingly, this Section outlines the general income tax treatment where the AMIT provisions apply to each Stapled Group Entity.

On the basis that each Stapled Group Entity will be in the AMIT regime, and continue to qualify to be an AMIT, each Stapled Group Entity will effectively be treated as a flow-through vehicle for income tax purposes irrespective of whether income or capital is distributed to investors. The Responsible Entity should therefore not pay Australian income tax on the taxable income derived by the Fund. This is on the basis that each Stapled Group Entity will not be taxed as a company under the public trading trust provisions (discussed below).

12.1.1 Public trading trust rules

For income tax purposes, a trust may be taxed as a company if it is a 'public trading trust'. Provided that neither Newmark Property REIT nor an entity that Newmark Property REIT controls, carries on a "trading business", each Stapled Group Entity should not be classed as a public trading trust. A unit trust that satisfies the definition of a 'public trading trust' can be taxed like a company for a year of income. It is the Responsible Entity's expectation that Newmark Property REIT will not undertake any investment activities that would cause Newmark Property REIT to be considered to control or carry on a "trading business", for the purpose of the public trading trust rules. While each Stapled Group Entity is not expected to satisfy the definition of a public trading trust, these rules must be considered on an annual basis.

12.2 Taxation of Australian Tax Resident Stapled Securityholders

12.2.1 Existing unitholders of the NHT and Chadstone Trust

The stapling and listing of Newmark Property REIT onto the ASX will be implemented via a number of steps under the Implementation Deed. The taxation consequences of the steps are relevant to the existing unitholders of NHT and Chadstone Trust as at the date of this PDS (i.e. they are not relevant to those investors acquiring Stapled Securities under the Offer). Accordingly, the taxation consequences of stapling and listing of Newmark Property REIT are not considered in this Section of this PDS.

12.2.2 Acquisition of Stapled Securities

Where investors acquire Stapled Securities under the Offer, the cost base for Australian income tax purposes of each Stapled Security should be allocated to the underlying units of each Stapled Group Entity on the basis of the proportionate market value of a Stapled Group Entity unit on the date of allotment of the new Stapled Securities. The first element of the tax cost base for each unit will be equal to the proportion of the issue price attributable to it. Stapled Securityholders will be notified of this on or around the time of allotment.

12.2.3 Taxation of distributions from Newmark Property REIT

The AMIT provisions require the taxable income of each Stapled Group Entity to be annually attributed to Stapled Securityholders on a fair and reasonable basis, having regard to their income and capital entitlements in accordance with the constituent documents. The Responsible Entity will seek to allocate taxable income having regard to the Stapled Securities held by Stapled Securityholders, entitlements to income and capital, as well as cash distributions made to such Stapled Securityholders during the relevant period. Under the AMIT provisions, Stapled Securityholders may be taxable on their share of a Stapled Group Entity's taxable income prior to receiving distributions from the Stapled Group Entity.

12.2.4 Adjustments to cost base of Stapled Securities

Broadly, an adjustment to the cost base of Stapled Securities will apply where the amount of cash distributions made by a Stapled Group Entity is different to the amounts assessed to the Stapled Securityholders under the AMIT regime.

Where the cash distributions in an income year are more than the amount assessed to the Stapled Securityholder (for example due to tax depreciation), a tax cost base reduction is

generally required. If the tax cost base of a Stapled Security is reduced to nil, the Stapled Securityholder should make a capital gain on any further tax deferred distributions received in respect of that Stapled Security.

Where the cash distributions in an income year are less than the amount assessed to the Stapled Securityholder, a tax cost base increase is generally required. There is a single AMIT tax cost base adjustment amount for an income year based broadly on the net position of cash distributions received and amounts assessed to the Stapled Securityholder (inclusive of any capital gains tax (CGT) concession amounts) in respect of the income year (being the AMIT tax cost base net amount).

12.2.5 Disposal of assets by Newmark Property REIT

From time to time, the net income of each Stapled Group Entity may include the receipt of a capital gain as a result of the disposal of a property. A capital gain arises to the extent that the consideration received for a property exceeds its tax cost base. Where the trust holding the property has held the property for at least 12 months, a 50% CGT discount to the capital gain may be applied so as to reduce the capital gain included in its net income¹⁷⁴.

To the extent that a Stapled Group Entity distributes a net capital gain (i.e. the gross capital gains less 50% CGT discount), Stapled Securityholders are required to gross up the net capital gain for the 50% CGT discount. Stapled Securityholders may then apply any available capital losses to the gross capital gain and then apply the 50% CGT discount (if the Stapled Securityholder qualifies for the 50% CGT discount). Where a Stapled Securityholder is a complying superannuation entity, the relevant CGT discount factor is 33¹/₃%. Note that corporate entities are not eligible to apply the CGT discount.

12.2.6 Taxation on disposal of Stapled Securities

The disposal of a Stapled Security held by an Australian resident Stapled Securityholder on capital account will constitute a CGT event and may result in a capital gain or capital loss.

For CGT purposes, the disposal of a Stapled Security is treated as a disposal of separate assets, being a unit in each Stapled Group Entity. The CGT rules will apply separately to each Stapled Group Entity unit, such that an apportionment of sale proceeds will be required, based on the relative market values at the time of disposal. One possible method

¹⁷⁴ On 8 May 2018, the Government announced that the CGT discount will be removed at the AMIT level. The proposed start date from the measure was revised from 1 July 2020 to the income years commencing on or after three months after the date of Royal Assent of the enabling legislation. As at the date of this PDS, no legislation has been released. Note that the proposal, as announced, still allows AMITs that derive a capital gain to distribute the income as capital gains that the beneficiary is then able to discount.



12.2 Taxation of Australian Tax Resident Stapled Securityholders

continued

of apportionment is on the basis of the relative net tangible assets of the individual entities comprising Newmark Property REIT. It is intended that information will be published on the website of Newmark Property REIT to assist Stapled Securityholders in completing their tax return when they dispose of their Stapled Securities (noting that each Stapled Securityholder's particular circumstances is different, and it is recommended that Stapled Securityholders seek professional taxation advice in relation to the taxation implications of your investment, including the taxation implications of disposal).

A capital gain will arise where the cost base of the Stapled Security (being the amount paid to acquire the Stapled Security, plus specific costs that relate to the acquisition or disposal) is exceeded by the capital proceeds on disposal. Similarly, the Stapled Securityholder will make a capital loss where the capital proceeds received for their Stapled Security are less than the reduced cost base of their Stapled Security.

Where the Stapled Securityholder is an individual, complying superannuation entity or trustee, and the Stapled Securities have been held for at least 12 months prior to the CGT event, the Stapled Securityholder may be entitled to a CGT discount on the disposal of the Stapled Security. The CGT discount is not available to corporate entities.

If the CGT discount applies, a capital gain arising to individuals and entities acting as Trustees (other than a trust that is a complying superannuation entity) may be reduced by one-half after offsetting current year or prior year capital losses. Should a capital gain arise to a complying superannuation entity, the trustee of the complying superannuation entity may reduce the capital gain by 33⅓% after offsetting current year or prior year capital losses.

12.3 Taxation of non-resident Stapled Securityholders

12.3.1 Taxation of distributions from Newmark Property REIT

Managed Investment Trust (MIT) fund payments refers to Australian sourced income that is distributed by a MIT that is not dividends, interest, royalties or non-taxable Australian property. In the case of the Stapled Group Entities, a fund payment is likely to be comprised of net rental income and net capital gains on the disposal of properties, which should qualify as a MIT fund payment.

Where the Stapled Group Entities make a fund payment to a non-resident Stapled Securityholder, the Stapled Group Entities may apply a final reduced withholding tax rate. For a non-resident Stapled Securityholder who has provided an address in an information exchange (EOI) country (as specified in the taxation law regulations), a concessional withholding tax rate of 15% applies. Where a non-resident Stapled Securityholder has provided an address in a non-EOI country, a withholding tax rate of 30% will apply.

As the MIT fund payment withholding tax is a final tax for Australian income tax purposes, non-resident Stapled Securityholders are not required to lodge Australian income tax returns with respect to fund payments received from the Stapled Group Entities.

Where a non-resident Stapled Securityholder is a trust in an EOI country and has beneficiaries in a non-EOI country, the non-resident Stapled Securityholder trust may be liable for further withholding tax on the fund payment.

Distribution components that are comprised of interest will generally be subject to a 10% final withholding tax.

12.3.2 Taxation on disposal of Stapled Securities

Capital gains realised upon the (direct or indirect) disposal or redemption of Stapled Securities owned by non-resident Stapled Securityholders will generally be subject to Australian capital gains tax on the basis that the Stapled Securities will be treated as taxable Australian property.

A CGT Discount is not available for non-resident Stapled Securityholders. However, no Australian tax should be payable on capital gains where the relevant non-resident Stapled Securityholder (together with associates) has less than a 10% interest in the Stapled Group Entities (either at the time of the CGT Event or in any 12 month period in the 24 months prior to the CGT event).

12.4 Australian Goods and Services Tax

No Australian Goods and Services Tax (**GST**) should be payable by Stapled Securityholders on acquisition or disposal of Stapled Securities and no GST should be payable by Stapled Securityholders on receipt of cash distributions from a Stapled Group Entity. However, Stapled Securityholders

may not be entitled to claim full input tax credits in relation to any GST included in any costs incurred in connection with the acquisition and disposal of the Stapled Securities. In this regard, Stapled Securityholders should obtain their own independent tax advice.

12.5 Stamp Duty

Stapled Securityholders should not be liable for stamp duty in relation to the issue of Stapled Securities. Under current stamp duty legislation, no stamp duty would ordinarily be

payable by Stapled Securityholders on any subsequent transfer of their Stapled Securities.

12.6 Tax File Number and Australian Business Number

A Stapled Securityholder is not required to quote their TFN, or where relevant, ABN, to each Stapled Group Entity. However, if a Stapled Securityholder's TFN or ABN is not provided and an exemption is not available, Australian tax may be required to be deducted by the Responsible Entity from distributions at

the highest marginal tax rate plus the Medicare levy.

A Stapled Securityholder that holds Stapled Securities as part of an enterprise may quote their ABN instead of their TFN.

12.7 Foreign Account Tax Compliance Act (FATCA)

In compliance with the U.S income tax laws commonly referred to as the FATCA and the Intergovernmental Agreement signed with the Australian government in relation to FATCA, each Stapled Group Entity is required to provide information to the Australian Taxation Office (**ATO**) in relation to:

- Stapled Securityholders that are US citizens or residents;
- entities controlled by US persons; and
- financial institutions that do not comply with FATCA.

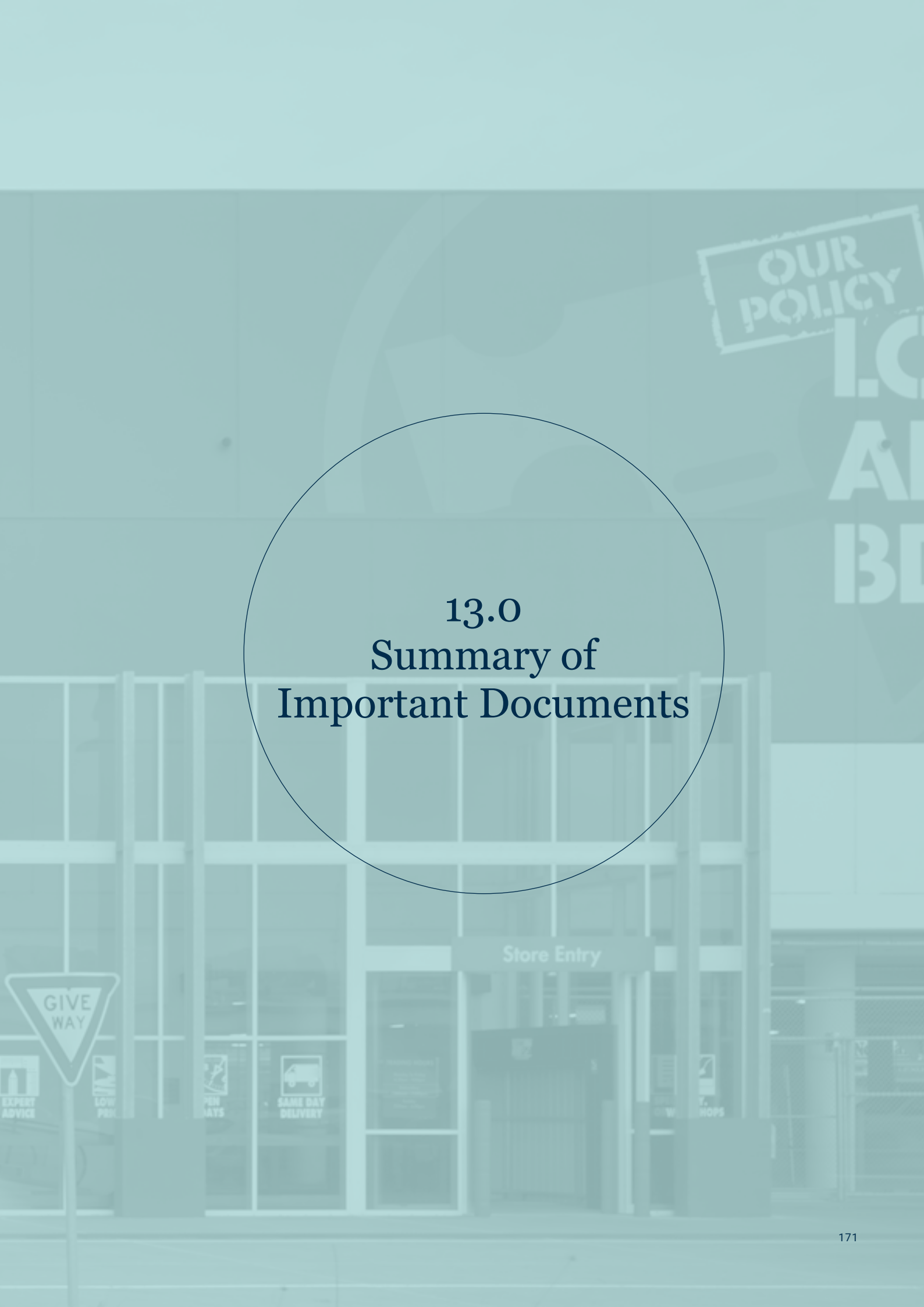
The Stapled Group Entities (through the Registry) are intending to conduct their appropriate due diligence (as required). Where Stapled Securityholders do not provide appropriate information to the Stapled Group Entities, the Stapled Group Entities will also be required to report those accounts to the ATO.

