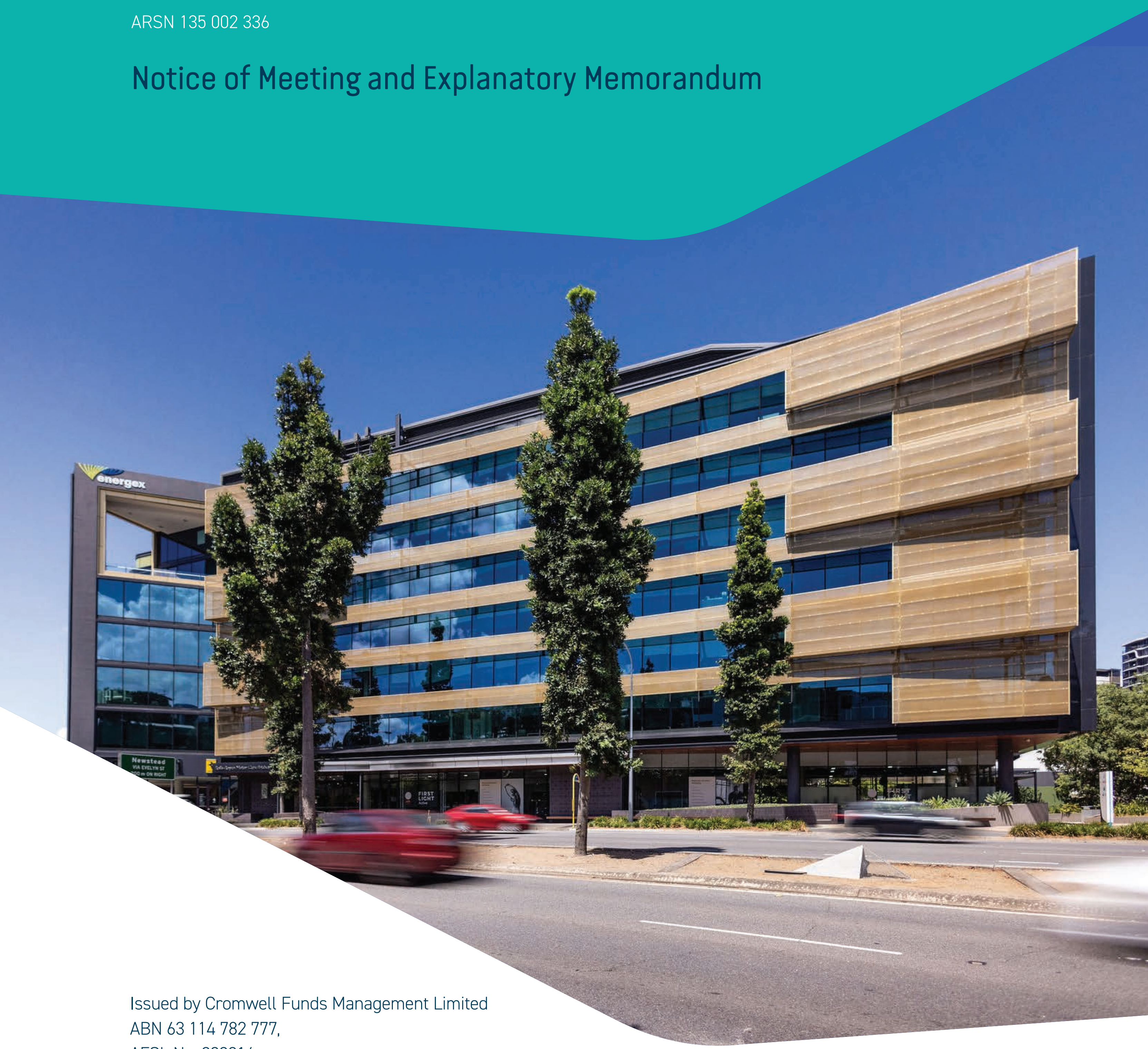
CROMWELL RIVERPARK TRUST

ARSN 135 002 336

Notice of Meeting and Explanatory Memorandum



Issued by Cromwell Funds Management Limited
ABN 63 114 782 777,
AFSL No. 333214
as responsible entity for the Cromwell Riverpark Trust
ARSN 135 002 336.

Invest in real.

CONTENTS

Important Notice

This Explanatory Memorandum is dated 30 October 2024.

Purpose: This Explanatory Memorandum is issued by Cromwell Funds Management Limited (ABN 63 114 782 777, AFSL No. 333214) ("CFM", "we", "us" or "our") and provides Unitholders of the Cromwell Riverpark Trust (ARSN 135 002 336) ("Trust" or "CRT") with an explanation of, and information about, the Term Extension Proposal.

No personal investment or tax advice: This Explanatory Memorandum does not contain personal financial product advice or tax advice and has been prepared without reference to your investment objectives, financial situation, tax position or particular needs, or those of any other person.

It is important that you read the entire Explanatory Memorandum and consider your own objectives, financial situation, tax position and needs before deciding how to vote on the Resolution. If you are in any doubt in relation to these matters, you should contact your financial, legal, tax or other professional adviser.

Forward looking statements: Certain statements in this Explanatory Memorandum relate to the future. The forward-looking statements in this Explanatory Memorandum are not based on historical facts, but reflect the current expectations of CFM. These statements generally may be identified by the use of forward-looking words or phrases such as 'believe', 'aim', 'expect', 'anticipated', 'intending', 'foreseeing', 'likely', 'should', 'planned', 'may', 'estimate', 'potential', and other similar words and phrases. Statements that describe the Trust's objectives, plans, goals or expectations are or may be forward-looking statements.

These forward-looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performance or achievements of the Trust to be materially different from future results, performance or achievements expressed or implied by such statements. The forward-looking statements are based on numerous assumptions regarding present and future operating strategies and the environment in which the Trust will operate in future. The financial assumptions described in Section 5 could affect future results of the Trust, causing these results to differ materially from those expressed or implied in any forward-looking statements. These factors are not a complete list of all of the important factors that could cause actual results to differ materially from those expressed in any forward-looking statement. Other unknown factors could also have a material adverse effect on future results of the Trust. Forward-looking statements should, therefore, be construed in light of these assumptions and undue reliance should not be placed on forward-looking statements.

The historical financial performance of the Trust is no assurance or indicator of the future financial performance of the Trust (whether or not the Further Term is implemented). Neither CFM nor Cromwell guarantees any particular rate of return or the performance of the Trust, or the repayment of capital from the Trust or any particular tax treatment.

All subsequent written and oral forward-looking statements attributable to CFM or any person acting on their behalf are qualified by this cautionary statement. Other than to the extent required by law, neither CFM or Cromwell, and none of their directors or any other person gives any representation, assurance, warranty (whether express or implied) or guarantee that the accuracy, likelihood or occurrence of the events or results expressed or implied in any forward-looking statements in this Explanatory Memorandum will actually occur.

The forward-looking statements in this Explanatory Memorandum reflect views held only at the date of this Explanatory Memorandum. Subject to any continuing obligations under the Corporations Act, and except as otherwise set out in this Explanatory Memorandum, CFM, Cromwell and their respective directors disclaim any obligation or undertaking to distribute after the date of this Explanatory Memorandum any updates or revisions to any forward-looking statements to reflect any change in expectations or any change in events, conditions or circumstances on which any such statement is based.

An investment in the Trust is subject to investment and other risks, including possible delays in repayment and loss of income and capital invested. CFM does not give any guarantee or assurance as to the performance of the Trust or the repayment of capital. Investments in the Trust are not investments in, or deposits or other liabilities of, CFM or Cromwell. Neither CFM nor Cromwell is an authorised deposit-taking institution.

Privacy and personal information: CFM may need to collect and share personal information for the primary purpose of assisting CFM to conduct the Meeting and implement the Resolution if passed. Such personal information may include the names, dates of birth, addresses, other contact details, bank account details and details of the holdings of Unitholders, and the names of persons they have appointed to act as a proxy, body corporate representative or attorney at the Meeting.

The personal information may be disclosed to the registry of the Trust, related bodies corporate of CFM, third party service providers (including print and mail service providers), professional advisers and regulatory authorities where disclosure is required or allowed by law or where the individual has consented. Personal information may also be used to call Unitholders in relation to voting at the Meeting.

Unitholders who are individuals, and the other individuals in respect of whom personal information is collected as outlined above, have certain rights to access and correct the personal information collected in relation to them, and may contact Cromwell Investor Services on 1300 268 078 if they wish to exercise those rights.

Disclaimer: CFM has prepared, and is responsible for, the information set out in this Explanatory Memorandum.

Whilst every effort is made to prepare accurate and complete information (any of which may change without notice), this Explanatory Memorandum has been prepared in good faith and no member of Cromwell nor its directors, officers, employees or advisers make any representation or warranty, express or implied, as to the adequacy, accuracy, reasonableness, reliability or completeness of any statement herein. To the maximum extent permitted by law, each member of Cromwell and its directors, officers, employees and advisers expressly disclaim all or any liability which may arise out of the provision to, or use by, any person, of the information contained in or omitted from this Explanatory Memorandum.

Defined Terms: Capitalised terms used in this Explanatory Memorandum are defined in Section 8, on page 27.

Currency: Unless stated otherwise, references to dollars, $ or cents are to Australian currency.

Time: Unless stated otherwise, references to time are to Brisbane time.

Further information: If you have any questions about the proposal contained in this Explanatory Memorandum, please read Section 6 and, if your question is not answered there, contact Cromwell Investor Services either by phone on 1300 268 078 within Australia or +61 7 3225 7777 outside Australia, email invest@cromwell.com.au or visit CRT's website at www.cromwell.com.au/CRTvote. CFM may also be contacted at Level 10, 100 Creek Street, Brisbane QLD 4000.

1. WHY CONVENE THE MEETING?

The purpose of the Meeting is to consider and vote on a Resolution to extend the Trust's term, which is explained in detail in this Explanatory Memorandum.

The meeting will be held at:

Place:	Level 1, 100 Creek Street, Brisbane, Queensland
Date:	Friday, 6 December 2024
Meeting registration:	10.00am
Meeting commences:	10.30am

Why the vote?

Since November 2021, CFM as responsible entity of the Cromwell Riverpark Trust (the Trust) has continued to endeavour to sell the Trust's property, Energex House, but has not received any offers which it considers to be in the best interests of Unitholders. CFM believes that market conditions continue to be poor and recommends waiting for market conditions to improve. However, CFM acknowledges Unitholders have held this investment for an extended period and accordingly CFM proposes that Unitholders vote on whether to extend the term of the Trust to allow more time to sell the Property.

