

TRINITY ACCOMMODATION REGIONAL HOSPITALITY FUND III



Key Terms – TARHF Fund III

Fund:	Trinity Accommodation Regional Hospitality Fund – Fund III Units
Manager:	Mandala Asset Solutions
Asset class:	Regional Australia, accommodation driven, yielding properties with upside
Structure:	Unit trusts with flow through structure, independent custodian (Sargon) and tax timing benefits. Separate but linked PropCo and OpCo SPVs
Target Fund Size:	\$200-250m in total launched in stages
Investment Period:	Initial term of 5 years with annual reviews by investors
Drawdown:	Cash is held by investor until acquisition is confirmed and drawdown made
LVR cap:	50%
Cash Distributions:	Paid quarterly expected to commence at the end of the quarter following 100 days after drawdown
Management Fees:	2% p.a FUM paid quarterly. See Offer Document for full details of all fees.
Performance Fee:	20% above a 8% hurdle with 100% catch-up - based on cash distributions and including realised capital gains
Diversification:	Portfolio will consist of ~25-35 properties at full deployment with a deliberate strategy of diversification.

Investment Strategy – TARHF Fund III Units

Targeted assets = Regional Australia, accommodation driven, yielding properties with upside. No pubs, gaming, non-freehold or “raw” development (renovations and additional rooms are within our mandate)

Purchase focused property for returns – “buy, fix, consolidate, sell”

Income – target of 8% p.a over medium term

Capital – target of <12% p.a over holding period

Upside – Additional returns through exploitation of value added opportunities

Objective to achieve valuation uplift at exit through “roll up” of assets

Utilize the Manager’s track record and expertise to add value through:

- Rebranding the property
- Revenue enhancement, cost control and marketing
- Property upgrading, including product repositioning, hard and soft renovation

Key Investment Professionals

Core team members together with various GM couples having 20+ years in ownership and managing motel properties such as those targeted



John Zeckendorf, Principal. B.Econ, CA, Grad Dip Fin. John is a chartered accountant with over 25 years in hospitality, property and finance including 12 with PwC in insolvency, property and corporate finance. He has worked on more than 200 regional assets. He established Mandala Asset Solutions in 2003 with Ryan Shaw



Ryan Shaw, Principal B.Econ, CA. Ryan is a chartered accountant with over 20 years work in hospitality, property and finance including 9 with PWC in insolvency and corporate finance in 8 countries. He developed IT and job management systems with PWC for 2 major banks, 4 asset management companies and in use in 6 countries



Murray Emerton, Group Manager Murray is an operational manager with over 20 years of experience in hospitality management specialising in multi-property management. He is responsible for the overall profitability and operations of the Fund's active properties.



Greg Harper, CA Greg is partner at Camerons, a regional accounting firm. Greg has re-designed the Groups accounting and financial controls including the implementation of advanced HR management systems and Group real-time reporting. Greg leads our accounting team.



