



65A & B CANNING BEACH RD

APPLECROSS



smats
consortium

Powered By:



Private Lender Project Overview

Luxury Residential Apartments

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Executive Summary

Dear Private Lender,

On behalf of GPG No 6 Pty Ltd (ACN 637 395 987) ATFT GPG No 6 Unit Trust, Griffin Projects Group are pleased to present to you this private funding opportunity into another exciting Griffin property syndication project, 65A&B Canning Beach Rd Applecross.

The project is a medium to long term funding opportunity, with the key objective being to develop the land lots located at 65A&B Canning Beach Road, Applecross 6153, into a proposed residential development comprising a minimum of five and a maximum of seven luxury residential apartments.

The following document outlines some key information to aid you in making your decision.

The Development Company is looking to raise approximately \$12 million plus GST. It is expected that this will be comprised of \$7,400,000 from institutional lenders, \$1,600,000 through individual Private Lenders and the remaining \$2,900,000 through Shareholding and Preferential Equity Partners into GPG No 6 Pty Ltd.

On behalf of the 65A&B Canning Beach Rd Applecross project, we look forward to welcoming your interest as a participant in the project and sharing in an outstanding opportunity for an above average return.

Yours Faithfully,



Greg Devine - On behalf of GPG No 6 Pty Ltd
Director



Important Information

This document is not a prospectus, product disclosure statement or other disclosure document as each of those terms are defined in the Corporations Act 2001 (Cth) and has NOT been lodged with the Australian Securities & Investments Commission. This document has been prepared by Griffin Projects Group (ABN 39 151 840 041) ("The Manager") and does not constitute an offer, invitation, recommendation or contract to enter into any type of financial transaction to subscribe for any type of financial product (including any security) or acquire any interest generally in entities comprising the Griffin Projects Group, and is intended as a guide.

The information contained in this document does not constitute financial product advice and does not take into account the particular objectives, financial situation or needs of any recipient of this document ("Recipient").

This document does not purport to contain all the information a Recipient may require to evaluate any of the entities comprising the Manager or all the factors that would be relevant to a Recipient considering entering into a transaction with the entities comprising the Manager and is not intended to form the basis of any decision by a Recipient.

The entities comprising the Manager have compiled the financial and other information in good faith. No formal due diligence or verification has been undertaken in connection with the preparation of this document and the information contained in this document has not been subject to independent audit or review.

Except to the extent required by law, neither the entities comprising the Manager nor their directors, officers, employees, advisors and shareholders make any representation or warranty, whether expressed or implied, in relation to the veracity of the information contained in this document nor do any of them take any responsibility for the accuracy or completeness of, or any omissions from, the information contained in this document, any opinions or projections expressed in, or omitted from this document.

This document may contain certain projections, forward-looking statements and forecasts of future events with respect to the anticipated future performance of the entities comprising the Manager. Such projections, forward-looking statements and

forecasts of future events are based on various subjective estimates and assumptions concerning the future of the entities comprising the Manager and related circumstances and events that may not take place. They are subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the entities comprising the Manager. Past performance is not necessarily a reliable indicator of future performance. There can be no assurance that such projections, forward-looking statements and forecasts of any future events will be realised. Accordingly, no representations or warranties are given by the entities that comprise the Manager and their directors, officers, employees, advisors and shareholders as to the accuracy or reasonableness of such assumptions or the projections, forward-looking statements or forecasts of future events based thereon.

This project is issued under the SMATS Consortium Australian Financial Services Licence (AFSL) Wholesale Licence No. 480476.

Confidentiality

The information provided in this document and attached to it are confidential. This document should not be distributed to any other person unless authorised in writing by the Manager.

