CLARENCE PROPERTY

FREQUENTLY ASKED QUESTIONS

CLARENCE PROPERTY DIVERSIFIED FUND

WHAT IS THE OFFER?

Clarence Property seeks to raise new capital through the offer of stapled units in Clarence Property Diversified Fund (CPDF).

WHO IS THE MANAGER OF THE FUND?

Clarence Property Corporation Limited is the manager of CPDF. It has over $1 billion in gross assets under management, including CPDF and other funds.

WHAT IS THE INVESTMENT OBJECTIVE?

To provide monthly income and potential capital growth to investors.

WHAT IS THE UNIT ISSUE PRICE?

The unit issue price is $1.12 per unit.

WHAT IS THE MINIMUM INVESTMENT?

The minimum application for new investors is 50,000 units ($56,000) or 10,000 units ($11,200) for existing investors.

HOW OFTEN ARE DISTRIBUTIONS PAID?

Monthly.

WHAT ARE THE KEY BENEFITS OF AN INVESTMENT IN THE FUND?

As an investor in the Fund, you will benefit from accessing a professionally managed, diverse portfolio of property assets which have historically generated regular income to the Fund, allowing the payment of monthly cash distributions to investors. Investors may also receive franking credits and the potential for capital growth.

HOW WILL THE PROCEEDS OF THE OFFER BE USED?

The proceeds of the offer will be used to fund new acquisitions, undertake asset improvements and development opportunities, or reduce existing Fund borrowings.

WHAT IS THE LENGTH OF MY INVESTMENT?

The Fund is an "open-ended" illiquid investment vehicle, which means there is no pre-determined investment term or length. Your investment will only end if:

- The Fund is wound up;
- Clarence Property offers a withdrawal opportunity and you successfully participate; or
- you sell your units in the Fund.

CAN I WITHDRAW MY INVESTMENT?

Investors may not withdraw or redeem their investment at will, but can transfer (sell) all or part of their investment to interested buyers.

WHO CAN INVEST IN THE FUND?

Individuals and self-managed superannuation funds represent the largest portion of investors in the Fund. The Fund is however open to all types of investment vehicles which fall within our target market. Please see our Target Market Determination (TMD) for suitability.

WHAT IS THE INVESTMENT STRUCTURE?

CPDF is an unlisted 'stapled' entity, comprising two trusts, Clarence Property Diversified Fund ARSN 095 611 804 and Epiq Lennox Property Trust ARSN 626 201 974. These two trusts are stapled together for tax structuring purposes, with the aim of providing a blended return to unitholders.

WHAT IS THE STRUCTURE OF THE PORTFOLIO?

CPDF holds a diversified portfolio of retail shopping centres, commercial office, medical and childcare centres, large-format industrial and development properties located predominantly in the key growth areas of Northern NSW and South East QLD.

CAN THE OFFER BE WITHDRAWN?

Clarence Property reserves the right to withdraw the offer or close it at any time. Any application not accepted at the time the offer is withdrawn, will be refunded by Clarence Property without interest.

WHAT ARE THE MAIN RISKS ASSOCIATED WITH AN INVESTMENT IN THE FUND?

Any investment in the Fund is subject to both general and specific risks relating to the Fund, the portfolio, and Clarence Property.

These risks include but are not limited to: tenancy risks, portfolio diversification, gearing, valuation risk and development risk. Refer to the PDS for further details.

WHO MANAGES THE PROPERTIES WITHIN THE FUND?

Clarence Property's integrated property team ensures the property assets are managed in the best interests of investors.

HOW ARE RETURNS / DISTRIBUTIONS CALCULATED?

The current Forecast Gross Distribution for the year ending June 2027 is 6.5% per annum, based on an issue price of $1.12 per Unit. This comprises a forecast cash distribution of 6.28 cents per unit, plus 1.0 cent per unit forecast franking credits (or the equivalent payable in cash at the discretion of Clarence Property).

CAN I REINVEST MY DISTRIBUTIONS?

Yes, investors have an opportunity to reinvest their distributions in the Fund and be issued with additional units.

WILL THE UNITS BE LISTED?

No, the units will not be listed on any stock exchange.

ANNUALISED AVERAGE INVESTMENT RETURNS P.A.*

	5 year (%pa)	10 year (%pa)	Since Inception (%pa)
INCOME	6.8%	7.9%	11.7%
GROWTH	3.2%	4.3%	1.9%
TOTAL	10.0%	12.2%	13.6%

*Past performance is not a reliable indicator of future performance.