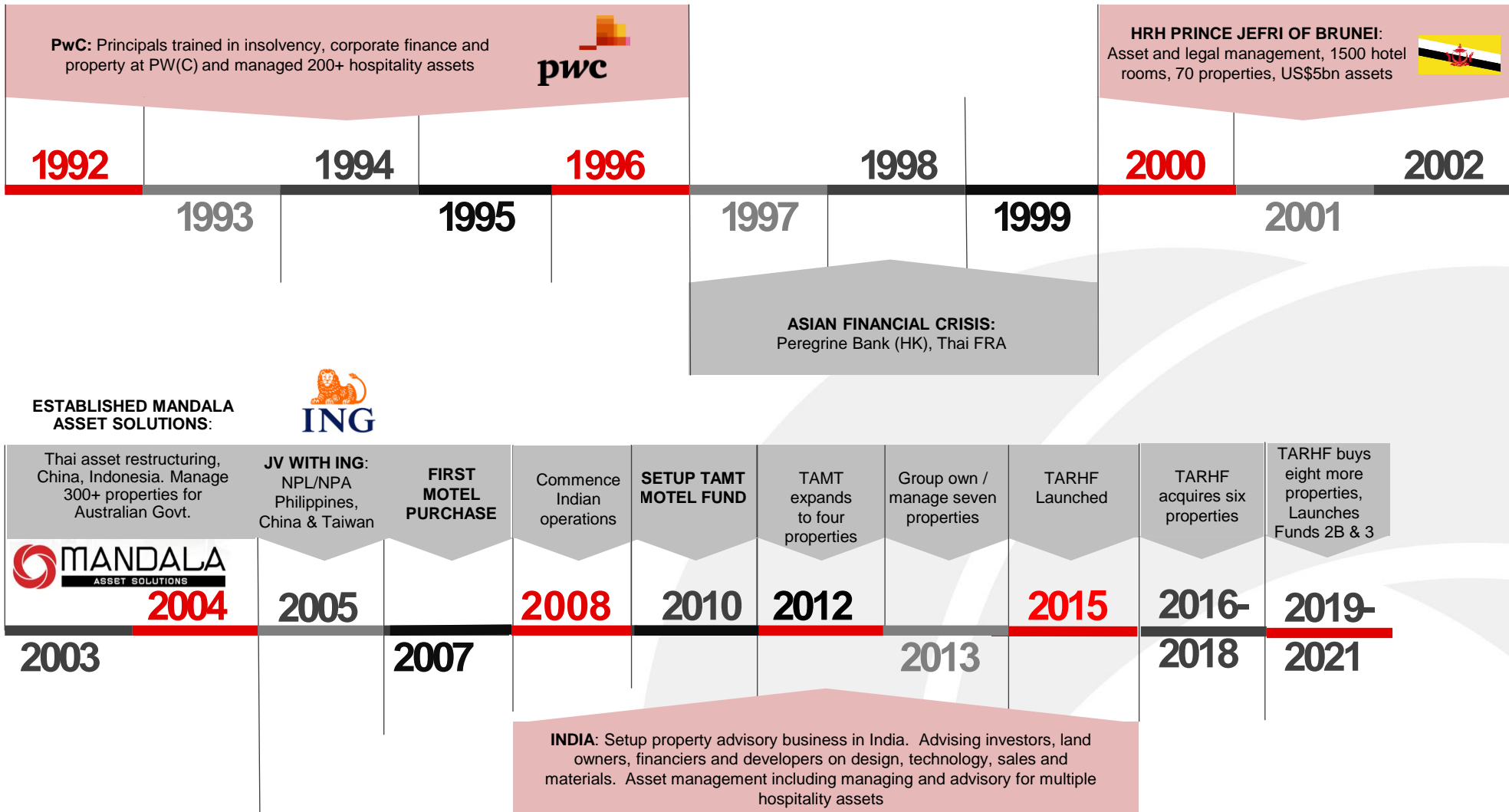
Rashna Govekar, Group Sales Manager Rashna has 15 years experience in hospitality sales. Rashna was previously at Star City and Amora Jamison Hotel in Sydney. Rashna is responsible for direct group sales including contracting and event income.



Melissa Kizana, Group Revenue Manager Melissa is an experienced revenue manager from the Accor hotels group. Melissa is responsible for online distribution, OTA's and all yield management and pricing strategies.

Access to a wide network of property managers, real estate agents, brokers, operators, industry experts and property developers