12.8 Common Reporting Standard (CRS)

The Common Reporting Standard (**CRS**) is the single global standard for the collection, reporting and exchange of financial account information of non-residents. The CRS is similar to FATCA, whereby the Responsible Entity will need to collect and

report similar financial account information of all non-residents to the ATO. The ATO may exchange this information with the participating foreign tax authorities of those non-residents.





13.0 Summary of Important Documents



13 Summary of Important Documents

Set out below is a summary of certain contracts relating to Newmark Property REIT, which an investor would reasonably regard as material and which investors and their professional advisers would reasonably expect to find described in this PDS for the purpose of making an informed assessment of an investment in Newmark Property REIT under the Offer.

This Section contains a summary of the material contracts and their substantive terms which are not otherwise disclosed elsewhere in this PDS. Summaries, which are included for information only, do not purport to be complete and are qualified by the text of the contracts themselves.

13.1 Summary of the Constitutions of the Stapled Group Entities

13.1.1 Rights and liabilities attaching to Stapled Securities

The rights and liabilities attaching to Stapled Securities are set out in the Constitutions of NHT and Chadstone Trust which are summarised in Section 13.1.2.

A copy of each Constitution is available on www.newmarkcapital.com.au/npr or by calling the Offer Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) from 8.30am to 5.30pm (Melbourne time), Monday to Friday during the Offer Period.

13.1.2 Summary of the Constitutions

The Constitutions are the primary document governing the relationship between the Stapled Securityholders and the Responsible Entity. It contains extensive provisions about the legal obligations of the parties and the rights and powers of each. The Corporations Act (together with any exemptions and declarations issued by ASIC), the ASX Listing Rules and the general law of trusts are also relevant to the rights and obligations of the Responsible Entity and Stapled Securityholders.

The NHT Constitution and the Chadstone Trust Constitution are materially identical.

13.1.2.1 Stapled Securities and Stapling provisions

While the stapling provisions in the Constitutions apply, the units of NHT and the units of Chadstone Trust will be treated as one security. Units will be stapled in the ratio of one unit in NHT to one unit in the Chadstone Trust.

The Responsible Entity must use every reasonable endeavour to ensure that if the units of the Chadstone Trust or the units of NHT are listed as one joint security that the units are dealt with under the relevant Constitution in a manner consistent with the provisions of each Constitution.

Subject to the Corporations Act and the ASX Listing Rules, the Responsible Entity may at any time take action to have the units of the Chadstone Trust or the units of NHT unstapled and removed from quotation.

13.1.2.2 Distributions

Subject to the rights, restrictions and obligations attaching to a particular Stapled Security, Stapled Securityholders who are on the register on the last day of the financial year are entitled to the net income of the relevant trust for each financial year in proportion to the number of Stapled Securities they hold.

The Responsible Entity may, at any time, distribute the capital of the relevant trust to the Stapled Securityholders. Subject to the rights, restrictions and obligations attaching to a particular Stapled Security, Stapled Securityholders are entitled to the proportion of the capital to be distributed that is equal to the number of Stapled Securities they hold in the respective trust. Capital distributions may be in the form of cash or assets.

If the Responsible Entity approves, a Stapled Security holder may elect to reinvest some or all of their distribution entitlement by acquiring additional Stapled Securities.

13.1.2.3 Transfers

While the Stapled Securities are quoted for trading on the ASX, they may be transferred in any manner permitted by the operating rules of a 'clearing and settlement facility' (as that term is defined in the Corporations Act).

13.1.2.4 Withdrawal

While Newmark Property REIT is listed on the ASX, Stapled Securities may not be redeemed by a Stapled Securityholder, except by way of a buy back of the Stapled Securities by the Responsible Entity in accordance with the Corporations Act and the ASX Listing Rules.

13.1.2.5 Powers and rights of the Responsible Entity

The Responsible Entity has all the powers in respect of Newmark Property REIT that it is possible under law to confer on a trustee as though it were the absolute and beneficial owner of the assets of Newmark Property REIT and acting in its personal capacity. This includes, but is not limited to, the power to acquire or dispose of property, borrow, raise or lend money, incur liabilities, give guarantees or indemnities, create security interests and enter into underwriting arrangements.

The Responsible Entity may appoint delegates, attorneys or agents to perform any act or exercise of its powers and may engage advisers to assist with its duties and functions under the Constitutions. Subject to section 601FB of the Corporations Act, the Responsible Entity will not be liable for the acts or omissions of any delegate.

13.1.2.6 Interested dealings

The Responsible Entity and/or its associates may hold Stapled Securities in any capacity.

In addition, subject to the Corporations Act, nothing in the Constitutions restricts the Responsible Entity (in its personal capacity and in any other capacity) or its associates from:

- Dealing with or borrowing from the Responsible Entity (as responsible entity or in another capacity);
- Being interested in any contract or transaction with the Responsible Entity (as responsible entity or in another capacity), an associate of the Responsible Entity or any Stapled Securityholders or retaining for its own benefit any profits or benefits derived from any such contract or transaction;
- Acting in the same or similar capacity in relation to any other managed investment scheme or trust; or
- Any dealings with any entity to which the assets of Newmark Property REIT are invested.

13.1.2.7 Meetings of Stapled Securityholders

While Newmark Property REIT is a registered managed investment scheme, meetings of Stapled Securityholders must be called and held in accordance with Part 2G.4 of the Corporations Act. However, certain modifications to the Corporations Act have been made in the Constitutions, including provisions that:

- A notice of meeting sent by post is taken to be given the Business Day after it is posted;
- If at any time there is only one Stapled Securityholder, the quorum for a meeting is one Stapled Securityholder;
- If an individual is attending a meeting both as a Stapled Securityholder and as a proxy or body corporate representative, the Responsible Entity may count the individual in respect of each capacity more than once in determining whether a quorum is present; and
- An appointment of a proxy is valid even if it does not specify the Stapled Securityholders address, and may be a standing one.

13.1.2.8 Responsible Entity's Limitation of Liability and Indemnity

Subject to the Corporations Act, neither the Responsible Entity nor its associates are liable for any loss or damage to any person (including a Stapled Securityholder) arising out of any matter unless it acted both (a) otherwise than in accordance with the relevant Constitution; and (b) without a belief held in good faith that it was acting in accordance with the relevant Constitution. Any liability of the Responsible Entity is limited to the assets of Newmark Property REIT from which the Responsible Entity is entitled to be, and is in fact, indemnified.

In addition to any indemnity available to the Responsible Entity under the law or the Constitutions, and subject to the Corporations Act, the Responsible Entity has a right to be fully indemnified out of the assets of Newmark Property REIT in respect of all liabilities in connection with Newmark Property REIT and against all actions and proceedings brought against the Responsible Entity in its capacity as responsible entity of Newmark Property REIT, except in the case of the Responsible Entity's own fraud, negligence or willful default, and in respect of the overhead expenses of the Responsible Entity.

The Responsible Entity is entitled to be indemnified by Stapled Securityholders in respect of any tax liabilities incurred by the Responsible Entity as a result of the action, inaction or omission of a Stapled Securityholder.



13.1 Summary of the Constitutions of the Stapled Group Entities

continued

13.1.2.9 Liability of Stapled Securityholder

Subject to the terms of the Constitutions, the liability of each Stapled Securityholder is limited to the amount, if any, which remains unpaid in relation to the Stapled Securityholders subscription for Stapled Securities in Newmark Property REIT.

A Stapled Securityholder will not be required to indemnify the Responsible Entity if there is a deficiency in the assets of Newmark Property REIT or to meet the claim of any creditor of the responsible entity in respect of Newmark Property REIT.

13.1.2.10 Fees and Expenses

For both NHT and the Chadstone Trust, the Responsible Entity is entitled to receive a Management Fee of up to 0.60% per annum of the GAV (before GST) of the relevant trust, but the Responsible Entity has determined it will charge no management fee in respect of Newmark Property REIT, for so long as the Investment Manager charges an investment management fee equal to 0.60% per annum of GAV (before GST) under the Investment Management Agreement in respect of Newmark Property REIT. Subject to the Corporations Act and the ASX Listing Rules, the Responsible Entity may elect to be issued Stapled Securities instead of cash in payment of its fees or reimbursement of its expenses under the Constitution.

The Responsible Entity is entitled to receive an acquisition fee of 1.00% of the purchase price (excluding acquisition costs) of any assets acquired by Newmark Property REIT (directly or indirectly) or any controlled sub-trust following Completion.

The Responsible Entity is also entitled to receive a finance facility fee of 0.20% of the amount of debt finance arranged for NHT and a capped amount of \$50,000 in respect of debt finance arranged for the Chadstone Trust. The Responsible Entity has determined not to charge the Chadstone Trust finance facility fee.

In respect of the Chadstone Trust, the Responsible Entity is also entitled to a project management fee of up to 5% of the value of any works (as determined by a quantity surveyor) undertaken in respect of any property held by the Chadstone Trust.

While a performance fee and acquisition fee may be charged by the Responsible Entity under each of the Constitutions, the Responsible Entity has determined it will not charge such fees in respect of Newmark Property REIT.

Subject to the Corporations Act, all expenses incurred by the Responsible Entity in relation to the proper performance of its duties are payable or reimbursable out of the assets of the relevant trust.

Further details of these fees and costs are set out in Section 11.

13.1.2.11 Winding Up

On the winding up of the relevant trust, the net proceeds of realisation (after making allowance for all actual and anticipated liabilities and expenses of the relevant trust) will be distributed pro rata to the Stapled Securityholders according to the number of units they hold in the relevant trust.

The Responsible Entity may terminate the relevant trust on the earlier of:

- The day that is eighty years less one day from the date of commencement of the trust (being the date on which units are first issued);
- The date determined by the Responsible Entity as the date of termination, being a date at least 3 months after the date of a notice given to Stapled Securityholders;
- The date determined by a resolution passed by 75% (by value of Stapled Securities) of votes cast by Stapled Securityholders present in person or by proxy at a meeting of the Stapled Securityholders; or
- The date on which the relevant trust is otherwise terminated by law.

13.1.2.12 Small Holdings

While the Stapled Securities are quoted for trading on the ASX, the Responsible Entity may without the request of the Stapled Securityholder, sell or redeem any Stapled Securities held by a Stapled Securityholder where the Stapled Securities comprise less than a marketable parcel (as defined in the ASX Listing Rules).

The Responsible Entity may only sell or redeem Stapled Securities once every 12 months after giving the Stapled Securityholder written notice and at least six weeks from the date of that notice to notify the Responsible Entity that the Stapled Securityholder wishes to retain the Stapled Securities.

13.1.2.13 Reorganisation and restructures

Subject to the ASX Listing Rules and the Corporations Act, the Stapled Securities may be consolidated, divided or converted in a ratio as determined by the Responsible Entity (Reorganisation). By subscribing for or taking a transfer or otherwise acquiring a Stapled Security, each Stapled Securityholder will be taken to have consented to Reorganisations.

To effect any Reorganisation of Stapled Securities, the Stapled Securityholder appoints the Responsible Entity as the Stapled Securityholder's attorney in the Stapled Securityholder's name and on their behalf to do all acts and things which the Responsible Entity considers

necessary, desirable or reasonably incidental to effect the Reorganisation of the Stapled Securities.

Each Constitution also includes provisions allowing the Responsible Entity to enter into any scheme of arrangement, merger arrangement or similar proposal (including stapling) involving units on the property of the relevant trust.

13.1.2.14 Amendments to the Constitutions

Subject to the Corporations Act and any other approval required by law, the Responsible Entity may replace or amend the Constitutions (a) by Special Resolution of the Stapled Securityholders; or (b) by the Responsible Entity if the Responsible Entity reasonably considers the change will not adversely affect the Stapled Securityholders' rights, or the Responsible Entity determines (acting reasonably) that the relevant Constitution contains an error that requires rectification or a matter which requires clarification.

13.2 Implementation Deed

13.2.1 Purpose

The Implementation Deed is between NRML in its capacity as responsible entity of NHT, NRML in its capacity as responsible entity of Chadstone Trust and the Investment Manager. This deed sets out the procedures to be followed to implement the Offer, including the Stapling mechanics and other related matters which are summarised below.

13.2.2 Stapling mechanics

Newmark Property REIT will be formed following the Stapling of the units in Chadstone Trust to the units in NHT on a one-to-one basis. The key steps required for Stapling (as set out in the Implementation Deed) are as follows:

- a. **(return of capital)** NRML as responsible entity of each of Chadstone Trust and NHT will make a capital distribution to the Existing Investors in those trusts equal to the value of the units that each Existing Investor will acquire in either NHT or Chadstone Trust (as the case may be) as described in sub-paragraphs (b) and (c) below **(Capital Distribution)**.
- b. **(application for units – Chadstone Trust)** NRML as responsible entity of Chadstone Trust will, on behalf of each Existing Investor of Chadstone Trust, apply each such Existing Investor's Capital Distribution to acquire units in NHT.
- c. **(application for units – NHT)** NRML as responsible entity of NHT will, on behalf of each Existing Investor in NHT, apply each such Existing Investor's Capital Distribution to acquire units in Chadstone Trust.
- d. **(consolidation of units)** Units in each of NHT and Chadstone Trust will be consolidated so that the Existing Investors will hold units in each trust on a one-to-one basis.
- e. **(stapling deed)** The units in each of NHT and Chadstone Trust will be contractually stapled in accordance with the Constitutions and the Stapling Deed (summarised in Section 13.3), such that a unit in one trust cannot be transferred or otherwise dealt with without an equivalent unit in the other trust.

13.3 Stapling Deed

The Stapling Deed sets out the terms and conditions of the relationship between Newmark REIT Management Limited in its capacity as responsible entity of NHT and Newmark REIT Management Limited in its capacity as responsible entity of the Chadstone Trust in respect of the Stapled Securities for so long as the units in NHT and the units in the Chadstone Trust remain Stapled.

