



CUBE ON CANNING
MELVILLE WA

Private Lender Information Memorandum

GRIFFIN 



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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.

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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 Private Lender Reservation form at the back of this document.

01 EXECUTIVE SUMMARY

Dear Private Lender,

On behalf of Attadale 422 Pty Ltd (ACN 628 504 165) ATF Attadale 422 Unit Trust, Griffin Projects Group are pleased to present to you this private funding opportunity into another exciting Griffin property syndication project.

The project is a medium term funding opportunity, with the key objective being to develop the land lot located at 422 Canning Highway Attadale Western Australia into a proposed four storey 14 unit complex with a ground floor commercial / office space.

The following document outlines some key information to aid you in making your decision. The Development Company is looking to raise approximately \$3,900,000 plus GST. It is expected that this will be comprised of \$1.6 million from Private and Premier Lenders, \$1.3 million from Shareholder Equity and the remaining \$1 million from Preferential Equity into Attadale 422 Pty Ltd.

On behalf of the Cube on Canning 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 Attadale 422 Pty Ltd
Director
Griffin Projects Group

02 KEY FEATURES

The Project

The focus of the project is to develop the 797sqm land lot located at 422 Canning Highway Attadale into proposed four storey residential apartment building consisting of 14 apartments and a ground floor commercial / office space. The development approval application has been prepared and submitted to the Melville City Council with the support of Carrier & Postmus Architects.

Project Requirements

Attadale 422 Pty Ltd is seeking to raise an initial \$7,900,000 in capital plus GST in a project specific Australian proprietary company. This is comprised of \$4,000,000 from institutional lenders, \$1,600,000 from individual Private & Premier Lenders, \$1,300,000 from Shareholder Equity and the remaining \$1,000,000 from 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 letter from their accountant verifying their status as a "Wholesale Client" as defined by the Corporations Act.

Minimum Subscription

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

Development Asset

The equity raised will be used to conduct a mixed use, residential and commercial development project at 422 Canning Highway Attadale, Western Australia 6156.

Debt Financing

Attadale 422 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 Lenders (14%p.a.) and is protected by a group registered 2nd mortgage which holds greater legal strength than a guarantee. Equity Shareholders may receive a higher rate of return, however they are exposed to greater risk on the downside.

02 KEY FEATURES

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 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.

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 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.



03 THE OFFER

General Information

This development, located at 422 Canning Highway Attadale (Lot 2 Diagram 10257 Volume 1050 Folio 384), is proposed to produce a four storey complex featuring a mix of 1 and 2 bedroom apartments including a ground floor commercial / office space. This configuration may be adjusted due to market conditions, council requirements and at the discretion of the Investment Committee.

Located in the suburb of Attadale, the site is located along Canning Highway on the southern side of the Swan River. Situated directly opposite to the Melville Reserve, and Recreation Centre and 300m from the Melville Plaza Shopping Complex, the site is well connected between the Perth CBD and Fremantle via major arterial highways.

The Cube on Canning project is expected to be completed within a 30 month time frame from the generation of this document. This project is open to Equity & Private & Premier Lenders with an anticipated return, before tax, of between 12%-16% per annum. Please refer to your authorised representative or the SMATS Consortium Property Syndicate information brochure on the definition of these terms.

04 THE PROJECT

Project Information

The focus of the Cube on Canning project is to obtain Development Approval, demolish current single storey dwelling and redevelop the 797sqm lot at 422 Canning Highway Attadale into a proposed four storey residential apartment complex with a ground floor commercial / office space.

Designed by Carrier and Postmus (CAPA) Architects the proposed building is a mix of textured curved brick, considered tonality and filigree details designed to take advantage of the views towards the Perth CBD prior to development of the lots to the north and views towards the sporting oval and tree canopies to the south.

Development Layout

- Basement Level - Visitor and Disabled parking, resident car stacker parking (17 bays) and resident store rooms.
- Ground Floor - Commercial Tenancy (90sqm), 2 Apartments
- Level 1 to 3 - 12 Apartments (one of each apartment type per level)
 - Apartment Type A (52sqm) - 1 Bed x 1 Bath
 - Apartment Type B (69sqm) - 2 Bed x 2 Bath
 - Apartment Type C (78sqm) - 2 Bed x 2 Bath
 - Apartment Type D (80sqm) - 2 Bed x 2 Bath

Along with sound attenuation qualities, the units have been planned around the landscaped communal core to provide good light, ventilation and softscape elements for the units and internal bedrooms.