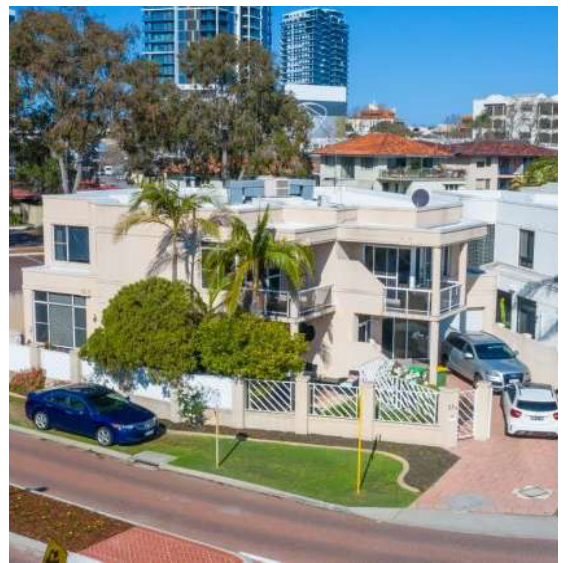
Privacy Statement

By registering your interest (completing the Private Lender Reservation), you are required to provide personal information to the Manager. The Privacy Act 1988 (Cth) regulates the way the Manager collects, uses, disposes, keeps secure and gives people access to their personal information. The manager is committed to respecting the privacy of your personal information. The Manager collects, holds and uses personal information to process your interest and has adopted a privacy policy that demonstrates how it manages personal information. You can obtain a copy of the policy by contacting the Manager.

Anti-Money Laundering & Counter Terrorism Financing Act

As part of your reservation it will be necessary to provide certified photographic identification of your identity. Details of the requirements are outlined following the Equity Partner Reservation form at the back of this document.





1 | Key Features

The Project

The focus of the project is to demolish the existing two units on site and develop the existing land lots located at 65A&B Canning Beach Road, Applecross 6153, Western Australia. This site is located within a local C2-Centre (R-AC0) area, zoned for mixed use under the Canning Bridge Activity Centre Plan for up to 20 metres (6 storeys). The preparation of a design application featuring either five apartments or seven apartments will be subject to development approval.

Project Requirements

GPG No 6 Pty Ltd ATFT GPG No 6 Unit Trust is seeking to raise an initial \$12,000,000 plus GST in capital to fund the project. This is comprised of \$7,400,000 from institutional lenders, \$1,600,000 from individual Private & Premier Lenders and the remaining \$3,000,000 from Shareholding and Preferential Equity. Please refer to your authorised representative or the SMATS Consortium Property Syndicate information brochure on the definition of these terms.

Lender Eligibility

Participation in the development is restricted to Lenders who qualify as Wholesale clients within the meaning of the Corporations Act. Lenders will need to supply a signed Accountants Certificate from their accountant verifying their status as a "Wholesale Client" as defined by the Corporations Act. Refer to the Wholesale Declaration on page 17 of this document for further details.

