

Product Disclosure Statement Update

NEWMARK HARDWARE TRUST (ARSN 161 274 111)

10 August 2021

Newmark REIT Management Limited (ACN 644 715 382, AFS Licence No. 526690) issued a Supplementary Product Disclosure Statement (**SPDS**) dated 26 April 2021 which supplements the Product Disclosure Statement dated 15 February 2019 (together, **PDS**) for the Newmark Hardware Trust (**Trust**).

Information in the PDS may be updated from time to time by notification on the Trust's website at www.newmarkcapital.com.au/funds/newmark-hardware-trust if the updates do not comprise materially adverse information (**Website Update**).

Potential investors should read the PDS and all updates in their entirety before applying to invest in the Trust.

The below information updates certain information contained in the PDS relating to the debt facility. Where relevant, the table should be read in conjunction with the corresponding sections of the PDS, as updated in this and previous updates. The defined terms have the same meaning as the PDS unless otherwise stated.

Updated information

Topic	Updated information	Reference in PDS or SPDS																				
Debt facility	<p>Newmark Capital has entered into a syndicated debt facility for \$191.9 million which will mature in September 2023 ('Facility'). The aggregate amount owing under the Facility as at the date of this Website Update is \$164.5 million.</p> <p>The loan to the Trust has been secured by a mortgage over the Lake Haven Property, Launceston Property, Maroochydore Property, Warragul Property (an asset of the wholly-owned Newmark Hardware Property Trust No. 2) and Eastgardens Property (an asset of the wholly-owned Newmark Hardware Property Trust No. 3), and a general security interest over the assets of the Trust.</p> <p>A summary of the Facility has been set out below:</p> <table border="1"> <tbody> <tr> <td>Term</td> <td>From 25 September 2020 to 24 September 2023</td> </tr> <tr> <td>Aggregate drawn amount</td> <td>\$164.5 million</td> </tr> <tr> <td>Aggregate undrawn amount</td> <td>\$27.5 million</td> </tr> <tr> <td>Assets to which the facility relates</td> <td>Eastgardens Property Lake Haven Property Launceston Property Maroochydore Property Warragul Property</td> </tr> <tr> <td>Maturity profile in 12 month increments</td> <td>100% maturing in September 2023</td> </tr> <tr> <td>Interest rate</td> <td>1.97% (1.90% margin + BBSY 0.07%)*</td> </tr> <tr> <td>Interest cover ratio covenant</td> <td>2.0 times</td> </tr> <tr> <td>Loan to valuation ratio (LVR) covenant</td> <td>55%</td> </tr> <tr> <td>Amount by which the property value will need to fall by before the LVR covenant is breached (based on 30 June 2021 unaudited book values)</td> <td>2.2%</td> </tr> <tr> <td>Is the facility hedged?</td> <td>No (ability to hedge in future)</td> </tr> </tbody> </table> <p>* The interest rate of the facility is the average bid rate quoted on the "BBSY" page of the Reuters Monitor System plus margin</p>	Term	From 25 September 2020 to 24 September 2023	Aggregate drawn amount	\$164.5 million	Aggregate undrawn amount	\$27.5 million	Assets to which the facility relates	Eastgardens Property Lake Haven Property Launceston Property Maroochydore Property Warragul Property	Maturity profile in 12 month increments	100% maturing in September 2023	Interest rate	1.97% (1.90% margin + BBSY 0.07%)*	Interest cover ratio covenant	2.0 times	Loan to valuation ratio (LVR) covenant	55%	Amount by which the property value will need to fall by before the LVR covenant is breached (based on 30 June 2021 unaudited book values)	2.2%	Is the facility hedged?	No (ability to hedge in future)	section 5.6.2 (page 20 of SPDS)
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Is the facility hedged?	No (ability to hedge in future)																					
Sub Trust Debt Facility	The Sub Trust Debt Facility has been repaid in July 2021.	section 5.6.3 (page 21 of SPDS)																				

How to contact us

If you have any questions, please contact Newmark Capital on 03 9066 3966. A paper copy of the updated information is also available free of charge by contacting us.

Important information

The information in this Website Update has been prepared by Newmark REIT Management Limited (ACN 644 715 382 AFSL 526690) as responsible entity and issuer of Units in the Newmark Hardware Trust ARSN 161 274 111.

The information in this Website Update is general information only. It does not constitute any recommendation or advice and has been prepared without taking into account your personal objectives, financial situation or needs and so you should consider its appropriateness having regard to these factors before acting on it. You should consider obtaining independent advice from a professional financial adviser before making any financial decisions in relation to the matters disclosed in the Website Update.

All statements of opinion and/or belief in this Website Update, and all views expressed and any projections, forecasts or statements relating to expectations regarding future events or possible future performance of the Trust, represent Newmark Capital's assessment and interpretation of information available as at the date of this Website Update. No representation is made or assurance given that such statements, views, projections or forecasts are reasonable or correct or that the objectives or prospective returns of the Trust will be achieved. Eligible Unitholders must determine for themselves what reliance (if any) they should place on such statements, views, projections or forecasts and no responsibility is accepted by the Newmark Property Group.