04 THE PROJECT

Architect's Impression



04 THE PROJECT

Development Location

Located in the affluent suburb of Attadale, the site is positioned along Canning Highway directly opposite to LeisureFit Melville. Attadale lies just 15km from Perth City and 6 km from Fremantle, being well connected to both via major arterial highways. Scenic and family orientated, the riverside suburb enjoys more than 40 hectares of total parkland, which is approximately 13 per cent of its total area. Attadale's prime location, which is close to all the best that Perth has to offer

Surrounded by supermarkets, sporting facilities, parklands, golf courses within close proximity to the Swan River, Cube on Canning is well placed amongst local amenities. Perth's southern beaches will also be very accessible from the finalised development.

The building will have good views towards the Perth CBD in the north-east and to the south there are views towards the sporting oval and tree canopies beyond.



05 THE STRUCTURE

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

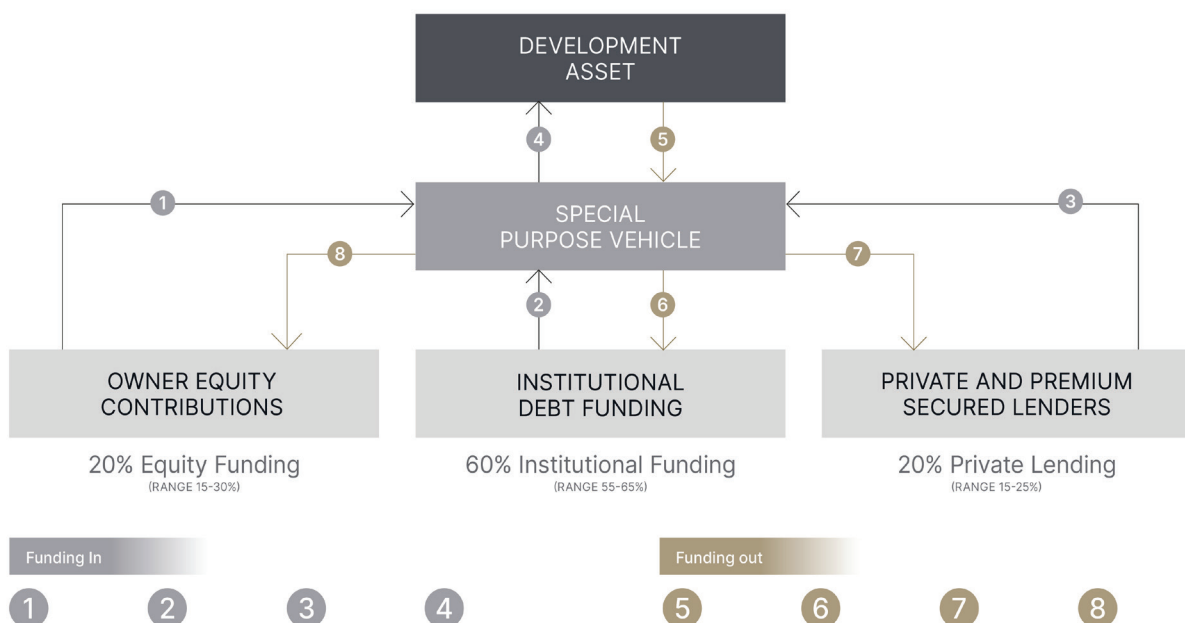
Private Lenders place funds within a legal loan structure to the Special Purpose Debt Company, with the Loan Agreement outlining the terms and conditions of the transaction. The Special Purpose Debt Company on-lends the funds to the Property Unit Trust via a secured lending facility, for the purposes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

Upon completion of the project, the Property 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 equity, via the above structure, and by taking a debt facility for the construction, to be obtained via institutional lenders. The institutional lender will be granted first ranking registered mortgage over the property held within the Property Unit Trust.

Example of Typical Funding Structure



06 FOUNDER & CEO GREG DEVINE



“We’ve built a strong investment model that delivers exceptional results to our clients”

Greg Devine has played an integral role in the financial planning industry for over 35 years, with his career beginning in the banking industry before leading him into the property market.

