



PEET FUNDS MANAGEMENT LIMITED
Investigating Accountant's Report

11 March 2016

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The Directors

Peet Funds Management Limited (as Responsible Entity to the Peet Werribee Land Syndicate)

Level 7

200 St Georges Terrace

PERTH WA 6000

Dear Sirs

INVESTIGATING ACCOUNTANT'S REPORT

1. Introduction

We have been engaged by Peet Funds Management Limited as Responsible Entity of Peet Werribee Land Syndicate ('Peet' or 'the Syndicate') to prepare this Investigating Accountant's Report ('Report') on the historical, pro forma and forecast financial information of the Syndicate for inclusion in the Product Disclosure Statement ('PDS') to be issued by the Syndicate. Broadly, the PDS will offer 25 million units at \$1 each to raise \$25 million before costs ('the Offer').

Expressions and terms defined in the PDS have the same meaning in this Report.

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Services Licence under the Corporations Act 2001. BDO Corporate Finance (WA) Pty Ltd ('BDO Corporate Finance') holds an Australian Financial Services Licence (AFS Licence Number 316158). We have included our Financial Services Guide as Appendix 1 of this Report.

2. Scope

The Syndicate has requested BDO Corporate Finance to prepare this Report to cover the following financial information:

Historical Financial Information

The Historical Financial information detailed in section 8 of the PDS comprises of:

- The balance sheet as at 18 February 2016.
(Hereafter 'the Historical Financial Information')

The Historical Financial Information has been extracted from the Syndicate's underlying books and records.

Pro Forma Financial Information

The pro forma financial information as detailed in section 8 of the PDS comprises:

- The pro forma historical balance sheet as at 18 February 2016; which assumes completion of the Offer, including the pro forma adjustments disclosed in the PDS.

(Hereafter ‘the Pro Forma Financial Information’)

Forecast Financial Information

The Forecast Financial Information as detailed in section 7 of the PDS, which comprises:

- The summary profit forecast for the period ending 30 June 2025, forecast returns and sensitivity analysis.

(Hereafter ‘the Forecast Financial Information’)

The Forecast Financial Information is based on the assumptions outlined in section 7.2 of the PDS.

3. Directors’ responsibility

The Directors are responsible for the preparation of the Historical Financial Information, Pro Forma Financial information and Forecast Financial Information, including the selection and determination of pro forma adjustments and the best-estimate assumptions underlying the Forecast Financial Information, set out in sections 7.2 and 8 of the PDS. This includes responsibility for such internal controls as the Directors determine are necessary to enable the preparation of Historical Financial Information, Pro Forma Financial Information and Forecast Financial Information are free from material misstatement, whether due to fraud or error.

4. Our responsibility

Historical and Pro-Forma Financial Information

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information and Pro-Forma Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

We have reviewed the Historical Financial Information and Pro-Forma Financial Information in order to state whether, on the basis of the procedures described, anything has come to our attention that would cause us to believe that the Historical Financial Information and Pro-Forma Financial Information is not prepared, in all material aspects, by the Directors in accordance with the stated basis of preparation.

Our review of the Historical and Pro-Forma Financial Information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Forecast Financial Information

Our responsibility is to express a limited assurance conclusion on the Forecast Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

We have reviewed the Forecast Financial Information and the Directors’ best-estimate assumptions underlying them in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that:

- the Directors' best estimate assumptions do not provide reasonable grounds for the Forecast Financial Information;
- in all material respects the Forecast Financial Information is not:
 - prepared on the basis of the Directors' best-estimate assumptions as described in the PDS;
 - presented fairly in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards, applied to the Forecast Financial Information and the Syndicate's adopted accounting policies; and
- the Forecast Financial Information is unreasonable.