The Resolution

To consider and, if thought fit, to pass the following resolution as an Extraordinary Resolution of the Unitholders of Cromwell Riverpark Trust (Resolution):

"That the Trust's term be extended to 31 December 2026."

The Resolution is an Extraordinary Resolution and will only be passed if at least 50% of the total votes that may be cast by Unitholders entitled to vote on the resolution (including Unitholders who are not present in person or by proxy), are cast and are in favour.

A vote IN FAVOUR of the resolution will extend the term of the Trust.

A vote AGAINST the resolution will not extend the term of the Trust and is an indication that the majority of Unitholders would prefer CFM to continue to attempt to sell the Property in the short term.

CFM encourages every investor to read the Explanatory Memorandum and cast their vote at the meeting either in person or by proxy.

Proxy Forms must be received by 10.30am on Wednesday, 4 December 2024.

How do I vote?

SEND YOUR PROXY FORM

Complete and return a Proxy Form by email or post.

SUBMIT YOUR PROXY FORM ONLINE

www.cromwell.com.au/CRTvote

You will need:

- the eight (8) digit Voting Access Code (VAC); and
- the postcode of your registered holding.

ATTEND THE MEETING

You can vote at the Meeting, or you can appoint a proxy to attend on your behalf.

Full details of how to vote are on page 28 in Annexure A of this document.

Get advice

This is an important document and requires your immediate attention. You should read this document in its entirety before deciding how to vote and, if necessary, consult your investment, tax, legal or other professional adviser.

We are here to help

Please contact Cromwell Investor Services on 1300 268 078 or invest@cromwell.com.au if you have any questions.

2. SUMMARY OF EXPLANATORY MEMORANDUM

This Explanatory Memorandum relates to your investment in the Trust. A meeting is being convened and your vote is now requested to decide the future of the Trust.

Since November 2021, CFM has endeavoured to sell the Property and has given due consideration to all offers. Since communicating with investors on 27 June 2023 regarding the sale of the Property, CFM has continued to closely monitor the market, waiting for favourable market conditions it considers would yield offers closer to the Property's independently assessed book value.

Having regard to present market conditions, CFM remains of the view that commencing a formal marketing campaign for the Property at the present time would, once again, likely result in offers well below the Property's current book value of $270 million.

CFM acknowledges Unitholders' expectation that the Property would be sold by now. However, due to the prevailing unfavourable market conditions, CFM has been unable to secure offers it considers to be in the best interests of Unitholders. Having regard to the Property's significant size and CBD fringe location and given the current and projected market conditions, CFM is proposing that Unitholders extend the Term to 31 December 2026. If an extension is approved by Unitholders, you will continue to receive distributions from the Trust until a sale is completed.

CFM understands the lack of acceptable offers following the end of the Term is not the outcome it or Unitholders anticipated, and a further extension of the Term might not align with the preferences of certain Unitholders. Therefore, the Term will only be extended if Unitholders pass an Extraordinary Resolution. Further details regarding the Meeting, CFM's opinion on considerations for the timing of the sale and the continued payment of distributions until a sale is completed, is set out in this Explanatory Memorandum. Even if the Term is extended, the Property may be sold prior to the end of the extended Term if a suitable offer can be secured.

2.1. Term Extension Proposal

The proposal is to extend the Term until 31 December 2026 (Term Extension Proposal).

CFM's intention is to sell the Property when it considers market conditions are more suitable. If the Resolution is passed, then CFM will continue to monitor the market with a view to launching a further formal sale campaign during the Further Term at the earliest time that it considers market conditions are favourable.

CFM may sell the Property at any time during the Further Term if it considers a sale to be in Unitholders' best interests. Unitholders should note a formal sale process may not be completed during the Further Term.

If the Resolution is not passed, then CFM will commence a new sale campaign of the Property as soon as is practicable. Unitholders should note that given current market conditions, it is possible there may be no offers received, or offers may be at a significant discount to the Property's book value. A vote AGAINST the Resolution is an indication that you would prefer that CFM attempt to sell the Property in the present market and this will inform CFM's thinking when considering any offers which might be received. Given the intervening Christmas period and allowing time for a marketing campaign, if the Resolution is not passed, then completion of any sale and wind up of the Trust is unlikely to be completed before 30 June 2025.

More detail about considerations to take into account when casting your vote is outlined in this Explanatory Memorandum, which we ask you to read carefully in full.

2.2. Directors' Recommendation

The Directors of CFM have carefully considered the advantages and disadvantages of the Term Extension Proposal. Based on the current and projected market conditions, the Directors are recommending Unitholders vote **IN FAVOUR** of the Resolution. However, CFM acknowledges the significant amount of time that has lapsed since the Property was first offered for sale and the long duration of this investment for Unitholders may mean individual circumstances have changed. As such, the Directors believe it is important to allow all options to be considered and are therefore presenting Unitholders with the opportunity to vote on the Resolution.

2.3. Further information

If you have any questions in relation to the Notice of Meeting and Explanatory Memorandum, you can contact the Cromwell Investor Services team on 1300 268 078.

3. WHAT YOU NEED TO DO

This Explanatory Memorandum sets out information relating to the meeting of Unitholders to be held at 10.30am on Friday, 6 December 2024 at Level 1, 100 Creek Street, Brisbane, Qld 4000 to consider the Term Extension Proposal, and includes the Notice of Meeting at Annexure A on page 28.

1 Carefully read this Explanatory Memorandum

The information contained in this Explanatory Memorandum and the Notice of Meeting is important. You should read this document carefully.

Section 5 – Term Extension Proposal Considerations and Section 6 – The Term Extension Proposal may help answer some of your questions and are important in making your decision about how to vote.

If you have any doubts about which action to take, you should seek your own independent financial, legal, tax or other professional advice before deciding how to vote at the Meeting.

2 Vote on the Term Extension Proposal

If you are a Unitholder on the Register at 10.30am on Wednesday, 4 December 2024, you are entitled to vote on the Resolution to approve the Term Extension Proposal (unless you are subject to the voting exclusions listed in the Notice of Meeting in Annexure A).

YOU CAN VOTE

- by proxy, by completing and returning a Proxy Form by post, email, smart phone or online at www.cromwell.com.au/CRTvote. Proxy Forms must be received by 10.30am on Wednesday, 4 December 2024; or
- in person, by attending the Meeting (or in the case of a body corporate, a body corporate representative attend) to be held at Level 1, 100 Creek Street, Brisbane, Qld 4000 commencing at 10.30am on Friday, 6 December 2024.

For details on how to complete and lodge the Proxy Form, please refer to the instructions on your Proxy Form or the online instructions at www.cromwell.com.au/CRTvote.

For details on having your attorney or corporate representative attend the Meeting, please refer to the Proxy Form attached.

3.1. Key dates[1,2]

EVENT	DATE
Notice of Meeting and Explanatory Memorandum sent to Unitholders	Wednesday, 30 October 2024
Record Date	10.30am, Wednesday 4 December 2024
Last date and time for receipt of Proxy Forms	10.30am, Wednesday, 4 December 2024
Meeting of Unitholders	10.30am, Friday, 6 December 2024
Announcement of voting result on www.cromwell.com.au/CRTvote	5pm, Monday, 9 December 2024

1 All times are AEST.

2 All dates following the date of the Meeting are indicative only. CFM reserves the right to vary these dates without prior notice. Any changes to the above timetable will be announced at www.cromwell.com.au/CRTvote.

4. QUESTIONS & ANSWERS

Question and Answer		For additional information see Section
1.	**Why is the Trust Term being proposed to be extended for the Further Term?** Due to the prevailing market conditions, CFM has been unable to secure offers it considers to be in the best interest of Unitholders. Having regard to the Property's significant size and CBD fringe location and given the current and projected market conditions, CFM is proposing Unitholders extend the Term to 31 December 2026. However, CFM acknowledges the significant amount of time that has lapsed since the Property was first offered for sale and the long duration of this investment for Unitholders may mean individual circumstances have changed. As such, the Directors believe it is important to present Unitholders with the opportunity to vote on the Resolution.	2 and 5.1
2.	**What does CFM recommend and why?** CFM recommends Unitholders vote IN FAVOUR of the Resolution. Recent market conditions have not been favourable, and while it cannot offer any guarantees in this regard, CFM believes those market conditions are showing signs of improvement and a better outcome may be achieved by postponing a sale. CFM's views about the market conditions are set out in section 5.1.	2 and 6.7
3.	**If the Term is not extended will CFM accept any offer it receives?** No. CFM has an obligation to always act in the best interests of Unitholders. If the Resolution is not passed, then this provides a strong indication that Unitholders have a preference for liquidity in the short-term over postponing a sale in the expectation market conditions improve and a better outcome could be achieved in the future. While the outcome of the meeting will inform CFM's thinking when considering any offers it might receive, CFM is obliged to only accept an offer it considers to be in the best interests of Unitholders.	2.1 and 6.4
4.	**If the Term is not extended, when will CFM distribute net proceeds from a sale of the Property?** Given the upcoming Christmas period and allowing time for a marketing campaign, CFM estimates any sale of the Property is unlikely to be completed before 30 June 2025, following which the Trust can be wound up.	2.1 and 6.4
5.	**If the Term is extended, when will the Property be sold and the net proceeds from the sale distributed?** It is not possible to say with certainty. CFM's intention is to sell the Property when it considers market conditions are more suitable. CFM will monitor the market for favourable conditions in which to launch a further formal sale campaign at the earliest opportunity and may sell the Property at any time during the Further Term if it considers a sale to be in the Unitholders' best interests.	6.3

