DECEMBER 2024

PRODUCT DISCLOSURE STATEMENT

CLARENCE PROPERTY DIVERSIFIED FUND

A stapled entity comprising the following funds, referred to hereafter as CPDF:
Clarence Property Diversified Fund ARSN 095 611 804
Epiq Lennox Property Trust ARSN 626 201 974

Issued 17 December 2024
By Clarence Property Corporation Limited
ABN 67 094 710 942 AFSL 230212

ABOUT THIS PRODUCT DISCLOSURE STATEMENT (PDS)

This PDS contains important information about investing in CPDF, a stapled entity comprising Clarence Property Diversified Fund and Epiq Lennox Property Trust (CPDF). Information in this PDS can help prospective investors decide if CPDF meets their investment needs and can help compare CPDF to other investments they may be considering.

The information in this PDS is of a general nature only and does not take into account a prospective investor's personal objectives, financial situation or needs. Consequently, all prospective investors are encouraged to obtain appropriate financial advice before investing, and to consider how appropriate CPDF is to their objectives, financial situation and needs.

Before making a decision about investing or reinvesting in CPDF, all prospective investors should consider the information in the PDS and the Target Market Determination (TMD). A copy of the current PDS and TMD can be obtained free of charge, by contacting us on 1300 853 069.

IMPORTANT INFORMATION

Clarence Property Corporation Limited (Clarence Property) is the responsible entity of CPDF and issuer of this PDS. No person other than Clarence Property is responsible for the preparation and issue of this PDS or for any statements or representations made in this PDS.

CPDF is a stapled entity comprising two unlisted registered managed investment schemes, Clarence Property Diversified Fund and Epiq Lennox Property Trust. Each trust is structured as a unit trust, registered under the *Corporations Act 2001 (Cth) (Corporations Act)*.

CPDF is subject to investment risks, which could include delays in repayment of capital, and loss of income and capital invested. Clarence Property does not guarantee the performance of CPDF or any particular rate of return. The repayment of capital is not guaranteed.

The offer in this PDS is available only to eligible persons as set out in this PDS, who receive the PDS (including electronically) within Australia, or in other jurisdictions, as set out below.

We cannot accept cash. All dollar amounts in this PDS are Australian dollars.

JURISDICTIONS OUTSIDE AUSTRALIA

This PDS is not intended to constitute an offer in any jurisdiction outside Australia where, or to any person to whom, it would not be lawful to make such an offer.

No action has been taken to register or qualify the units in CPDF or the offer of units in CPDF, or otherwise to permit an offering of the units in any jurisdiction outside Australia. The distribution of this PDS (electronically or otherwise) in jurisdictions outside Australia is limited and may be restricted by law. Anyone coming into possession of this PDS should seek advice on its provision and distribution, and observe any relevant legal restrictions on using, providing or distributing it. Failure to comply with such restrictions may constitute a violation of applicable securities law. It is your responsibility to comply with any laws of any country relevant to your application for units in CPDF.

DECEMBER 2024

PRODUCT DISCLOSURE STATEMENT

CONTENTS

1. ABOUT CLARENCE PROPERTY

CPDF is managed by Clarence Property Corporation Limited.

Clarence Property has a strong and consistent track record of successful property investment and management. This success is delivered by an experienced team with extensive asset management capabilities and a strong development track record. The key foundation driving everything Clarence Property undertakes is to deliver monthly property income to unitholders whilst preserving capital value.

Today, Clarence Property has in excess of $800 million of real estate assets under management, with significant investment and development opportunities.

Over the years a strong, transparent and close relationship has evolved with unitholders, with many unitholders having invested through multiple product disclosure statements.

Clarence Property has a highly experienced team of property and finance professionals who excel in the acquisition and management of retail, commercial and industrial properties, and residential and industrial development assets, predominantly in Northern New South Wales and South-East Queensland.

BOARD OF DIRECTORS

Peter Fahey
Executive Chairman

Peter has been involved in the property industry for more than 30 years. He has a wide range of property experience, in both capital cities and regional areas, including sales, leasing, management, valuation, financing and development. Peter has been involved in property funds management since 1994 and was the founder of CPDF.

Darrell Irwin
Executive Director

Darrell has over 30 years' experience in advising, consulting, developing, selling, leasing and managing across all sectors of the commercial property arena, including marketing properties domestically and internationally. Darrell has held leadership roles with development companies and is a former National Director and Director in Charge of the Gold Coast office of Colliers International, specialising in major commercial property transactions and large-scale development sites.

Paul Rippon
Executive Director

Paul has over 40 years' experience in public accounting, finance and property. He has been involved with the Clarence Property group since 2007, and during that time has been responsible for the day-to-day operations of the group, its funding arrangements and management of numerous property transactions and land developments in New South Wales and Queensland.

Tony Tippett
Non-Executive Director

Tony has been actively involved in the property industry for the last 29 years, from project conception, feasibility, financing, marketing, to sales and delivery for a range of residential, commercial and retail projects up to $350 million. He is a director of the Robina Group of Companies.

Andrew Carlton
Non-Executive Director

Andrew is a licensed real estate agent and is a Senior Director at CBRE, one of the world's largest real estate services firms. He commenced his real estate career with CBRE Brisbane in 1999 and has also held senior roles at Knight Frank. Across his 25-year career, Andrew's primary focus has been in the office sector, and he has been involved in numerous key leasing and development campaigns across the Near City markets.

Simon Kennedy
Chief Executive Officer

Simon has been involved in the property, financial and professional services industries for more than 25 years. He has worked locally and internationally for some of the world's largest investment houses and professional services firms, as well as leading the investment activities of a high-net-worth family office. He has extensive experience in property investment and management including acquisition, development, value enhancement, leasing and portfolio management.

2. ABOUT CPDF

Clarence Property Diversified Fund was established in September 1994 and acquired its first property in October of that year. In January 2001, Clarence Property Diversified Fund was registered as a managed investment scheme under the *Corporations Act*. It has paid monthly distributions to unitholders since 1994.

Units in Clarence Property Diversified Fund have been stapled to units in Epiq Lennox Property Trust since June 2018.

CPDF is not a fixed term investment. It is intended that a product disclosure statement be issued from time to time to raise funds for the acquisition of new properties and investments. There is no redemption mechanism in place and no intention to wind up CPDF in the near future.

CPDF primarily invests in direct property, generally targeting assets which have high occupancy rates and stable income streams underpinned by leases to secure commercial tenants.

To enhance returns to unitholders, CPDF has undertaken and will continue to undertake (in appropriate market conditions) development activities.

To reduce investment risk, diversification is achieved through investment in properties in different asset sectors predominantly throughout Northern New South Wales and South-East Queensland.