The key terms of the Stapling Deed include:

- **(information-sharing)** the parties to the Stapling Deed agree to share such information as may be necessary or desirable to fulfil their respective obligations under law, the Stapling Deed, the ASX Listing Rules or any other document, deed or arrangement relating to the Stapled Securities or affairs of each Stapled Group Entity or their respective controlled entities from time to time.
- **(dealing in Stapled Securities)** each party must not do any act, matter or thing (including registering any transfer of any unit in a Stapled Group Entity) or refrain from doing any act, matter or thing if to do so (as the case may be) would result directly or indirectly in any units in the Stapled Group Entities no longer being Stapled. This includes not:
 - issuing, selling or registering any transfers of the units in a Stapled Group Entity without at the same time, offering, selling or registering transfers of units in the other Stapled Group Entity;



13.3 Stapling Deed *continued*

- offering any units in a Stapled Group Entity for subscription or sale unless the terms of that offer require each offeree to subscribe for or buy an equal number of units in the other Stapled Group Entity; and
- consolidating, sub-dividing, cancelling, buying-back or redeeming units in a Stapled Group Entity unless at the same time there is a corresponding consolidation, cancellation, buy-back or redemption of units in the other Stapled Group Entity.
- **(unstapling)** each party must ensure that the units in one Stapled Group Entity do not cease to be Stapled to the units in the other Stapled Group Entity unless:
 - the Stapled Securityholders determine otherwise by special resolution;
 - Stapling becomes unlawful;
 - either Stapled Group Entity becomes insolvent or commences winding up or terminates, and a party determines that Stapling should cease; or
 - a party determines that Stapling is materially adverse to the interests of the holders of the relevant Stapled Group Entity.
- **(allocation of issue price)** the parties must agree from time to time what part of the amount payable for the issue of a Stapled Security is to represent the issue price of the units in each of the Stapled Group Entities. Unless otherwise agreed between the parties, the allocation is to be the ratio that the net assets (adjusted for net market value) of each Stapled Group Entity at the end of the relevant period immediately before the issue of the Stapled Securities bears to the amount of the aggregate net assets (adjusted for net market value) of the Stapled Group Entities at the end of the relevant period immediately before the issue of the Stapled Securities.
- **(registers)** the parties must maintain, or procure the maintenance of, the Stapled Securities register which sets out all details of the Stapled Securities and dealings in those Stapled Securities.

13.4 Compliance Plans

The Compliance Plans of Newmark Property REIT describe the processes and procedures that the Responsible Entity will use to ensure compliance with its AFSL, the Constitutions, the Corporations Act, the ASX Listing Rules, industry practice standards relevant to Newmark Property REIT and the internal organizational standards and culture of the Responsible Entity. The Compliance Plan for NHT is currently being updated so that it will be substantially identical to the Compliance Plan for Chadstone Trust, and the Responsible Entity will lodge the modified Compliance Plan for NHT with ASIC prior to the issue and allotment of Stapled Securities on 8 December 2021. The summary below reflects the Compliance Plan Chadstone Trust and the Compliance Plan for NHT (as modified and to be lodged with ASIC).

As more than half of the Directors of the Board of the Responsible Entity are external independent directors, there is no legal requirement to form a compliance committee to monitor the Responsible Entity's compliance with the

Compliance Plans. However, under the Compliance Plans, the Responsible Entity must have, in addition to the Audit, Risk and Compliance Committee, a compliance officer who reviews compliance on an ongoing basis, reports on compliance matters to the Responsible Entity and acts on the recommendations of the Board.

The Compliance Plans also deal with an extensive range of issues, including procedures dealing with the holding of scheme property, complaints handling, accounts and record keeping, conflicts of interest and related party transactions.

13.5 Management Agreements

Newmark Property REIT will be externally managed. The Responsible Entity, a wholly owned member of the Newmark Group, is ultimately responsible for the management of Newmark Property REIT. Summaries of the management agreements that are applicable to Newmark Property REIT are set out below.

13.5.1 Investment Management Agreement

The Responsible Entity has appointed a related entity, Newmark Property Funds Management Pty Ltd (the Investment Manager) (a member of the Newmark Group), as the investment manager for Newmark Property REIT (the **Investment Management Agreement**). Under the Investment Management Agreement, the Investment Manager has been delegated various investment management services relating to Newmark Property REIT and its portfolio of assets, subject to the supervision and control of the Responsible Entity and the terms of the agreement. The key terms of the Investment Management Agreement are set out in the table below, but is not intended to be an exhaustive summary.

Key Term	Summary
Services	<p>The Investment Manager is responsible for providing various services to Newmark Property REIT (Investment Management Services), including but not limited to:</p> <ul style="list-style-type: none"> • Investment management, including strategic management, arranging debt and equity arrangements for Newmark Property REIT and managing the assets of Newmark Property REIT; • Budgeting and operational planning for Newmark Property REIT; • Accounting and reporting for Newmark Property REIT; • Audit management for Newmark Property REIT, including Compliance Plan audit; • Assisting the Responsible Entity with compliance and risk management processes; • Engaging and managing service providers, including with registry, custodian, property managers, facilities managers and professional advisers; and • Secretarial services, including assisting the Responsible Entity with investor meetings as required by applicable law or the Responsible Entity.
Term	<p>The Investment Management Agreement commences on the settlement date of the Offer, and has an initial ten-year term (unless otherwise terminated in accordance with its terms (see 'Termination' below))</p> <p>The Investment Management Agreement will be automatically extended for successive five-year terms unless either party elects not to extend the term by giving at least twelve months' written notice prior to the end of the initial term or any successive five-year term. If the Responsible Entity elects not to extend the term, then the Investment Manager will be entitled to a compensation amount equal to two years of management fees.</p>
Exclusivity	<p>The Responsible Entity has appointed the Investment Manager as the exclusive manager of Newmark Property REIT to provide the Investment Management Services (see 'Services' above).</p>



13.5 Management Agreements *continued*

Key Term	Summary
Fees	<p>Pursuant to the Investment Management Agreement, the Investment Manager is entitled to receive the following fees:</p> <ul style="list-style-type: none">• (investment management fee) 0.60% per annum of the GAV (before GST) which will be payable monthly by the Responsible Entity out of the assets of Newmark Property REIT (set out in Section 11 ('Fees and other costs')).• (acquisition fee) 1.00% of the purchase price (excluding acquisition costs) of any assets acquired by Newmark Property REIT (directly or indirectly) or any controlled sub-trust following Completion.• (finance facility fee) 0.20% of the amount of debt finance facility arranged by the Investment Manager for NHT which will be payable upon entering into the relevant finance facility and paid by the Responsible Entity out of the assets of Newmark Property REIT. <p>The Investment Manager is also entitled to such fees as agreed in writing between the Investment Manager and the Responsible Entity for services requested by the Responsible Entity that are not covered by the Investment Management Agreement, provided that such fees are permitted in accordance with the Related Party Transactions and Conflicts of Interest Policy and applicable law and are approved in advance by the Audit, Risk and Compliance Committee or the Board of the Responsible Entity.</p> <p>The Investment Manager will be entitled to reimbursements for all reasonable expenses incurred (whether on its own behalf or on behalf of the Responsible Entity or the Custodian) via the provision of Investment Management Services, whether incurred or paid directly by the Investment Manager or an employee, officer, delegate, agent or contractor of the Investment Manager. This includes costs incurred by the Investment Manager (including associated on-costs) relating to conducting due diligence on proposed acquisitions and managing and administering the acquisition and disposal process. The Investment Manager is permitted to incur an expense via the provision of the Investment Services of up to \$100,000 per expense without the approval of the Responsible Entity, but an expense in excess of that amount will require the approval from the Responsible Entity.</p>

Key Term	Summary
Termination	<p>The Investment Management Agreement can be terminated:</p> <ul style="list-style-type: none"> • By either the Responsible Entity or the Investment Manager if: <ul style="list-style-type: none"> – the winding-up of Newmark Property REIT commences; – there is a change in a person having, or a person gains, control of the ability to remove the Responsible Entity (where the Investment Manager may only exercise such termination right if this occurs without the prior written approval of the Investment Manager); – there is a change in a person having, or a person gains, control of more than half of, or more than one half of the voting rights attached to, the units of Newmark Property REIT; or – the Responsible Entity ceases to be responsible entity of the Chadstone Trust and NHT, unless the replacement responsible entity is a member of the Newmark Group, <p>in each case, provided that the notice of termination is provided within 90 days of the relevant party becoming aware of the event;</p> <ul style="list-style-type: none"> • By the Responsible Entity: <ul style="list-style-type: none"> – upon 90 days' written notice to the Investment Manager, if there is a bona fide sale of all or substantially all of the assets of Newmark Property REIT to a third party on an arm's length basis; – immediately, if the Investment Manager ceases to be a member of the Newmark Group, provided that the notice of termination is given within 90 days of the Responsible Entity becoming aware of the Investment Manager ceasing to be a member of the Newmark Group; – immediately, if the Investment Manager becomes subject to an insolvency event, and is not replaced as investment manager by a member of the Newmark Group within 30 days of the insolvency event; – immediately, if the Investment Manager commits a material breach any provision of the Investment Management Agreement, and fails to rectify the breach within 30 Business Days following receipt of notice of the breach; – immediately, if the Investment Manager commits five or more breaches of the Investment Management Agreement within a consecutive 12 month period (provided that the Responsible Entity has provided notice to the Investment Manager of each individual breach within 30 days of becoming aware of the relevant breach); – immediately, if the Investment Manager is found to be guilty by a court of competent jurisdiction of committing fraud in connection with the Investment Management Agreement; – immediately, if the Investment Manager ceases to carry on business in relation to its activities as an investment manager; or – immediately, if the Investment Manager is unable to carry out its duties under the Investment Management Agreement because it has ceased to hold necessary authorisations required under applicable law; and



13.5 Management Agreements *continued*

Key Term	Summary
Termination <i>continued</i>	<ul style="list-style-type: none">• By the Investment Manager:<ul style="list-style-type: none">– upon 90 days' notice to the Responsible Entity, if there is a bona fide sale of all or substantially all of the assets of Newmark Property REIT to a third party on an arm's length basis;– immediately, if the Responsible Entity commits a material breach of any provision of the Investment Management Agreement, and fails to rectify the breach within 30 Business Days following receipt of notice of the breach;– immediately, if the Responsible Entity commits five or more breaches of the Investment Management Agreement within a consecutive 12 month period (provided that the Investment Manager has provided notice to the Responsible Entity of each individual breach within 30 days of becoming aware of the relevant breach);– immediately, if the Responsible Entity becomes subject to an insolvency event, and is not replaced as responsible entity by a member of the Newmark Group within 30 days of the insolvency event; or– if Newmark Property REIT suffers an insolvency event. <p>In certain circumstances, as detailed at Section 11.3.2, the termination of the Investment Management Agreement entitles the Investment Manager to a compensation amount equal to two years of management fees.</p>
Amendment	The Investment Management Agreement may be amended, without any prior approval of the Stapled Securityholders, by another agreement in writing signed by the Responsible Entity and the Investment Manager.
Powers and Discretions	<p>The Investment Manager will be subject to the supervision of the Responsible Entity with respect to its activities pursuant to the Investment Management Agreement, and the Investment Manager must not enter into any contract in the name of the Responsible Entity for the making of any investment or divestment without prior approval of the Responsible Entity. However, the Investment Manager may provide recommendations to the Responsible Entity in accordance with the terms of the Investment Management Agreement, including in relation to:</p> <ul style="list-style-type: none">• the annual budget for Newmark Property REIT;• any debt or financing arrangements, including hedging;• any acquisition or disposal of Properties or other capital transactions; and• the entry into third party contracts.
Conflict of Interests	The Investment Manager is required under the terms of the Investment Management Agreement to have in place reasonable arrangements for the management of conflicts of interest and conflicts of duty that arise in relation to the Investment Management Services provided by the Investment Manager pursuant to the Investment Management Agreement, including complying at all times with the Responsible Entity's Related Party Transactions and Conflicts of Interest Policy.

Key Term	Summary
Indemnity	<p data-bbox="375 360 1417 416">Subject to each party taking reasonable steps to mitigate or avoid any liability which may give rise to an indemnity claim under the Investment Management Agreement:</p> <ul data-bbox="375 450 1453 707" style="list-style-type: none"> <li data-bbox="375 450 1453 562">• The Responsible Entity must indemnify the Investment Manager against any liabilities arising out of, or in connection with the Investment Manager or any of its officers or agents acting under the Investment Management Agreement or on account of any bona fide investment decision made by the Manager or its officers or agents; and <li data-bbox="375 595 1453 707">• The Investment Manager must indemnify the Responsible Entity against any liabilities arising out of, or in connection with a material breach of the Investment Management Agreement by the Investment Manager or any negligence, fraud or dishonesty of the Investment Manager or its officers, employees or agents, <p data-bbox="375 730 1417 819">in each case, other than in respect of any liability caused by breach of the Investment Management Agreement by the other party, or by the negligence, fraud or dishonesty of the other party or its officers, employees or agents.</p> <p data-bbox="375 842 1453 952">Furthermore, the indemnity by Investment Manager does not apply where the liability is caused by the liquidation, bankruptcy or insolvency of an agent of the Investment Manager that is not a related body corporate or an agent that the Investment Manager has not exercised due care in selecting, appointing or reviewing its performance in accordance with the terms of the Investment Management Agreement.</p>



13.5 Management Agreements *continued*

13.5.2 Property Management Agreement

The Responsible Entity has appointed a related entity, NAM (a member of the Newmark Group), as the property manager of Newmark Property REIT under the Property Management Agreement. Under the Property Management Agreement, the Property Manager has been appointed on an exclusive

basis to perform property management services relating to Newmark Property REIT and its portfolio of assets, subject to the supervision and control of the Responsible Entity and the terms of the agreement. The key terms of the Property Management Agreement are set out in the table below, but is not intended to be an exhaustive summary.