Our review of the Forecast Financial Information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

5. Conclusion

Review conclusion on the Historical Financial Information and Pro-Forma Financial Information

Based on our review, which was not an audit, nothing has come to our attention which would cause us to believe that:

- the Historical Financial Information does not present fairly the balance sheet as at 18 February 2016 in accordance with the measurement and recognition requirements (but not all of the presentation and disclosure requirements) of Australian Accounting Standards;
- the Pro Forma assumptions do not provide a reasonable basis for the Pro-Forma Financial Information;
- the Pro Forma Financial Information has not been prepared on the basis of the assumptions set out in Section 8 of the PDS; and
- the Pro Forma Financial Information does not present fairly the pro forma historical balance sheet as at 18 February 2016 in accordance with the measurement and recognition requirements (but not all of the presentation and disclosure requirements) of Australian Accounting Standards as if the pro-forma transaction set out in Section 8 of the PDS had occurred at 18 February 2016.

Review conclusion on Forecast Financial Information

Based on our review, which was not an audit, nothing has come to our attention which would cause us to believe that:

- the Directors' best-estimate assumptions do not provide a reasonable basis for the preparation of the Forecast Financial Information; and
- the Forecast Financial Information was not prepared on the basis of the best-estimate assumptions.

The Forecast Financial Information has been prepared by the Directors in order to provide prospective investors with a guide to the potential financial performance of the Syndicate for the period ended 30 June 2025. There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to events and transactions that have not yet occurred and may not occur. The Directors' best-estimate assumptions on which the Forecast Financial Information is based relate to future events and transactions that management expect to occur and actions that management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of Peet. Evidence may be available to support the Directors' best-estimate assumptions on which the Forecast Financial Information is based however, such evidence is generally future-orientated and therefore speculative in nature.

Prospective investors should be aware of the material risks and uncertainties in relation to an investment in the Syndicate, which are detailed in the PDS, and the inherent uncertainty relating to the Forecast Financial Information. Accordingly, prospective investors should have regard to the investment risks described in section 9 of the PDS. The sensitivity analysis in section 7.4 of the PDS demonstrates the impact on the Forecast Financial Information of changes in key best-estimate assumptions. We express no opinion as to whether the Forecast Financial Information will be achieved.

We disclaim any assumption of responsibility for any reliance on the Report, or on the Forecast Financial Information to which it relates, for any purpose other than that for which it was prepared. We have assumed, and relied on representations from certain members of management of Peet, that all material information concerning the prospects and proposed operations of Peet have been disclosed to us and that the information provided to use for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

6. Consent

BDO Corporate Finance has consented to the inclusion of this Report in the PDS in the form and context in which it is included. At the date of this Report, this consent has not been withdrawn.

7. Disclosures

BDO Corporate Finance is the corporate advisory arm of BDO in Perth. Without modifying our conclusions, we draw attention to the PDS, which describes the purpose of the financial information, being for inclusion in the PDS. As a result, the financial information may not be suitable for use for another purpose.

Neither BDO Corporate Finance nor BDO, nor any director or executive or employee thereof, has any financial interest in the outcome of the proposed transaction except for the normal professional fee due for the preparation of this Report.

Yours faithfully

BDO Corporate Finance (WA) Pty Ltd



Sherif Andrewes

Director

APPENDIX 1 – FINANCIAL SERVICES GUIDE

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Peet Funds Management Limited ('Peet Limited') to provide an Investigating Accountant's Report for inclusion in the PDS to be issued by the Syndicate.

Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ('FSG'). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our Australian Financial Services Licence, Licence No. 316158;
- remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our internal and external complaints handling procedures and how you may access them.

Information about us

BDO Corporate Finance (WA) Pty Ltd is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our Report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients.

When we provide the authorised financial services we are engaged to provide expert reports in connection with the financial product of another person. Our reports indicate who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our Report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice.

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this Report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$40,000.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the Report.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Peet Limited for our professional services in providing this Report. That fee is not linked in any way with our opinion as expressed in this Report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution*Internal complaints resolution process*

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, PO Box 700, West Perth WA 6872.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service ('FOS'). FOS is an independent organisation that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial service industry. FOS will be able to advise you as to whether or not they can be of assistance in this matter. Our FOS Membership Number is 12561.

Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
Toll free: 1300 78 08 08
Facsimile: (03) 9613 6399
Email: info@fos.org.au

Contact details

You may contact us using the details set out on page 1 of our Report.