3. AT A GLANCE

ISSUER AND RESPONSIBLE ENTITY	Clarence Property Corporation Limited ACN 094 710 942 – referred to in this PDS as 'Clarence Property'.
CPDF	The stapled entity comprising Clarence Property Diversified Fund ARSN 095 611 804 and Epiq Lennox Property Trust ARSN 626 201 974.
INVESTMENT RETURN OBJECTIVE	To provide monthly distributions whilst preserving capital value and providing the potential for capital growth.
WHO CAN INVEST?	Any Australian legal entity including individuals and joint unitholders over 18 years of age, superannuation funds and trusts.
MINIMUM INVESTMENT	New unitholders – 50,000 units Existing unitholders – 10,000 units
MANAGEMENT FEE	Up to 0.8% pa (excluding GST) of CPDF's gross asset value. See Section 9 'Fees and other costs' for details of all fees and costs.
DISTRIBUTION FREQUENCY	CPDF aims to pay distributions monthly. See Section 11 'Distributions'.
WITHDRAWALS	Unitholders may not withdraw or redeem their investment. Although there is no formal market for the sale of units, unitholders may transfer (sell) all or part of their investment to a willing third-party buyer.
RISKS	An investment in CPDF is subject to both general and specific risks relating to CPDF, the property portfolio and Clarence Property. These risks include but are not limited to portfolio diversification, gearing, valuation risk, environmental risk, development risk and cyber security risk. See Section 8 'Risks of investing' for further details.
ASIC BENCHMARKS AND DISCLOSURE PRINCIPLES	ASIC has developed six 'Benchmarks' and eight 'Disclosure Principles' for unlisted property schemes to assist unitholders in understanding the risks involved with investing and whether this type of investment is suitable for them. See Section 6 'ASIC benchmarks and disclosure principles' for further details.

See Section 5 'CPDF profile' for more information about CPDF.

4. BENEFITS OF INVESTING IN CPDF

CPDF provides unitholders with access to:

A DIVERSIFIED PORTFOLIO OF PROPERTY INVESTMENTS AND DEVELOPMENTS

As a unitholder in CPDF you benefit from accessing a professionally managed, diverse portfolio of property investments which have historically generated income returns allowing the payment of monthly distributions to unitholders, whilst preserving capital value and providing the potential for capital growth.

CLARENCE PROPERTY'S REAL ESTATE KNOWLEDGE AND BROAD INVESTMENT EXPERTISE

Clarence Property has an integrated property, finance and investment team to ensure the property assets are managed in the best interests of unitholders.

All investing involves risk, and you should consider investment risks before making an investment decision.

FURTHER INFORMATION

Section 8 of this PDS provides further information about some of the risks associated with an investment in CPDF, as well as information about other investment risks of which you should be aware.

If you have questions about investing in CPDF or require further information, please contact our Investor Relations team on 1300 853 069 between 9.00am and 5.00pm Monday to Friday, Sydney time or alternatively via email at invest@clarenceproperty.com.au.

Further information about CPDF is also available online at clarenceproperty.com.au/cpdf. When reading CPDF performance information, please note that past performance is not a reliable indicator of future performance and should not be relied on when making a decision about investing in CPDF.

5. CPDF PROFILE

CPDF'S INVESTMENTS

CPDF invests primarily in direct property within Australia, with the ability to also invest in cash, and listed and unlisted property securities where consistent with CPDF's investment objectives.

CPDF's investments change from time to time and are updated regularly online at www.clarenceproperty.com.au. These investments are set out in a document called CPDF Property Portfolio, which can be downloaded from this website. A copy is also available from Clarence Property free of charge upon request.

INVESTMENT GUIDELINES

Factors considered when determining CPDF's portfolio include:

- CPDF's targeted returns;
- diversification profile of CPDF;
- contribution to net cash flow from each property;
- capital expenditure requirements;
- development potential; and
- market conditions.

ASSET EVALUATION

The following outlines CPDF's asset evaluation process:

(i) Initial asset screening
As part of initial analysis, an asset is reviewed to ensure there are no obvious obstacles to acquiring it and to confirm the asset acquisition opportunity fits CPDF's portfolio and overall investment strategy and meets CPDF's required financial hurdles.

(ii) Due diligence
After initial screening, if a property or development opportunity fits CPDF's portfolio and overall investment strategy, due diligence commences. This includes legal and technical analysis of the asset in order to mitigate potential risks prior to the acquisition of the asset. An independent valuation of the asset is also obtained as part of due diligence.
The Board reviews the due diligence findings for the asset and determines whether to proceed with the acquisition.

(iii) Asset management
Asset management begins with a detailed analysis of each asset in the portfolio and the preparation of a management plan for each asset. For new assets, this is conducted simultaneously with due diligence as described above. These plans may include:

- a tenancy strategy, comprising a tenancy profile, lease expiry, vacancy forecasts and opportunities to maximise income and occupancy;
- investigating the feasibility of adding to the area of the building, or converting low-value space into high-value space;
- enhancement works such as upgrading the environmental building rating of the property or undertaking repairs and maintenance;
- a review of the opportunities to add value through minor or major asset development; and
- an investment strategy recommendation, advising whether to buy, sell or hold the asset.

CAPITAL MANAGEMENT

Capital management aims to ensure maximum efficiency of CPDF's financial resources whilst managing the risks involved. Factors considered when assessing capital management include:

- the level of cash and unused debt facilities available to meet working capital requirements and future commitments;
- the level of gearing, both at an individual facility level and overall fund level;
- the quality of the financiers;
- debt covenants;
- the duration of debt facilities and refinancing options; and
- interest rate risk management.

6. ASIC BENCHMARKS AND DISCLOSURE PRINCIPLES

ASIC has released RG46 benchmarks and disclosure principles to assist unitholders in comparing risks and returns across investments in the unlisted property sector. The information below provides an overview of the benchmarks and disclosure principles.

- *Gearing* – indicates the extent to which CPDF is funded by debt.
- *Interest cover* – indicates CPDF's ability to meet interest payments from its earnings.
- *Interest capitalisation* - occurs when accrued interest is added to CPDF's loan principal instead of being paid on a regular basis.
- *CPDF borrowings* - shows CPDF's borrowing maturity and finance facility expiry profile, together with any breaches of loan covenants which may have occurred. At the date of this PDS all borrowings are repayable within 5 years and there are no identified breaches of loan covenants.
- *Valuations* – information about CPDF's direct property valuation policy, including how often assets are valued.
- *Related party transactions* – information about transactions involving parties that have a close relationship with Clarence Property.
- *Distributions* – information about CPDF's distribution sources (also see Section 11 'Distributions').
- *Portfolio diversification* – information about CPDF's property portfolio diversification.

Further information on how these benchmarks and principles apply to CPDF and the most recent figures are contained in Clarence Property's *ASIC Regulatory Guide 46 Fund Update*. This document should be read together with the current PDS for CPDF. A copy of this document is available free of charge from Clarence Property.

RG46 updates are issued at least every six months.

7. LABOUR STANDARDS AND ENVIRONMENTAL, SOCIAL AND ETHICAL CONSIDERATIONS

Decisions about whether to buy, hold or sell investments are based primarily on economic factors.

Environmental, social and ethical considerations and labour standards are not directly taken into account by Clarence Property in making these decisions unless we believe these factors may have a material impact on the value of an investment. For example, Clarence Property may consider environmental factors such as the energy efficiency or NABERS ratings of office buildings, the use or potential use of solar power, environmental and cultural assessments and the creation of conservation zones for development sites where appropriate.

Clarence Property does not have any specific methodology for considering these factors.

8. RISKS OF INVESTING

ALL INVESTING INVOLVES RISK

An investment in CPDF is subject to various risks. This section describes the risks which we currently believe are the key risks associated with an investment in CPDF. However, this summary is not exhaustive.

Many of these risks are outside the control of Clarence Property. If one or more of these risks eventuate, then the financial performance of CPDF may be adversely affected.

Applicants are strongly encouraged to read and consider the entire PDS and TMD, Clarence Property's Regulatory Guide 46 Fund Update, and the risks contained in this section, having regard to their own appetite for risk and investment objectives, and their financial and taxation position, before deciding to invest in CPDF. Applicants are also encouraged to seek their own professional advice.

