

Product Disclosure Statement Update

NEWMARK HARDWARE TRUST (ARSN 161 274 111)

18 July 2019

Newmark Capital Limited (ACN 126 526 690, AFS Licence No. 319 372) (**'Newmark Capital'**) in its capacity as the responsible entity of the Newmark Hardware Trust (**'Trust'**) issued a Product Disclosure Statement (**'PDS'**) dated 15 February 2019 for the Trust. Newmark Capital may update the information in the PDS by notification on its website at www.newmarkcapital.com.au/funds/newmark-hardware-trust if the updates do not comprise materially adverse information (**'Website Update'**). A Website Update was issued on 29 May 2019. 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 benchmark and disclosure principles in ASIC's *'Regulatory Guide 46: Unlisted property schemes: Improving disclosure for retail investors'* (**'RG 46'**), and the Warragul Property. Where relevant, the table should be read in conjunction with the corresponding sections of the PDS, as updated. The defined terms have the same meaning as the PDS unless otherwise stated.

Updated information

Topic	Updated information		Reference in PDS
Warragul Property	In July 2019 the Trust acquired the Warragul land, therefore the Warragul Property is now an asset of the Trust. Construction of the property commenced in June 2019 and it is expected the project will be completed in June 2020.		section 5.2 (page 22) Trust structure diagram (page 23) section 5.5 (page 24) section 5.5.4 (page 32)
Warragul valuation	Date of valuation	21 June 2019	section 5.5 (page 24)
	Valuation performed by independent valuer?	Yes	section 5.5.4 (page 32)
	Adopted market value (As if complete)	\$51.5 million	
Warragul Property development timetable	Key milestones	Status	section 5.5.4 (page 32)
	Land settlement	Settled	
	Development agreement	Executed	
	Planning approval for project and construction	Completed	
	Construction commencement	Commenced	
	Project completion	Scheduled June 2020	
	Lease commencement	Scheduled June 2020	

Warragul Property facility	Term	17 Jul 2019 to 16 Sept 2020	section 5.6.3 (page 36)
	Aggregate drawn amount	\$3.2 million	
	Aggregate undrawn amount	\$30.3 million	
	Assets to which the facility relates	Warragul Property	
	Interest rate	Average BBSY bid rate plus the margin	
	Interest cover ratio	Less than 2.0	
	Loan to valuation ratio covenant	66%	
	Facility hedged	No	
	Amount (expressed as a %) by which the property value will need to fall by before the LVR covenant is breached (based on 30 June 2019 unaudited accounts)	65%	
Weighted average lease expiry ('WALE')	The Trust has a WALE of 8.40 years by income and 8.57 years by area as at 30 June 2019.		Letter to Investors (page 6) section 3.5 (page 16) section 5.5 (page 25)
Launceston, Maroochydore and Lake Haven properties facility	The value of the properties must fall by 6% before the Trust will be in breach of any covenants under the Facility (based on 30 June 2019 unaudited accounts).		section 5.6.2 (page 35)

As foreshadowed in the PDS, having settled the acquisition of the Warragul Property, the Trust no longer meets the interest capitalisation benchmark in RG 46, as the development of the Warragul Property is funded via a construction loan which requires the interest to be capitalised as a development cost. Interest is not capitalised for the Launceston, Maroochydore and Lake Haven properties. Refer to sections 2.2 (page 13) and 5.6.1 (page 35) of the PDS.

How to contact us

If you have any questions, please contact Newmark Capital on 03 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 Capital Limited ACN 126 526 690, AFSL 319 372 ('**Newmark Capital**') as responsible entity for the Newmark Hardware Trust ARSN 161 274 111 ('**Trust**').

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 Notice.

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.