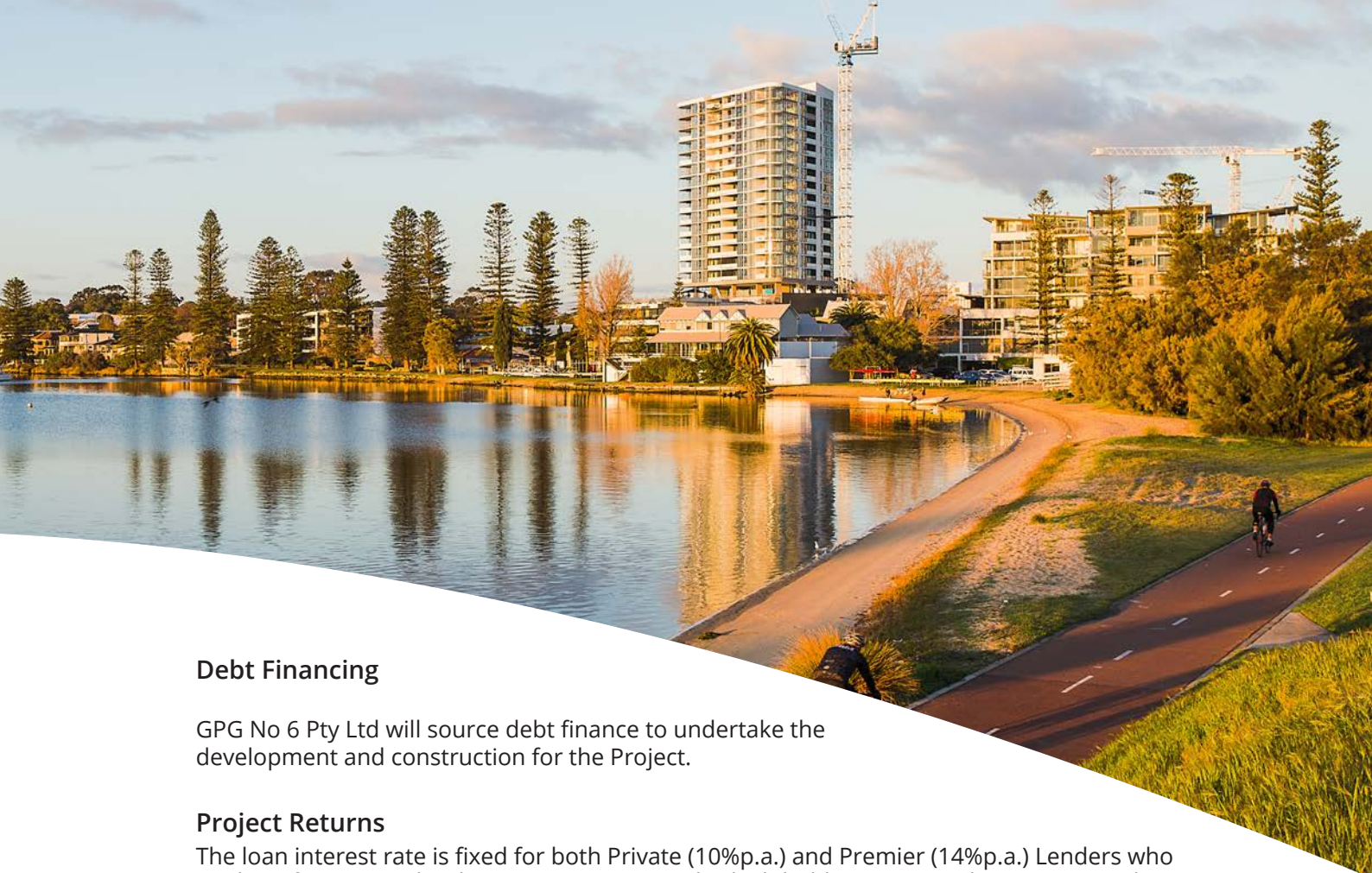
Minimum Subscription

All applications for Private Lending in the development through an application must be for a minimum of \$50,000.

Development Asset

The funds raised will be used to develop the proposed apartments at 65A&B Canning Beach Road, Applecross.





Debt Financing

GPG No 6 Pty Ltd will source debt finance to undertake the development and construction for the Project.

Project Returns

The loan interest rate is fixed for both Private (10%p.a.) and Premier (14%p.a.) Lenders who are beneficiaries under the Security Trust Deed, which holds a registered security over the land.

Lending Risks

There are a number of factors that may lead to returns not being achieved, such as, but not limited to, the risks associated with lending to the development as outlined in section 7.

There is no guarantee the forecast return or any return will be achieved or maintained during the development of the Property. The lender, however, does have a loan secured over the land via a Loan Agreement and Security Trust Deed.

Lenders should fully consider the risks associated with participating in the development before submitting an application.

Developer and Builder

Griffin Projects Group has been appointed by the development entity as the Asset Development Manager. Griffin Projects Group will also provide consultation services including Project Management, Sales, and Marketing. A quality independent builder will be appointed as soon as development approval is received. Please note that Griffin Projects Group and SMATS Consortium will receive a fee for project management and licensing which will be paid for by the trust.

Term of the Development

Estimated to be approximately 30 months from the release of this Private Lender Project Overview. As capital is required at different stages of the project, the term of any loan may vary and will be defined by the individual Loan Agreement.

Loan Interest & Principal Repayments

Interest is accrued and paid with loan principal at the loan maturity date as defined by the individual loan agreement. As outlined in the Loan Agreement, the term of your loan may be extended at the discretion of the borrower.

2 | The Offer

General Information

This development, located at 65A&B Canning Beach Road, Applecross; is expected to produce between five and seven residential apartments. This configuration may be adjusted due to market conditions, council requirements and at the discretion of the Investment Committee.

Primely situated alongside the Swan River in one of Western Australia's strongest performing suburbs, this development will be only a short walking distance from excellent amenities, highly sought after educational institutions and boasts exceptional city and river views.