8.1 RISKS SPECIFIC TO CPDF AND CPDF ASSETS

The risks set out in this section relate specifically to an investment in CPDF under the offer:

PORTFOLIO DIVERSIFICATION

The majority of the portfolio comprises direct real property assets in the commercial office, convenience retail, logistics/distribution, medical, childcare and development sectors, predominantly in Northern New South Wales and South-East Queensland. The performance of CPDF will largely depend on the performance of these sectors and the geographical markets in which the properties are located.

In relation to other non-real estate assets in the portfolio, if the securities in which CPDF has invested fall in value or distributions on those securities are suspended, this may adversely impact the income of CPDF and distributions to unitholders.

CAPITAL EXPENDITURE

CPDF may incur capital expenditure in respect of properties relating to unforeseen structural problems arising from a defect in a building or alterations required due to changes in statutory and compliance requirements. Over time, capital expenditure may be required to maintain the properties, and also to improve the properties in order to retain and attract tenants. The risk that capital expenditure could exceed forecast expenditure may result in increased funding costs, decreased distributable income and property valuation write-downs due to valuation methodology.

In addition, Clarence Property might undertake significant refurbishments, building works or extensions and additions in respect of certain properties, and may acquire assets subject to development activities. These acquisitions may involve tenant pre-commitments or other risk mitigation strategies before any commencement of development activities. Committed tenants may ultimately not take up a lease on the terms contemplated, or at all.

VALUATION RISK

Clarence Property engages independent valuers to value the assets of CPDF in accordance with CPDF's valuation policy. These valuations are influenced by changes in property market drivers including supply, demand, capitalisation rates, occupancy levels, lease expiries, incentives and capital expenditure.

There is no guarantee a property will achieve a market or sale price approaching the valuation, or that the valuation upon which CPDF purchases a property can be achieved in a subsequent sale. There is no guarantee 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 valuers may value the same property differently, depending on their own internal criteria, research and experience. Valuations may change as a result of the risks outlined in this section.

In addition, where an 'as if complete' valuation is obtained for a particular property, there is a risk the assumptions on which the valuation is based may prove to be inaccurate.

CLIMATE RELATED RISK

Potential climate change consequences include the risk of changing temperatures, increased sea level and coastal inundation, increases in rainfall and flooding, bushfire, extreme storms and energy disruptions. Such matters may cause damage to property assets held by CPDF, which may negatively impact the performance of CPDF.

Climate change may also have unforeseen impacts on the operation of assets, new investments, the existing portfolio, tenant communities, ecosystems and suppliers and supply chains.

DEVELOPMENT RISKS

There are numerous risks associated with every property development project. Clarence Property, in determining appropriate investments for CPDF, will identify the risks for each development project and will seek to mitigate those risks.

Examples of risks which may apply in respect of development projects are:

Planning risks: All development projects require planning approval from the relevant authorities. There are risks that such approvals may not be obtained within expected timeframes, may not be granted in the form anticipated, or may not be granted at all. Each of these outcomes may have a negative effect on the performance of CPDF and returns to unitholders.

Environment risk: There is a risk that CPDF may be required to remediate a site to comply with environmental laws which may be at significant cost.

Construction costs escalation risk: There is a risk construction costs for a project will escalate during the development. If this occurs, returns to unitholders may be adversely affected.

Further, completion of buildings under contract could be delayed due to the fault of particular contractors or other unforeseen events. If that occurs, then tenants may not begin paying rent when expected and this may impact distributions paid by the Fund.

The Fund may also be exposed directly or indirectly to development and construction risks as a result of future refurbishment or further development of properties.

Project duration risk: There is a risk the time to complete a project and sell the assets may exceed the scheduled timeframe. This may have a negative impact on the performance of CPDF and returns to unitholders.

Valuation and borrowing risk: If borrowings are obtained for development projects on an 'as if complete' basis, there is a risk the assumptions on which the valuation is based may prove to be inaccurate. If the property is sold before development is completed, this may have a negative impact on the performance of CPDF and returns to unitholders.

GEARING AND BORROWINGS

Clarence Property may seek further funding to assist in the acquisition of additional assets and to further develop existing assets. If Clarence Property is unable to secure such finance on acceptable terms and cost, this may adversely impact CPDF's ability to expand its portfolio or Clarence Property's ability to effectively manage CPDF.

In addition, if a number of significant tenants failed to pay rent under their leases, the income of CPDF may not be sufficient to meet interest payments on CPDF's borrowings. If there is a default in payment of such interest, the financier may be entitled to enforce its security over the assets.

Borrowings have been used to partly fund the purchase of a number of assets of CPDF. While this has enhanced the potential for distributable income and capital gain for unitholders if the assets increase in value, it may also increase any capital loss in the event the value of the assets fall, compared to an investment which has no borrowings.

INTEREST RATE RISKS

Fluctuations in interest rates will affect the performance of CPDF. Clarence Property may use hedging and other interest rate risk management strategies to manage the impact of interest rate movements.

To the extent interest rates are not hedged, the financial position including the cost of debt could be affected and could result in decreased distributions to unitholders. If hedged through fixed rates or interest rate swaps, and interest rates increase from current levels, similar terms may not be available upon extension/ refinancing of that debt or the implementation of new hedging strategies.

BREACH OF DEBT COVENANTS

As at the date of this PDS, CPDF is in compliance with all covenants under its finance facilities. If there is a decrease in asset values or rental income, this may cause covenants under CPDF's finance facilities to be breached. A breach of a finance facility covenant may result in a financier enforcing its security over the relevant assets. The financier may require repayment of the facility, possibly prior to its expected expiry. This could result in an early sale of a property at a less than optimal sale price (for instance, in a depressed market), additional equity being required, or distributions being reduced or suspended to repay the borrowings.

LITIGATION RISK

Clarence Property may become involved in disputes and possible litigation during its management of CPDF.

Clarence Property is under an obligation to protect the value of the assets and may become involved in disputes in respect of the properties and buildings, such as for warranty or defects claims against builders and their subcontractors. 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 senior management time in running those proceedings.

RISK OF PARTIAL OWNERSHIP

CPDF may from time-to-time own a less than 100% interest in a property. While Clarence Property believes a partial interest may offer enhanced liquidity prospects (given a greater number of prospective purchasers may be attracted due to the lower purchase price) there is a risk that at any point in time a prospective buyer pool, on balance, may prefer to acquire a 100% interest in the property.

Further, despite negotiating and entering into co-ownership deeds, any material dispute or litigation in relation to the co-ownership may affect the value of the property and/or the income of CPDF.

8.2 RISKS ASSOCIATED WITH AN INVESTMENT IN UNITS IN CPDF

The risks set out in this section relate to an investment in units:

LACK OF LIQUIDITY

CPDF is an illiquid property fund and should be regarded as a long-term investment.

The constitutions of CPDF allow Clarence Property to make limited withdrawal offers to unitholders from time to time. Clarence Property does not anticipate making a withdrawal offer in the foreseeable future. In the event that Clarence Property decides to make a withdrawal offer in accordance with the constitutions, Clarence Property will specify the terms of the withdrawal offer including the redemption date. Unitholders may request Clarence Property redeem any units held in accordance with the offer. Clarence Property must pay the redemption amount for any units properly redeemed within 21 days of the redemption date.

Although there is no formal market for the units, units are transferrable (i.e. able to be sold) in accordance with the provisions of the constitutions.