Key Term	Summary
Services	<p>The Property Manager is responsible for providing services to Newmark Property REIT, including but not limited to:</p> <ul style="list-style-type: none">• Property management services;• Property accounting services;• Facilities management services;• Leasing and lease administration services;• Development services;• Sales agency services (if requested); and• Project management services, <p>(the Property Management Services).</p> <p>The Property Manager is also responsible for collecting rent and all other income, and paying them into the Responsible Entity's trust accounts, from which the Responsible Entity will pay operating expenses.</p> <p>The Property Manager must act with the degree of care, skill and professionalism expected of a commercial property manager experienced in providing the Property Management Services, consistent with industry practice, in good faith and to meet the KPIs for each measurement period. The Property Manager must also:</p> <ul style="list-style-type: none">• Comply with all applicable law;• Follow the Responsible Entity or Investment Manager's reasonable instructions;• Act within its authorised powers; and• Achieve at least 90% of the KPIs, being the 'Base Service Levels'.
Term	<p>The Property Management Agreement commences on the settlement date of the Offer and has an initial ten-year term (unless otherwise terminated in accordance with its terms (see 'Termination' below)). The Property Management Agreement will be automatically extended for successive five-year terms unless either party elects not to extend the term by giving at least twelve months' written notice prior to the end of the initial term or any successive five-year term. If the Responsible Entity elects not to extend the term, then the Property Manager will be entitled to a compensation amount equal to two years of management fees.</p>
Exclusivity	<p>The Responsible Entity has appointed the Property Manager as the exclusive property manager of Newmark Property REIT to provide the Property Management Services.</p>

Key Term	Summary
Subcontracting	The Property Manager, with the prior written consent of the Responsible Entity, may sub-contract any or all of the Property Management Services, however in doing so, will retain all rights and liabilities in respect of those services under the Property Management Agreement.
Fees	<p>Pursuant to the Property Management Agreement, the Property Manager is entitled to receive the following fees:</p> <ul style="list-style-type: none"> • (Property Management Fee): Up to 1.5% of annual gross income for the current portfolio, and up to 3% of annual gross income for any properties acquired after the date of the Property Management Agreement, or such lesser amount as agreed under the Property Management Agreement; • (New Lease Fee): 15% of the gross rental income for the first year of the lease term where the tenant is a new tenant, or if the lease term is for a period of less than a year, then that lesser period; • (Lease Renewal Fee): 7.5% of gross rental income for the first year of the lease term with an existing tenant (including renewals), or if the lease term is for a period of less than a year, then that lesser period; • (Market Review Fee): At market rates determined as a percentage of the increase in gross rental income payable between the year before the rent review date and the year after; • (Lease Administration Fees): By reference to market rates, subject to a market review on each anniversary of the commencement of the Property Management Agreement; • (Project Management Fee): Up to 5% of the value of any works (as determined by a quantity surveyor) undertaken; • (Development Services Fee): 4% of project costs; and • (Sales Agent Fees): At market rates if the Property Manager acts as a sale agent in respect of a property.
Termination	<p>Subject to the termination rights of the Property Manager and the Responsible Entity outlined below, the Property Management Agreements has an initial ten-year term, and will be automatically extended for successive five-year terms unless either party elects not to extend the term by giving at least twelve months' written notice prior to the end of the initial term or any successive five-year term. If the Responsible Entity elects not to extend the term, then the Property Manager will be entitled to a compensation amount equal to two years of fees paid (calculated as the total Property Management fee paid by the Responsible Entity in the 12 months preceding the date of expiry or termination of the Property Management Agreement, multiplied by two), under the Property Management Agreement.</p> <p>The Property Management Agreement can be terminated:</p> <ul style="list-style-type: none"> • By either the Responsible Entity or the Property Manager if: <ul style="list-style-type: none"> – the winding-up of Newmark Property REIT commences; – there is a change in a person having, or a person gains, control of the ability to remove the Responsible Entity (where the Property Manager may only exercise such termination right if this occurs without the prior written approval of the Property Manager); – there is a change in a person having, or a person gains, control of more than half of, or more than one half of the voting rights attached to, the units of Newmark Property REIT; or – the Responsible Entity ceases to be responsible entity of the Chadstone Trust or NHT, unless the replacement responsible entity is a member of the Newmark Group, <p>in each case, provided that the notice of termination is provided within 90 days of the relevant party becoming aware of the event and the Property Manager will be entitled to a compensation amount equal to two years of fees paid under the Property Management Agreement;</p>



13.5 Management Agreements *continued*

Key Term	Summary
Termination <i>continued</i>	<ul style="list-style-type: none"> • By the Responsible Entity: <ul style="list-style-type: none"> – upon 90 days' notice to the Property Manager, if there is a bona fide sale of all or substantially all of the assets of Newmark Property REIT to a third party on an arm's length basis – this entitles the Property Manager to a compensation amount equal to two years of fees paid under the Property Management Agreement; – immediately, if the Property Manager ceases to be a member of the Newmark Group, provided that the notice of termination is given within 90 days of the Responsible Entity becoming aware of the Property Manager ceasing to be a member of the Newmark Group – this entitles the Property Manager to a compensation amount equal to two years of fees paid under the Property Management Agreement; – immediately, if the Property Manager becomes subject to an insolvency event, and is not replaced as property manager by a member of the Newmark Group within 30 days of the insolvency event; – immediately, if the Property Manager commits a material breach any provision of the Property Management Agreement, and fails to rectify the breach within 30 Business Days following receipt of notice of the breach; – immediately, if the Property Manager commits five or more breaches of the Property Management Agreement within a consecutive 12 month period (provided that the Responsible Entity has provided notice to the Property Manager of each individual breach within 30 days of becoming aware of the relevant breach); – immediately, if the Property Manager is found to be guilty by a court of competent jurisdiction of committing fraud in connection with the Property Management Agreement; – immediately, if the Property Manager ceases to carry on business in relation to its activities as a property manager; or – immediately, if the Property Manager is unable to carry out its duties under the Property Management Agreement because it has ceased to hold necessary authorisations required under applicable law; and • By the Property Manager, in which case, the Property Manager will be entitled to a compensation amount equal to two years of fees paid under the Property Management Agreement: <ul style="list-style-type: none"> – upon 90 days' notice to the Responsible Entity, if there is a bona fide sale of all or substantially all of the assets of Newmark Property REIT to a third party on an arm's length basis; – immediately, if the Responsible Entity commits a material breach of any provision of the Property Management Agreement, and fails to rectify the breach within 30 Business Days following receipt of notice of the breach; – immediately, if the Responsible Entity commits five or more breaches of the Property Management Agreement within a consecutive 12 month period (provided that the Property Manager has provided notice to the Responsible Entity of each individual breach within 30 days of becoming aware of the relevant breach); – immediately, if the Responsible Entity becomes subject to an insolvency event, and is not replaced as responsible entity by a member of the Newmark Group within 30 days of the insolvency event; or – if Newmark Property REIT suffers an insolvency event.

Key Term	Summary
Powers and Discretions	<p data-bbox="376 360 1369 416">As agent for the Responsible Entity, the Property Manager will have the following powers under the Property Management Agreement:</p> <ul data-bbox="376 450 1452 685" style="list-style-type: none"> • call tenders in accordance with agreed procedures for the selection of contractors; • award contract, with the Responsible Entity's prior written approval; • vary the scope or contract sum of existing agreements with the prior written approval of the Responsible Entity or the Investment Manager and in accordance with the approved budget for each property; and • pay operating expenses in accordance with the approved budget for each property. <p data-bbox="376 707 1436 846">The Responsible Entity will inform the Property Manager of an amount in dollars or percentage by which the Property Manager may exceed the budgeted amounts for each item of operating expenses. Any expenditure outside the approved budget is to be promptly notified by the Property Manager to the Responsible Entity or the Investment Manager, together with a reasonably detailed explanation, and must be approved in writing.</p>
Conflict of Interests	<p data-bbox="376 875 1439 931">The Property Manager and its personnel must avoid conflicts of interest affecting its position as an agent of the Responsible Entity.</p> <p data-bbox="376 965 1442 1077">The Property Manager is obliged to advise the Investment Manager immediately of any actual or potential conflict of interest. The parties will seek to resolve any conflict of interest, acting reasonably. If a conflict cannot be resolved, the parties will follow the dispute resolution process as set out in the Property Management Agreement.</p>
Indemnity	<p data-bbox="376 1106 1430 1189">The Responsible Entity indemnifies the Property Manager against any losses, liabilities, claims, actions, proceedings, demands, costs, charges or expenses incurred by the Property Manager arising out of, or in connection with:</p> <ul data-bbox="376 1223 1436 1361" style="list-style-type: none"> • Any default of the Property Management Agreement by the Responsible Entity; or • The Property Manager's proper performance of its obligations under the Property Management Agreement as agent for the Responsible Entity, except caused by the fraud, negligence or default of the Property Manager or any person on behalf of the Property Manager. <p data-bbox="376 1384 1407 1440">The Property Manager indemnifies the Responsible Entity against any Loss incurred by the Responsible Entity arising out of, or in connection with:</p> <ul data-bbox="376 1473 1449 2125" style="list-style-type: none"> • Any fraud, negligence or default under the Property Management Agreement of the Property Manager; • Willful or unlawful act or omission of the Property Manager in performing or failing to perform any of the Property Management Services; • Any breach by the Property Manager of the rights of a third party in respect of intellectual property or any claim by a third party against the Responsible Entity in respect of any rights in respect of Intellectual Property caused or contributed to by the Property Manager in performing or failing to perform any or all of the Property Manager Services; • Any breach by the Property Manager of a duty of confidence owed under the Property Management Agreement; • Any material act of abandonment of some or all of the Property Management Services by the Property Manager; or • Any: <ul data-bbox="437 1989 1442 2125" style="list-style-type: none"> – Damage or loss of property (including third party property); or – Injury or death to any person, caused or contributed to by the Property Manager in performing or failing to perform any or any of the Property Management Services, except to the extent of any loss is caused by the act or omission of the Responsible Entity.



13.6 Custody Agreement

The Responsible Entity has appointed The Trust Company (Australia) Limited (the Custodian) as its custodian to hold the assets of Newmark Property REIT in accordance with the Custody Agreement. A summary of the key terms of the Custody Agreement is set out below.

Key Term	Summary
Duties and obligations of the Custodian	<p>The Custodian's duties and obligations under the Custody Agreement include:</p> <ul style="list-style-type: none">• Holding the assets of Newmark Property REIT on trust for the Responsible Entity;• Acting in accordance with the proper instructions of the Responsible Entity where required under the Custody Agreement;• Keeping records of the assets of Newmark Property REIT and providing access to the Responsible Entity to those records;• Establishing and maintaining business continuity arrangements; and• Not subcontracting its responsibilities under the Custody Agreement to a sub-custodian without consultation with, and the consent of, the Responsible Entity.
Termination	<ul style="list-style-type: none">• (termination without cause) Either party may terminate the Custody Agreement by giving at least 60 days' notice (or such other period as the parties agree) in writing.• (termination on default) The Custody Agreement may be terminated immediately by a party by written notice if:<ul style="list-style-type: none">– The other party is in breach of the Custody Agreement and that breach has not been remedied within 10 Business Days after receipt of notice of that breach; or– An insolvency event occurs in relation to the other party, which right may be subject to certain obligations.• (termination by the Responsible Entity) The Responsible Entity may immediately terminate the Custody Agreement if the Responsible Entity has reasonable grounds for believing that there is or has been an act or omission by the Custodian, and as a result of that act or omission, to a material extent the Custodian is not complying with Minimum Standards (as defined in the Custody Agreement) without:<ul style="list-style-type: none">– Payment other than for previously accrued fees or reasonable expenses involved in the transfer of the assets of Newmark Property REIT to the Responsible Entity; and– Limiting any right to damages the Responsible Entity may have under the Custody Agreement.
Indemnity	<p>The Custodian is entitled to be indemnified by the Responsible Entity against all liabilities (whether actual or contingent) suffered or incurred by the Custodian arising out of, among other matters, its observance of the Custody Agreement and acting or omitting to act where the act or omission to act is in accordance with a proper instruction from the Responsible Entity, except where the liability is caused by a breach of the Custody Agreement by the Custodian or the fraud, willful default or negligence of the Custodian.</p>
Fees	<p>The Custodian is entitled to an annual account fee for each of NHT and Chadstone Trust equal to the greater of:</p> <ul style="list-style-type: none">• 0.025% per annum of the gross asset value of the relevant trust (excluding GST); or• \$25,000 (adjusted annually for CPI) per annum (excluding GST).

13.7 Proposed Debt Facility

The Responsible Entity will enter into a syndicated facility agreement (**Facility Agreement**) with each of Commonwealth Bank of Australia and Westpac (together, the **Lenders**). The Proposed Debt Facility will govern the terms and conditions on which the Lenders agree to provide the syndicated debt facility to the Responsible Entity.

The key terms of the Facility Agreement include:

- **(Approved purpose)** The Proposed Debt Facility may be used to refinance existing indebtedness, to facilitate the Offer, fund permitted acquisitions, capital expenditure, and working capital. The Proposed Debt Facility may also be used for general corporate purposes, subject to a \$5 million cap.
- **(Interest rate)** The rate of interest charged on the Responsible Entity's borrowings under the Proposed Debt Facility will be comprised of a reference rate plus a fixed interest rate margin.
- **(Fees)** The Responsible Entity must pay a front end fee for the establishment of the Proposed Debt Facility. The Responsible Entity must also pay a line fee on the facility limit, quarterly in arrears.
- **(Conditions precedent)** The provision of commitments and participation in the initial drawdown of the facility by the Lenders is subject to conditions precedent which are usual and customary for secured debt facilities of this nature, including, but not limited to:
 - execution of finance documents;
 - providing finance and other documents in executed form along with verification certificates and legal opinions;
 - payment of all fees and expenses;
 - providing documents relating to the initial public offering for Newmark Property REIT, such as the final offer document and underwriting agreement;
 - evidence that the insurances required under the Facility Agreements have been taken out and are in full force and effect;
 - acceptance of the updated valuations for each property in the portfolio;
 - completion of environmental questionnaires;
 - maintenance of a hedging policy acceptable to the Lenders; and
 - evidence of receipt of the Offer proceeds.
- **(Covenants)** The Proposed Debt Facility will contain covenants that Newmark Property REIT's Interest Cover Ratio will remain greater than 2.50, and that Newmark Property REIT's Loan To Value Ratio will remain lower than 55%. These covenants will be tested annually.
- **(Representations and warranties)** The Facility Agreements will contain representations and warranties customary for secured debt facilities of this nature.
- **(Undertakings)** The Facility Agreements will contain standard undertakings customary for secured debt facilities of this nature, including, but not limited to:
 - information undertakings;
 - undertakings in respect of any authorisation required by the Responsible Entity to perform its obligations under the Facility Agreement;
 - undertakings in respect of compliance with laws;
 - subject to certain customary exceptions, restrictions on the creation or permitting of security interests, the ability to dispose of or acquire a Portfolio asset, and the making of a distribution;
 - undertakings in respect of certain material documents including requirements to comply with their terms and take all reasonable action to enforce them;
 - undertakings in respect of maintenance of, and alternations to, Portfolio assets;
 - undertakings on environmental matters; and
 - undertakings as to insurance.
- **(Review Events)** The Facility Agreement will contain review events including, but not limited to:
 - the Offer not completing by 24 December 2021;
 - suspension of Newmark Property REIT from ASX for more than 5 consecutive business days; and
 - suspension of Newmark Property REIT from ASX for an aggregate of 5 (non-consecutive) business days or longer.
- **(Events of default)** The Facility Agreement will contain events of default which are customary for secured debt facilities of this nature, including, but not limited to:
 - failure to pay an amount due under the Facility Agreement or related finance document;



13.7 Proposed Debt Facility *continued*

- non-satisfaction of any of the financial covenants;
 - an Obligor's failure to comply with any of its obligations (other than the obligation to pay or to satisfy financial covenants) under a Facility Agreement or related finance document;
 - an Obligor's misrepresentation under a Facility Agreement or related finance document which is not remedied within 10 business days of being made;
 - a default or review event resulting in the cancellation, suspension, or declaration that the borrower or security provider's financial indebtedness is due and payable;
 - an Obligor's deemed or actual insolvency;
 - repudiation or vitiation of the Facility Agreement or related finance document;
 - an event or series of occurs which in the Lenders' opinion would have or be likely to have a material adverse effect;
 - variation or termination of material leases; or
 - Newmark Property REIT delists.
- **(Security Documents)** All amounts owing under the Proposed Debt Facility will be secured by security granted in favour of a security trustee who holds the security for the benefit of the secured parties pursuant to the Proposed Debt Facility including a general security interest over the Portfolio and first ranking registered real property mortgages over the Portfolio.