With an unfaltering passion towards capital raising and business development, Greg comes from an impressive background in building and managing several financial service companies holding executive positions with Bain & Company, Growth Equities Mutual, Deutsche Bank Private Banking, NAB Private Banking, MLC, Macquarie Bank, and Godfrey Pembroke Financial Services.

Greg also set up the national H&R Block Financial Services, Portfolio Planning Services, Financial Partnership Group and Deutsche Bank Financial Services. This business managed over 600,000 retail clients. He established the Financial Planning Association (FPA), was its inaugural President, Chairman, Life Member and is inducted into the FPA Hall of Fame.

Since founding Griffin Group in 2011, he has established a strong foundation for Griffin both in Australia and the international markets. Greg is well-respected for his professional advice within the Financial Services and Capital Raising Markets, and he now empowers and supports his team to raise capital, whilst building successful projects and establishing valuable client relationships.

07 THE PROJECT TEAM



Greg Devine
Chief Executive Officer



Michael Devine
Chief Investment Officer



Christian Woodall
Head of Investment



Stefanie Peskett
Investment Executive



Brooke Devine
Chief Operations Officer



Brett Garrett
Chief Project Officer



Cassandra Emmerson
Head of Brand



Caroline Bicknell
Head of Sales



Cameron Higbid
Head of Operations



Hollie Gardner Cera
Integrity & Product
Development Coordinator



Leanne Shadbolt
Head of Accounts



Cathy Rademeyer
Responsible Manager

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 a West Australian-owned boutique provider of project management, capital development and promotional services within the Perth 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 Perth's premier specialists across the property and equity industries.

08 FEASIBILITY

Financial Feasibility

REVENUE	NOTES	AMOUNT
Apartments Sales Revenue	7	\$13,600,000
GROSS REALISABLE VALUE		\$13,600,000
Less GST on Sales	8	(\$1,236,363)
Less Selling & Conveyancing Fees	9	(\$514,535)
NET SALES REVENUE		\$11,849,102
COSTS	NOTES	AMOUNT
Land Purchase	10	\$1,800,000
Stamp Duty & Conveyancing Fees	11	\$91,690
Finance Est Fee on 1st Mortgages	12	\$204,853
Detailed Design & Engineering	13	\$537,550
Development Management Fee	14	\$189,177
Project Management Fee	15	\$262,695
Construction Costs	16	\$5,432,802
Rates & Taxes	17	\$57,521
Marketing Fee	18	\$165,000
Other Cost Items	19	\$281,300
Contingency - Construction Costs	20	\$244,476
Less: GST Input Tax Credits	21	(\$867,414)
Borrowing Interest Costs	22	\$793,081
TOTAL DEVELOPMENT COSTS		\$9,388,731
Project Margin		\$2,460,371

Notes on feasibility:

1. The institutional Lender is an external business that specialises in providing 1st mortgage loan funding to acquire the project land and to provide funding to construct the dwellings.
2. Secured Private Lender loan funding raised under this Offer and hold a grouped 2nd mortgage.
3. Shareholder and Preferential Equity which includes funds contributed by Griffin ranks last in terms of repayment and will share in the net project profit after repayment all project debt.

08 FINANCIAL INFORMATION

Notes on feasibility con't:

- 4 The LCR, expressed as a percentage, is calculated by dividing the 1st mortgage debt amount by the estimated Total Development Costs. estimated Total estimated Development Project cost.
- 5 The LVR, expressed as a percentage, is calculated by dividing the 1st mortgage debt amount by the projected Gross Realisable Value of the Property (after the completion of the Development Project).
- 6 SPL Interest Cover is the Project Margin divided by the interest due to be paid to 2nd mortgage Lenders over the anticipated 30 month project term expressed as times covered.
- 7 This is the forecast sales revenue for the development. The sales revenue for the Development Project has been derived following an analysis of the market and comparable developments.
- 8 As the Development Project is a residential scheme, GST is payable on the residential apartments by the Project SPV. While the sale of the residential apartments does not attract GST for the purchasers, it does attract a liability for the Project SPV.
- 9 Sales commissions paid to parties who sell residential units. Selling costs include the following:
 - Real estate agent commissions on the sale of each of the strata lots;
 - Conveyancing costs per strata lot.

Whilst the selling costs assumed in this section affect the Development Project and returns, they are not included in the Total Costs because they are paid for only on the settlement of the strata lots and accordingly, are not incurred until the revenue from the sale of the strata lot is collected.