The 65A&B Canning Beach Rd Applecross project is expected to be completed within a 30 month time frame from the generation of this document.



3 | The Project

Project Information

The focus of the project is to develop the 512sqm (approx) land lot located at 65A&B Canning Beach Road, Applecross. Following local planning regulations, we can confirm the site can yield a six storey mixed-use development, maximising the residential accommodation, curb-appeal and subsequently the return to equity partners.

As the design is formalised during the development application, the features of the building will be finalised. The potential current proposed configurations will aim to take advantage of this outstanding location in Applecross, and the flexibility provided by the Canning Bridge Activity Centre Plan.

With the information currently available, the following configuration is being considered by the Project Management Team:

- 1x Ground Floor Commercial Space (Cafe') - 105sqm
- 5x Residential Apartments - Roughly 280sqm, each providing river and city views
 - Three Bedroom, Two Bathroom



Development Location

As one of Perth's most exclusive suburbs, Applecross has long been one of the strongest performers in the Western Australian marketplace. The stunning riverside area boasts the fifth highest median sales prices for the state at \$1.55 million and a long list of amenities for local residents.

The site at 65A&B Canning Beach Road features dominant river frontages, offering unparalleled views of both the Swan River and the city. This premium location is situated less than 7km from the Perth CBD, which is easily accessible via its proximity to the Kwinana Freeway and nearby Canning Bridge Train and Bus Stations. Additionally, it is only a short 20-minute drive down Canning Highway to Fremantle.

The educational facilities in the area are outstanding, with Applecross Primary School and Applecross Senior High being two of Perth's most respected public schooling institutions. Nearby Saint Benedict's School offers a private alternative within a short distance. Applecross also provides easy access to Perth's finest tertiary schooling options with the University of Western Australia, Curtin University, Notre Dame University and Murdoch University all well located in relation to the site.

Applecross also offers much in the way of amenities and attractions for local residents. The well-known Raffles Hotel and Bar is located a very short walk from the site and offers both fine-dining and pub fare alongside unbeatable views of the river. With the Swan River neighbouring the development, residents have easy access to recreational boating, fishing, swimming and other activities. The nearby Garden City Shopping Centre presents residents with a wealth of retail options, in addition to boutique stores dotted along Canning Highway plus numerous Cafés and small restaurants.

The Applecross site is located within the 'Kintail Quarter' development area of the Canning Bridge Activity Centre Plan. This government initiative has been established as a foundation for the future of the local area with the intent to increase the mix of residential, civic, office, retail and entertainment opportunities against the backdrop of the Swan and Canning Rivers.



4 | The Project Team

Griffin Projects Group - Asset Development Specialists

Through their passion for property, Griffin Projects Group thrives on introducing, managing and integrating property projects to improve living standards and establish positive change within local communities. As an Australian-owned boutique provider of project management, capital development and promotional services within the Australian property market, they believe in the value of relationships and absolute commitment to integrity and professionalism across all their projects.

Griffin Projects Group stands at the forefront of the property industry due to their diverse range of services and expertise. Their team of dedicated professionals can integrate into each stage of a project, providing unrivalled value to their clients, partners and private lenders. When it comes to quality, integrity and reliability, they are recognised as one of Australia's premier specialists across the property and equity industries.

With the backing and solid foundation of our elite partners, private lenders and self-managed super funds, as well as support within the banking sector, Griffin's clients benefit from our wide network of professionals who know what it takes to negotiate, conceptualise, design and implement projects which bring value and quality to the Australian property market.



Greg Devine
Managing Director



Brett Garrett
Project Manager



Brooke Devine
Operations Manager



Cameron Higbid
Logistics Manager



Michael Devine
Business Development



Cathy Rademeyer
Support



Leanne Shadbolt
Accounts



Brooke Court
Project Designer



Christian Woodall
Client Services Manager



Dwight Stuchbery
Business Development



Terry Culley
Project Management



Cassandra Emmerson
Head of Marketing



Layla Wallace
Marketing



Caroline Bicknell
Sales Manager

5 | The Structure

Structure

The project development is structured within a Special Purpose Australian Corporate Trustee Company with a Director, underpinned by a Unit Trust. The Unit Trust holds the land title. This project is issued under the SMATS Consortium AFSL Wholesale Licence No. 480476.