Question and Answer		For additional information see Section
6.	**Will distributions continue to be paid by the Trust?** Yes. It is expected distributions will continue until the Property is sold. Forecast distributions are 12.25 cents per Unit per annum until August 2025 when the distribution rate is forecast to reduce to 9 cents per Unit per annum.	5.3 to 5.6
7.	**Why has the valuation of the Property decreased since September 2021?** The decrease in valuation of the Property is consistent with value reductions experienced across the broader property market.	5.1
8.	**Why was the Property not sold following the expiry of the Term?** The Term expiry coincided with the continuing impacts of COVID 19 pandemic which created a period of uncertainty. The main tenant, Energy Queensland Limited had a lease term remaining of just over 4 years. CFM's view was that it was in the best interests of Unitholders to negotiate an extension of this lease before offering the Property for sale. This was achieved on 28 October 2021. The sale process for the Property commenced in November 2021, with agents appointed in January 2022 and first round offers received in February 2022. However, unfortunately this coincided with the first of 13 increases in the official cash rate and began the sharpest and second-longest hiking cycle of the Australian cash rate target era. This resulted in a challenging financial environment characterised by a lack of buyers and no offers capable of acceptance have been received at a price that reflects the Property's book value.	5.1
9.	**What return have I achieved from my original investment in the Trust?** The Trust's monthly distribution has grown from the inception 8.25 cents per Unit to the current 12.25 cents per Unit, which with the increase in the value of the Property from the original purchase to the current valuation at 30 June 2024 has resulted in a notional equity internal rate of return (IRR) since inception of 11.9% (to 30 June 2024).	5.2
10.	**Can I sell my Units?** Unitholders may transfer units at any time subject to CFM's approval. Unitholders wishing to sell Units may negotiate the terms of any transfer with a potential purchaser. CFM is assessing the engagement of a group external to Cromwell to provide a platform to facilitate transactions between Unitholders. If the engagement progresses, additional information will be made available separately to this Explanatory Memorandum to explain how this service operates.	
11.	**How do I vote?** Full details of how to vote are set out in Annexure A to this document.	3
12.	**What happens if I do not vote or my proxy is to abstain from voting?** The outcome of the vote is binding on you regardless of whether you cast your vote. The vote requires an Extraordinary Resolution to pass which is 50% of the total votes that may be cast by Unitholders entitled to vote on the resolution (including Unitholders who are not present in person or by proxy). Therefore, if you do not cast your vote (either in person or by submitting a proxy vote) then it is effectively a vote **against** the Resolution.	1
13.	**Will there be an opportunity to ask questions at the Meeting?** Yes. By attending the Meeting, there will be an opportunity to ask questions. Questions may also be asked at any stage prior to the Meeting by contacting Cromwell Investor Services on 1300 268 078 or invest@cromwell.com.au.	
14.	**How may I obtain historical disclosures on the Trust?** Fund documents, financial reports and other information is contained at the Trust's webpage at www.cromwell.com.au/invest/fully-subscribed-and-closed-funds/cromwell-riverpark-trust/	

5. TERM EXTENSION PROPOSAL CONSIDERATIONS

5.1. Market conditions

5.1.1. MARKET CONDITIONS SUMMARY

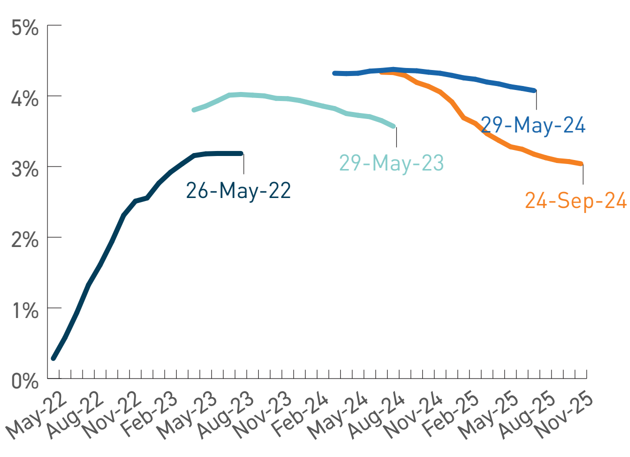
To date, the sale process for the Property has been challenged by the financial environment with a lack of buyers. No offers capable of acceptance have been received at a price that reflects the Property's book value. However, market expectations of interest rate cuts in 2025 have the potential to present favourable market conditions which are expected to benefit a future sale of the Property. With Brisbane fringe space fundamentals outperforming other similar major markets, CFM believes future expected market conditions may present a better environment for selling the Property. More detailed information on market conditions that are influencing the sale of the Property follows.

5.1.2. INTEREST RATES

The sale process for the Property commenced in November 2021, with agents appointed in January 2022 and first round offers received in February 2022. On 3 May 2022 the RBA increased the cash rate target by +0.25%. At the end of May 2022, the preferred party from the sale campaign was unable to progress its offer due to changes in debt markets. The May 2022 rate increase by the RBA was the first of 13 increases in the official cash rate and began the sharpest and second-longest hiking cycle of the Australian cash rate target era.

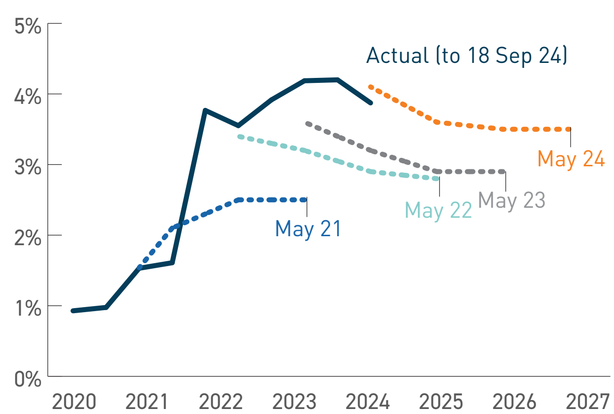
Market cash rate expectations after the first cash rate rise are shown in Figure 1 below. This chart shows the cash rate has risen higher than the market expected and maintained a level (without a reduction) for longer than the market expected. The graph shows that it is only recently (orange line: 24-Sep-24) that market expectations have begun to price in greater reductions in the cash rate. Figure 2 below shows the Australian Government 10-year bond yield has similarly increased above expectations and has remained elevated. The cash rate and Australian Government 10-year bond yield influence the pricing of real estate. In this instance, the "higher-for-longer" cash rate and bond yield have contributed to a slowdown in transaction activity and reduction in property values.

Figure 1: Market cash rate expectations



Compiled by Cromwell. Source: ASX.

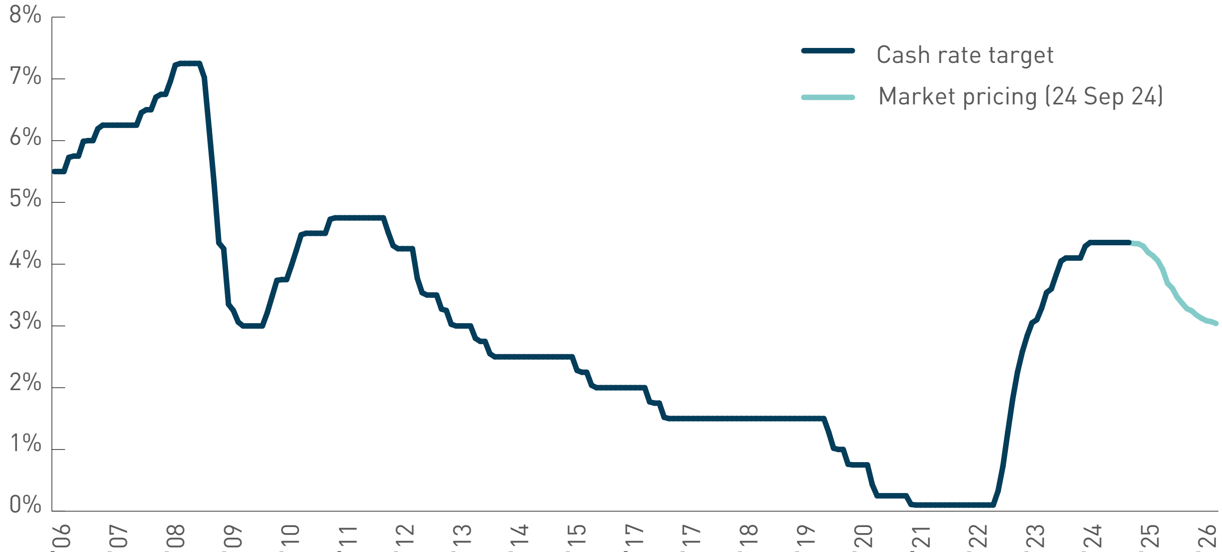
Figure 2: Australian Government 10-year bond yield forecast (%. EOP)



Compiled by Cromwell. Sources: Oxford Economics; RBA.

The market's pricing expectations of the future movements in the Australian cash rate as at 2024 show a turning point in the cash rate is expected.

Figure 3: Australian cash rate target



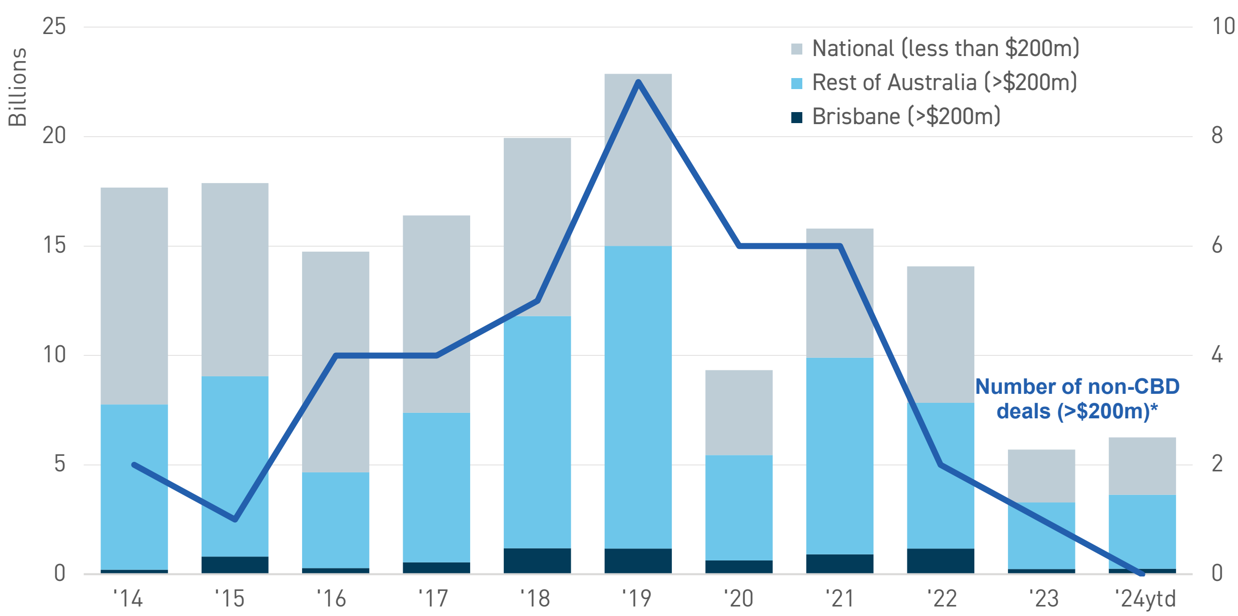
Compiled by Cromwell. Sources: RBA - Cash Rate Target; ASX - Market Pricing (24 September 24)

The interest rate increases between May 2022 and November 2023 have adversely affected financial markets and real estate transaction activity, impacting CFM's ability to sell the Property at a price considered to be in the best interests of Unitholders. With financial markets now forecasting cash rate cuts over 2025, CFM believes with further time, market conditions will become more conducive to achieving a sale.