13.8 Preston Agreements

13.8.1 Preston Acquisition Agreement

NHT completed its acquisition of the Preston asset on 1 February 2021. Settlement of the acquisition was conditional on, amongst other things, NHT and the previous owner entering into a Sale of Rights and Novation Agreement (**Sale of Rights Agreement**) (refer to Section 13.8.2 for further information) and NHT, the previous owner and Bunnings entering into a Deed Confirming and Varying Obligations under Agreement for Lease (**Preston Bunnings AFL Novation Deed**) (refer to Section 13.8.3 for further information).

NHT acquired the Preston asset subject to an Agreement for Lease with Bunnings (**Preston Bunnings AFL**) under which Bunnings will develop a Bunnings store on the property and upon completion of the Bunnings store (estimated to occur in July 2022), NHT must pay Bunnings its development costs (up to a cap of \$45 million) and enter into a lease with Bunnings. Bunnings has a first ranking mortgage registered on the Preston asset to secure the payment of the development costs (and any other amount payable from NHT to Bunnings under the Preston Bunnings AFL).

The total amounts NHT must pay for the Preston asset are as follows (up to a maximum of \$85 million):

- the purchase price under the Contract of Sale - \$15 million (which has been paid);
- an additional amount to the previous owner 14 days after the commencement of the lease with Bunnings (**Preston Bunnings Lease**) – expected to be approximately \$25 million,

which may vary subject to changes in the Bunnings rent having regard to the eventual development costs incurred by Bunnings. This amount is expected to be approximately \$25 million, being an amount equal to approximately \$85 million less the original land purchase price (\$15 million), less the development costs paid to Bunnings (up to \$45 million), less the amount of the Bunnings rent free period, less the amount of coupon payable by the vendor (4.4% per annum on the original land purchase price); and

- the Bunnings development costs (up to a cap of \$45 million) upon practical completion.

13.8.2 Preston Sale of Rights Agreement

The Sale of Rights Agreement requires NHT to pay the previous owner an additional amount (expected to be approximately \$25 million) on the date that is 14 days after the commencement of the Preston Bunnings Lease.

Other material points under the Sale of Rights Agreement include:

- the previous owner may register (and has registered) a second ranking mortgage over the Preston asset to secure the payment of the additional amount (Preston Vendor's Mortgage) and the performance of other obligations of NHT under the Sale of Rights Agreement;
- the previous owner will pay NHT a coupon amount (4.4% per annum on the purchase price under the Contract of Sale);

- NHT has the ability to exercise an option to sell the Preston asset back to the previous owner if a 'Put Option Event' occurs (being where the Bunnings AFL is terminated other than because of the default of NHT, if the Preston Bunnings Lease has not commenced by 1 May 2024 or if the previous owner breaches an indemnity given by it in respect of contamination in the Contract of Sale (**NHT Put Option**));
- the previous owner has the ability to exercise an option to buy back the Preston asset if a 'Call Option Event' occurs (being where NHT defaults under its obligation in the Sale of Rights Agreement to pay the additional amount or if NHT does not exercise the NHT Put Option where the Bunnings AFL is terminated or if the Preston Bunnings Lease has not commenced by May 2024 and NHT does not exercise the NHT Put Option (**Vendor Call Option**));
- the Bunnings AFL will be novated back to the previous owner if the Vendor Call Option or NHT Put Option is exercised and NHT will no longer have any obligations under the Bunnings AFL (such as the obligation to pay Bunnings the development costs or grant the Preston Bunnings Lease);
- NHT will no longer have an obligation to pay the additional amount upon the transfer of the Preston property back to the previous owner under the Vendor Call Option or NHT Put Option;
- subject to certain conditions, NHT will retain flexibility to partially debt finance its acquisition of the Preston asset (up to a loan to value ratio of 65% of \$15,000,000 (being the purchase price under the Contract of Sale) and to register a mortgage on the title to the Preston asset (NHT's Mortgage); and

- If NHT wishes to procure debt finance, the previous owner, NHT and its financier must enter into a multiparty deed to agree on the priorities and interactions of the financier's mortgagee powers with the Vendor Call Option. NHT's Mortgage will rank in priority to the Vendor's Mortgage.

13.8.3 Preston Bunnings AFL Novation Deed

The Preston Bunnings AFL Novation Deed novates the Bunnings AFL from the previous owner to NHT and provides for Bunnings' consent to the transfer of the Preston asset from the previous owner to NHT. The novation is effective from the date NHT settled the acquisition of the Preston asset. Other material points under the Preston Bunnings AFL Novation Deed include:

- NHT and Bunnings covenant to comply with the terms of the Bunnings AFL as if NHT had signed the Bunnings AFL instead of the previous owner;
- Bunnings acknowledges the NHT Put Option and Vendor Call Option under the Sale of Rights Agreement and agrees to provide its consent (both as mortgagee and as tenant) to the transfer of the Preston asset under the NHT Put Option and Vendor Call Option; and
- Bunnings will provide its consent to NHT's Mortgage, agree to enter into a priority deed with NHT's financier and the previous owner and do all things required by NHT to ensure registration of NHT's Mortgage.

13.9 Summary of Bunnings Leases

A summary of the terms of the Bunnings Leases is set out below:

Item	Detail
Term	The lease terms range from 10 to 12 years.
Option	The Bunnings Leases include between four and eight options (depending on the lease), with each option period being six years.
Rates, Outgoings and Charges	Each Bunnings Lease requires that the tenant will pay (or reimburse the landlord) for all municipal, water and sewerage rates and land tax in respect of the land, provided that land tax is calculated on a single holding basis.
Maintenance and Repair	Each Bunnings Lease requires that the tenant will at all times during the term, and when and as often as need be, maintain the premises and essential services in good and substantial condition (having regard to their condition at the commencement date) other than damage by fire, flood, lightning, storm, tempest, explosion, earthquake, impact by vehicles or aircraft, riot, civil commotion, war damage, inevitable accident, capital works and fair wear and tear. Each Bunnings Lease expressly provides expansions to make the landlord responsible for additional specific matters.



13.9 Summary of Bunnings Leases *continued*

Item	Detail
Assignment	<p>Each Bunnings Lease requires that:</p> <ul style="list-style-type: none">• The tenant will not without the landlord's prior consent (which will not be unreasonably withheld) assign, transfer, demise or part with or share the possession of the tenant's interest in the land (unless to a related body corporate or a related entity of the tenant in which case the landlord's consent is not required).• The landlord must not withhold its consent to an assignment where the tenant has proved that the assignee is a respectable, responsible, solvent person or corporation of good financial standing and is capable of performing all the obligations under the lease, the tenant will bear the landlord's cost in relation to such a request.• If the lease is assigned, the current tenant's covenants and agreements under the lease will not be relieved unless and until the lease is renewed or a further term is entered into.• A change in 51% or more of the shareholding or the establishment of the tenant (by any means of any trust under which any third party becomes a beneficial owner or any of the tenant's rights) will be deemed to be an assignment requiring consent by the landlord. <p>All the Bunnings Leases provide that in certain circumstances the tenant may, at any time without having to obtain the consent of the landlord grant subleases, licences or concessions in relation to the whole or part of the premises.</p>
Landlord's obligations regarding maintenance and rent abatement for services failure	<p>The landlord covenants in each Bunnings Lease to:</p> <ul style="list-style-type: none">a) maintain the premises in a sound structural, watertight, weatherproof and safe condition;b) maintain the services, essential services and the fixtures, fittings, plant, machinery and equipment and repair them except to the extent that it is the tenant's obligation to do so; andc) promptly replace all services, essential services and the fixtures, fittings, plant, machinery and equipment serving the land and their component parts which cannot be reasonably repaired or have come to the end of their economic life. <p>If any of the services or essential services fail to function or operate for any reason (and it affects the tenant's use or business) and this is not rectified within 7 - 10 days (as applicable) from receiving a notice from the tenant then the rent and outgoings will abate during this period (unless it was outside the landlord's control or a result of the tenant's breach of its maintenance and repair obligations).</p>

Item	Detail
Damage or Destruction	<p data-bbox="644 360 1453 506">If the premises or normal means of access are totally or partially destroyed, the landlord will promptly carry out all works necessary to reinstate the premises or the means of access to their condition at the original commencement date. The rent, rates, taxes, outgoings and all other money payable under this lease (or a fair proportion) will abate. Any dispute will be referred for determination by an arbitrator.</p> <p data-bbox="644 539 1453 651">If the landlord fails to comply, the tenant may terminate the lease unless the landlord (after receiving notice from the tenant) reinstates the premises and/or the centre or means of access within a reasonable period (having regard to the nature and extent of the destruction).</p> <p data-bbox="644 685 1453 775">If the premises or access is totally destroyed so that the premises are wholly unfit for occupation and use the tenant may terminate the lease by providing notice to the landlord (unless the destruction is due to the negligent act of the tenant).</p> <p data-bbox="644 808 1453 887">If the premises are damaged or destroyed so they are unfit for occupation in the last year of the term (subject to the tenant exercising any remaining options) the landlord may terminate the lease by giving notice to the tenant.</p>
Rent Review	<p data-bbox="644 920 1334 943">The Bunnings Leases include the following rent review mechanisms:</p> <ul data-bbox="644 976 1453 1099" style="list-style-type: none"> • On each anniversary of the commencement date during the term and any further terms (other than a market review date) the rent will be increased by a fixed percentage of between 2.5% to 3% (one Bunnings Lease applies a CPI increase with a cap of 103% rather than the fixed percentage). <p data-bbox="644 1133 1453 1189">Prior to any further term, market rent review, subject to a cap and collar of either 110% and 90% or 105% and 95%.</p>
First Right of First Refusal	<p data-bbox="644 1223 1453 1335">All but one of the Bunnings Lease require that if the landlord during the term desires to sell the premises or otherwise consider offers for its purchase, the landlord will not enter into a contract without first offering the premises for sale to the tenant by written notice.</p> <p data-bbox="644 1368 1453 1458">One of the Bunnings Leases includes a right of first refusal to lease any first right space if the first right space becomes vacant and available for lease during the term and any further term.</p>
Upgrade Works	<p data-bbox="644 1491 1453 1581">All the Bunnings Leases include a requirement on the landlord to undertake (or fund) upgrade works on request by the tenant. The upgrade works are subject to varying cost limits.</p> <p data-bbox="644 1615 1453 1671">Following completion of the upgrade works, the tenant pays an upgrade rent, which rentalises the cost of the upgrade works.</p>
Right to Purchase	<p data-bbox="644 1704 1453 1850">Several of the Bunnings Leases require that if the tenant under the lease is Bunnings or any related body corporate or any related entity of or to it, or any corporation in the Wesfarmers or Bunnings Group of corporations, the landlord must, before the expiry of the third further term (calculated from the original commencement date) offer the premises for sale to the tenant by written notice.</p> <p data-bbox="644 1883 1453 1928">The tenant may dispute the purchase price, in which case the parties will appoint a valuer to determine the purchase price for the premises.</p>



13.10 Underwriting Agreement

The Responsible Entity 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, Credit Suisse (Australia) Limited, E&P Corporate Advisory Pty Limited, MA Moelis Australia Advisory Pty Ltd and Morgan Stanley Australia Securities Limited have agreed to act as underwriters of the Offer.

Item	Detail
Fees and expenses	<p>Under the Underwriting Agreement, the Responsible Entity must pay:</p> <ul style="list-style-type: none">• the Joint Lead Managers, in equal proportions:<ul style="list-style-type: none">– a management fee of 0.55% of the total proceeds from the Offer (Offer Proceeds); and– an underwriting fee of 2.20% the Offer Proceeds;• Credit Suisse (Australia) Limited, a financial advisory fee of 0.25% of the Offer Proceeds;• MA Moelis Australia Advisory Pty Ltd, a financial advisory fee of 0.25% of the Offer Proceeds; and• Morgan Stanley Australia Securities Limited, a financial advisory fee of 0.50% of the Offer Proceeds. <p>The Co-Lead Managers are, and any co-managers and Brokers will be, appointed in relation to the Offer by the Joint Lead Managers in consultation with the Responsible Entity. The Joint Lead Managers are responsible for the payment of a fee of 1.50% of the Offer Proceeds raised from the issue of any new Stapled Securities to retail investors allocated to the Co-Lead Managers and any co-managers or Brokers.</p> <p>The Responsible Entity must pay or reimburse the Joint Lead Managers for reasonable costs and expenses incurred by the Joint Lead Managers in relation to the Offer.</p>
Representations and warranties and undertakings	<p>The Underwriting Agreement contains certain standard representations, warranties and undertakings by the Responsible Entity to the Joint Lead Managers (as well as common conditions precedent).</p> <p>The representations and warranties given by the Responsible Entity include but are not limited to matters such as the valid constitution of each Trust, power and authorisations, indemnities out of Trust assets and compliance with constituent documents, applicable laws and the ASX Listing Rules, financial information, information contained in the PDS, the conduct of the Offer and the due diligence process, litigation, material contracts, encumbrances, licences, insurance, dividends and distributions, title to property, internal controls and tax.</p> <p>The Responsible Entity's undertakings include, among other things, that it will not, during the period following the date of the Underwriting Agreement until 120 days after Stapled Securities have been issued under the Offer, issue (or agree to issue) any Stapled Securities or securities without the prior written consent of the Joint Lead Managers (acting reasonably and without delay), subject to certain exceptions.</p>