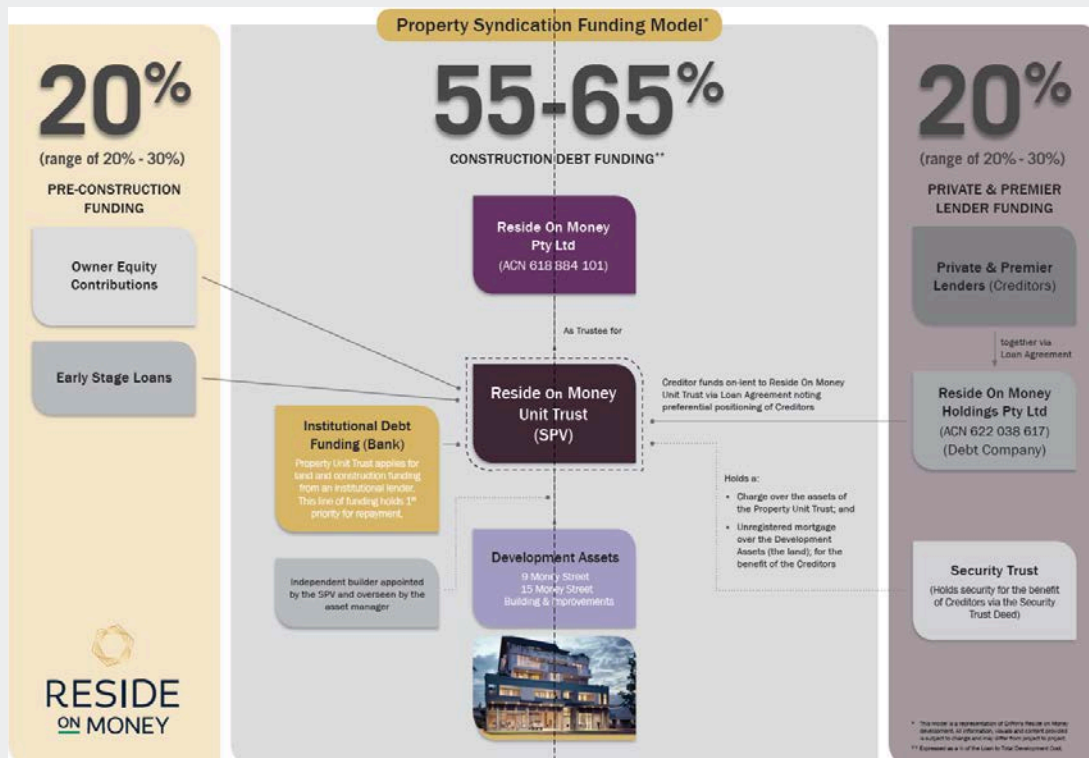
Private Lenders place funds within a legal loan structure to the Special Purpose Debt Company, with the Loan Agreement outlining the terms and conditions of the transaction. The Special Purpose Debt Company on-lends the funds to the Unit Trust via a secured lending facility, for the purposes of completing the development.

Upon completion of the project, the Unit Trust distributes loan funds, back to the Special Purpose Debt Company, who repays the Private Debt Lenders.

Funding and Debt

The project will be funded through raising capital, via the above structure, and by taking a debt facility for the construction, to be obtained from institutional lenders. The institutional lender will be granted first ranking registered mortgage over the property owned by the Unit Trust.

Example of Funding Structure*



*Please note this is for illustrative purposes only of how a similar project of the asset manager was funded

6 | Feasibility

PROPERTY DEVELOPMENT FEASIBILITY STUDY

Development:	Canning Beach Road	page 1
Description:	5 Luxury Apartments 1 Commercial Space	9:32 AM
Location:	65A & 65B Canning Beach Road Applecross	Oct 29
Capital City:	Perth	2020
Prepared By:	Griffin Projects Group	File: Applecross Feastudy 281020

Feastudy was used to prepare this feasibility study.

