



Mascot Foundry (Sales) PtyLtd <Mascot Super Fund
A/C>
PO Box 199
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Australia

Date
SRN

23 September 2019
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Dear Mr Taylor

Bakehouse Quarter Trust (BQT): 2019 Tax Statements

You will have recently received your BQT 2019 Tax Statement, together with a Statement of Holding detailing your opening and closing balance of BQT units for the 2019 tax year. The purpose of this letter is to assist you in completing your 2019 tax return in respect of your investment in BQT.

Conversion of BQT units into units in BlackWall Property Trust (BWR)

You may recall that earlier this year, we wrote to you with an offer to convert your BQT units into units in the ASX-listed BlackWall Property Trust (ASX:BWR). That offer was subject to the condition that at least 75% of BQT unitholders accept the offer, such that the “drag-along” provisions in the BQT constitution were triggered and BWR could proceed to compulsorily acquire all units in BQT. The offer made to BQT unitholders was accepted by over 75% of unitholders and, as a result, all BQT unitholders were rolled into BWR.

The rollover was priced on an NTA for NTA basis. Each BQT unit was valued at \$10.60 and each BWR unit was valued at an NTA of \$1.48. Therefore, each BQT unit was exchanged for 7.16 BWR units (subject to rounding). The Statement of Holding that you will have received provides details of the number of BQT units you owned and the number of BWR units you received as a result of the conversion.

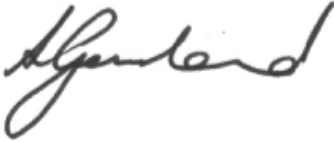
Tax treatment of the conversion (“rollover relief”)

Both BQT and BWR are unit trusts. On completion of the transaction, BWR acquired an interest in 100% of BQT units on issue. As such, the exchange of your BQT investment for BWR units should be eligible for “rollover relief” under Subdivision 124-M of the Income Tax Assessment Act 1997. This means that, should you choose to apply for relief, any capital gain that would arise due to this CGT event is ignored, and you should only crystallise a capital gain when you sell the BWR units that were issued to you as consideration for your BQT units.

For tax purposes the cost base of your BQT units is transferred to the BWR units you received. For example, if you held 1,000 BQT units you will have received 7,163 BWR units. If your cost base for your BQT units was \$3.25 per unit (that is a total of \$3,250) then the cost base of your BWR units will be the BQT cost base of \$3,250 divided by the 7,163 BWR units giving a cost base per BWR unit of \$0.4537 per unit.

Please consult with your tax adviser if you are unsure of this treatment.

Yours faithfully



Sophie Gowland
Head of Funds Management