Item	Detail
Termination events	<p data-bbox="644 360 1123 383">Termination events – not limited by materiality</p> <p data-bbox="644 421 1422 533">A Joint Lead Manager may, at any time after the date of the Underwriting Agreement until 4.00pm on the date of settlement of the Offer, terminate the Underwriting Agreement without cost or liability by notice to the Responsible Entity and the other Joint Lead Managers if any of the following events occur:</p> <ul style="list-style-type: none"> <li data-bbox="644 566 1433 622">• the Stapling Deed is breached, terminated, rescinded or materially altered or amended without the consent of the Joint Lead Managers; <li data-bbox="644 656 1417 712">• a statement in the PDS is or becomes misleading or deceptive, or a matter required to be included is omitted from the PDS; <li data-bbox="644 745 1410 891">• the Responsible Entity: a) issues or, in the reasonable opinion of the terminating Joint Lead Manager, is required to issue, under section 1016E of the Corporations Act to lodge a supplementary or replacement PDS; or b) lodges a supplementary or replacement PDS with ASIC in a form and substance that has not been approved by the Joint Lead Managers; <li data-bbox="644 925 1426 1003">• the S&P/ASX 200 Index or the S&P/ASX 200 REIT Index falls to a level that is 87.5% or less of the level as at the close of trading on the last trading day before the date of the Underwriting Agreement for a specified time period; <li data-bbox="644 1037 1442 1093">• there are not, or there ceases to be, reasonable grounds for any statement or estimate in the PDS which relate to a future matter; <li data-bbox="644 1126 1362 1182">• the Responsible Entity withdraws the target market determination for the Offer; <li data-bbox="644 1216 1385 1272">• the Responsible Entity or any of its directors or officers engage, or have engaged, in any fraudulent conduct or activity; <li data-bbox="644 1305 1453 1417">• approval is refused or not granted, or approval is granted and subsequently withdrawn, qualified or subject to conditions other than customary conditions, to Newmark Property REIT's admission to the official list of the ASX or the official quotation of all of the Stapled Securities on ASX; <li data-bbox="644 1451 1394 1507">• certain ASIC orders are issued or applied for, or certain investigations or hearings are commenced by ASIC in relation to the Offer or the PDS; <li data-bbox="644 1541 1442 1597">• the Responsible Entity does not provide a certificate as and when required by the Underwriting Agreement; <li data-bbox="644 1630 1453 1742">• the obligations of the relevant parties under any material contract are not capable of being performed in accordance with their terms or such contracts are terminated, withdrawn, rescinded or repudiated or ceases to have effect or becomes void, voidable, illegal or unenforceable; <li data-bbox="644 1776 1453 1832">• the Responsible Entity withdraws the PDS or the Offer or indicates that it does not intend to proceed with the Offer or any part of the Offer; <li data-bbox="644 1865 1410 1921">• an insolvency event occurs in relation to the Responsible Entity, Newmark Property REIT and its subsidiaries; <li data-bbox="644 1955 1241 1977">• there are certain prescribed delays to the Offer timetable; <li data-bbox="644 2011 1385 2033">• the Responsible Entity is prevented from issuing the Stapled Securities;



Item	Detail
Termination events <i>continued</i>	<ul style="list-style-type: none"> the Responsible Entity alters the issued capital of Newmark Property REIT or disposes of a substantial part of its business or property without the prior written consent of the Joint Lead Managers, subject to certain exceptions; any regulatory approvals for the Offer are withdrawn or revoked or materially amended; a force majeure event occurs which makes it illegal or impossible for the Joint Lead Managers to satisfy material obligations under the Underwriting Agreement or to market, promote or settle the Offer; a change in a Director, Joint Managing Directors or Fund Manager occurs; a Director or officer of the Responsible Entity is charged with an indictable offence or any government agency commences (or announces an intention to commence) any legal action against the Responsible Entity or director in his or her capacity as a director of the Responsible Entity, or is disqualified from managing a corporation under the Corporations Act; or the constitution of NHT or Chadstone Trust is amended without consent of the Joint Lead Managers. <p>Termination events – subject to materiality</p> <p>A Joint Lead Manager may, at any time after the date of the Underwriting Agreement until 4.00pm on the date of settlement of the Offer (without any cost or liability by notice to the Responsible Entity and the other Joint Lead Managers), terminate the Underwriting Agreement without any cost or liability by notice to the Responsible Entity and the other Joint Lead Managers if any of the following events occur and the Joint Lead Manager has reasonable grounds to believe, and does believe, the event (a) has or is likely to have a materially adverse effect on: (i) the success, settlement, outcome or marketing of the Offer or on the ability of the Joint Lead Manager to market or promote or settle the Offer; or (ii) the willingness of investors to subscribe for the Offer Securities; or (b) will, or is likely to, give rise to a liability of the Joint Lead Manager under, or give rise to, or result in, a contravention by the Joint Lead Manager or its affiliates or the Joint Lead Manager or its affiliates being involved in a contravention of, any applicable law:</p> <ul style="list-style-type: none"> any statement or estimate in the PDS which relate to a future matter is unlikely to be met in the projected timeframe; the Responsible Entity amends the target market determination for the Offer or a review trigger occurs; a material contract is amended or varied without consent of the Joint Lead Managers, or is breached; legal proceedings are commenced against the Responsible Entity, Newmark Property REIT and its subsidiaries or a Director; information supplied to the Joint Lead Managers by or on behalf of the Responsible Entity is, or is likely to be, misleading or deceptive; an adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of Newmark Property REIT;

Item	Detail
Termination events <i>continued</i>	<ul style="list-style-type: none"> • there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia, or any State or Territory of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority, including ASIC, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of the Underwriting Agreement); • the Responsible Entity or Newmark Property REIT and its subsidiaries breach of applicable laws or regulations; • the offer documents does not comply with law; • a representation, warranty, undertaking or obligation contained in the Underwriting Agreement on the part of the Responsible Entity is breached or becomes not true or correct; • the Responsible Entity defaults on one or more of its obligations under the Underwriting Agreement; • hostilities not presently existing commence (whether war has been declared or not) or an escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, Hong Kong, Singapore, the People's Republic of China or the United States or a major terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries; • a statement in the Underwriting Agreement certificate is false, misleading, inaccurate or untrue or incorrect; • a general moratorium on commercial banking activities in Australia, New Zealand, the People's Republic of China, Singapore, Hong Kong or the United States is declared by the relevant central banking authority in those countries, or there is a disruption in commercial banking or security settlement or clearance services in any of those countries; • any adverse effect on the financial markets in Australia, New Zealand, the People's Republic of China, Singapore, Hong Kong or the United States, or in foreign exchange rates; or • trading in all securities quoted or listed on ASX, New York Stock Exchange, London Stock Exchange or the Hong Kong Stock Exchange is suspended or limited in a material respect for 1 day (or a substantial part of 1 day) on which that exchange is open for trading (including the occurrence of a Level 3 cross-market trading halt).
Indemnity	<p>Subject to certain customary exclusions (including fraud, wilful misconduct, recklessness or gross negligence), the Responsible Entity agrees to keep the Joint Lead Managers and certain affiliated parties indemnified from losses suffered in connection with the Offer.</p>



13.11 Distribution Reinvestment Plan

The Responsible Entity has established rules for participation by Stapled Securityholders in a DRP, pursuant to which eligible Stapled Securityholders may elect to reinvest Distributions to receive further Stapled Securities. The operation, suspension and termination of the DRP is at the discretion of the Responsible Entity, and the Responsible Entity has not yet determined if the DRP will be offered, and if it is to be offered, for which distributions the DRP will be available.


Under the rules of the DRP, participation by Stapled Securityholders in the DRP is optional and not transferable and is limited to Stapled Securityholders (or, where Stapled Securities are held non-beneficially, the beneficial owner) whose registered address is in Australia and New Zealand, unless the Responsible Entity is satisfied that it is lawful and practicable for other Stapled Securityholders to participate in the DRP.

If the Responsible Entity determines to operate the DRP, full details of the DRP will be available on the Newmark Property REIT website at www.newmarkcapital.com.au/npr, including details of the Distributions (if any) for which the DRP is available.

The key terms and conditions of the DRP are as follows:

- Stapled Securityholders seeking to participate in the DRP must lodge an application form with the Registry, specifying whether the Stapled Securityholder seeks full participation in respect of that Stapled Securityholder's entire holding, or partial participation in respect of a nominated number of Stapled Securities. If the application form does not indicate the degree of participation, it shall be deemed to be an application for full participation;
- The Responsible Entity may satisfy its obligations under the DRP by issuing new Stapled Securities or causing existing Stapled Securities to be acquired on market and transferred to participants (or a combination of both options);
- The Responsible Entity will issue or transfer additional Stapled Securities to the participant based on the average daily volume weighted average price of all Stapled Securities sold during a certain period, reduced by a discount to be determined by the Board in its absolute discretion (but not exceeding 10%), in accordance with the DRP rules;
- The issue of Stapled Securities to participants under the DRP is subject to all regulatory approvals (for example, in relation to foreign investment) and the participant will be solely responsible for obtaining any such approvals; and
- No brokerage, commissions, stamp duty or other transaction costs will be payable by participants in respect of the DRP, however participants will be liable for any taxes, stamp duty or other imposts assessed against or imposed on the participant.

The participant will be solely responsible for obtaining all approvals and authorisations that may be required for it to participate in the DRP.



14.0 Additional Information



14.1 Rights and Liabilities Attaching to Stapled Securities

The rights and liabilities attaching to Stapled Securities are set out in the Constitutions, which are summarised in Section 13.1.2. Copies of the Constitutions are available during the Offer Period to any person free of charge by contacting the

Offer Information Line on 1300 737 760 or +61 2 9290 9600 (outside Australia) between 8.30am and 5.30pm (Melbourne time) Monday to Friday (excluding public holidays).

14.2 Child Entities

Newmark Property REIT's structure involves Newmark Hardware Property Trust No. 2 and Newmark Hardware Trust No. 3, which are separate sub-trusts wholly owned by NHT. The nature of the business of Newmark Hardware

Property Trust No. 2 is to act as the asset level holdings trust for the Warragul property, and the nature of the business of Newmark Hardware Property Trust No. 3 is to act as the asset level holdings trust for the Eastgardens property.

14.3 Foreign Selling Restrictions

As at the date of this PDS, no action has been taken to register or qualify the Stapled Securities or the Offer or to otherwise permit a public offering of the Stapled Securities outside Australia, New Zealand, Singapore, Hong Kong and Switzerland.

The distribution of this PDS (including an electronic copy) outside Australia, New Zealand, Singapore, Hong Kong and Switzerland may be restricted by law. If you come into possession of this PDS outside Australia, New Zealand, Singapore, Hong Kong and Switzerland, 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.

In particular, this document may not be distributed to any person, and the Stapled Securities may not be offered or sold, in any country outside Australia except to the extent permitted below. Each person submitting an Application Form will be deemed to have acknowledged that it is aware of the restrictions referred to in this Section and to have represented and warranted that it is able to apply for and acquire the Stapled Securities in compliance with those restrictions.

14.3.1 Hong Kong

WARNING: This document has not been, and will not be, 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 this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Stapled Securities have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the Stapled 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 the Stapled Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the SFO and any rules made under that ordinance.

The contents of this document 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 document, you should obtain independent professional advice.

14.3.2 New Zealand

This document 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 Stapled 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.

14.3.3 Singapore

This document and any other materials relating to the Stapled Securities have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Stapled Securities, may not be issued, circulated or distributed, nor may the Stapled 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 pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the SFA), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an "institutional investor" (as defined in the SFA) or (ii) an "accredited investor" (as defined in the SFA). If you are not an investor falling within one of these categories, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Stapled Securities being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Stapled Securities. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

14.3.4 Switzerland

The Stapled Securities may not be distributed in Switzerland and will not be listed on the SIX Swiss Exchange (SIX) or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering material relating to the Stapled Securities constitutes a prospectus or a similar notice (as such terms are understood under the Swiss Financial Services Act (FinSA)) or the listing rules of any stock exchange or regulated trading facility in Switzerland.

This document is personal to the recipient only and not for general circulation in Switzerland. Neither this document nor any other offering or marketing material relating to the Stapled Securities or the offering may be publicly distributed or otherwise made publicly available in Switzerland. The Stapled Securities will only be offered to investors who qualify as "professional clients" under art. 4 para. 3 of the FinSA.

Neither this document nor any other offering or marketing material relating to the offering or the Stapled Securities have been, or will be, filed with or approved by any Swiss regulatory authority or authorized review body. In particular, this document will not be filed with, and the offer of Stapled Securities will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA). The offering has not been and will not be authorised under the Swiss Federal Act on Collective Investment Schemes (CISA). Accordingly, the investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Stapled Securities.



14.4 Related Party Transactions

Each member of the Newmark Group is a related party of the Responsible Entity for the purposes of Part 5C.7 of the Corporations Act. The Responsible Entity will have an ongoing relationship with a number of members of the Newmark Group as set out in agreements including the Investment

Management Agreement and Property Management Agreement. Each of these agreements are summarised in Section 13.5 and the fees payable under the Investment Management Agreement and Property Management Agreement are described in Section 11.

14.5 Interests of 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 Newmark Property REIT; or
- property acquired or proposed to be acquired by Newmark Property REIT 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.

14.6 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 Newmark Property REIT or the 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 any entity in Newmark Property REIT, any property acquired or proposed to be acquired by Newmark Property REIT 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 Newmark Property REIT or the Offer.

Allens is entitled to be paid approximately \$500,000 (plus GST and disbursements) in fees and charges for legal services rendered to Newmark Property REIT up to date of this PDS in connection with the Offer. Further amounts may be paid in accordance with its normal time based charges.

Pitcher Partners Corporate Pty Ltd is entitled to be paid approximately \$50,000 (plus GST and disbursements) in fees and charges for the preparation of the Independent Limited Assurance Report and financial due diligence services

rendered to Newmark Property REIT up to date of this PDS in connection with the Offer. Further amounts may be paid in accordance with its normal time based charges.

Pitcher Partners Advisors Proprietary Limited is entitled to be paid approximately \$75,000 (plus GST and disbursements) in fees and charges for tax advice rendered to Newmark Property REIT up to date of this PDS in connection with the Offer. Further amounts may be paid in accordance with its normal time based charges.

Credit Suisse (Australia) Limited, E&P Corporate Advisory Pty Limited, MA Moelis Australia Advisory Pty Ltd and Morgan Stanley Australia Securities Limited have acted as Joint Lead Managers for the Offer and are entitled to receive the fees described in Section 13.10. In addition, Credit Suisse (Australia) Limited, MA Moelis Australia Advisory Pty Ltd and Morgan Stanley Australia Securities Limited are acting as financial advisers to Newmark Property REIT and are entitled to receive the fees and commissions described in Section 11.3.1.

These amounts, and other expenses of the Offer, will be paid by Newmark Property REIT out of funds raised under the Offer. Further information on the use of proceeds and payment of expenses of the Offer is set out in Sections 10.4 and 10.5.