Itemised Profit & Loss (Inclusive of GST) – Margin Scheme

Amounts are in \$'s

Income:		
Development Sales		
1 Apartment 3 x 2 291sqm	3,550,000	
2 Apartment 3 x 2 291sqm	3,150,000	
3 Apartment 3 x 2 270sqm	2,950,000	
4 Apartment 3 x 2 270sqm	2,950,000	
5 Apartment 3 x 2 270sqm	2,950,000	
Commercial Space 105sqm	940,000	16,490,000
Rent Income		0
Lending Interest		0
Other Income		0
Less: GST Collected in Income		-1,149,091
		15,340,909
Less Development Costs:		
Land Purchase Price		3,850,000
Stamp Duty on Transfer		192,190
Stamp Duty on First Mortgage		0
Finance Establishment Fee		194,217
Conveyancing Fees (Purchase)		1,500
Consultant Items		
Detailed Design & Engineering	589,430	
Project Management	288,639	
Quantity Surveyor	15,000	
Valuation Costs Purchase	5,000	
Valuation Costs Construction	5,000	
Griffin Management Fee	288,639	
Legal Costs	20,000	1,211,707
Construction Items		
Demolition	65,000	
Preliminaries	210,000	
DA Conditions	40,000	
Construction Cost Living	4,106,400	
Construction Costs Balconies	316,800	
Construction Costs Common Area...	869,400	
Construction Costs Commercial ...	189,000	
Lift	120,000	
Landscaping	60,000	
Carstackers	100,000	6,076,600
Leasing Fees		0
Rates and Taxes Items		
Council Rates	21,690	
Water & Sewer	14,708	
Land Tax	80,237	
MRI Tax	8,697	125,333
Selling Fees		329,800
Conveyancing Fees (Sale)		3,000
Other Costs Items		
Marketing Costs	150,000	
Capital Raising Fees	245,500	395,500
Contingency Amount		151,915
Less: GST Input Tax Credits		-742,729
		11,789,034
Margin Before Interest		3,551,876
Less Borrowing Interest		942,587
		2,609,289
Profit Margin		2,609,289
Total Development Cost		12,731,620
Internal Rate of Return		17.75%
Margin on Development Cost		20.49%
GST Collected in Income		1,149,091
GST Input Tax Credits		742,729
Equity Amount:	2,506,353	(41.30% IRR on Equity)
Margin on Equity:	2,609,289	(104.11% MoE)
Peak Level of Debt:	9,899,058	(Occurs on October 2022)
Site Area: 512 square metres		
Land Purchase Price per square metre:		7,520
Total Development Cost per square metre:		24,866
Development Sales Income per square metre:		32,207

7 | Key Risks

By their very nature all projects involve some level of risk. Before deciding whether to subscribe, a potential participant should consider the following risks, which may affect the return you expect to generate from your participation. If you are in doubt as to the course you should follow, you should seek advice from a professional adviser. We also recommend that you consult a tax adviser to fully consider the relevant taxation implications.

Some of these factors can be mitigated by the use of safeguards and appropriate commercial action. However, many are outside the control of the Company and cannot be mitigated. Some of the risks associated with participating are set out below.

Market Risk

There is a risk that the property market drops or weakens. This could mean that the rate of sales is slow or we may not achieve the prices we expect, based on our market research and professional valuations. This could result in a delay in repaying your loan or a loss of some or all of your interest and loan capital.

Borrowing Risk

The developer may look to seek funding from a bank or senior lender in addition to this capital raising if there is a shortfall in funds. It is possible the lending environment for development finance could be restrictive, meaning the money to construct the development may not be immediately available or in amounts less than forecast. This could result in a delay in repaying your loan or a loss of some or all of your interest and capital.

This risk will be managed by not starting the project until we have sourced the appropriate amount of financing.

Capital Risk

Your participation by way of loan will pay you a preferential return, paid at the completion of the loan term. If sufficient sales are not available at the end of the project, and not enough funding can be arranged via financing the completed townhouses, there is a risk and it is possible that not enough money will be returned from sales to repay lenders in full. This could result in a delay in repaying your loan or a loss of some or all of your interest or loan capital.

Force Majeure

Force Majeure events, economic and political instability, which are events outside the control of the Licensee or Company may occur and adversely affect the returns to participants.

Tax and Finance

Taxes, including GST, and changes to finance lending conditions may reduce the saleability of the end product in a way not envisaged in the profit forecast assumptions and this may ultimately reduce returns to participants.

Australian tax laws are constantly changing and taxation reform proposals may affect participants. If applicants are uncertain about the taxation effects of their participation they should seek their own taxation advice.