DISTRIBUTIONS

Clarence Property expects to make distributions using cash flow from the operations of CPDF and from realised capital gains, subject to CPDF's financial performance. If, for any reason, the income of CPDF was to decrease and CPDF found it difficult to meet its repayment obligations under its finance facilities, there is a risk CPDF would be unable to generate sufficient free cash flow from operations to meet the forecast distribution payments to unitholders.

NTA RISK

The net tangible asset (NTA) backing of a managed investment scheme provides information about the value of the tangible or physical assets of the scheme. The NTA backing may be affected by various factors and may increase and decrease from time to time as CPDF raises funds, acquires or disposes of assets, or revalues assets.

RANKING

If CPDF is wound up, unitholders will rank behind secured and unsecured creditors, who will be paid ahead of unitholders. If there is a shortfall of funds upon the winding up of CPDF, there is a possibility unitholders may receive less than the issue price or the net tangible asset value of their units, and could lose some or all of the capital they have invested.

CYBER SECURITY RISK

There is a risk that, despite the technology and security measures implemented by Clarence Property, a data breach or cyber-attack could occur involving unauthorised access by an external party to sensitive and confidential information held by Clarence Property, and the misuse of that information. This may result in a loss to Clarence Property which could have a negative impact on CPDF.

CONFLICTS OF INTEREST

Clarence Property may be affected by certain inherent conflicts of interest. While Clarence Property complies with internal policies regarding identification, disclosure and management of potential conflicts of interest, there is a risk these conflicts may not be managed appropriately.

8.3 ECONOMIC AND MARKET RISKS

This section outlines general economic and market risks which may impact the performance of CPDF and the return on or value of units:

FORWARD LOOKING STATEMENTS

There can be no guarantee the assumptions and contingencies on which forward looking statements, opinions and estimates are based will ultimately prove to be valid or accurate. Forward looking statements, opinions and estimates depend on various factors, many of which are outside the control of Clarence Property.

LEGAL AND REGULATORY RISKS

Adverse consequences to investments may occur because of amendments to statutes and regulations affecting CPDF, its assets or Clarence Property.

Changes to local, state or federal zoning or planning schemes, environmental controls, health and safety requirements, foreign investment controls, discrimination and equal opportunity initiatives, taxation regimes and accounting standards may impact the performance of CPDF.

ECONOMIC CONDITIONS

The overall performance of CPDF may be affected by changing economic or property market conditions, which impact asset returns and values.

These may include movements in interest rates, exchange rates, securities markets, inflation, consumer spending, employment and the performance of local, State, national and international economies. A general economic downturn may have a negative impact on the value of units.

GEOPOLITICAL RISKS

Military conflict internationally may affect the Australian economic and property environment, resulting in challenges to supply chains, increased costs and delays in property developments.

PANDEMIC RISKS

The risks set out in this section as well as other unknown risks may be heightened as a result of the outbreak of a domestic or international health pandemic. CPDF and your investment may be adversely affected, including impacts on the frequency and levels of distribution payments to unitholders as well as on the value of CPDF's portfolio.

OTHER RISKS

Other risks of investing may apply and you should seek appropriate advice before investing.

MAKING AN INVESTMENT DECISION

As the risks noted in this PDS do not take into account your personal circumstances, you should consider the following before making a decision about investing or reinvesting in CPDF:

- obtain professional advice to determine if CPDF suits your investment objectives, financial situation and particular needs;
- ensure you have read CPDF's most up-to-date PDS;
- consider the suggested minimum investment timeframe for CPDF, as set out in the TMD;
- regularly review your investments in light of your investment objectives, financial situation and particular needs.

8. FEES AND OTHER COSTS

Because CPDF is a managed investment scheme, Clarence Property is required to include the below information in the format prescribed by the *Corporations Act*.

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 account 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 fees. Ask CPDF 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 Investments Commission (ASIC) Moneysmart website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

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 the assets of CPDF as a whole.

Taxes are set out in another part of this document.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Type of fee or cost [1]	Amount [2]	How and when paid
Ongoing annual fees and costs		
MANAGEMENT FEES AND COSTS The fees and costs for managing your investment		
MANAGEMENT FEE	Up to 1.0% per annum excluding GST of the gross asset value of CPDF's assets. Clarence Property intends to charge a fee of up to 0.8% per annum excluding GST of the gross asset value for the period ending 30 June 2025	Calculated and payable monthly in arrears from CPDF revenue.
ACQUISITION FEE	Up to 3.0% excluding GST of the purchase price of each asset purchased by CPDF	Payable following the settlement of the purchase of an asset.
DISPOSAL FEE	Up to 2.0% excluding GST of the sale price of each asset sold by CPDF provided the sale price after deducting all selling costs exceeds the original purchase price	Payable following the settlement of the sale of an asset.
OPERATING COSTS AND EXPENSES	Approximately 0.10% excluding GST of the gross asset value of CPDF for the financial year ended 30 June 2024	These costs and expenses are paid or reimbursed from CPDF revenue when incurred.
PERFORMANCE FEES Amounts deducted from your investment in relation to the performance of the product	Nil	Not applicable
TRANSACTION COSTS The costs incurred by the scheme when buying or selling assets	Approximately 0.39% excluding GST of the gross asset value of CPDF for the financial year ended 30 June 2024	These costs and expenses are paid or reimbursed from CPDF revenue when incurred.

Type of fee or cost [1]	Amount [2]	How and when paid
Member activity related fees and costs (fees for no services or when your money moves in or out of the scheme)		
ESTABLISHMENT FEE The fee to open your investment	Nil	Not applicable.
CONTRIBUTION FEE The fee on each amount contributed to your investment	Nil	Not applicable.
BUY-SELL SPREAD An amount deducted from your investment representing costs incurred in transactions by the scheme	Nil	Not applicable.
WITHDRAWAL FEE The fee on each amount you take out of your investment	Nil	Not applicable.
EXIT FEE The fee to close your investment	Nil	Not applicable.
SWITCHING FEE The fee for changing investment options	Nil	Not applicable.

1. See 'Additional explanation of fees and costs' section below for further details as to fees and costs you may be charged.

2. Unless otherwise stated, all fees are inclusive of GST (less any reduced input tax credits) and stamp duty (where applicable).

EXAMPLE OF ANNUAL FEES AND COSTS

The *Corporations Act* requires CPDF to provide an example of the fees and costs which may be paid in the format set out below. These fees and costs are deducted prior to the payment of any distributions to you.

This table gives an example of how the ongoing fees and costs in the units for this product can affect your investment over a 1-year period. You should use this information to compare this product with other products offered by managed investment schemes.

Example		**Balance of $50,000 with a contribution of $5,000 during the year**
CONTRIBUTION FEES	Nil	For every additional $5,000 you invest, you will be charged $0.
PLUS MANAGEMENT FEES AND COSTS	1.95% per annum[1], comprising: • a Management fee of 1.28% • Operating costs and expenses of 0.15% • Acquisition fees of 0.01% • Disposal fees of 0.36% • Development profit-share fees of 0.15%	And, for every $50,000 you have invested, you will be charged $975 annually. In other words, $975 will be deducted from the revenue of CPDF before any distributions are made to you.
PLUS PERFORMANCE FEES	Nil	And, you will be charged $0 in performance fees each year
PLUS TRANSACTION COSTS	0.62% per annum[1]	And, you will be charged or have deducted from your investment $1,160, in transaction costs. In other words, $1,160 will be deducted from the revenue of CPDF before any distributions are made to you.
EQUALS COST OF CPDF		If you had an investment of $50,000 at the beginning of the year, and you contributed an additional $5,000 at the beginning of the year, you would be charged fees and costs of $1,413. In other words, $1,413 would be deducted from the revenue of CPDF before any distributions are made to you.