In connection with the Offer, one or more investors may elect to acquire an economic interest in the Stapled Securities (**Economic Interest**), instead of subscribing for or acquiring the legal or beneficial interest in those Stapled Securities. One or more of the Joint Lead Managers (or their affiliates) may, for their own account, write derivative transactions with those investors relating to the Stapled Securities to provide the Economic Interest, or otherwise acquire Stapled Securities in connection with the writing of such derivative transactions in the Offer and/or the secondary market. As a result of such transactions, one or more of the Joint Lead Managers (or their affiliates) may be allocated, subscribe for or acquire Stapled Securities in the Offer and/or the secondary market, including to hedge those derivative transactions, as well as hold long or short positions in such Stapled Securities. These transactions may, together with other Stapled Securities acquired by the Joint Lead Manager or their affiliates in connection with its ordinary course sales and trading, principal investing and other activities, result in the Joint Lead Manager or their affiliates disclosing a substantial holding and earning fees.

The Joint Lead Managers, the Co-Lead Managers, the Brokers and their respective affiliates and any of their respective directors, officers, employees, partners, advisers, contractors or agents (the Lead Manager Parties) are involved in a wide range of financial services and businesses in respect of which they may receive fees and other benefits and out of which conflicting interests or duties may arise. These services and businesses may include (without limitation) securities issuing, securities trading, brokerage activities, provision of retail, business, private, commercial and investment banking, investment management, corporate finance, credit and derivative, trading and research products and services or the provision of finance, including (without limitation) in respect of securities of, or loans to members of the Newmark Group, persons directly or indirectly involved with the Offer or interests associated with such persons. In the ordinary course of these activities, each of the Lead Manager Parties may at any time hold long or short positions and may trade or otherwise effect transactions or take or enforce security, for its own account or the accounts of investors or any other party that may be involved in the Offer.

14.7 Consents

Each of the persons listed in the table on the following page 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.



14.7 Consents *continued*

Name	Capacity	Statement
Credit Suisse (Australia) Limited	Joint Lead Manager	Not applicable.
E&P Corporate Advisory Pty Limited	Joint Lead Manager	Not applicable.
MA Moelis Australia Advisory Pty Ltd	Joint Lead Manager	Not applicable.
Morgan Stanley Australia Securities Limited	Joint Lead Manager	Not applicable.
Crestone Wealth Management Limited	Co-Lead Manager	Not applicable.
National Australia Bank Limited	Co-Lead Manager	Not applicable.
ShineWing Australia	Auditor	Not applicable.
Pitcher Partners Corporate Pty Ltd	Investigating Accountant	Independent Limited Assurance Report in Section 7.
Pitcher Partners Advisors Proprietary Limited	Taxation adviser	Taxation implications in Section 12.
Allens	Legal adviser	Not applicable.
CBRE Valuations Pty Limited	Property valuer	Summary of Valuation Report in Section 8.
Savills Valuations Pty Ltd	Property valuer	Summary of Valuation Report in Section 8.
Boardroom Pty Limited	Registry	Not applicable.
The Trust Company (Australia) Ltd	Custodian	Not applicable.
Newmark Property Funds Management Pty Ltd	Investment Manager	Not applicable.

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.

Each Director of the Responsible Entity 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.

14.8 ASX Waivers and Confirmations

In order to conduct the Offer, the Responsible Entity has applied for waivers/confirmations from/of a number of ASX Listing Rules. In principle approval of the following waivers/confirmations have been granted:

14.8.1 Confirmations

- Confirmation that the structure and operation of Newmark Property REIT is appropriate for a listed entity for the purposes of ASX Listing Rule 1.1, Condition 1;
- Confirmation that the Constitutions are consistent with the ASX Listing Rules for the purposes of ASX Listing Rule 1.1, Condition 2;
- Confirmation that the reviewed financial statements provided in this PDS are sufficient for the purposes of ASX Listing Rule 1.3.5(d);
- Confirmation under ASX Listing Rule 2.1, Condition 1 that the terms of the Stapled Securities comply with Chapter 6 of the ASX Listing Rules;
- Confirmation that disclosure by either NHT or Chadstone Trust on behalf of Newmark Property REIT satisfies the obligations for each entity on a matter for the purposes of ASX Listing Rule 3.1;
- Confirmation that the Stapled Securities are 'equity securities' for the purposes of ASX Listing Rule 19.12;
- Confirmation that Newmark Property REIT is not an 'investment entity' for the purposes of the ASX Listing Rules;
- Confirmation that Newmark Property REIT will not, at the time of admission to the official list of the ASX, have any restricted securities on issue; and
- Confirmation that the Stapled Securities may be quoted on a conditional basis.

14.8.2 Waivers

- A waiver of ASX Listing Rule 1.1, Condition 18 from the requirement for Newmark Property REIT to have a remuneration committee; and
- A waiver of the requirement that Newmark Property REIT provide audited accounts for the last two full financial years in accordance with ASX Listing Rule 1.3.5(a).

- Waiver of ASX Listing Rules 7.1 and 10.11 to the extent necessary to permit the issue of Stapled Securities to related parties of Newmark Property REIT (including Directors) without securityholder approval:
 - In connection with the Offer, on the condition that the terms of the Offer will be clearly disclosed in this PDS and any related parties participate in the Offer of Stapled Securities on the same basis as other investors;
 - In connection with the implementation of the Stapling, on the basis that the Stapling is implemented in accordance with the provisions of the Constitutions as approved by Existing Investors; and
 - In satisfaction of payment of any management or performance fees and expenses payable under the Constitutions or an Investment Management Agreement, on the condition that the provisions which provide for the periodic issue of Stapled Securities in lieu of payment of any management and/or performance fees or expenses payable to the Responsible Entity or Investment Manager are clearly disclosed in this PDS.

14.8.3 Stapling waivers

- A waiver of ASX Listing Rule 1.1, 8 and Condition 9 and ASX Listing Rule 2.1, Condition 2 to ensure that Newmark Property REIT satisfies the stipulated value thresholds, even though the separate parcels of units in each Stapled Group Entity may not individually meet the required value thresholds and that the assets test can be satisfied by Newmark Property REIT rather than individually by NHT and Chadstone Trust;
- A waiver of ASX Listing Rule 6.24, clause 1 of Appendix 6A to the extent necessary that the rate and amount of a distribution for Newmark Property REIT need not be advised to the ASX when the distribution and record date is announced, provided that an estimated rate of distribution is advised to the ASX at that time and the actual rate is advised to the ASX as soon as it becomes known; and
- Waiver of ASX Listing Rule 8.10 to the extent necessary to permit each Stapled Group Entity to refuse to register a transfer of an ordinary unit in one Stapled Group Entity if it is not accompanied by a corresponding transfer of an ordinary unit in the other Stapled Group Entity which comprises the Stapled Security.



14.9 ASIC Relief

In order to conduct the Offer, the Responsible Entity has applied for relief from, and modifications to, certain provisions of the Corporations Act. ASIC has granted the following relief/modifications.

14.9.1 Relief required to conduct the Offer

- Declaration that section 1020B(2) of the Corporations Act is modified so that the sale of Stapled Securities during the conditional market to be declared by ASX is exempt from the operation of the short selling restrictions in the Corporations Act.

14.9.2 Stapling relief

- Exemption from section 1016A(2) of the Corporations Act to allow units in each of NHT and Chadstone Trust to be issued to the unitholders of each other Stapled Group

Entity, in order to implement the Stapling, without an application form;

- Declaration that sections 601FC, 601FD and 601FE of the Corporations Act are modified to enable the Responsible Entity to consider the interests of the Stapled Securityholders as a whole, rather than the interests of unitholders in a particular Stapled Group Entity;
- Declaration that section 601LC of the Corporations Act is modified to allow the Responsible Entity to provide financial benefits out of Newmark Property REIT property of either NHT or Chadstone Trust to Newmark Property REIT; and
- Modification of section 1012D(3) of the Corporations Act to permit the offer of Stapled Securities in Newmark Property REIT under a future DRP without having to issue an additional product disclosure statement.

14.10 Legal Proceedings

Neither the Responsible Entity, Newmark Property REIT, NHT or Chadstone Trust is a party to any current litigation material to the financial standing of the Responsible Entity or Newmark Property REIT and the Directors have no such knowledge of any such potential litigation.

14.11 Social, labour, ethical and environmental considerations

The Responsible Entity does not take into account labour standards or social or ethical considerations for the purpose of selecting, retaining or realising investments for Newmark Property REIT.

While environmental factors are addressed as part of customary property due diligence enquiries, the Responsible Entity has no predetermined approach in respect of what environmental standards and considerations it takes into account and how.

14.12 Exercise of Pricing Discretions

A copy of Newmark Property REIT's unit pricing policy, explaining how the Responsible Entity may exercise any pricing discretions it has have under the Constitutions when calculating the price of the Stapled Securities

following the Offer will be available on request, following the commencement of the Offer Period, at no charge by contacting the Responsible Entity on +61 3 9066 3966.

14.13 Target Market Determination

A target market determination has been prepared for the Offer as required under section 994B of the Corporations Act. It is available for download at www.newmarkcapital.com.au/npr. It outlines the class of consumers for which

the Stapled Securities has been designed and the criteria for their eligibility having regard to the target market's objectives, financial situation and needs. It forms part of the Responsible Entity's design and distribution arrangements for the Offer.

14.14 Anti-money Laundering and Counter-terrorism Financing

The *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)* (**AML Act**) and other applicable anti-money laundering and counter terrorism laws, regulations, rules and policies which apply to the Responsible Entity (**AML Requirements**), regulate financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing. The AML Act is enforced by the Australian Transaction Reports and Analysis Centre (**AUSTRAC**). In order to comply with the AML Requirements, the Responsible Entity is required to, amongst other things:

- Verify your identity and source of your application monies before providing services to you, and to re-identify you if they consider it necessary to do so; and
- Where you supply documentation relating to the verification of your identity, keep a record of this documentation for 7 years.

The Responsible Entity and the Registry as its agent (collectively the Entities) reserve the right to request such information as is necessary to verify your identity and the source of the payment. In the event of delay or failure by you to produce this information, the Entities may refuse to accept an application and the application monies relating to such application if necessary to comply with AML Requirements applicable to them. Neither the Entities nor their delegates shall be liable to you for any loss suffered by you because of the rejection or delay of any subscription.

The Entities have implemented several measures and controls to ensure they comply with their obligations under the AML Requirements, including carefully identifying and monitoring investors. Because of the implementation of these measures and controls:

- Transactions may be delayed, blocked, frozen or refused where an Entity has reasonable grounds to believe that the transaction breaches the law or sanctions of Australia or any other country, including the AML Requirements;
- Where transactions are delayed, blocked, frozen or refused the Entities are not liable for any loss you suffer (including consequential loss) caused by reason of any action taken or not taken by them as contemplated above, or because of their compliance with the AML Requirements as they apply to Newmark Property REIT; and
- The Responsible Entity may from time to time require additional information from you to assist it in this process.

The Entities have certain reporting obligations under the AML Requirements and are prevented from informing you that any such reporting has taken place. Where required by law, an entity may disclose the information gathered to regulatory or law enforcement agencies, including AUSTRAC. The Entities are not liable for any loss you may suffer because of compliance with the AML Requirements.



14.15 US Tax Withholding and Reporting under the Foreign Account Tax Compliance Act

The United States of America has introduced rules under the Foreign Account Tax Compliance Act (**FATCA**) which are intended to prevent US persons from avoiding tax. Broadly, the rules may require Newmark Property REIT to report certain information to the ATO, which may then pass the information on to the US Internal Revenue Service (**IRS**). If you do not provide this information, we will not be able to process your application.

To comply with these obligations, the Responsible Entity will collect certain information about you and undertake certain due diligence procedures to verify your FATCA status and provide information to the ATO in relation to your financial information required by the ATO (if any) in respect of any investment in Newmark Property REIT.

14.16 Common Reporting Standard

The Australian government has implemented CRS from 1 July 2017. CRS, like the FATCA regime, will require banks and other financial institutions to collect and report to the ATO.

CRS will require certain financial institutions to report information regarding certain accounts to their local tax authority and follow related due diligence procedures. Newmark Property REIT is expected to be a 'Financial Institution' under the CRS and intends to comply with its CRS obligations by obtaining and reporting information on relevant accounts (which may include your Stapled Securities in Newmark Property REIT) to the ATO. For Newmark Property

REIT to comply with their obligations, we will request that you provide certain information and certifications to us. We will determine whether Newmark Property REIT is required to report your details to the ATO based on our assessment of the relevant information received. The ATO may provide this information to other jurisdictions that have signed the "CRS Competent Authority Agreement", the multilateral framework agreement that provides the mechanism to facilitate the automatic exchange of information in accordance with the CRS. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act 1953 of Australia to give effect to the CRS.

14.17 AMIT

The AMIT regime has been introduced into taxation law. An AMIT, in broad terms, is a MIT, whose Stapled Securityholders have clearly defined interests in relation to the income and capital of Newmark Property REIT or responsible entity of the MIT has made an irrevocable election to apply the regime.

The Responsible Entity has elected for Newmark Property REIT to operate as an AMIT.

The AMIT rules contain several provisions that impacts on the taxation treatment of Newmark Property REIT.

The key features of this tax system include:

- An attribution model for determining member tax liabilities, which also allows amounts to retain their tax character as they flow through a MIT to its Stapled Securityholders;

- The ability to carry forward understatements and overstatements of taxable income, instead of re-issuing investor statements;
- Deemed fixed trust treatment under the income tax law;
- Upwards cost base adjustments to Stapled Securities to address double taxation; and
- Legislative certainty about the treatment of tax deferred distributions.

Reforms to the taxation of trusts are generally ongoing. Investors should seek their own advice and monitor the progress of announcements and proposed legislative changes on the potential impact.

14.18 Governing Law

This PDS and the contracts that arise from the acceptance of Applications and bids under this PDS are governed by the law applicable in Victoria and each Applicant under this PDS submits to the exclusive jurisdiction of the courts of Victoria.

14.19 Statement of Responsible Entity Directors

Each Director of the Responsible Entity as at the date of this PDS has consented to the lodgement of this PDS with ASIC.

14.20 Access to information

The Responsible Entity will provide regular communication to Stapled Securityholders, including publication of:

- Newmark Property REIT's audited annual financial reports;
- Newmark Property REIT's reviewed half year financial reports;
- Quarterly distribution statements; and
- Any continuous disclosure notices given by the Responsible Entity in relation to Newmark Property REIT.