10. This is the cost of the land being acquired by the Project SPV.
11. This includes transfer duty, conveyancing costs and legal fees associated with the acquisition of the project land.
12. These are the fees attached to securing the project finance and includes establishment fees, consultant commissions, document preparation fees and legal fees.
13. This is the cost of various consultants such as architects, town planners and engineers involved in the planning stage of the development and the production of final working drawings for the Development.
14. The Development Management fee is paid to Griffin for managing all facets of the Development and for arranging the funding of the Development. The fee is calculated as 2.2% (incl. GST) of the Total Development Costs.
15. The Project Management fee is paid to Griffin for managing and arranging the external consultants through to the commencement of construction and for overseeing the independent builder during the construction period. The fee is calculated as 4.4% (incl. GST) of the total of detailed design & engineering and the construction costs.

09 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.

Private Lending Risk

Market Risk

There is a risk that the property market in Perth drops or weakens. This could mean that the rate of pre-sales is slow or we may not achieve the prices we expect, based on our market research and professional valuations. This could mean the loss of some or all of your money.

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. This could mean the loss of some or all of your money.

This risk will be managed by not starting the subdivision until we have sourced the appropriate amount of financing. Should there be a delay, it could be possible to repay your loan by way of a further capital raising round, in which you would have an option to participate.

Capital Risk

Your participation by way of loan will pay you a preferential return, paid at the completion of the loan term. If sufficient pre-sales are not available at the end of the project, and not enough funding can be arranged via financing the remaining land lots, there is a risk and it is possible that not enough money will be returned from sales to repay lenders in full. You could lose some or all of your money.

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.

Terrorism

Terrorist activity may affect the local economy.

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.

09 KEY RISKS

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.

Project Specific Risk

Development Approval

Development Approval is a legal document 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. Whilst some projects may be purchased with an approved development application, Development Approval may be a requirement and this should be taken in to consideration.

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 resulting in the lots being uneconomic to develop or less profitable to develop, resulting in lower returns.

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.

Liquidity

There will be no established secondary market for the sale of shares during the expected term of your loan.

10 ADDITIONAL INFORMATION

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

- Introducing Secured Private Lending Brochure
- Project Plans
- Private Lender Application Form
- Loan Agreement
- Security Trust Deed

Privacy Policy

Griffin Group is committed to protecting your privacy. Investors will be required to provide personal information in order to make an application to become a private Lender. The Borrower, its Directors and service providers may collect, hold and use potential investors' personal information in order to assess applications, service the needs of prospective and actual investors and service the needs of the Directors and for other purposes permitted under the Privacy Act 1998 (Cth).

If you ask us to process an application for you to become a private Lender, we will be required to comply with the Anti-Money Laundering and Counter-Terrorism Act 2006 (Cth) that requires us to collect your personal information and to verify the source of your funds.

If you don't provide us with the full information requested, or provide us with incomplete or inaccurate information, your application to become a private Lender may not be able to be processed efficiently, or at all. Only upon the full information being provided will your application to become a Private Lender be accepted by the Borrower.

We provide information such as your personal details, investment and distribution information and tax information to Australian government organisations and overseas government organisations when requested to do so, where it is required by law, where it is necessary in discharging obligations and where required to assist in law enforcement.

We do not trade, rent or sell your information. We may disclose your information to recipients in Singapore for the purpose of processing applications and providing you with investment and tax statements. We may store your information on servers located in Singapore and other countries. If a recipient is not regulated by laws which protect your information in a way that is similar to the Privacy Act, we will take reasonable steps to ensure that they protect your information in the same way we do or seek your consent before disclosing your information to them.

From time to time, we will use your contact details to send you offers, updates, articles, newsletters or other information about products and services that we believe will be of interest to you. We may also send you regular updates by email or by post. We will always give you the option of electing not to receive these communications and you can unsubscribe at any time by notifying us that you wish to do so.

Our Privacy Policy contains more information about how to access and correct the information we hold about you and how to make a privacy related complaint, including how we will deal with it. Ask us for a copy by contacting us on Ph. +61 8 9221 1144 or email the Privacy Officer at compliance@smatsconsortium.com.au

Griffin Projects Group Pty Ltd
(ABN 39 151 840 041)

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