[1] excluding GST, based on CPDF's average net asset value over the one-year period ended 30 June 2024. Prospective unitholders should note that in the preparation of the above table 'Example of annual fees and costs', fees are represented as a percentage of NAV (net asset value), as a $50,000 balance indicates investor equity – i.e. NAV. This is different to the first table 'Fees and other costs', which is represented as a percentage of GAV (gross asset value).

ADDITIONAL EXPLANATION OF FEES AND COSTS

Under CPDF's constitutions, Clarence Property is entitled to all of the fees and reimbursement of expenses described in the tables in this section. Unless otherwise stated, fees and costs are GST inclusive. For further information on tax, refer to the Taxation section of this PDS.

If Clarence Property provides a forecast distribution to unitholders, this forecast distribution is calculated on the basis that all fees and costs have been paid. In other words, the forecast distribution will not be reduced further by deducting any additional fees and costs.

MANAGEMENT FEES AND COSTS

MANAGEMENT FEES

Clarence Property is entitled to be paid out of the assets of CPDF a management fee of up to 1.0% excluding GST per annum of the gross asset value of CPDF's assets (i.e. $10,000 p.a. out of every $1,000,000 of gross assets).

The management fee is calculated and payable monthly in arrears out of CPDF's revenue. The management fee must be paid up to the date of completion of the winding up of CPDF.

However, Clarence Property at the date of this PDS, intends to waive its entitlement to the full 1.0% excluding GST per annum management fee and instead charge a management fee of up to 0.8% excluding GST per annum of the gross asset value of CPDF's assets for the financial year ended 30 June 2025 (i.e. up to $8,000 p.a. out of every $1,000,000 of gross assets).

ACQUISITION FEE

Clarence Property is entitled to be paid an acquisition fee up to 3.0% excluding GST of the purchase price of each asset purchased by CPDF. This fee is payable on settlement of the asset purchase.

For example, if the purchase price of the asset was $5,000,000, the maximum acquisition fee would be calculated as follows:

$5,000,000 x 0.03 = $150,000

If no assets are acquired in CPDF during a financial year, then no acquisition fees will be charged.

DISPOSAL FEE

Clarence Property is entitled to be paid a disposal fee up to 2.0% excluding GST of the sale price of each asset of CPDF, provided the sale price after deducting all selling costs exceeds the original purchase price. This fee is payable on settlement of the asset sale.

For example, if the sale price of the asset was $5,000,000, sale costs were $50,000 and the original purchase price of the asset was $3,000,000, the maximum disposal fee would be calculated as follows:

$5,000,000 x 0.02 = $100,000

If no assets are sold by CPDF during a financial year, then no disposal fees will be charged.

OPERATING COSTS AND EXPENSES

To the extent permitted by law, Clarence Property is entitled to recover all costs and expenses incurred in the administration and operation of CPDF and in the proper performance of its duties as responsible entity of CPDF. This includes but is not limited to costs and expenses in relation to:

- fees charged for administering and operating the managed investment scheme;
- fees and expenses of auditors, accountants and professional advisers or experts engaged by Clarence Property in the discharge of duties under the constitutions;

- maintenance of accounting records and registers, and preparation and lodgement of taxation returns;
- capital raising and associated advertising costs;
- communicating with unitholders and convening any meeting of unitholders; and
- costs and expenses relating to the Custodian and compliance committee.

Clarence Property is entitled to recover all such expenses from the revenue of CPDF.

TRANSACTION COSTS

Transaction costs are costs incurred by CPDF when assets are bought and sold. They include payments to third parties such as brokerage, selling fees and costs, stamp duty, legal and tax advice and property settlement costs. Transaction costs will be higher if assets are sold or acquired during a particular financial year.

Transaction costs will be nil if CPDF does not make any acquisitions or disposals during a financial year.

INDIRECT COSTS

Indirect costs are generally any amount Clarence Property knows, or estimates will reduce CPDF's returns, that are paid from CPDF's assets or the assets of interposed vehicles. There were no indirect costs incurred in the 2023/2024 financial year.

BUY-SELL SPREAD

The issue price and withdrawal price for managed funds are often adjusted for a buy spread and a sell spread. The buy and sell spreads reflect the amount of transaction costs which Clarence Property estimates will be incurred in buying and selling CPDF's assets as the result of an investor entering or leaving CPDF.

The purpose of the buy and sell spreads is to ensure those investors transacting in a managed fund's units at a given time, proportionately bear the fund's costs of buying and selling assets as a result of their transaction.

The buy-sell spread for CPDF at the date of this PDS is Nil.

REMOVAL FEE

Under CPDF's constitutions, Clarence Property is entitled to a fee of 2.0% excluding GST of the total value of CPDF's real property assets, provided the current total value of the real property assets exceeds their purchase price, if Clarence Property is removed as the responsible entity of CPDF for any reason other than failing to properly perform its duties.

For example, if CPDF's current total value of real property assets is $500,000,000 (and this total value exceeds their aggregate purchase price), Clarence Property would be entitled to receive a removal fee of $10,000,000 if removed as responsible entity.

The management fees and costs row in the 'Fees and other costs' table above does not include any removal fee.

OTHER FEES

Clarence Property (or an associate) may receive and charge fees in addition to other fees specified in this PDS and recover costs and outlays for any other services not reasonably contemplated by Clarence Property as being part of those duties for which it is remunerated where the services are provided by Clarence Property (or an associate) to CPDF.

CHANGES IN FEES

Fees may change during the term of CPDF.

Clarence Property will provide unitholders with notice of any proposed changes to the level of fees. Clarence Property cannot increase fees beyond the level allowed in the constitutions without the approval of unitholders.

WAIVER OF FEES AND EXPENSES

Clarence Property may, at its discretion, waive fees and expenses which it is otherwise entitled to receive, or it may defer payment of those fees and expenses for any period of time. If payment is deferred, the fee may accrue until paid.

PERFORMANCE FEE

Clarence Property cannot charge a performance fee.

Can fees be different for different investors?

No.

BROKERAGE AND ADVISER FEES

No brokerage, service fees, up-front or trail commissions will be paid out of CPDF assets to financial advisers or advisory firms. Applicants may agree to pay their adviser a fee for financial advice or advice services provided to them.

TAXES

Government taxes such as stamp duty and GST may be applied as appropriate. Information relating to the taxation implications associated with an investment in CPDF is outlined in Section 10 'Taxation'. Unless otherwise stated, all fees in this section are GST inclusive.

FEES PAYABLE TO RELATED PARTIES

Certain fees and expenses are payable by CPDF to certain related parties under transactions on arms' length terms. For example, Clarence Property or a related entity may be entitled to fees in relation to property management, facility management, leasing services, project management, development management and debt arrangement and management.

10. TAXATION

INTRODUCTION

This information is general in nature and unitholders should not rely on the information as it has not taken their specific circumstances into account. They should seek their own tax advice.

Taxation is complex and its application is dependent upon the facts and circumstances of the PDS.

Taxation law is subject to change. The information in this section is based on legislation, rulings, case law and other authorities at the date of this PDS. We will not update the information for future changes in the law, rulings, cases or other authorities.

