

Investment Overview



Sentinel Airlie Beach Trust 24 The Cove Road, Airlie Beach, QLD

- Forecast minimum distribution **10.40% pa year one¹** (paid monthly, post interest rate/expenses contingency of 4.60% year one)
- New facility (Sept 14) offering **major depreciation benefits** to eligible investors with **100%** of income anticipated to be **fully tax deferred** in Years 1, 2 & 3 (see table below)
- **New 20 year lease + 10 year option with 3% annual increases** to a major, established cruise and ferry operator with **90% market share** of all ferry and day cruise services in the Whitsundays
- The tenant, Cruise Whitsundays, have a fleet of **9 vessels** & in FY14 provided island resort connections for over **400,000 passengers** and conducted day trips for an estimated **170,000 tourists**
- Facility comprises a passenger terminal building with café and giftshop, 310 lineal metres of floating pontoon, 10 large vessel marina berths and retail fuel infrastructure
- **Key piece of infrastructure** for the tourism hub of Airlie Beach, the gateway to the **Whitsunday Islands** and the **Great Barrier Reef**
- Major regional projects include **\$59m** airport upgrade, **\$70m** 5-star ONE Whitsundays Resort and Spa, **\$600m** 6-star Lindeman Island redevelopment and **\$300m** mixed use China Town hotel/retail development
- 10.40% pa fully tax deferred cash distribution p.a. equates to a **pre-tax return equivalent of 20.39% pa** in year 1 for individual unit holders at the highest marginal tax rate (refer table below).



*Forecast Pre-Tax Equivalent Return on Equity (per annum)

	Tax Rate	Year 1	Year 2	Year 3
Individual Unit Holder	49%	20.39%	21.13%	21.97%
Company	30%	14.86%	15.39%	16.01%
Complying Superannuation Fund	15%	12.24%	12.68%	13.18%



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INVESTOR RETURNS

Forecast Distributions

Minimum 10.40% pa year one¹ Forecast Return on Equity

(Distributions are paid monthly, post interest rate/expenses contingency of approximately 4.60% year one)

^[1] You should read a copy of the Information Memorandum before deciding to invest. Returns are quoted post management fees.

INVESTMENT STRUCTURE

Investment Amount Minimum investment of \$100,000

Borrowing The Trust will have an anticipated gearing level of approximately 50% at settlement while maintaining a minimum Interest Cover Ratio of **4.14 times in year 1**

Investment Term The initial term of the Trust will be up to 7 yrs

Equity Raising We are seeking to raise approximately **\$8.95m**

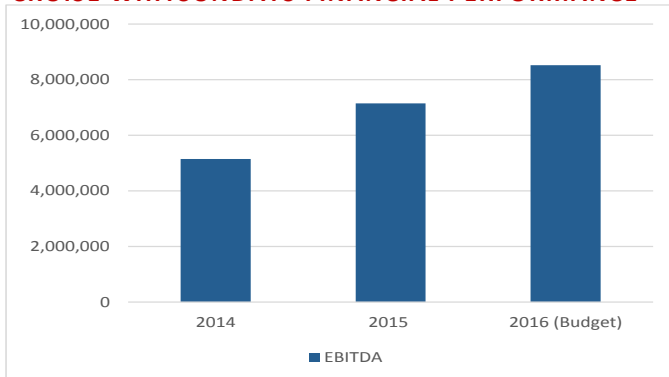
KEY DATES

Completion of the Property Acquisition is anticipated to be **September 2015**. The Key Dates will be detailed in full in the Information Memorandum.

WHY INVEST

- **Minimum 10.40% pa year one** forecast monthly distributions with **significant depreciation tax benefits**
- 20 year lease to the **largest cruise and ferry operator** in the region who has a **significant market share** with a number of **lucrative exclusive service contracts**
- **Key piece** of infrastructure for Airlie Beach, gateway to the Great Barrier Reef and magnificent Whitsunday Islands
- Minimum interest cover of **4.34x** year one
- **Positive economic outlook** in the region with increasing tourism figures and substantial investment being made by Australian and International developers
- Tenant has excellent financial credentials with their business expected to realise an estimated **66% increase in net profit FY14 to FY 16** - see below

CRUISE WHITSUNDAYS FINANCIAL PERFORMANCE



TOURISM OUTLOOK

The fall in the AUD/USD exchange rate is good news for tourism operators as well as the transport industry. Not only will this make Australia a relatively cheaper destination for international visitors, but domestic tourists who would have previously travelled overseas will now be more likely to look to domestic destinations for leisure travel.

The fall in oil prices is a big positive for tourism and transport operations throughout the country, easing pressure on air fares, bus, ferry and cruise operators.

With the exclusive transport agreements to major island resorts and established network of day cruises and marine activities, Cruise Whitsundays is well positioned to capitalise on the increasing tourism numbers forecast for the region. As the sole tenant of the subject property, their expected prosperity within the maritime industry will provide sustainable income to meet their obligations of the lease over the term.

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