

Mascot Foundry (Sales) Pty Ltd ATF Mascot Superannuation Fund

Directors report on the decisions related to the rental properties owned by the superfund for the year ended 30 June 2019:

37 Tarlington Place, Smithfield NSW 2164

Lot/Plan: 1024/1061063

Land size: 6,533sqm

Building: 3,500sqm approx.

Rental income rate in line with market rates for the area after reviewing leased and for lease properties in the area, refer suburb profile for commercial properties. Mix of offices and industrial warehouse and loading yard on the property.

\$180 per sqm + GST based on market rates in 2017 and expected increases for 2018. Due to the increase in rent it was negotiated to stagger the increase. Considering the cost of advertising, getting new tenants and loss of rent during any changeover period it was reasonable to negotiate for a staggered increase.

Rates and expenses paid by lessor Mascot Engineering Co Pty Ltd, including insurance.

Property valuation done was 30/6/18 by real estate agent. Based on the 2018 valuation and current increases in values as shown on suburb profile the directors have determined that the valuation of property has materially increased and accordingly a value of \$2,500 per sqm has been taken up at 30 June 2019. Directors' valuation at 30 June 2019 is \$8,750,000.

Last rental agreement started in July 2017 (previously July 2015) for two years. \$57,750 incl GST per month.

11 Aerolink Drive, Tullamarine VIC 3043

Vol/Folio: 10901/118

Plan: 11/PS446774

Land size: 3,738smq

Building: 780smq approx.

Rental income rate in line with market rates for the area, refer suburb profile for commercial properties, taking into account the corner block and shape and that offices are small with mainly shed and yard, and limited clearance on gate entry.

\$200 per sqm + GST based on market rates in 2017 and increase in rent for 2018 expected to be minimal. Fixed rental agreement in place.

Rates and expenses paid by lessor Mascot Engineering Co Pty Ltd, including insurance.

Purchased under borrowing trust, repayments finished in 2014. Title yet to be transferred to superfund trustee. (Per ATO no requirement to change immediately).

Valuation done for year ended 30/6/20 by real estate agent and used for 2019 valuation

Last rental agreement started in July 2017 for 2 years (previously July 2015).

U 16/82 Reserve Rd, Artarmon NSW 2064

Lot/Plan: 16/SP33620

Land size: 388sqm

Building: 388smq

Car parking; 5 spaces

Rental income rate in line with market rates for the area. Refer suburb profile for commercial properties. Due to demand for car parking spaces in the area the rental value has been based on property and extra carparking spaces.

\$250 per sqm + \$190 per month per car spot + GST. Based on market rates in 2017 and expected increases for 2018. Due to the increase in rent it was negotiated to stagger the increase. Considering the cost of advertising, getting new tenants and loss of rent during any changeover period it was reasonable to negotiate for a staggered increase.

Rates and expenses paid by lessor Source Distribution Pty Ltd. Public liability insurance covered by strata fees paid.

Valuation done for year ended 30/6/19 by real estate agent (May 2019). Valuation for property at 30/6/19 is \$1,649,000.

Last rental agreement started in July 2017 for 2 years (previously July 2015).

Lot 7 Ironstone Road, Berrinba QLD 4117

Lot/Plan: 5/SP174479

Land size: 2,672sqm

Building: 706sqm

Mezzanine: 110sqm

Purchased in 2016 year, construction of new building commenced during the year with view to rent for commercial purposes. It was rented to a related party in March 2017.

Rental commenced in March 2017. Rental income rate in line with market rates for the area, refer suburb profile for commercial properties. Includes the additional area outside the offices and warehouses which were built for car parking and large trucks.

\$141 per sqm + GST based on market rates in 2017 with expected increases in values for 2018.

Due to the increase in rent it was negotiated to stagger the increase. Considering the cost of advertising, getting new tenants and loss of rent during any changeover period it was reasonable to negotiate for a staggered increase.

Rates and expenses paid by lessor Mascot Engineering Co Pty Ltd, including insurance.

Property valuation done was 30/6/19 by real estate agent (20 September 2019). Directors have taken the higher end of the valuation due to the area being a growth area and per suburb profiles. Valuation for property at 30/6/19 is \$1,900,000.

Rental agreement started in Mar 2017 (new lease) until July 2019.

18 Boom Street, Gnangara, WA 6077

Lot/Plan: 436/P404867

Land size: 2,012 sqm

Building: 743 sqm

Purchased in 2016 year, construction of new building commenced during the year with view to rent for commercial purposes to related party. It was rented to a related party in June 2017.

Rental commenced in June 2017. Rental income rate in line with market rates for the area, refer suburb profile for commercial properties. Includes the additional area outside the offices and warehouses which were built for car parking and large trucks.

\$127 per sqm + GST based on rental values in 2017 and minimal increases expected in 2018. Fixed rental agreement in place.

Rates and expenses paid by lessor Mascot Engineering Co Pty Ltd, including insurance.

Property valuation done was for 30/6/19 by real estate agent (Oct 2019). Valuation for property at 30/6/19 is \$1,200,000.

Rental agreement started in June 2017 (new lease) for two years.

22 Tarlington Place, Smithfield NSW 2164

Lot/Plan: 1025/1061063

Land size: 2,107sqm

Building: 1,700 sqm approx.

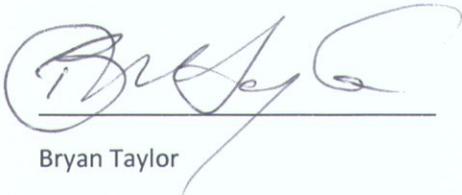
Rental income rate in line with market rates for the area after reviewing leased and for lease properties in the area, refer suburb profile for commercial properties. Mix of offices and industrial warehouse and loading yard on the property.

\$170 per sqm + GST based on market rates in 2019 and expected increases for 2020.

Rates and expenses paid by lessor Mascot Engineering Co Pty Ltd, including insurance.

Property value is based on purchase price as property settled in October 2018. No valuation is currently required as the directors have determined that there is no material change in the value from the purchase price as at 30 June 2019.

First rental agreement started in October 2018. \$26,510 incl GST per month.

A handwritten signature in black ink, appearing to read 'Bryan Taylor', is written over a horizontal line. The signature is stylized and cursive.

Bryan Taylor

Director Trustee