MANDALA'S EVOLUTION



ALIGNMENT OF MANAGERS

MANDALA ALIGNMENT

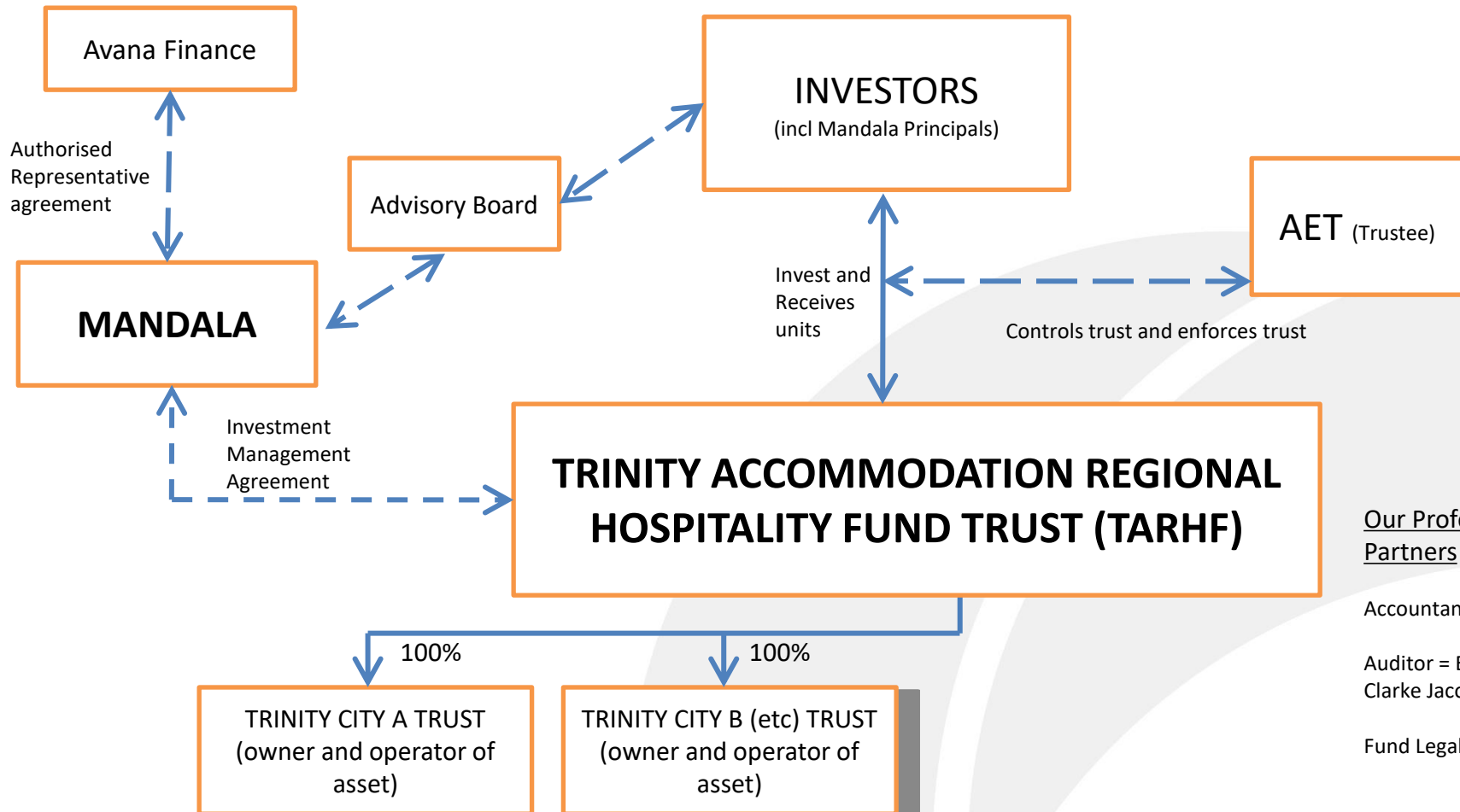
- Key Professionals own 100% of Mandala = retention and alignment
- Mandala Principals already heavily invested personally in this asset class
- **No related party transactions**
- Reward based performance fee will deliver profits to Mandala only when cash is delivered to investors
- Principals will adopt significant personal guarantees for trading accounts
- Mandala is only business interest of Mandala Principals (other than PA)

WHY MANDALA FOR THIS MARKET

MANDALA COMPETITIVE ADVANTAGE

- Hands on operations combined with deep understanding of property and finance
- Deal origination network
- Background in insolvency and turnaround to add value
- Deep sector knowledge and experience
- Success in delivering result in these assets over many years
- Leverage off existing capability and team is already in place
- Access to multiple exit routes

INVESTMENT STRUCTURE



Our Professional Partners

Accountant = Camerons

Auditor = Ecovis
Clarke Jacobs

Fund Legal = Hall & Willcox

Asset Level Track Record

Track record demonstrates attractive and consistent returns across 14 properties over 12 years with substantial yield and realisations in all cases