Legal

Changes in State or Federal legislation may affect the return to participants. There may be a risk arising in relation to an adverse change in government policies or legislation in respect of land development.

Terrorism

Terrorist activity may affect the local economy.

Project Specific Risk

Development Approval

Development Approval is a local government requirement that provides permission for specified use or development to occur on a particular piece of land. It is obtained by submitting a development application by following a set of pre-determined design guidelines and policies. The asset manager will seek all required local council approvals. Actual approval received may vary from the original submission, resulting in potential changes to the project which may ultimately affect the returns to participants.

Delays

There may be delays in obtaining planning and development approvals from all relevant authorities or development approvals may not be granted at all. Any delay in obtaining relevant development approvals or in making sales will have a negative impact on returns which might otherwise be achieved.

The Project period may exceed the anticipated time which may result in changed market conditions that could affect the viability of the project, may cause loan terms to be extended or may ultimately affect the returns to participants.

Cost Overruns

There is a risk that the civil works contract sum may vary from the estimate in the financial projections due to escalation, design development changes or issues, industrial relations issues or latent site conditions.

There is also a risk that, for whatever reason, the contractor appointed is not able to deliver the project on time or on budget or that there are cost overruns. The development team has extensive experience in negotiating and managing construction contracts similar to the contract required for this development.

Cost overruns could affect the viability of the project and may ultimately negatively affect the returns to participants.

Liquidity

Your loan is for a fixed term which may be extended at the Borrowers discretion. You should consider your loan illiquid for the term of the loan.

Private Lending Application Form

The 65A&B Canning Beach Rd Applecross project

GPG No 6 Pty Ltd (ACN 637 395 987) ATF GPG No 6 Unit Trust

Email to: christian@griffin-group.com.au

I/we wish to register my/our interest in the 65A&B Canning Beach Rd Applecross Project, as described in this document. It is important that all applicants have read and understand this document in full prior to completing this application form.

Applicant 1

Title:

Given name(s): Surname:

Date of Birth: Place of Birth (City/Country):

Residential address (not a PO Box):

Suburb: State: Postcode: Country:

Phone: Email:

Occupation: Employer:

Applicant 2 (if applicable)

Title:

Given name(s): Surname:

Date of Birth: Place of Birth (City/Country):

Residential address (not a PO Box):

Suburb: State: Postcode: Country:

Phone: Email:

Occupation: Employer:

Wholesale Declaration

The 65A&B Canning Beach Rd Applecross Project

GPG No 6 Pty Ltd (ACN 637 395 987) ATF GPG No 6 Unit Trust

Participation in the development is restricted to Lenders who qualify as Wholesale clients within the meaning of the Corporations Act, as defined below:

I acknowledge that one of the below circumstances apply to me (please indicate):

- a. I am/we are applying for units at a price, or for the value of at least \$500,000
- b. I have/we have net assets of at least \$2.5 million, and I am/we are applying for Units in the Fund for a purpose other than for use in connection with a business
- c. I have/we have a gross income for each of the last two financial years of at least \$250,000 per year, and I am/we are applying for Units in the Fund for a purpose other than for use in connection with a business

If (b) or (c) applies, a Lender will be required to supply a valid Accountants Certificate prior to any investment being finalised. If required, a fillable copy of the standard Accountants Certificate will be supplied as part of the Onboarding Kit.

If you require any assistance with providing this document, please contact christian@griffin-group.com.au

Applicant's name: (please note that there is to be one form for each person/entity)

Date:

Applicant 1 Signature:

Applicant 2 Signature:

Additional Documents that make up part of the overall investment decision may include:

- Private Lender Project Overview (this document)
- Project Plans
- Private Lender Loan Agreement
- Security Trust Deed
- SMATS Consortium Property Syndication information brochure



Griffin Projects Group Pty Ltd

(ABN 39 151 840 041)

+61 8 9221 1144

Disclaimer

This Private Lender Project Overview is not a Prospectus or a Product Disclosure Statement and has not been lodged with the Australian Securities and Investments Commission. As such, Before making a decision, you are advised to consult and rely upon the advice of your own independent legal, financial and taxation advisers to determine whether this opportunity is suitable for you.