5.1.3. TRANSACTION ACTIVITY

The slowdown in transaction activity referred to above is illustrated in Figure 4. Transaction activity in 2023 and 2024 (year to date) fell to the lowest levels in over 10 years, both in terms of dollar value and number of deals.

Figure 4: Office transaction volume by deal size ($)



Cromwell analysis of JLL data (September 2024). *Excludes portfolio deals spanning multiple markets.

Further analysis of transaction activity (for non-CBD assets with a value greater than $200m such as the Property) shows there has only been one sale in this category since the start of 2023 and this was for a multi-tenanted building. However, the Property is a single tenanted office building, and the last sale above $200m in this category was in October 2022.

An analysis of seven office transactions completed in 2024, for which valuation data is available, shows six of the transactions completed at an average discount of 19% to a valuation that occurred in the preceding 12 months.

CFM is of the opinion that current market conditions are not conducive to achieving a favourable sale price for the Property. The pool of potential buyers is currently very shallow and therefore competitive tension is likely to be limited. Buyers at this time are typically pricing opportunistically. In the current market, if a sale could be achieved, CFM believes there is a risk any sale which could be secured may be at a price which represents a significant discount to the latest independent valuation.

5.1.4. REAL ESTATE SPACE MARKET FUNDAMENTALS

While transaction activity and pricing have not been supportive of the Property sale, office space market fundamentals for the Brisbane fringe market have been improving and show good performance relative to other markets. CFM expects this to underpin a more supportive selling environment once market conditions improve.

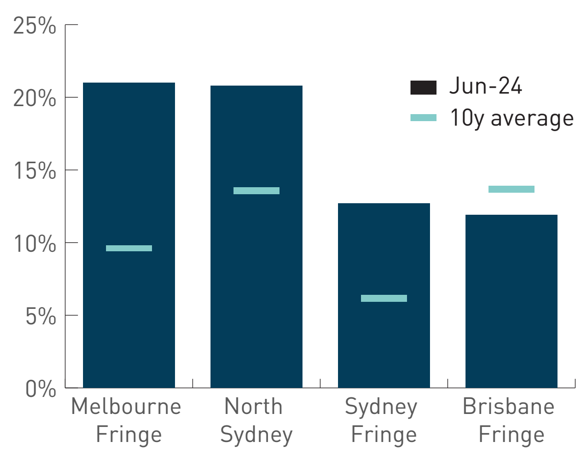
Recent tenant demand for prime Brisbane fringe office space has been strong, with the amount of occupied space increasing by more than 100,000sqm since December 2019 (see Figure 5). Including secondary grade space, occupied stock is at its highest level on record. The increase in occupied space recorded since December 2019 has predominantly been driven by prime stock (77% of net demand), with Fortitude Valley the dominant sub-market (54%). The Property is considered a prime asset in the Fortitude Valley sub-market.

Strong tenant demand has seen the Brisbane fringe prime office vacancy rate decrease 7.8 percentage points from the COVID peak around March 2022. On this measure, Brisbane fringe office space is the best performer of the four largest fringe office markets across Australia and the only one with a prime vacancy rate lower than its 10-year average (see Figure 6). According to Cromwell analysis of Jones Lang LaSalle data as at 30 June 2024, the Brisbane fringe has the 4th lowest vacancy rate of all office markets nationally, behind West Perth, Brisbane CBD, and Canberra.

Figure 5: Brisbane fringe prime office occupied space (sqm)

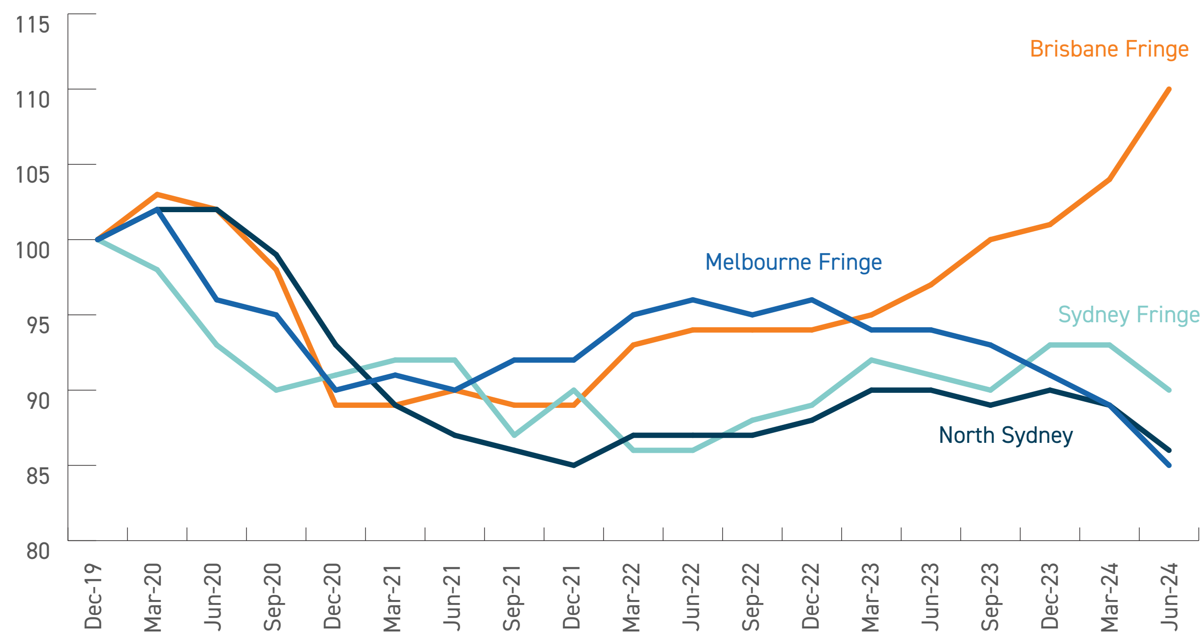
Compiled by Cromwell.. Source: JLL (June-24)

Figure 6: Prime office vacancy rate



Cromwell analysis of JLL data (Jun-24)

Figure 7: Prime office net effective rent - indexed to Q4 2019

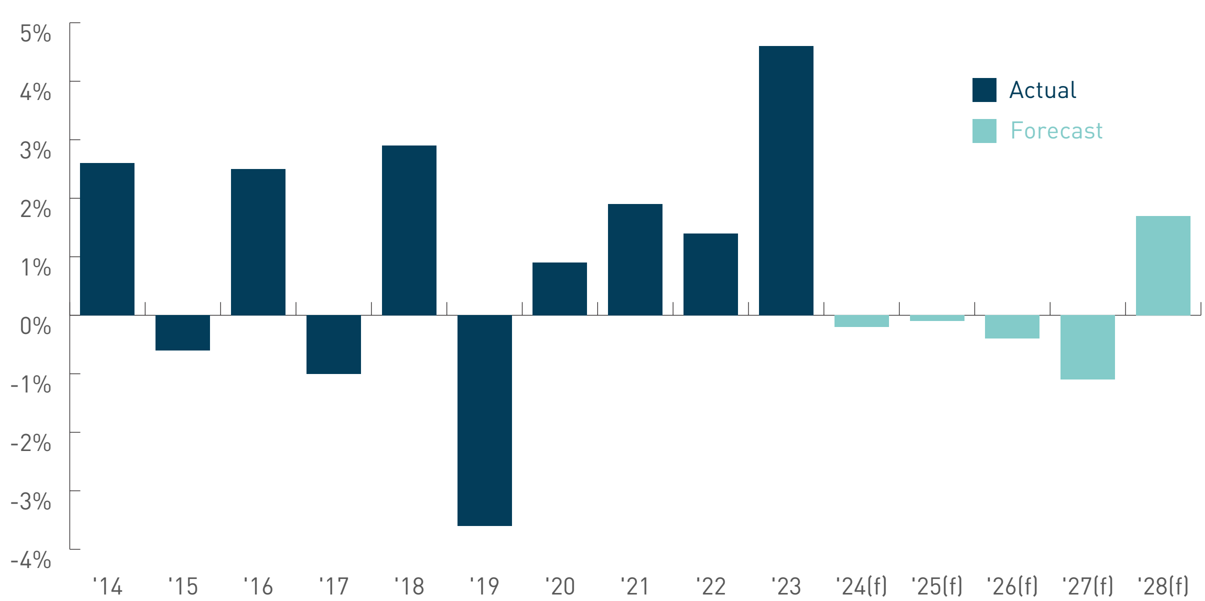


Cromwell analysis of JLL data (Jun-24)

Since December 2019, prime net effective rental growth for Brisbane fringe office space has outperformed other fringe office markets (see Figure 7), with Brisbane CBD the only market nationally which has recorded stronger rental growth.

Limited new supply is forecast for the Brisbane fringe market (see Figure 8), in part due to elevated construction costs and capacity constraints. Construction cost inflation is forecast to remain elevated across 2024 and 2025[1], challenging the feasibility of new developments. Major Brisbane infrastructure projects, including preparation for the 2032 Olympics, are also credited with driving up development costs in south east Queensland.

Figure 8: Brisbane fringe office supply - net change as a % of total stock



Cromwell analysis of JLL data and forecast (Jun-24).

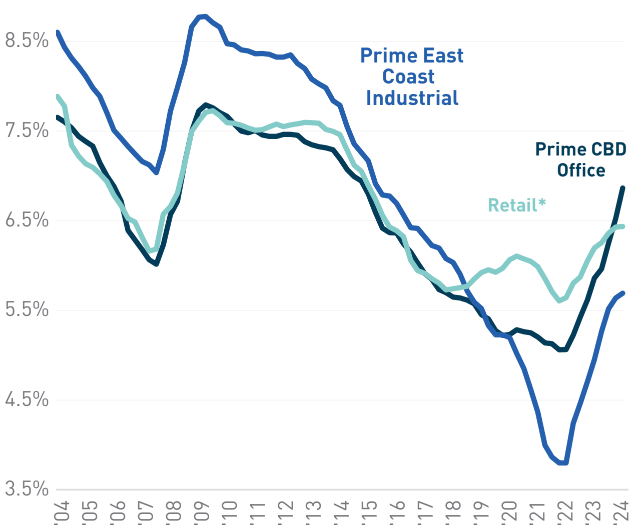
CFM expects constrained supply coupled with favourable tenant demand conditions to be conducive to further rental growth, contributing to a potential higher value for the Property when market conditions improve.