PRIVATE ACCOUNT																			
Asset	Location	Type	Standard	Date of Purchase	Source	Rooms	Constructed (Approx)	Purchase Price (\$m)	Equity (\$m)	Debt (\$m)	Capex (\$m) Initial	Date of Sale	Sale Price (\$m)	Est Cur Value (\$m)	IRR	MoM	Realised	Unrealised	Y3 Yield
Berry Village Boutique Motel	Berry	AFH	4*	Sep-07	NEG	25	2000	3.60	1.25	2.70	-	N/A	-	6.00	32.1%	6.4	2.0	3.3	16.0%
Nambour Lodge Motor Inn	Nambour	PFH	3*	Jun-11	NEG	19	1970	1.37	0.60	0.96	-	N/A	-	2.20	32.3%	5.0	0.8	1.2	20.0%
Parkview Motor Inn	Parkes	LH	3.5*	Apr-13	NEG	38	1965	0.40	0.54	0.20	0.10	Jun-15	0.5	-	15.1%	1.3	0.5	-	18.5%
Nebo	Nebo	PFH	3*	Jul-17	OM	56	1886/2000	1.00	0.60	0.50	-	N/A	-	1.10	16.7%	1.2	0.1	0.6	16.7%
TOTAL / WEIGHTED AVERAGE						138		6.37	2.99	4.36			0.50	8.20	26.0%	4.2	3.4	5.1	17.4%
TRINITY ACCOMMODATION MASTER TRUST (TAMT)																			
Asset	Location	Type	Standard	Date of Purchase	Source	Rooms	Constructed (Approx)	Purchase Price (\$m)	Equity (\$m)	Debt (\$m)	Capex (\$m) Initial	Date of Sale	Sale Price (\$m)	Est Cur Value (\$m)	IRR	MoM	Realised	Unrealised	Y3 Yield
Quality Inn Ambassador Orange	Orange	LH	4*	May-10	NEG	50	2007	1.70	1.13	0.88	0.10	N/A	-	2.30	40.1%	4.6	3.8	1.4	36.6%
Parklands Resort and Conference Centre	Mudgee	LH	4*	Dec-10	OM	67	1990	1.75	1.44	1.05	0.30	Apr-16	3.254	-	22.3%	2.7	3.8	-	10.9%
Artesian Spa Motel	Moree	LH	3.5*	Nov-11	NEG	45	1970/2010	1.68	1.08	0.84	0.10	N/A	-	0.90	8.9%	1.4	1.5	0.1	20.5%
Zigzag Motel	Lithgow	LH	4*	Apr-12	NEG	50	1970/2011	1.90	1.30	0.95	0.05	Feb-15	1.60	-	5.2%	1.1	1.5	-	23.0%
TOTAL / WEIGHTED AVERAGE						212		7.03	4.95	3.71			4.85	3.20	19.0%	2.4	10.6	1.5	22.1%
TRINITY ACCOMMODATION REGIONAL HOSPITALITY FUND (TARHF)																			
Asset	Location	Type	Standard	Date of Purchase	Source	Rooms	Constructed (Approx)	Purchase Price (\$m)	Equity (\$m)	Debt (\$m)	Capex (\$m) Initial	Date of Sale	Sale Price (\$m)	Est Cur Value (\$m)	IRR	MoM	Realised	Unrealised	Y3 Yield
Q Express	Townsville	PFH	3*	Nov-15	NEG	33	1970	2.05	0.90	1.33	0.00	N/A	-	2.35	15.6%	1.5	0.3	1.0	13.3%
Quality Inn Carriage House	Wagga Wagga	PFH	4*	Nov-15	NEG	38	1970	4.73	2.03	3.07	0.00	N/A	-	5.23	14.2%	1.4	0.8	2.2	15.8%
Lincoln Downs Resort	Batemans Bay	AFH	4*	Sep-16	OM	33	1980	4.54	2.26	2.94	0.15	N/A	-	5.25	8.7%	1.2	0.5	2.3	13.0%
Thunderbird Motel	Yass	AFH	4*	Nov-16	OM	32	1990	5.50	2.57	3.58	0.15	N/A	-	6.50	11.7%	1.3	0.6	2.9	15.3%
Elphin Motel and Serviced Apartments	Launceston	AFH	4*	Dec-16	NEG	28	1995	4.30	2.13	2.80	0.10	N/A	-	5.00	8.4%	1.2	0.5	2.2	15.3%
Mercure Albury (formerly Hotel on Olive)	Albury	AFH	4*	Apr-17	OM	60	1985	6.00	3.47	3.60	0.80	N/A	-	7.25	7.4%	1.2	0.6	3.7	13.2%
TOTAL / WEIGHTED AVERAGE						224		27.12	13.36	17.32			0.00	31.58	10.2%	1.3	0.6	2.6	14.3%

Key: AFH - active freehold, PFH - passive freehold, LH – leasehold
OM – off-market purchase, NEG - Negotiated on market, TEN – on-market tender, AUC – auction

Notes:

- * Asset level returns are net of fees to investors to **30 June 2019**
- ** IRR calculations assume cash flows distributed at year-end (instead of quarterly)
- *** IRR and MoM calculations assume that exit proceeds are net of both consideration for working capital and sales expenses (which are likely to net out)
- **** Yields are for third full year or latest 12 months in case asset has been owned for less than three years

CONTACT DETAILS

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IMPORTANT NOTICE

John Zeckendorf (Authorised Representative No. 1260375) and Mandala Asset Solutions Pty Ltd (“Mandala”) (Corporate Authorised Representative No. 461274), are duly Authorised Representatives of Avana Financial Solutions Pty Ltd (“Avana”) (AFSL No 516325 | ABN 67 631 329 078). Mandala, is the promoter and investment manager for the Trinity Accommodation Regional Hospitality Fund (“Trust”). John, provides general advice to wholesale clients about the Trinity Accommodation Regional Hospitality Fund (“Trust”).

This document contains general information only and does not take your investment objectives or needs into consideration.

This is not a solicitation to invest in the Trust. To invest in the Trust, potential investors must request an Information Memorandum (“IM”), read the IM in full and complete an application form. Units in the Trust are issued by Australian Executor Trustees Ltd (AFSL No 240023) (“AET”). Potential investors must consider their financial circumstances prior to making an investment decision. They must also seek appropriate professional advice on any legal, stamp duty, taxation and accounting implications of making any decisions regarding investment.

Investment in the Trust is open to wholesale investors only. Investment returns are not guaranteed. Neither Mandala, AET, Avana or any of their associates guarantee the performance of the Trust, the repayment of capital invested or any particular rate of capital or income return. Past performance information is not intended to be a forecast and is not necessarily an indicative guide to future performance.