Unless otherwise stated, all legislative references in this letter are to the *Income Tax Assessment Act 1936* and the *Income Tax Assessment Act 1997*.

This summary applies to Australian tax resident unitholders who hold their units on capital account. However, this summary will not apply to unitholders who:

- hold their units on revenue account, as trading stock or to which the Taxation of Financial Arrangements provisions under Division 230 of the ITAA97 applies;
- are financial institutions, insurance companies, partnerships, tax exempt organisations, dealers in securities or unitholders who change their tax residency while holding shares and are subject to special tax rules; or
- Non-resident unitholders.

Such unitholders are encouraged to seek independent taxation advice regarding units.

For the purposes of this section, CPDF means Clarence Property Diversified Fund ARSN 095 611 804.

STAPLING AGREEMENT

The Clarence Property Diversified Fund comprises Clarence Property Diversified Fund ("CPDF") and Epiq Lennox Property Trust ("ELPT").

For taxation purposes CPDF and ELPT are treated as separate taxation entities.

Under the stapling arrangement unitholders will retain the same proportionate interest in both trusts.

Investors will receive an annual distribution statement covering the combined trusts.

For completeness, set out below is a summary of the taxation position of investments in both CPDF and ELPT.

TAXATION TREATMENT OF CPDF

TRUST INCOME

The core business of CPDF is the acquisition of commercial property for rent and investment in securities. The net income of CPDF may include:

- Net rental income that is attributable to the leasing of commercial property;
- Gains from the sale of commercial property held for rent; and
- Income from cash investments, and from investments in listed and unlisted securities.

TAXATION OF CPDF

Tax losses incurred by CPDF cannot be distributed to unitholders. Tax losses are trapped in CPDF but may be carried forward in CPDF and utilised to reduce tax gains made in later income years. The utilisation of carried forward tax losses is subject to the satisfaction of certain utilisation tests.

ACQUISITION OF UNITS

The capital gains tax ("CGT") provisions will apply upon sale, transfer or any other form of disposal of the units. For CGT purposes, the cost base (and reduced cost base) of each unit will include the amount the unitholder paid to acquire the unit plus any incidental costs of acquisition and disposal.

Unitholders that are presently entitled to the distributable income of CPDF will be required to include in their assessable income a proportionate share of CPDF's taxable income for each relevant income year. A unitholder's proportionate share of CPDF's net income will be determined by their proportional entitlement to the distributable income of CPDF. There may be circumstances where the calculation of CPDF's net income for tax purposes and the distributable income may vary.

Investors will generally be assessed in the same year in which CPDF derived the income. This will include CPDF distributions which a unitholder becomes presently entitled to but may not receive until after year end.

Each component of CPDF's net income should retain its tax character in the hands of the unitholders.

CPDF may also make cash distributions to unitholders in excess of the net income of CPDF for taxation purposes.

These distributions can arise as a result of:

- Tax deferred distributions (generally income sheltered by tax depreciation deductions); and
- CGT concessions (being the discount component of net capital gains derived by CPDF).

Tax deferred distributions do not give rise to assessable income in the hands of a unitholder. However, for CGT purposes they reduce the cost base (and where applicable the reduced cost base) of the unitholder's units in CPDF. If the cost base of the units is reduced to nil a capital gain will arise on any further tax deferred distributions received.

Distributions of the CGT concession amount are not assessable to unitholders and will not affect the cost base of their unitholding in CPDF.

Investors will receive distribution statements setting out the details of all CPDF distributions.

SALE OF UNITS

A capital gain or capital loss will crystallise for the unitholder upon disposal of some or all of their units in CPDF. A capital gain will arise where the proceeds received from sale exceed the cost base of the units. A capital loss will arise where the proceeds received from sale are less than the cost base (or reduced cost base) of the units.

Investors with current year or carry forward capital losses may be able to apply these losses against any capital gain arising upon disposal of the units. Conversely, unitholders may carry forward to later income tax years any unutilised capital loss arising upon disposal of the units.

Once the net capital gain or net capital loss of the unitholder in respect of all capital gains or losses has been aggregated for the year, this amount is included in the unitholder's assessable income. A net capital loss can only be offset against capital gains with the remaining amount to be carried forward and offset against future taxable capital gains (subject to any loss testing conditions being satisfied).

Individuals who hold units in their own name who dispose of their units in CPDF may be able to apply the 50% CGT discount where the disposed units have been held for at least 12 months prior to the date of disposal. This treatment also applies to individuals who receive distributions of capital gains arising from the disposal of CPDF units from a trust. Similarly, complying superannuation funds which dispose of units in CPDF may be eligible to apply a 33 1/3% CGT discount, and trusts which dispose of units in CPDF may be eligible to apply a 50% CGT discount.

There are no CGT discounts available for incorporated unitholders.

PAY AS YOU GO WITHHOLDING

Investors may provide their Australian Tax File Number ("TFN") or Australian Business Number ("ABN") to CPDF. Where this information is not provided, CPDF must typically withhold Pay As You Go ("PAYG") withholding tax from distributions made to the relevant unitholder at the highest marginal tax rate (currently 45% plus a 2.0% Medicare Levy).

Investors will typically be able to offset any PAYG tax withheld against their income tax liability upon preparation of their annual income tax return.

GOODS AND SERVICES TAX

Goods and services tax ("GST") is not directly applicable to a unitholder's investment in CPDF when they invest or withdraw their investment. In particular, the acquisition of units and associated distributions made to unitholders will not be subject to GST. However, where the unitholder is registered for GST, it may not be entitled to claim input tax credits on costs associated with the acquisition of units in CPDF.

TAXATION TREATMENT OF EPIQ LENNOX PROPERTY TRUST

TRUST INCOME

The business of ELPT includes the acquisition and development of land for resale and/or rent. The net income of ELPT may include gains from the sale of land held for development purposes.

TAXATION OF ELPT

ELPT is expected to be treated as a Public Trading Trust (PTT) in accordance with Division 6C of the *Income Tax Assessment Act 1936*.

PTTs are taxed in the same manner as companies, subject to certain modifications.

As ELPT is undertaking land development activities, ELPT will be liable to pay income tax on its taxable income derived in an income year. Income Tax will be levied on the taxable income of ELPT at the Australian corporate taxation rate.

Distributions to unitholders relating to profits derived in years where ELPT is taxed as a PTT will be in the form of dividends. The ability of ELPT to frank a dividend will be subject to it having sufficient franking credits in its franking account. ELPT will be required to maintain a franking account which essentially reflects the income tax paid by ELPT (or attached to dividends received by ELPT) less any franking credits which have been attached to distributions.

Tax losses incurred by ELPT cannot be distributed to unitholders. Tax losses are trapped in ELPT but may be carried forward in ELPT and utilised to reduce tax gains made in later income years. The utilisation of carried forward tax losses is subject to the satisfaction of certain utilisation tests.

ACQUISITION OF UNITS

For CGT purposes, the cost base (and reduced cost base) of each unit will include the amount the unitholder paid to acquire the unit plus any incidental costs of acquisition and disposal.

DISTRIBUTIONS FROM ELPT

Distributions of profit by ELPT to unitholders will be made by way of dividend. These dividends comprise taxable income in the year in which they are received. As ELPT will be taxed as a company, dividend distributions may be unfranked, partially franked or fully franked.