1. International construction market survey 2024 (Turner & Townsend).

5.1.5. REAL ESTATE PRICING CYCLES

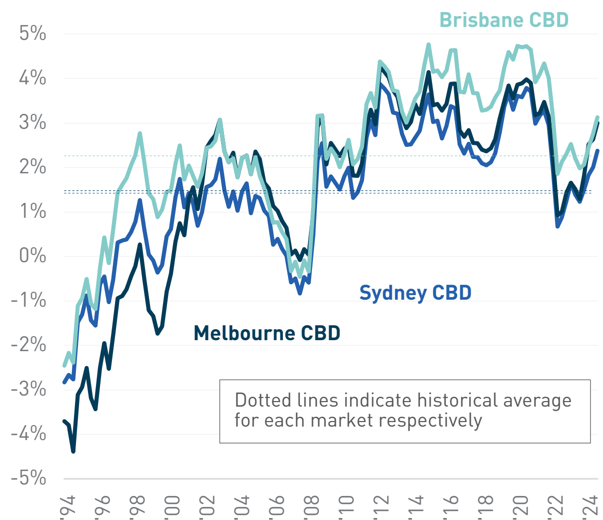
The following charts highlight the cyclical nature of real estate pricing. The movement in yields over time shows real estate sectors tend to trend together, albeit on occasion with a lag. Retail[2] and Prime East Coast Industrial yields are starting to show signs of plateauing, implying increasing stability in the pricing of assets within these sectors. CFM is of the view that increased stability in pricing will attract a larger pool of market participants and hence contribute to greater transaction volume. Prime CBD Office has not yet joined this trend, with yields continuing to move higher. However, the spread between the Brisbane CBD[3] prime office yield and the nominal 10-year Government bond yield is wider than the historical average. This spread is often viewed as an indicator of relative value and may suggest that the office sector is not far from a turning point, with increased stability in pricing likely to lead to greater transaction volume.

Figure 9: Prime Equivalent Yields



Cromwell analysis of JLL data (Jun-24). *Regionals, Sub Regionals, Neighbourhoods.

Figure 10: Office Prime Equivalent Yield Spread to Nominal 10y Gov Bond Yield



Cromwell analysis of JLL (Jun-24) and RBA (Sep-24) data. Final data point Jun-24 property yield and Sep 18 bond yield.

While the duration of cycles is difficult to predict and there is no guarantee that a cycle will repeat, CFM is of the view that conditions are likely to improve and a sale in the future, rather than in today's market, is more likely to achieve a better outcome for investors.

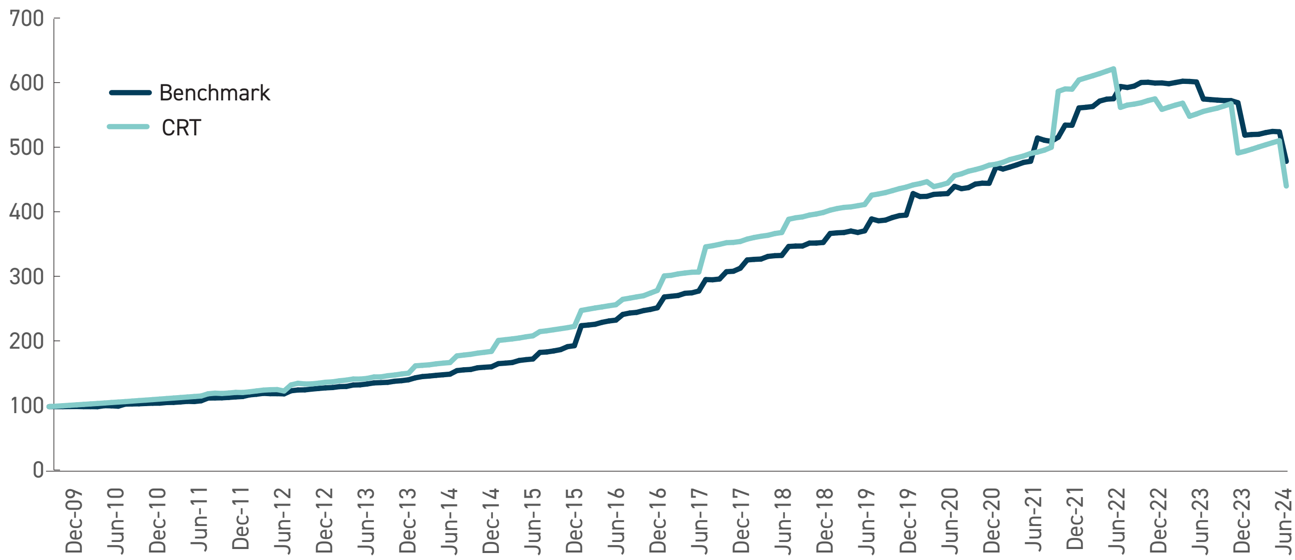
2. Regional, Sub Regional and Neighbourhood sub-sectors.

3. The Brisbane CBD yield is used in this instance due to its longer historical data series compared to the Brisbane fringe.

5.2. Trust Performance

The Trust has consistently performed in-line with the PCA/MSCI Australia Unlisted Retail Quarterly Property Fund Index as shown in Figure 11.

Figure 11: Cromwell Riverpark Trust total return:
Portfolio index since inception v PCA/MSCI Australia unlisted retail quarterly property fund index



Compiled by Cromwell. Source: MSCI. Note. PCA/ MSCI Australia index re-based to 100 at commencement of Trust.

The Trust's monthly distribution has grown from 8.25 cents per Unit (2009) to the current 12.25 cents per Unit. Income distributions and unrealised capital growth, (based on the 30 June 2024 valuation) has resulted in a notional equity internal rate of return (IRR) since inception of 11.9%. Expressed alternatively, $1 invested in the Trust in 2009 yielded $1.56 in distributions to 30 June 2024 and at this date had a value of $1.57 equating to total value attributable to Unitholders of $3.13.

Figure 12 shows the impact on a forecast IRR from inception to 30 June 2025 assuming different sale prices. The calculations assume investors continue to receive the forecast distributions included at section 5.6 and a sale is achieved with a single, final distribution made on 30 June 2025.

IRR[4] since inception to 30 June 2025 assuming a sales price for the Property relative to the current valuation.

Figure 12:

Percentage difference to current valuation	0% (Sale at current valuation)	10% lower	20% lower	30% lower
IRR	11.8%	11.2%	10.4%	9.6%

5.3. Trust Distributions

Assuming the Property remains unsold, from August 2025 Trust distributions are forecast to reduce from 12.25 cents per Unit per annum to 9 cents per Unit per annum.

This change is due to a reduction in the rent agreed with the major tenant, Energy Queensland Limited from August 2025 as part of the negotiations to secure a lease extension to August 2030. The longer lease term benefits Unitholders by securing income and the Energy Queensland Limited covenant for longer, which is typically valued more highly by potential buyers. Further details regarding the forecast income and distributions are contained in sections 5.5 and 5.6.

4. The IRR is calculated with an allowance of 1.5% of the gross sales price for selling and wind-up costs.

5.4. Trust financial structure

5.4.1. BALANCE SHEET

Set out below is the Trust's Balance Sheet as at 30 June 2024. The Annual Financial Report provides further detail on the Balance Sheet.

	30 Jun 24 $000
Assets	
Cash and cash equivalents	3,264
Receivables	78
Other current assets	42
Derivative financial instrument	364
Investment property	270,000
Total assets	**273,748**
Liabilities	
Payables	934
Distribution payable	970
Unearned income	2,293
Interest bearing liabilities	126,931
Total liabilities	**131,128**
Net Assets	**142,620**
Number of Units on issue	91,000,000
NTA per Unit	$1.57

Derivative financial instrument is the fair value of an interest rate hedge. Further details are set out at section 5.4.3.

5.4.2. INTEREST BEARING LIABILITIES

The Trust has a single loan facility ("Bank Loan") with a major Australia bank, with a limit of $130,250,000, with the following notable terms:

- Interest only;
- Maturity 30 June 2026;
- Loan to Valuation Ratio (LVR) covenant – At all times, loan to valuation ratio to be no greater than 60% for the term of the loan;
- Interest Cover Ratio (ICR) covenant – The interest cover ratio must be no less than 2 times; and
- Security is a first ranking fixed and floating charge over the Trust assets and mortgage over the Property.

Key statistics relating to the Trust's borrowings is as follows:

	30 June 2024	Covenant
Bank loan drawn amount	$127,039,000	
Unamortised loan transaction costs	($108,000)	
Interest bearing liabilities	$126,931,000	
LVR	47.1%	60%
ICR	3 times	2 times

The Property would need to fall in value by 21.6% from its 30 June 2024 valuation for the LVR covenant to be breached.

Net Trust income would need to fall by 34.2% or the interest expense would need to increase by 51.9% for the ICR covenant to be breached. Following the rent reduction effective from August 2025 (see Section 5.3), the ICR is forecast to be 2.6 times.

CFM is confident it will secure an extension of the facility beyond 30 June 2026 if required.

5.4.3. INTEREST RATE HEDGING

Interest rate hedging is a means by which the variable component of the Trust's interest payments (other than the margin, which is generally agreed for the term of the Bank Loan) is fixed for a certain period. Interest rate hedging provides the Trust with certainty as to the maximum amount of interest expense for a set period.

CFM maintains and complies with a borrowing policy for the Trust, which incorporates the extent to which the Trust will hedge its interest rate expense.

On 16 May 2024, the Trust entered into a $120 million interest rate hedging instrument, commencing 11 June 2024 and maturing 8 June 2025. The weighted average cost of debt for the financial year ending 30 June 2024 was 5.63%, including income derived from the interest rate hedge and the amortisation of loan establishment costs. The fair value of the hedge at 30 June 2024 was $364,000.

5.5. Forecast Income Statement

Set out below is the forecast income statement of the Trust for Financial Periods from 1 July 2024 to 31 December 2026, (Forecast Period).

The forecast income statement assumes the Property is sold after 31 December 2026. This assumption is not an indication of when CFM expects a sale to occur and a sale may occur at an earlier date. The forecast income statement should be read in conjunction with the key forecast assumptions.