There will also be a website that will provide up to date information on Newmark Property REIT, including current Stapled Security prices, access to half year and annual reports and distribution statements.

Newmark Property REIT, as a disclosing entity, will be subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to Newmark Property REIT may be obtained from, or inspected at, an ASIC office (or may be available through Newmark Property REIT'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 year report and any continuous disclosure notice from Newmark Property REIT free of charge.



14.21 Copies of Documents

The Constitutions and Compliance Plans of each Stapled Group Entity are available for inspection at the offices of the Responsible Entity between 9.00am and 5.00pm (Melbourne time) on Business Days. Alternatively, a copy of the

Constitutions and Compliance Plans of each Stapled Group Entity may be requested (to be provided free of charge) by contacting the Responsible Entity on +61 3 9066 3966.

14.22 Enquiries and Complaints

The Responsible Entity has established procedures for dealing with complaints. If an investor has a complaint, they can contact the Responsible Entity during business hours or write to:

info@newmarkcapital.com.au

The Responsible Entity will make every effort to provide a final response to a complaint within 30 calendar days after receipt of the complaint. If an investor is not satisfied with the outcome, the complaint can be referred to the Australian Financial Complaints Authority (**AFCA**), an external complaints resolution scheme of which the Responsible Entity is a member. AFCA's postal address is GPO Box 3, Melbourne VIC 3001 and the toll-free number is 1800 931 678. More information about AFCA is available from their website (www.afca.org.au).

15.0 Glossary



15 Glossary

The following words and expressions have these meanings in the PDS, unless the context otherwise requires:

Term	Definition
AAS	Australian Accounting Standards and other authoritative pronouncements issued by the AASB.
AASB	Australian Accounting Standards Board.
ABN	Australian Business Number.
AFSL	Australian Financial Services Licence.
Applicant	A person who submits an Application.
Application	An application to subscribe for Stapled Securities offered under this PDS.
Application Form	The Application Form attached to or accompanying this PDS (including the electronic form provided by an online application facility).
Application Monies	The amount of monies accompanying an Application Form submitted by an Applicant.
ARSN	Australian Registered Scheme Number.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited or the securities exchange that it operates, as the context requires.
ASX Listing Rules	The listing rules of ASX.
ASX Recommendations	ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (fourth edition, February 2019).
ASX Settlement Operating Rules	The settlement operating rules of ASX.
ATO	Australian Taxation Office.
Board or Board of Directors	The board of directors of the Responsible Entity.
Broker	An ASX participating organisation selected by the Responsible Entity to act as a broker to the Offer.
Broker Firm Offer	The broker firm offer set out in Section 10.9 of this PDS.
Broker Firm Offer Period	The period for which Applications for the Broker Firm Offer will be accepted, being Wednesday, 24 November 2021 to Wednesday, 1 December 2021.
Bunnings	Bunnings Group Limited (ACN 008 672 179).

Term	Definition
Business Day	A day on which ASX is open for trading in securities and banks are open for general business in Melbourne, Victoria.
Capitalisation Rate	<p>The return of a property or Portfolio of properties calculated by dividing the market level of net property income of that property or Portfolio by the assessed independent valuation of that property or Portfolio.</p> <p>Any divisor (usually expressed as a percentage) that is used to convert income into value. The rate or yield at which the annual net income from an investment is capitalised to ascertain its capital value at a given date. The calculations are as follows; property value estimate = net operating income ÷ capitalisation rate.</p>
CBD	Central Business District.
CEO	Chief Executive Officer.
Chadstone Trust	Newmark Capital (Chadstone) Property Trust (ARSN 648 280 219).
Chadstone Trust Unit	A unit in the Chadstone Trust created under the Constitution for the Chadstone Trust.
CHESS	ASX's Clearing House Electronic Sub-register System operated in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules.
Closing Date	The date on which the Offer is expected to close, being Wednesday, 1 December 2021 in respect of the Offer.
Code	National Cabinet's Mandatory Code of Conduct for small to medium sized business: https://business.gov.au/Risk-management/Emergency-management/Coronavirus-information-and-support-for-business/Relief-for-commercial-tenancies .
Co-Lead Managers	The Co-Lead Managers to the Offer, as appointed to those roles.
Completion or Allotment	Completion of the Offer, being the allotment and issue of Stapled Securities by Newmark Property REIT.
Compliance Plans	The compliance plan for NHT dated 4 March 2019 and Chadstone Trust dated 26 February 2021.
Constitutions	The constitution of NHT dated 15 October 2012 (as amended from time to time) and the trust deed of the Chadstone Trust dated 7 December 2011 (as amended from time to time), as applicable.
Corporations Act	<i>Corporations Act 2001 (Cth)</i> .
CPI	Consumer price index, an index used to measure changes in the price level of market basket of consumer goods and services purchased by households.
Custodian	The Trust Company (Australia) Limited (ABN 21 000 000 993).
Custody Agreement	The custody agreement in respect of Newmark Property REIT between the Responsible Entity and the Custodian dated 11 February 2021 (as amended from time to time).



15 Glossary *continued*

Term	Definition
Director	A member of the Board.
Distributions	The amount payable to Stapled Securityholders by Newmark Property REIT at the discretion of the Directors in accordance with the Constitutions.
Distribution Yield	The rate of return derived by dividing the annualised distribution per Stapled Security by the Offer Price.
DPS	Distribution per Stapled Security.
DRP	Distribution Reinvestment Plan.
Existing Investor	Each person registered as the holder of a unit in Chadstone Trust or NHT (as applicable), including any persons jointly registered, prior to the implementation of the Stapling.
Exposure Period	The seven day period after the PDS Date, which may be extended by ASIC by a further period of 7 days, during which no Applications may be processed by Newmark Property REIT.
FFO	Funds from operations. Defined in Section 6.2.3.
Financial Information	The financial information described as Financial Information in Section 6.1.
Forecast Financial Information	The financial information described as Forecast Financial Information in Section 6.1.
Forecast Period	The period from Allotment to 31 December 2022.
FY20	Financial year ending 30 June 2020.
FY21	Financial year ending 30 June 2021.
FY22	Financial year ending 30 June 2022.
GAV	Gross asset value of Newmark Property REIT.
GDP	Gross Domestic Product.
Gearing	Interest bearing liabilities less cash divided by total tangible assets less cash.
GLA	Gross Lettable Area.
GST	Goods and Services Tax.
Household Goods	Household goods means tangible personal property and effects located in a person's residence.

Term	Definition
IASB	International Accounting Standards Board.
IFRS	International Financial Reporting Standards.
Implementation	Implementation of the Stapling in accordance with the Implementation Deed.
Implementation Date	The date on which the Stapling completes.
Implementation Deed	The implementation deed dated 16 November 2021 between NRML in its capacity as responsible entity of the Chadstone Trust, NRML in its capacity as responsible entity of NHT and the Investment Manager, a summary of which is contained in Section 13.2.
Independent Limited Assurance Report	The Independent Limited Assurance Report as set out in Section 7.
Initial Portfolio	Comprises the portfolio of eight assets at listing of Newmark Property REIT.
Institutional Offer	The invitation to Institutional Investors under this PDS to acquire Stapled Securities as detailed in Section 10.10.
Institutional Investor	<p>Investors who are:</p> <ul style="list-style-type: none"> Persons who are wholesale clients under section 761G of the Corporations Act and either “professional investors” or “sophisticated investors” under sections 708(11) and 708(8) of the Corporations Act; or Institutional or professional investors in Hong Kong, New Zealand, Singapore, Switzerland, or in certain other jurisdictions, as agreed by the Responsible Entity and the Joint Lead Managers, to whom offers of Stapled Securities may lawfully be made, consistent with the advice obtained from counsel to the Responsible Entity, without the need for a lodged or registered PDS or other form of disclosure document or filing with, or approved by, any government agency (except one with which the Responsible Entity is willing in its sole discretion to comply), provided that in each case the investor is not in the United States and not acting for the account or benefit of a person in the United States.
Investigating Accountant	Pitcher Partners Corporate Pty Ltd.
Investment Management Agreement	The investment management agreement in respect of Newmark Property REIT between the Investment Manager and the Responsible Entity dated 16 November 2021.
Investment Manager	Newmark Property Funds Management Pty Ltd (ACN 152 323 629).
IPO	Initial Public Offering.
Joint Lead Managers	Credit Suisse (Australia) Limited, E&P Corporate Advisory Pty Limited, MA Moelis Australia Advisory Pty Ltd and Morgan Stanley Australia Securities Limited.
LFR	Large Format Retail.
Melbourne time	The official time in Melbourne, Australia.



15 Glossary *continued*

Term	Definition
Newmark Group	Newmark Property Group Pty Ltd (ACN 152 310 980) and its subsidiaries.
NHT	Newmark Hardware Trust (ARSN 161 274 111).
NHT Unit	A unit in NHT created under the Constitution for NHT.
NOI	Net Operating Income.
NRML	Newmark REIT Management Limited (ACN 644 715 382).
NSW	New South Wales.
NTA	Net tangible assets of Newmark Property REIT.
Offer	The offer of Stapled Securities under this PDS.
Offer Period	The period commencing on the Opening Date and ending on the Closing Date.
Offer Price	\$1.895 per Stapled Security.
Official List	The official list of entities that ASX has admitted to and not removed from listing.
Opening Date	The date the Offer opens, being Wednesday, 24 November 2021.
Operating Portfolio	The 7 operating assets within Newmark Property REIT Portfolio as at Allotment.
PDS	This document (including the electronic form of this Product Disclosure Statement) and any supplementary or replacement Product Disclosure Statement in relation to this document.
PDS Date	The date on which a copy of this Product Disclosure Statement is lodged with ASIC, being Tuesday, 16 November 2021.
Portfolio	The Operating Portfolio and Preston which is expected to settle in July 2022.
Preston Bunnings AFL	Agreement for Lease between the Custodian and Bunnings with respect to Preston, as summarised in Section 13.8.1.
Promissory Note	A promissory note issued by the Responsible Entity to a unitholder in satisfaction of a withdrawal request received in relation to NHT in the month of October 2021.
Property	An individual property included in the Portfolio.
Property Manager	Newmark Asset Management Pty Ltd.

Term	Definition
Property Management Agreement	The property management agreement in respect of Newmark Property REIT between the Property Manager and the Responsible Entity dated 16 November 2021.
Proposed Debt Facility	The debt facility that will be entered into by Newmark Property REIT, as summarised in Section 13.7.
QLD	Queensland.
RBA	Reserve Bank of Australia.
Register	The registers of the Stapled Entities.
Registry	Boardroom Pty Limited.
REIT	Real Estate Investment Trust.
Responsible Entity	Newmark REIT Management Limited (ACN 644 715 382) (AFSL 526 690).
Retail Investor	A person who is a resident of Australia and is not otherwise treated as an Institutional Investor.
Section	A section of this PDS.
Stapled or Stapling	The stapling together of one Chadstone Trust Unit and one NHT Unit so that one may not be transferred or otherwise dealt with without the other.
Stapling Deed	The stapling deed dated 16 November 2021 between NRML in its capacity as responsible entity of the Chadstone Trust, NRML in its capacity as responsible entity of NHT and the Investment Manager, a summary of which is contained in Section 13.3.
Stapled Group Entities	The Chadstone Trust and NHT following Stapling.
Stapled Security	A Chadstone Trust Unit stapled to a NHT Unit so that one Unit may not be issued, transferred or otherwise dealt with without a corresponding and simultaneous issue, transfer or dealing with the other Unit and which Stapled Securities are or will be quoted jointly on ASX.
Stapled Securityholder	A holder of Stapled Securities.
Transaction	The Transaction refers to the IPO of Stapled Securities in Newmark Property REIT.
Transaction Costs	Transaction Costs include stamp duty, offer management fees, advisers' fees, legal fees, ASX listing fees and other expenses associated with the Transaction.
Underwriting Agreement	The Underwriting Agreement between the Responsible Entity and the Joint Lead Managers dated on or around 16 November 2021, summarised in Section 13.10.
US Securities Act	The U.S. Securities Act of 1933, as amended.
VIC	Victoria.



15 Glossary *continued*

Term	Definition
WACR	Weighted Average Capitalisation Rate.
WALE	Weighted Average Lease Expiry.
WARR	Weighted Average Rental Review.



Corporate Directory



Corporate Directory

Responsible Entity

Newmark REIT Management Limited
Level 17, 644 Chapel Street
South Yarra Vic 3141

Investment Manager

Newmark Property Funds Management Pty Ltd
Level 17, 644 Chapel Street
South Yarra Vic 3141

Custodian

The Trust Company (Australia) Limited
Level 18, 123 Pitt Street
Sydney NSW 2000

Legal Advisor

Allens
Deutsche Bank Place
Level 28, 126 Phillip Street
Sydney NSW 2000

Auditor

ShineWing Australia
Level 10, 530 Collins Street
Melbourne Vic 3000

Taxation Advisor

Pitcher Partners Advisors Proprietary Limited
Level 13, 664 Collins St
Docklands VIC 3008
Level 1, 80 Monash Drive
Dandenong South VIC 3175

Investigating Accountant

Pitcher Partners Corporate Pty Ltd
Level 13, 664 Collins St
Docklands VIC 3008
Level 1, 80 Monash Drive
Dandenong South VIC 3175

Joint Lead Manager(s) and Bookrunner(s)

Credit Suisse (Australia) Limited
Gateway Building
Level 31, 1 Macquarie Place
Sydney NSW 2000

E&P Corporate Advisory Pty Limited
Level 32, 1 O'Connell Street
Sydney NSW 2000

MA Moelis Australia Advisory Pty Ltd
Governor Phillip Tower
Level 27, 1 Farrer Place
Sydney NSW 2000

Morgan Stanley Australia Securities Limited
Level 39, Chifley Tower
2 Chifley Square
Sydney NSW 2000

Co-Lead Managers

Crestone Wealth Management Limited
Level 32, 2 Chifley Square
Sydney NSW 2000

National Australia Bank Limited
Level 6, 2 Carrington Street
Sydney NSW 2000

Valuers

CBRE Valuations Pty Limited
Level 21, 363 George Street
Sydney NSW 2000

Savills Valuations Pty Ltd
Level 25, Governor Phillip Tower, 1 Farrer Place
Sydney NSW 2000
Level 29, South Tower, 80 Collins Street
Melbourne Vic 3000

Registry

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000

Investor Services

Within Australia: 1300 737 760
Outside Australia: +61 2 9290 9600

Newmark Property REIT's website

www.newmarkcapital.com.au/npr



Level 17, 644 Chapel Street
South Yarra Vic 3141

newmarkcapital.com.au/npr