Australian tax resident unitholders in receipt of dividends will be required to include the grossed up dividend income (i.e. dividend amount plus the franking credits attached) as part of their taxable income in their annual income tax return in the year they are received.

Australian tax resident unitholders in receipt of a partially franked or full franked dividend from ELPT may be able to offset the franking credits against their Australian tax payable. In certain circumstances where the marginal tax rate of an individual or superannuation entity unitholder is less than the company tax rate and they are in receipt of fully franked dividends, the unitholder may be entitled to a refund of the excess franking credits not utilised.

As ELPT distributions will be taxed as dividends, unitholders will not receive distributions of capital gains which qualify for CGT discounts.

ELPT may also make cash distributions to unitholders in excess of the statutory net profit as determined in accordance with Accounting Standards. Where these distributions are debited to the unit capital account, they will not give rise to assessable income in the hands of a unitholder. However, for CGT purposes they reduce the cost base (and where applicable the reduced cost base) of the unitholders units in ELPT. If the cost base of the units is reduced to nil a capital gain will arise on any further returns of capital received.

SALE OF UNITS

A capital gain or capital loss will crystallise for the unitholder upon disposal of some or all of their units in ELPT. A capital gain will arise where the proceeds received from sale exceed the cost base of the units. A capital loss will arise where the proceeds received from sale are less than the cost base (or reduced cost base) of the units.

Investors with current year or carry forward capital losses may be able to apply these losses against any capital gain arising upon disposal of the units. Conversely, unitholders may carry forward to later income tax years any unutilised capital loss arising upon disposal of the units.

Once the net capital gain or net capital loss of the unitholder in respect of all capital gains or losses has been aggregated for the year, this amount is included in the relevant year's tax return. A net capital gain is included in the unitholder's assessable income. A net capital loss can only be offset against capital gains with the remaining amount to be carried forward and offset against future taxable capital gains (subject to loss testing conditions being satisfied).

Individual unitholders who dispose of their units in ELPT may be able to apply the 50% CGT discount where the disposed units have been held for at least 12 months prior to the date of disposal. This treatment also applies to individuals who receive distributions of capital gains arising from the disposal of ELPT units from a trust. Similarly, complying superannuation funds which dispose of units in ELPT may be eligible to apply a 331/3% CGT discount, and trusts which dispose of units in CPDF may be eligible to apply a 50% CGT discount.

There are no CGT discounts available for incorporated unitholders.

PAY AS YOU GO WITHHOLDING

Investors may provide their Australian TFN or ABN to ELPT. Where this information is not provided, ELPT must typically withhold PAYG withholding tax from distributions made to the relevant unitholder at the highest marginal tax rate (currently 45% plus a 2.0% Medicare Levy).

Investors will typically be able to offset any PAYG tax withheld against their income tax liability upon preparation of their annual income tax return.

GOODS AND SERVICES TAX

GST is not directly applicable to a unitholder's investment in ELPT when they invest or withdraw their investment. In particular, the acquisition of units and associated distributions made to unitholders will not be subject to GST. However, where the unitholder is registered for GST, it may not be entitled to claim input tax credits on costs associated with the acquisition of units in ELPT.

11. DISTRIBUTIONS

CPDF aims to pay distributions monthly.

You should be aware that although CPDF's objective is to pay distributions monthly, the amount of each distribution may vary, or no distribution may be paid in a distribution period.

Distributions will normally be made mid-month after the end of the month. The amount distributed to each unitholder will be based on the number of units held by the unitholder at the end of the previous month. For example, your June distribution will be calculated based on units you own at 30 June and the distribution will be paid to you by mid-July.

Any distributions you receive may affect the social security benefits to which you are or may be entitled, and you should consider discussing this with your financial adviser, Centrelink or the Department of Veterans' Affairs before investing.

PAYMENT OF DISTRIBUTIONS

You can choose to have distributions:

- paid directly into your nominated account as completed in your Application Form (or as subsequently notified to Clarence Property); or
- reinvested in CPDF in accordance with the Distribution Reinvestment Plan, by indicating your selection on your Application Form.
  If no selection is made and the Distribution Reinvestment Plan is open, distributions will be reinvested.

REINVESTMENT

Under CPDF's constitutions, the issue price for reinvested distributions is determined by the Board.

12. OTHER IMPORTANT INFORMATION

ISSUE PRICE

The issue price is determined under CPDF's constitutions by reference to the net asset value pertaining to the number of units on issue.

UNIT PRICING POLICY

Clarence Property may exercise certain discretions in determining the unit price of units on application and withdrawal in CPDF. The Unit Pricing Policy, which can be obtained free of charge by contacting us, sets out the types of discretions Clarence Property may exercise and in what circumstances Clarence Property exercises the discretions and the reasons why it considers the policies are reasonable. Clarence Property is required to keep a record of any instance where a discretion is exercised in a way that departs from these policies.

COOLING OFF RIGHTS

Applicants should note there is no cooling-off period in relation to applications made under this PDS.

TIMING OF ISSUE (ALLOTMENT) OF UNITS

Units are allotted on the first day of the month following receipt of a completed Application Form and your investment funds.

RETAINING THIS PDS AND TMD

You should keep this PDS and TMD, and any replacement or supplementary PDS, as you may need to refer to information about CPDF for ongoing investing. We will send you a current PDS and any replacement or supplementary PDS free of charge, on request.

CHANGES TO THE INFORMATION IN THIS PDS

Before making an investment decision, it is important to read a current PDS, as information provided in a PDS may change from time to time. Updates which are not materially adverse to unitholders will be updated online. However, if a change is considered materially adverse to unitholders, Clarence Property will issue a replacement or supplementary PDS which will be available online. You can also obtain a copy of the replacement PDS, supplementary PDS or any updated information free of charge, by contacting us.

Clarence Property may change CPDF's investment return objective or investment approach from time to time, if it considers it to be in the best interests of unitholders. If it does so, it will advise unitholders.

QUESTIONS ABOUT YOUR INVESTMENT

Please contact our Investor Relations team on 1300 853 069 between 9.00am and 5.00pm Monday to Friday, Sydney time or alternatively via email at invest@clarenceproperty.com.au if you have questions relating to your investment.

TRANSFER OF UNITS

Although there is no formal market for the sale of units, units are transferrable (ie. able to be sold) to third parties. A transfer of units form is available for download online at https://clarenceproperty.com.au/ or contact us with any transfer questions.

KEEPING YOU INFORMED

CPDF REGISTRY

CPDF's registry provider is Boardroom Pty Limited (BoardRoom). InvestorServe is BoardRoom's online service portal, accessed via www.investorserve.com.au.

Through InvestorServe, you can:

- update and manage your contact information;
- update and manage payment preferences;
- view holdings and transactions;
- view CPDF updates and reports; and
- view distribution and taxation statements.

The BoardRoom (InvestorServe) portal provides 24/7 access to your investment and meets all legislative requirements regarding data security and privacy. It is important for investors to appreciate the protocols employed by BoardRoom ensure your investment information is protected and secure.

Once you receive your initial CPDF holding statement, it is important you register for access to InvestorServe.

INVESTMENT INFORMATION

BoardRoom will send unitholders the following information:

- confirmation of your initial investment;
- a confirmation statement after each additional investment;
- if your distributions are paid into your bank account, a distribution statement once payment has been made (typically mid-month);
- if your distributions are reinvested through the Distribution Reinvestment Plan, a distribution statement once your new units have been allotted (typically on the first day of each month); and
- by 30 September each year, an annual tax statement to help you with your tax return.