BASIS OF PREPARATION

The financial information set out below has been presented in an abbreviated form, in so far as it does not include all the disclosures required by Australian Accounting Standards (including Australian Accounting Interpretations adopted by the Australian Accounting Standards Board) or International Financial Reporting Standards applicable to annual financial reports prepared in accordance with the Corporations Act 2001 (Cth). The forecasts have been prepared on the basis of key accounting policies set out within the Trust's Annual Financial Report for the year ended 30 June 2024.

CFM believes the forecasts contained below are reasonable and are based on best estimate assumptions as outlined in section 5.6.1. Although due care and attention has been taken in preparing the forecast many factors which affect the forecasts are outside the control of CFM or are not capable of being foreseen or accurately predicted. As such, the forecasts are not guaranteed and actual results may differ materially from the forecasts.

Forecast income statement $'000	12 months to 30 Jun. 25	12 months to 30 Jun. 26	6 months to 31 Dec. 26
Revenue and property expenses			
Rental income	26,860	21,718	10,218
Straightline rental (expense) / income	(4,971)	(302)	154
Leasing incentives, costs & amortisation	(5,351)	(5,272)	(2,576)
Property expenses	(3,110)	(3,109)	(1,656)
Net Property Income	**13,428**	**13,035**	**6,140**
Interest income	164	234	112
Other Expenses			
Responsible entity fees	(1,644)	(1,659)	(832)
Administration costs	(269)	(239)	(111)
Finance costs - interest	(7,228)	(6,403)	(3,165)
Finance costs - amortisation	(100)	(87)	(73)
Profit before fair value adjustments	**4,351**	**4,881**	**2,071**

5.6. Forecast Distribution Statement

Set out below is the forecast distribution statement of the Trust for Forecast Period. The forecast distribution statement shows the profit available for distribution to Unitholders by adjusting profit before fair value adjustments for certain non-cash and significant items and should be read in conjunction with the best estimate assumptions as outlined in section 5.6.1 and the basis of preparation outlined in section 5.5.

Forecast distribution statement $'000	12 months to 30 Jun. 25	12 months to 30 Jun. 26	6 months to 31 Dec. 26
Profit before fair value adjustments	**4,351**	**4,881**	**2,071**
Add back			
Straight-line rental expense / (income)	4,971	302	(154)
Finance costs - amortisation	100	87	73
Leasing incentives, costs & amortisation	5,351	5,272	2,576
Profit available for distribution	**14,773**	**10,542**	**4,566**
Distributions paid / payable	(11,148)	(8,683)	(4,095)
Surplus	**3,625**	**1,859**	**471**
Forecast monthly distributions per Unit (annualised rate)[1]	12.25 cents	9.54 cents	9.00 cents
Forecast tax deferred component of distributions[2]	100.0%	68.0%	38.0%

1. Distributions are forecast to reduce from current 12.25cpu p.a. to 9.00cpu p.a. from 1 September 2025. For clarity, the forecast August 2025 distribution, paid on or around 12 September 2025, is expected to be the last paid at 12.25cpu p.a. Forecast distribution per Unit for the 6 months to 31 December 2026 is 4.5cpu.

2. Due to the availability of tax deductions for depreciation and building allowances, other tax timing adjustments and carry forward losses, distributions are forecast to be partially tax deferred over the forecast period. For further information please refer to the Taxation Report.

5.6.1. KEY FORECAST ASSUMPTIONS

The forecast income statement and the forecast distribution statement assumes a sale of the Property completes after 31 December 2026.

Other key assumptions are set out below.

Net property income assumptions

Net property income is the gross income received from the Property less property outgoings. The main assumptions underlying the Trust's forecast net property income are:

i. The Energy Queensland Limited lease continues for the Forecast Period. Following the August 2025 rental adjustment (see section 5.3), rent will increase by 3% per annum from August 2026;

ii. Current retail leases continue representing approximately 7% of gross passing income;

iii. Allowances have been made for re-leasing costs, vacancy periods and lease incentives during the Forecast Period based on CFM's experience in managing this Property and similar properties;

iv. Income increases are in accordance with lease provisions. Rentals under the retail leases increase by between 3% and 4% per annum;

v. There are no tenant defaults during the Forecast Period; and

vi. Property outgoings increase by 2.2%, 2.1% and 2.4% per annum respectively for FY2025, FY2026 and FY2027.

Fund assumptions

i. No revaluations of the Property have been assumed;

ii. No performance fees have been accrued;

iii. Mark-to-market expense of $364,000 has been forecast for FY2025 for the existing interest rate hedge;

iv. The loan facility has been refinanced for a further 2 years, incurring legal and establishment costs of $290,500, which have been capitalised and amortised over the term;

v. The weighted average cost of debt per annum (including income derived from the interest rate hedge as applicable) is forecast to be 5.66%, 5.04% and 4.98% respectively for FY2025, FY2026 and the 6 months ending 31 December 2026. The interest expense for the Forecast Period will change to the extent the executed margin or market interest rate swap differs from the assumed rates;

vi. $43,000 has been forecast for legal expenses and registry costs related to this Term Extension Proposal.

vii. Distributions will be partly tax deferred due primarily to the availability of tax deductions for depreciation, building allowances, other tax timing adjustments and carry forward losses;

viii. The Trust is registered for GST and will generally be able to claim input tax credits in respect of GST paid on a monthly basis; and

ix. CFM receives responsible entity fees calculated at 0.60% of gross assets per annum, forecast for the 2025 financial year at approximately $1.65 million. No performance fee has been included.

5.6.2. SENSITIVITY ANALYSIS

The forecasts have been based on certain economic and business assumptions about future events. The forecast profit, profit available for distribution and distributions payable for each period during the Forecast Period are sensitive to a number of factors. A summary of the possible impact of different outcomes in the key assumptions underlying the forecasts is set out below. However, the disclosed movements in these key assumptions are not intended to be indicative of the complete range of variations that may occur.

Variable effect

Change in net Property income

Rent payable under the Energy Queensland Limited lease, which currently accounts for 92.7% of gross passing income, will reduce from August 2025 (see section 5.3) after which it is subject to fixed annual reviews of 3.00% per annum from August 2026, which have been incorporated into the forecast distribution rate. The remaining gross income is derived from several retail tenancies. However, should net property income decrease during the Forecast Period for any unforeseen reason (e.g. tenant default), each 5% reduction in net property income would lead to an annual reduction of profit available for distribution for the 2025 and 2026 financial years and 6 months ending 31 December 2026, respectively, of approximately $1.3 million, $1.1 million and $0.5 million, which represents a reduction of distributions to Unitholders, respectively, of 1.5, 1.2 and 1.1 cents per Unit per annum.

Change in interest rates

The current interest rate hedge expires on 8 June 2025. If variable interest rates decreased or increased by 1% per annum following the expiry, the impact of the change in interest payable would lead to an annual change in profit available for distribution for the 2026 financial year of approximately +/- $1.3 million, which represents a change to Unitholder distributions of +/- 1.5 cents per Unit per annum and for the financial period to 31 December 2026 of approximately +/- $0.7 million which represents +/- 0.75 cents per Unit.

6. THE TERM EXTENSION PROPOSAL

6.1. What is the Term Extension Proposal?

The Term Extension Proposal is to extend the term of the Trust until 31 December 2026. However, CFM will retain the discretion to sell the Property at any time during the Further Term if it considers a sale to be in the Unitholders' best interests.

6.2. Resolution Voting Threshold

The Term Extension Proposal requires an Extraordinary Resolution to be passed. An Extraordinary Resolution is a resolution passed by at least 50% of the total votes that may be cast by Unitholders entitled to vote on the resolution (including Unitholders who are not present in person or by proxy). If the Resolution is passed, then all Unitholders will be bound by its outcome regardless of whether they voted in favour of, or against, the Resolution.

6.3. What happens if the Resolution is approved?

If the Term Extension Proposal is approved, then the Term is extended to 31 December 2026 and CFM will continue to monitor the market with a view to launching a further formal sale campaign at the earliest time that it considers market conditions are favourable. CFM's intention is to sell the Property when it considers market conditions are more suitable and CFM may sell the Property at any time, if it considers a sale to be in Unitholders' best interests. There is no guarantee on the timing of a sale or ultimately the sale price that may be achieved for the Property. Even if a formal sale process is commenced during the Further Term, it may not be completed prior to the expiry of the Further Term, meaning the wind up of the Trust might not commence until after 31 December 2026.

6.4. What happens if the Resolution is not passed?

If the Term Extension Proposal is not approved, CFM will commence a formal sale campaign of the Property as soon as is practicable, noting that given the time of the year this may be in early 2025. Unitholders should note that given current market conditions (see CFM's analysis in section 5.1) there may be a limited number of offers received, or offers may be at a significant discount to the Property's book value. If the Property is sold, then Unitholders can expect to receive an interim distribution of their share of the net sale proceeds shortly after the sale is completed, with the balance paid as a final distribution when the Trust is wound up. CFM will complete this process as soon as possible, however given the intervening Christmas period and allowing time for a marketing campaign, and the fact transactions are commonly taking longer to complete in the current environment, CFM estimates any sale and wind up is unlikely to be completed before 30 June 2025.

6.5. Is CFM able to vote on the Resolutions?

CFM is also the responsible entity of the Cromwell Direct Property Fund (DPF), which holds approximately 23% of the issued Units. CFM considers itself not entitled to vote the DPF interest in the Trust according to the operation of section 253E of the Corporations Act. Because DPF is not entitled to vote on the Resolution, its interest will be disregarded when calculating the number of votes required for the Resolution to pass.

6.6. Reasons to vote In Favour of or Against the Term Extension Proposal

You should read all of the Explanatory Memorandum. This section is a summary only and is not intended to address all of the relevant issues for Unitholders.

REASONS TO VOTE IN FAVOUR OF THE TERM EXTENSION PROPOSAL

Deferring a sale in the expectation favourable market conditions present: Unitholders may believe that the current market conditions (see section 5.1) may negatively impact the amount realised from a sale of the Property. Unitholders may consider that deferring a sale, provides an opportunity to sell the Property in more favourable market conditions, which may achieve better total returns for Unitholders.

Maintain exposure to a quality property: The fundamentals of the Property remain strong and include:

- Six Star Green Star rating and 6.0 Star NABERS rating.
- Major tenant, (Energy Queensland Limited) accounting for 92.7% of gross income is a Queensland government-owned corporation with a remaining lease term of 5.9 years at 30 June 2024.

Distributions forecast: Unitholders prefer to continue to receive distributions from their investment.

