

Continuous Disclosure Notice

NEWMARK HARDWARE PROPERTY TRUST NO.1 (ARSN 161 274 111)
14 December 2018

PROPOSED RESTRUCTURE OF NEWMARK HARDWARE PROPERTY TRUST NO.1

Newmark Hardware Property Trust No.1 (the **Trust**) commenced in June 2014 after the initial issue of a product disclosure statement dated 12 May 2014 (**Initial PDS**). Under the Initial PDS, the Trust is expected to terminate on 27 June 2020.

Having undertaken a thorough analysis of the advantages and disadvantages and considering the current market conditions, a decision has been made by Newmark Capital Limited as the responsible entity of the Trust (**Newmark Capital**) to convene a meeting of unitholders of the Trust (**Unitholders**) on Friday, 15 February 2019 to vote on a proposed restructure of the Trust to, among other things, extend the term of the Trust beyond the term set out in the Initial PDS (**Restructure Proposal**). A summary of the key terms of the Restructure Proposal is set out below.

An Explanatory Memorandum and Notice of Meeting providing details on the Restructure Proposal and the meeting will be posted to each Unitholder on or around 7 January 2019. An electronic copy is also available here www.investorserve.com.au

Key terms of the Restructure Proposal

If the Restructure Proposal is approved, the following changes will be implemented:

- (a) rename the Trust to be called the Newmark Hardware Trust;
- (b) restructure the Trust from a fixed term trust (expected to terminate 27 June 2020) to an open-ended trust;
- (c) change the investment objective and investment strategy of the Trust to diversify the portfolio of investment properties and include property securities and cash/cash equivalents;
- (d) allow for a limited redemption facility from the Trust, subject to a redemption cap;
- (e) allow for daily applications into the Trust;
- (f) allow Newmark Capital the discretion to suspend applications and redemptions of Units in the Trust;
- (g) change the methodology for calculating:
 - (i) the issue and redemption price for units in the Trust;
 - (ii) the management fee payable to Newmark Capital;
 - (iii) the finance facility fee payable to Newmark Capital;
 - (iv) the performance fee payable to Newmark Capital (both pre and post implementation of the Restructure Proposal); and

- (h) amend the constitution of the Trust (**Constitution**) in accordance with the supplemental deed poll (**Supplemental Deed Poll**) annexed to the Explanatory Memorandum to effect the above and to make other minor and tidy-up amendments.

If the Restructure Proposal is approved, Newmark Capital intends to establish a liquidity mechanism to allow existing Unitholders to withdraw some or all of their units, subject to a withdrawal offer cap (the **One-off Withdrawal Offer**). The One-off Withdrawal Offer is not required to be the subject of a Unitholder vote but will only proceed if the Restructure Proposal is approved.

If the Restructure Proposal is approved, a new product disclosure statement will be issued and investors (including existing Unitholders) will be invited to subscribe for units in the Trust.

More detail on the Restructure Proposal, including the draft supplemental deed poll and independent expert's report on the Restructure Proposal, can be found in the Explanatory Memorandum and Notice of Meeting available on www.investorserve.com.au.

Proposed Resolutions

A summary of the resolutions that are to be considered, and if thought fit, to pass, are set out below.

Resolution	Description
Resolution 1 (<i>ordinary resolution</i>)	Extend the term of the Trust beyond the term set out in the Initial PDS (being 27 June 2020)
Resolution 2 (<i>special resolution</i>)	Amend the Constitution in accordance with the Supplemental Deed Poll to implement the Restructure Proposal
Resolution 3 (<i>ordinary resolution</i>)	Implement the Restructure Proposal (including changing the investment strategy of the Trust)

The resolutions are inter-conditional, meaning that all three resolutions must be approved by the required majority of eligible Unitholders in order for the Restructure Proposal to proceed. The outcome of the resolutions will be binding on all Unitholders (regardless of which way you vote).

Please refer to the Explanatory Memorandum and Notice of Meeting for further details on the resolutions, including why each of the resolutions are being proposed and the outcome for the Trust if a specific resolution is approved or not approved.

Details of the Meeting to vote on the Restructure Proposal

The meeting of Unitholders to vote on the Restructure Proposal will be held as follows:

Place:	The Hotel Como Melbourne 630 Chapel Street South Yarra VIC 3141 Australia
Date:	Friday, 15 February 2019
Meeting Registration:	10.30 AM (Melbourne time)
Meeting Commencement:	11.00 AM (Melbourne time)



Newmark Capital encourages Unitholders to:

- consider the Explanatory Memorandum and Notice of Meeting carefully and consult their relevant adviser(s); and
- vote on the Restructure Proposal either by attending the meeting or by completing and returning the proxy form enclosed in the Notice of Meeting by mail, fax or e-mail so that it is received no later than **11.00 AM on Wednesday, 13 February 2019**.

Please refer to the Notice of Meeting for further details on the meeting, including appointment of proxies.

How to contact us

If you have any questions about the Explanatory Memorandum and Notice of Meeting or the meeting, please contact Newmark Capital on 03 9820 3344.

Important information

The information in this continuous disclosure notice ('**Notice**') dated 14 December 2018 has been prepared by Newmark Capital Limited ACN 126 526 690 AFSL 319 372 ('**Newmark Capital**') as responsible entity for the Newmark Hardware Property Trust No.1 ARSN 161 274 111 ('**Trust**').

The information shown in this Notice is general information only. It does not constitute any recommendation or advice and has been prepared without taking into account your personal objectives, financial situation or needs and so you should consider its appropriateness having regard to these factors before acting on it. You should consider obtaining independent advice from a professional financial adviser before making any financial decisions in relation to the matters disclosed in the Notice.

All statements of opinion and/or belief in this Notice, and all views expressed and any projections, forecasts or statements relating to expectations regarding future events or possible future performance of the Trust, represent Newmark Capital's assessment and interpretation of information available as at the date of this Notice. No representation is made or assurance given that such statements, views, projections or forecasts are reasonable or correct or that the objectives or prospective returns of the Trust will be achieved. Eligible Unitholders must determine for themselves what reliance (if any) they should place on such statements, views, projections or forecasts and no responsibility is accepted by the Newmark Property Group.