REPORTING

We will provide unitholders with the following information free of charge, on request:

- CPDF's financial reports;
- investment or distribution statements; and
- a paper copy of any updated information.

CPDF CONSTITUTIONS

CPDF's constitutions provide the framework for the operation of CPDF, and together with CPDF's PDS, the *Corporations Act* and other relevant laws, sets out the relationship between Clarence Property and unitholders. We will send you a copy of the constitutions free of charge, on request.

OVERVIEW OF THE CONSTITUTIONS

The key provisions of CPDF's constitutions relate to:

- the rights and liabilities of unitholders;
- where taxes or other amounts can be deducted from payments to unitholders;
- where transfers and applications may be refused;
- the liability of Clarence Property to unitholders in relation to CPDF, which is limited to any liability imposed by the *Corporations Act* so long as Clarence Property acts in good faith and without gross negligence;
- the powers, rights and liabilities of Clarence Property, including its power to invest the assets of CPDF, to deal with itself and its associates, to be paid fees and to be reimbursed or indemnified out of the assets of CPDF;
- the right of Clarence Property to be reimbursed by a unitholder or former unitholder for tax or expenses it incurs as a result of the unitholder's request, action or inaction, or to redeem units to satisfy amounts due to Clarence Property from a unitholder;
- changing the constitutions, including in some cases without unitholder approval, such as to meet regulatory changes;

- the ability of Clarence Property to terminate CPDF at any time;
- when Clarence Property can terminate CPDF or retire, and what happens if this occurs; and
- voting rights.

The constitutions limit a unitholder's liability to the value of their units.

COMPLIANCE PLAN

Clarence Property has a compliance plan for CPDF, which sets out the measures which will apply in operating CPDF to ensure compliance with the *Corporations Act* and the constitutions. The compliance plan is lodged with ASIC and is audited by independent auditors annually to determine compliance with it.

A compliance committee monitors the operation of CPDF and overall compliance with the compliance plan. The majority of the members of the compliance committee must be, and are, independent of Clarence Property. The compliance committee has the obligation to monitor compliance with the compliance plan and to report certain breaches of the *Corporations Act* and the compliance plan to ASIC.

RELATED PARTY TRANSACTIONS

Clarence Property may engage related parties to undertake services on behalf of CPDF. Any such services must be on arm's length terms, and fees for these services are charged at normal commercial rates as if the two parties were unrelated.

Clarence Property Works Pty Ltd (a wholly owned subsidiary of Clarence Property) acts as property asset and leasing manager of properties within the portfolio.

In addition, Clarence Property, its directors, shareholders, employees and related parties hold units in CPDF either directly or beneficially. In the opinion of the directors, an investment in CPDF by these parties assists to ensure the interests of unitholders in general are aligned with those of Clarence Property and related parties.

INTERESTS OF DIRECTORS

As at the date of this PDS, each of the parties below or entities associated with them held units in CPDF on the same terms and conditions as all other unitholders. The number of units held directly and indirectly was as follows:

Name	Number of units	% of issued units
Peter Fahey	2,207,212	0.48%
Darrell Irwin	1,706,995	0.37%
Paul Rippon	1,058,105	0.23%
Tony Tippett	4,313,923	0.93%
Andrew Carlton	179,931	0.04%
Total	9,466,166	2.05%

INTERESTS OF RELATED PARTIES, FAMILY AND STAFF

Directors, officers, staff and family of Clarence Property or the related parties identified above may acquire units but only on the same terms as other unitholders.

As at the date of this PDS, related parties, directors, officers and staff of Clarence Property and their families collectively held 41,353,021 units in CPDF, which represented 8.94% of the total units on issue.

CONTINUOUS DISCLOSURE OBLIGATIONS

Units in CPDF are 'ED (Enhanced Disclosure) securities' under the *Corporations Act*. CPDF is therefore a disclosing entity and subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to CPDF can be obtained from, or inspected at, an ASIC office.

Unitholders have a right to obtain various financial reports lodged with ASIC for CPDF including a copy of the following documents:

- the financial reports of CPDF most recently lodged with ASIC; and
- any continuous disclosure notices given by CPDF.

Clarence Property will satisfy its continuous disclosure obligations for CPDF by publishing material information on its website or making it available via InvestorServe.

Accordingly, given the disclosure of material information will be made on Clarence Property's website, Clarence Property will not be required to lodge with ASIC continuous disclosure notices for CPDF.

COMPLAINTS PROCEDURE

If you have a complaint about any aspect of your investment in CPDF, please write to us at:

The Dispute Resolution Officer
PO Box 1478
Ballina NSW 2478

Alternatively, you can phone us on 1300 853 069.

We are a member of, and participate in, the Australian Financial Complaints Authority (AFCA), an independent complaints resolution organisation. If you feel your complaint has not been satisfactorily resolved you are entitled to make a complaint to AFCA at:

Australian Financial Complaints Authority
GPO Box 3
Melbourne, VIC 3001

Phone: 1800 931 678
Email: info@afca.org.au

A copy of Clarence Property's Internal Dispute Resolution Procedural Program can be downloaded from the website https://clarenceproperty.com.au/dispute-resolution/

YOUR PRIVACY

The main purpose in collecting personal information is to allow us to set up and administer your investment account. If you do not provide the required information, we may not be able to process your application. If you would like us to not use your personal information for direct marketing purposes, please contact us.

We share this information with our registry service provider, BoardRoom, for the purposes of administering your investment.

Our Privacy Policy, which can be obtained by contacting us or online at https://clarenceproperty.com.au/privacy-policy/, sets out our policies on management of personal information. This information may be disclosed to financial advisers where applicable, to external service suppliers (including offshore suppliers) who supply administrative, financial or other services which assist us in providing services to you, and to anyone you have authorised or if required by law.

Under the *Privacy Act 1988 (Cth) (Privacy Act)*, you may access personal information held about you, although the *Privacy Act* does set out some exemptions to this. If you believe information held about you is inaccurate, incomplete or out of date, please contact us.

13. HOW TO INVEST

Complete the online application form located at the top of our website www.clarenceproperty.com.au

Please follow the instructions on our website for both new and existing investors.

As a new investor you will need to provide, as a minimum, the following information:

- Contact details so we can contact you about the application;
- Investor details such as name, entity information;
- Banking information for distributions; and
- Tax file number.

Existing investors will need their unitholder identification details.

If you don't have online access, please call Clarence Property on 1300 853 069 for assistance in processing your application.

You can make initial or additional investments via direct deposit, BPAY or cheque by following the payment instructions provided once the online application is completed.

Your application will only be processed and finalised on receipt of both the completed online application form and your investment amount.

All investments are made on the basis of the PDS (as amended by any supplementary PDS) current at the time of contributing your investment amount.

We may, in our absolute discretion, reject in whole or in part any application. We need not give any reason for rejection.

Minimum investment amounts:

New unitholders – 50,000 units

Existing unitholders – 10,000 units

Clarence Property reserves the right to accept lower investment amounts.

14. DIRECTORY

RESPONSIBLE ENTITY AND ISSUER

Clarence Property Corporation Limited
ABN 67 094 710 942 AFSL 230212

Responsible Entity of Clarence Property Diversified Fund ARSN 095 611 804 and Epiq Lennox Property Trust ARSN 626 201 974

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CLARENCE PROPERTY

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By Clarence Property Corporation Limited
ABN 67 094 710 942 AFSL 230212