12-mths ending 30-Jun-2025	12-mths ending 30-Jun-2026	6-mths ending 31-Dec-2026
12.25 cpu p.a.	9.54 cpu p.a.	9.00 cpu p.a.

These forecasts are not guaranteed and are based on a number of assumptions set out in Section 5.6.1. As such, the forecasts are not guaranteed and actual results may differ materially from the forecasts.

Capital gains tax: Delay a capital gains tax event from the sale of the Property or cancellation of your Units to a later future date.

REASONS TO VOTE AGAINST THE TERM EXTENSION PROPOSAL

- Sell in current market conditions: Unitholder's may believe that given future market conditions are unknown it is better to sell the Property now.

- Preference for liquidity: Unitholders who may prefer CFM attempt to achieve liquidity in the present market conditions.

- Risk of investment: The normal risks of investing will continue and are as outlined in the original PDS available at www.cromwell.com.au/CRTvote. These risks include, but are not limited to, the following:
  - Valuation risk: the potential for a further decrease in the value of the Property.
  - Tenancy risk: The Trust's forecast income is dependent upon tenants, particularly Energy Queensland Limited, paying rent in accordance with their lease terms.
  - Insurance risk: The performance of the Trust may be adversely affected where losses are incurred due to uninsurable risks, uninsured risks or under-insured risks.
  - Capital expenditure risk: Capital expenditure on the Property could exceed expectations.
  - Borrowing risk: The Trust's borrowings are not able to be refinanced or the margin charged increases reducing earnings and distributions to Unitholders.

- Interest rate risk: Interest rates are hedged until 10 June 2025. Therefore there is the risk of future increases in interest rates which would negatively impact earnings after this date.

6.7 CFM recommendation

The Directors of CFM have carefully considered the advantages and disadvantages of the Term Extension Proposal. Based on the current and projected market conditions, the Directors are recommending Unitholders vote **IN FAVOUR** of the Resolution.

However, CFM acknowledges the significant amount of time that has passed since the Property was first offered for sale and the duration of this investment may mean some Unitholders' individual circumstances have changed. As such, CFM is presenting the Unitholders with the opportunity to vote on the Resolution.

Whether you vote "IN FAVOUR of" or "AGAINST" the Term Extension Proposal will depend on your individual circumstances. Consequences such as personal taxation outcomes and ongoing income and capital requirements should be considered when assessing the Term Extension Proposal.

CFM recommends you consider the options carefully and, where applicable, consult with your independent financial, legal or taxation adviser to assess how you should cast your vote.

7. TAXATION REPORT

This information is provided for Australian resident Unitholders who hold Units in the Trust as long-term investments on capital account and is based on current Australian taxation legislation as at the date of issue of this Explanatory Memorandum.

We have also provided general observations in relation to the Australian taxation implications for non-resident Unitholders who hold their Units on capital account.

The following comments are not applicable to Unitholders who hold their Units on revenue account or as trading stock.

The taxation information in this Explanatory Memorandum does not consider the treatment of indirectly investing such as through an Investor Directed Portfolio Service (IDPS).

This Explanatory Memorandum is not intended to constitute or provide tax advice. Tax laws are complex and may change over time and tax treatment may vary according to each individual Unitholder's circumstances. Unitholders are advised to seek their own tax advice in respect of their investment in the Trust. Tax liabilities are the responsibility of each individual Unitholder and CFM is not responsible for taxation or penalties incurred by Unitholders.

7.1 Term Extension Proposal

Under the Term Extension Proposal, the Term of the Trust would be extended until 31 December 2026. This report outlines the key Australian taxation consequences arising should the Term Extension Proposal be approved or rejected.

Broadly, the current tax treatment of the Trust is expected to continue to apply to Unitholders. However, the outcome of the Term Extension Proposal is expected to impact the time the Property is sold and the Trust wound up, which impacts the time of realisation of capital gains tax (CGT) events for the Trust and Unitholders, and the amount of income distributions paid and assessable income attributed to Unitholders.

7.2 Australian resident Unitholders

The Trust's tax treatment was originally summarised in the initial PDS, as updated by way of a Continuous Disclosure Notice (CDN) on 5 July 2017 when CFM resolved to apply the Attribution Managed Investment Trust ("AMIT") regime to the Trust for all income years beginning from 1 July 2017.

The Trust is an Australian resident for tax purposes. CFM intends to continue to limit the Trust's investment activities to only include activities that are within the ambit of an eligible investment business (which includes holding property for the primary purposes of deriving rent), to ensure that the Trust is treated as a 'flow through' entity for Australian income tax purposes.

The Trust qualifies as a Managed Investment Trust ("MIT") and satisfied the requirements to make a choice to be an AMIT for taxation purposes. The Trust has made a choice to be an AMIT for taxation purposes. The AMIT regime provides greater certainty on the application of the tax provisions for both the Unitholders and the Trust. The tax implications outlined below are on the basis that the Trust will qualify as a MIT and an AMIT each year.

AMIT REGIME

Unitholders are expected to continue to receive monthly distributions until the Property is sold, and the Trust wound up.

Unitholders will be attributed the tax components of the Trust each year on a fair and reasonable basis. This attribution will generally be based on the Unitholders' rights to the income in the Trust as provided for in its Constitution. This is the case even where no cash distributions are made by the Trust to Unitholders, or where the cash distributions differ to the aggregate attribution of the different components from the Trust.

The tax implications for Unitholders will depend upon the tax character of the tax components attributed to them.

Unitholders will be attributed taxable components that may include interest, capital gains and other income (including rent) from the Trust's investments. CFM will provide Unitholders with an AMIT member annual statement ("AMMA Statement") each year outlining the taxable components for the Unitholder for that year.

Where the Trust makes a net tax loss or net capital loss, such losses cannot be attributed to Unitholders. Rather, the net tax losses and net capital losses are carried forward and may be utilised by the Trust against its assessable income and/or capital gains respectively in future income years, subject to satisfying any loss utilization rules that may be applicable for the relevant period.

CAPITAL GAINS OF THE TRUST

A CGT event will occur for the Trust at the time it enters a binding contract for the sale of the Property, the timing of which is currently unknown.

The Trust has made an election pursuant to which the Property is deemed to be held on capital account for taxation purposes. Consequently, a gain or loss made on the disposal of the Property gives rise to a capital gain or a capital loss.

At the time the Trust disposes of the Property, which it has held for more than 12 months, it will be eligible for the discount capital gain concession which reduces the capital gain by 50% in the Trust. The net capital gain will be included as assessable income of the Trust, and the CGT discount amount will be regarded as a separate non-assessable amount.

DISTRIBUTIONS AND COST BASE ADJUSTMENTS

The amount of the aggregate cash distribution for a year may be greater than, or less than, the taxable income attributed to an Unitholder for that year. Broadly, the cost base of the Units will be increased by any taxable components attributed to Unitholders (with any discount capital gains being doubled) and the cost base will be reduced by any actual payments received (or are entitled to receive) and tax offset amounts attributed to Unitholders.

CFM will reflect any net increase or decrease in the cost base in the AMMA statement issued to the Unitholder.

Similarly, Unitholders need to reduce the tax cost base of their Units in the Trust for tax deferred distributions received from the Trust prior to the Trust electing to become an AMIT.

Where a net decrease to the tax cost base of a Unit exceeds the tax base of that Unit, a potentially discountable capital gain will be made equal to that excess, and the tax cost base of the Unit will be nil. Unitholders should monitor the cost base or their Units each financial year, and also calculate whether a capital gain has arisen after the sale of the Property, when the sale proceeds and remaining corpus of the Trust is distributed to Unitholders before the Trust is wound up.

Unitholders should refer to their AMMA Statements (and before that to their Annual Tax Statements) for the amount of the required annual cost base adjustments. Alternatively, Unitholders can calculate their adjustments by referring to the summary table of CRT Historical Income Tax Components located on Trust's webpage at https://www.cromwell.com.au/invest/fully-subscribed-and-closed-funds/cromwell-riverpark-trust/tax-information/.

DISPOSAL OF UNITS

Unitholders may also be liable for tax on capital gains realised on transfer, redemption, the cancellation of Units or otherwise disposing of Units in the Trust.

After the sale of the Property, it is expected a CGT event will occur when the Units are cancelled as part of the wind up of the Trust.

To determine their capital gains tax position, Unitholders generally need to reduce their capital proceeds from their Units by the reduced tax cost base of their Units as calculated above.

Unitholders will need to adjust the tax cost base of their Units in the Trust for any tax deferred distributions that were received from the Trust prior to the Trust electing to become an AMIT. Unitholders will also need to adjust the cost base to take into account adjustments to the cost base under the AMIT rules as noted above.

A capital gain should arise for a Unitholder where the capital proceeds from the transfer, redemption or disposal exceed the cost base of the relevant Unit. A capital loss is made where the capital proceeds from the transfer, redemption or disposal are less than the reduced cost base of the Unit at the time of the transfer, redemption or disposal.

Certain Unitholders (including individuals, trusts and superannuation funds) may be entitled to the discount capital gain concessions where the Units have been held at least 12 months. The Trust does not issue a separate capital gains statement if the Unitholder transfer or otherwise disposes of Units in the Trust.

UNDERS AND OVERS

Where the Trust discovers in an income year (the discovery year) an over attribution or under attribution of taxable income relating to a previous year (base year) that is within the AMIT amendment period (being all previous years for which an AMMA Statement was first created no more than four years prior to the time at which an AMMA Statement is first issued for the discovery year) the AMIT rules allow CFM to attribute the tax consequence of the difference to either the base year (i.e. amend the attribution of taxable components for the base year), or adjust the taxable components in the discovery year for the prior year over or under attribution.

MEMBER CHALLENGE

The Trust will issue an AMMA statement to Unitholders outlining the tax components attributed to that Unitholder each year. The AMIT rules provide that a Unitholder may object to the determined member component by notifying the Commissioner and substituting the amount with their own determination.

If a Unitholder chooses to object against the amount attributed to them by the Trust as noted in the AMMA statement, the Unitholder must provide CFM with notification seven days prior to notifying the Commissioner of their choice to object. The notification to CFM must outline the Unitholder's reasons for the objection.

The Unitholder will also be required to provide CFM with information so that CFM can assess the Unitholder's objection. The Unitholder will be required to meet all costs and liabilities incurred by CFM in assessing the objection.

7.3 Non-resident Unitholders

The following comments are general in nature and are not intended to constitute tax advice. Non-resident Unitholders may be subject to withholding tax on amounts distributed or attributed to them by the Trust. The withholding tax rate depends on whether the Trust qualifies as a withholding MIT, the character of the income distributed or attributed, and the residency of the Unitholder.

The Trust currently qualifies as a withholding MIT. CFM will monitor the requirements with the aim that the Trust continues to qualify as a withholding MIT each year.

Non-resident Unitholders should seek independent tax advice before investing, taking into account their particular circumstances including whether they may be eligible for any concessions under a relevant Double Taxation Agreement between Australia and their country of residence.

TAX ON INCOME

Where the Trust qualifies as a withholding MIT, CFM is required to withhold tax on a non-resident Unitholder's behalf in respect of any Australian taxable income distributed or attributed by the Trust.

Where the distribution or attribution includes Australian sourced interest, a final withholding tax of 10% will apply to that component.

A concessional final withholding tax rate of 15% will apply to distributions or attributions of fund payments to Unitholders that are tax residents in countries approved as information exchange countries. A fund payment is a distribution or attribution of an amount other than an amount referable to interest, dividends, royalties, non-taxable Australian real property capital gains or amounts that are not from Australian source.

A final withholding tax rate of 30% will apply to fund payments attributed or distributed to Unitholders that are not residents of information exchange countries or fund payments that are non-concessional MIT income (NCMI).

Any non-assessable components distributed or attributed by the Trust should not be subject to Australian withholding tax.

A 'final' withholding tax means that tax is deducted from the relevant component attributed or distributed to the Unitholder and the amount is regarded as non-assessable non-exempt income in Australia for the non-resident Unitholder. The non-resident Unitholder is not required to lodge an Australian tax return in respect of this component. Further, expenses incurred in connection with deriving this income cannot be claimed as a deduction against this income in Australia.

TAX ON DISPOSAL OF UNITS

Where a non-resident Unitholder and their associates hold less than 10% of the Units in the Trust, the Unitholder should not be subject to Australian capital gains tax on disposal of Units.

7.4 Other taxes

Unitholders should not be liable for Australian stamp duty or GST in relation to the sale of the Property or wind-up of the Trust.

7.5 Australian Tax Reform

Australia is in the process of ongoing taxation reform. There is currently uncertainty as to the breadth and ultimate impact of the reforms. CFM will continue to monitor the tax reform process and implement its impact on the Trust. It is the Unitholder's responsibility to monitor tax reform developments that could impact on their investment in the Trust.

8. DEFINITIONS & INTERPRETATION

CFM, **we**, **us**, or **our** means Cromwell Funds Management Limited (ABN 63 114 782 777, AFSL No. 333214).

Constitution means the constitution of the Trust.

Corporations Act means the Corporations Act 2001 (Cth).

Cromwell or **Cromwell Property Group** means Cromwell Property Group comprising Cromwell Corporation Limited (ABN 44 001 056 980) and Cromwell Diversified Property Trust (ARSN 102 982 598) the responsible entity of which is Cromwell Property Securities Limited (ABN 11 079 147 809, AFSL No. 238052).

DPF means the Cromwell Direct Property Fund (ARSN 165 011 905), the responsible entity of which is CFM.

Directors means the directors of the board of CFM.

Extraordinary Resolution means a resolution passed by at least 50% of the total votes that may be cast by Unitholders entitled to vote on the resolution (including Unitholders who are not present in person or by proxy).

Forecast Period means the 12 month period ending 30 June 2025, 30 June 2026 and 6 month period ending 31 December 2026.

Further Term means the period from the date the Resolution is passed until 31 December 2026.

Meeting means the meeting of Unitholders to be held at 10.30am on Friday, 6 December 2024 at Level 1, 100 Creek Street, Brisbane.

Notice of Meeting means the notice of meeting setting out the Resolution, which accompanies this Explanatory Memorandum. See Annexure A on page 28.

NTA means net tangible assets. In respect of the Trust, the NTA is the total value of the Trust's tangible assets minus all of the Trust's liabilities.

PDS means the Product Disclosure Statement for the Trust dated 25 February 2009, and the Supplementary Product Disclosure Statement for the Trust dated 30 June 2009. These documents are available at www.cromwell.com.au/CRTvote.

Property or **Energex House** means the real property asset at 33 Breakfast Creek Road, Newstead, Queensland, owned by the Trust.

RBA means Reserve Bank of Australia.

Record Date means the date for determining eligibility of Unitholders to vote on the Resolution, and will be 10.30am, 4 December 2024.

Register means the Unit register for the Trust.

Resolution means the resolution put to Unitholders at the Meeting, as set out in the Notice of Meeting.

Term means the term of the Trust.

Term Extension Proposal means the proposal described in this Explanatory Memorandum to extend the Term to 31 December 2026.

Trust means the Cromwell Riverpark Trust (ARSN 135 002 336).

Unit means fully paid ordinary units issued in the Trust.

Unitholder, **you**, or **your** means a holder of Units in the Trust.

ANNEXURE A

NOTICE OF MEETING

Notice is given by Cromwell Funds Management Limited (CFM) as responsible entity of Cromwell Riverpark Trust (ARSN 135 002 336) (the Trust) that a meeting of the Trust will be held as follows:

Date: Friday, 6 December 2024

Time: 10.30am

Venue: Level 1, 100 Creek Street, Brisbane, Queensland

Additional information relating to the Resolution, how CFM as responsible entity of the Trust will implement the Resolution, and CFM's reasons for proposing the Resolution is contained in the Explanatory Memorandum, which accompanies and forms part of this Notice of Meeting.

Capitalised terms used in this Notice of Meeting have the meaning given to them in the Explanatory Memorandum

Resolution: Term Extension Proposal

To consider and, if thought fit, to pass the following resolution as an Extraordinary Resolution of the Unitholders of Cromwell Riverpark Trust (Resolution):

"That the Trust's term be extended to 31 December 2026."

QUORUM

The quorum for the Meeting is two Unitholders present in person or by proxy. CFM may adjourn the Meeting if a quorum is not present within thirty minutes of the scheduled time for the Meeting.

By order of the Board of Cromwell Funds Management Limited as responsible entity of the Cromwell Riverpark Trust.

VOTING MAJORITIES REQUIRED

As the Resolution is an Extraordinary Resolution, it will only be passed if at least 50% of the total votes that may be cast by Unitholders entitled to vote on the resolution (including Unitholders who are not present in person or by proxy), are cast and are in favour of the Resolution.

ENTITLEMENT TO VOTE

All Unitholders appearing on the Register at 10.30am on Wednesday, 4 December 2024 are entitled to attend and vote at the Meeting (subject to the voting exclusions set out below). Transfers of Units registered after this time will be disregarded in determining entitlements to vote at the Meeting.

VOTING IN PERSON

To vote in person, you must attend the meeting to be held on Friday, 6 December 2024 at 10.30am at Level 1, 100 Creek Street, Brisbane.

If you plan to attend the Meeting please arrive at 10.00am or earlier to allow time to note your attendance. Even if you are attending and voting in person we ask that you please bring the Proxy Form with you as it contains a barcode that will enable registration to be completed in a timely and efficient manner.

VOTING BY BODY CORPORATE REPRESENTATIVE

A company may appoint an authorised body corporate representative to represent them at the Meeting and exercise any of the powers the company may exercise at the Meeting. The representative need not be a shareholder and the appointment may be a standing appointment. A corporate Unitholder who wishes to appoint a person to act as its representative at the Meeting can do so by providing that person with a certificate executed in accordance with section 127 of the Corporations Act authorising that person to act as its representative at the Meeting. The authorised body corporate representative will be admitted to the Meeting and given a voting card upon providing, at the point of entry to the Meeting, written evidence of their appointment, of their name and address and the identity of their appointer.

VOTING BY PROXY

If you are a Unitholder, you have the right to appoint a proxy in respect of the Meeting. Your proxy does not need to be a Unitholder. You should complete and sign the personalised Proxy Form accompanying this Explanatory Memorandum. The Proxy Form includes information about how it is to be completed.

If you are entitled to cast two or more votes you may appoint two proxies and may specify the proportion or number of votes each proxy is entitled to exercise. However, if you do not specify the proportion or number of votes for each proxy, then each proxy may exercise half of the votes.

If you do not name a proxy, or your named proxy does not attend the Meeting, the Chair will be your proxy and vote on your behalf. Your proxy has the same rights as you to speak at the Meeting and to vote. The appointment of a proxy will not preclude you from attending in person and voting at the Meeting.

Proxy Forms must be received by the Cromwell Registry by post, fax, email, smart phone or online, or at the registered office of CFM, Level 10,100 Creek Street, Brisbane by no later than 10.30am on Wednesday, 4 December 2024 or if the Meeting is adjourned, at least 48 hours before the resumption of the Meeting in relation to the resumed part of the Meeting. Please ensure you also post an original or certified copy of any power of attorney (if the Proxy Form is signed by an attorney).

Please see the attached Proxy Form for instructions on lodgment.

VOTING BY POLL

The vote on the Resolution will be conducted by way of a poll, with the Chair of the Meeting demanding a poll on the Resolution under the Constitution. Each Unitholder present in person, by attorney, by body corporate representative or by proxy has, on a poll, one vote for each Unit they have in the Trust. If a Unitholder is entitled to two or more votes, they do not need to exercise their votes the same way nor cast all their votes.

JOINTLY HELD UNITS

If Units are jointly held, only one of the joint holders is entitled to vote. If more than one holder votes in respect of jointly held Units, only the votes of the Unitholder whose name appears first in the Register in respect of the relevant Units will be counted.

VOTING EXCLUSIONS

In accordance with Section 253E of the Corporations Act, CFM and its associates will not vote on the Resolutions if they have an interest in the Resolution other than as a member of the Trust, except:

- they may vote as proxies if their appointments specify the way they are to vote and they vote that way; and
- in respect of Units which they hold as a custodian, nominee, trustee, responsible entity or other fiduciary on behalf of a third party who is not an associate of CFM.

VOTING INTENTIONS OF THE CHAIR

CFM will appoint a Chair prior to the meeting. The Chair will vote any undirected proxies in favour of the Resolution.

FOREIGN RESIDENTS

Unitholders who live outside Australia are eligible to submit a Proxy Form on the same terms as Unitholders in Australia.

If the Resolution is approved and the Term Extension Proposal goes ahead, the taxation consequences for Unitholders that reside outside of Australia may differ to those of a resident Unitholder. Although the Taxation Report in Section 7 provides some general comments in relation to the Australian taxation implications for non-resident Unitholders, you should obtain advice from your own independent professional tax adviser on the tax implications for you of the Further Term.

Company Secretary
30 October 2024

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